BBGI

Interim Report 2018

William Bennett Bridge,
Kelowna, BC, Canada

A Global Infrastructure Company

Registre de Commerce
et des Sociétés Luxembourg:
B163879

FOR THE SIX MONTHS ENDED 30 JUNE 2018

www.bb-gi.com
BBGI SICAV S.A.

TABLE OF CONTENTS

FINANCIAL AND OPERATIONAL HIGHLIGHTS	1
CHAIRMAN'S STATEMENT	2
INVESTMENT PORTFOLIO	4
REPORT OF THE MANAGEMENT BOARD	
• Business Review	7
• Valuation	17
• Financial Results	23
MANAGEMENT BOARD RESPONSIBILITIES STATEMENT	28
FINANCIAL STATEMENTS (UNAUDITED)	
• Independent Auditor's Review Report to BBGI SICAV S.A.	29
• Condensed Consolidated Interim Income Statement	30
• Condensed Consolidated Interim Statement of Comprehensive Income	31
• Condensed Consolidated Interim Statement of Financial Position	32
• Condensed Consolidated Interim Statement of Changes in Equity	33
• Condensed Consolidated Interim Statement of Cash Flows	34
• Notes to the Condensed Consolidated Interim Financial Statements	35
BOARD MEMBERS, AGENTS & ADVISORS	55

CAUTIONARY STATEMENT

Certain sections of this report including the Chairman's Statement and the Report of the Management Board (the "Review Section") have been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Review Section 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 Directors 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 Directors 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, the Review Section may include target figures for future financial periods. Any such figures are targets only and are not forecasts.

This interim 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.

FINANCIAL & OPERATIONAL HIGHLIGHTS

For the six months ended 30 June 2018

FINANCIAL HIGHLIGHTS

- Investment Basis NAV ("NAV") per share was up 2.0% to 132.5 pence as at 30 June 2018 (129.9 pence – 31 December 2017).
- NAV up 12.6% to £700.9 million as at 30 June 2018 (£622.5 million as at 31 December 2017).
- Total Shareholder Return [1] ("TSR") since listing in December 2011 to 30 June 2018 of 80.0%, equating to an annualised TSR of 9.4% which is well above the IRR target of 7% to 8% on the £1 IPO issue price.
- The Company paid a second 2017 dividend of 3.25 pence per share on 6 June 2018, resulting in a total dividend payment of 6.50 pence per share for the year ended 31 December 2017, which was in line with target.
- The Company declared today a 2018 interim dividend of 3.375 pence per share, which is in line with the revised dividend target of 6.75 pence per share and will be paid on 24 October 2018.
- Target dividend for 2019 raised to 7.00 pence per share, which represents a further increase of 3.7%.
- Strong cash dividend cover of 1.9x[2].
- An annualised Ongoing Charge percentage of 0.96% which we believe continues to be the lowest in the UK listed infrastructure sector.

PORTFOLIO HIGHLIGHTS

Stable operational performance

- Global portfolio of 44 high quality, availability-based PPP infrastructure assets.
- Cash receipts ahead of business plan contributing to increase in FY 2019 dividend target.
- Strong performance of new assets with distributions in line with expectation.

Value-driven active management

- Good construction progress on North Commuter Parkway, Canada which is scheduled to complete on time in October 2018.
- Further de-risking of significant assets including Mersey Gateway Bridge, UK, which moved closer to stable operation, and Ohio River Bridges, US, which is now in stable operation.
- Value enhancements achieved through accretive management resulting in 1.4% increase in NAV.

Prudent financial management

- Equity capital of £60.8 million raised through a value accretive placing of new ordinary shares in April 2018.
- Four year revolving credit facility of £180 million secured in January 2018, with access to a further accordion tranche of £70 million.
- At 30 June 2018, the Group had, on an Investment Basis, a net debt position of £31.6 million (4.5% of NAV). In addition the Group had utilised a further £5.3 million of the credit facility to cover outstanding letters of credit.
- Revised hedging strategy aimed at further reducing FX volatility.

Selective acquisition strategy

- Completion of investment in the McGill University Health Centre, Canada, the fifth investment made through the continuing strategic partnership between the Company and SNC-Lavalin Group Inc. The total cash consideration paid for all five assets was approximately CAD191 million (£111 million).
- Acquisition of a further 33.33% interest in East Down Colleges PPP project in Northern Ireland, bringing the Group's equity interest to 100%.
- Subsequent to the reporting period, the Company completed the acquisition of a 25% interest in Stanton Territorial Hospital in Yellowknife, Canada.

Strong visible pipeline

- Attractive pipeline of availability based investment opportunities in Europe and North America including a pipeline agreement with SNC-Lavalin, which provides a right of first offer for a robust pipeline of Canadian availability-based PPP projects currently under construction.

Long-term custodianship

- BBGI is committed to good governance, investing responsibly and being a good corporate citizen/long term custodian. Environmental, Social and Governance ('ESG') initiatives include reduction of carbon footprint, ecological and environmental management, waste reduction and strong support of social initiatives.

---

[1] The TSR combines the share price appreciation and dividends paid since listing in December 2011 to show the total return to the shareholder expressed as a percentage. Based on the share price at 30 June 2018 after adding back dividends paid or declared since listing.

[2] The cash dividend cover ratio is a multiple that divides the total net cash generated in the period (available for distribution to investors) by the total cash dividends paid in the period based on the IFRS cash flows. 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. Refer to page 26 of this report for details on how the Cash Dividend Cover is calculated.

CHAIRMAN'S STATEMENT

David Richardson,
Chairman

DEAR SHAREHOLDER,

The first half of 2018 was another strong period for the Company. Your Management Board has been equally focused on active management of the portfolio to enhance value and further building up its global portfolio of high quality infrastructure assets. Cost controls have been rigorous and helped by the internal management structure, the annualised Ongoing Charges remain below 1%.

DIVIDENDS AND SHAREHOLDER RETURNS

In June, the Company paid a second 2017 interim dividend of 3.25 pence per share, resulting in a total dividend payment in line with the target of 6.50 pence per share for the year 2017. The Company today declared a 2018 interim dividend of 3.375 pence per share, which is in line with the revised dividend target of 6.75 pence per share and will be paid on 24 October 2018. We are also pleased to announce that with cash flows coming in ahead of the business model and the low risk and predictable nature of the Company's contracted cash flows, we have further increased our target dividend by 3.7% to 7.00 pence per share for 2019. The total shareholder return ("TSR") since the Company's IPO in December 2011 to 30 June 2018 has been 80.0%, equivalent to 9.4% TSR on an annualised basis and well above the IRR target of 7% to 8%.

THE PORTFOLIO

Active asset management remains a key priority at BBGI and is a fundamental pillar for our long term success. A variety of active asset management initiatives during the year resulted in approximately £8.9 million of value enhancements to the portfolio.

Once again, Management has demonstrated their ability to de-risk large projects. Ohio River Bridges in the USA is now in stable operation and Mersey Gateway Bridge, which was officially opened by Her Majesty Queen Elizabeth II in May 2018, moved closer to stable operations. The construction of North Commuter Parkway, Canada, has progressed well and is scheduled to complete on time in October 2018.

Overall during this period, BBGI's underlying portfolio has performed well with cash receipts ahead of plan and the assets acquired via the strategic partnership arrangement with SNC Lavalin performing in line with expectations.

CAPITAL REQUIREMENTS

The Company is giving consideration to an equity fundraising in the short to medium term in order to reduce leverage and thereby to provide financing flexibility with respect to its investment pipeline. The timing of a capital raise will depend on inter alia, wider market conditions, existing shareholder support and the proximity of current pipeline opportunities. Any fundraise in the short to medium term is likely to be via a tap issue and limited to approximately 10% of the issued share capital of the Company and would fall within the 12-month rolling 20% limit on the placement of new securities not requiring the issuance of a Prospectus, introduced by the new EU Prospectus Regulation.

INVESTMENT ACTIVITY

In June, the Company completed its investment in the McGill University Health Centre made through the previously announced strategic partnership arrangement with SNC Lavalin, which has delivered five investments to date and has potential to deliver five more investment opportunities with a potential equity investment volume in excess of £200 million.

During the half year period, the Company also completed the acquisition of a further 33.33% equity interest in the East Down Colleges PPP project in Northern Ireland and now owns 100% of the equity interest in the project.

CORPORATE CREDIT FACILITY AND CAPITAL RAISING

In January, the Company arranged a new four-year revolving credit facility of £180 million with a further accordion tranche of £70 million. In April, the Company raised an additional £60.8 million through a placing of new shares that was significantly oversubscribed.

I am also pleased to report that during the period the Luxembourg regulator granted the Company a waiver from the application of a 5% share issue price premium limitation. The Company held an EGM on 29 August, subsequent to the reporting period, which approved the necessary consequent amendments to the Articles.

RISKS AND UNCERTAINTIES

Despite BBGI's strong operational performance during the period, it has not been completely immune from the de-rating and higher levels of volatility experienced by the listed social infrastructure sector generally since John McDonnell's speech at the September 2017 Labour Party conference where he suggested the possibility of bringing existing UK PFI contracts "back in-house" if elected. Notwithstanding our previously expressed view that a wholesale nationalisation is unlikely, BBGI's exposure to the UK has further reduced to 35% and we are not experiencing any similar sentiments in those other jurisdictions where the Company invests. Carillion's failure in January 2018 also added to the negative public market sentiment towards the listed PPP infrastructure sector. As previously announced, BBGI has no Carillion exposure and Management has not identified any other significant exposure risk and therefore remains comfortable with the current supply chain exposure.

While the public market sentiment has been less positive for the listed PPP infrastructure sector than in the recent past, private market interest for PPP assets has remained very strong as evidenced by a number of recent transactions at high valuation levels, and the possible takeover bid for John Laing Infrastructure Fund at a significant premium to its current net asset value. Against this backdrop, I encourage investors to reflect on the benefits of having a well-diversified portfolio of availability-based assets offering long-term returns and delivering attractive and sustainable dividends.

BOARD SUCCESSION AND CORPORATE GOVERNANCE

This will be my final statement as Chairman of BBGI. In July, I announced my intention to retire from the Board on 30 August 2018. The Supervisory Board and the Management Board value good corporate governance and this is reflected throughout the business. BBGI is a member of the Association of Investment Companies and as such both reports against the AIC Code of Corporate Governance, whose principles and recommendations are carefully considered, and follows the AIC Corporate Governance Guide for Investment Companies. My decision to retire is part of a well-established succession plan.

Mr Colin Maltby, the current Senior Independent Director, will become Chairman from 31 August 2018. Mr Howard Myles will become the Senior Independent Director and Mrs Jutta af Rosenborg will become the Chair of the Audit Committee.

It has been a privilege to Chair BBGI since its IPO in 2011 and I would like to thank all my colleagues and the shareholders for their support. The Company has performed extremely well, providing investors with continued dividend growth above RPI and an attractive total shareholder return comfortably exceeding its IPO targets of 7% to 8%. In addition, the Company has grown from the original 19 infrastructure assets to the 45 it has today whilst growing its market capitalisation about 3.5 fold. The excellent Management Board has stayed focused on availability-based PPP/PFI contracts in AAA and AA rated jurisdictions.

I have tremendous confidence in Colin, the Supervisory Board and Management Board and remain very optimistic about the prospects of the Company in the years ahead. BBGI will remain focused on delivering on its commitments to shareholders whilst continuing to develop a high quality, global and diversified infrastructure opportunity for investors.

D.H. Richardson.

David Richardson
Chairman
BBGI SICAV S.A.
30 August 2018

INVESTMENT PORTFOLIO

PORTFOLIO SUMMARY

ROADS & BRIDGES	EQUITY STAKE
Canada Line, (Canada)	26.67%
E18 Motorway, (Norway)	100.00%
Golden Ears Bridge, (Canada)	100.00%
Kicking Horse Canyon, (Canada)	50.00%
M1 Westlink, (UK)	100.00%
M80 Motorway, (UK)	50.00%
Mersey Gateway Bridge, (UK)	37.50%
North Commuter Parkway, (Canada)	50.00%
Northeast Stoney Trail, (Canada)	100.00%
Northwest Anthony Henday Drive, (Canada)	50.00%
Ohio River Bridges/East End Crossing, (US)	33.33%
Southeast Stoney Trail, (Canada)	40.00%
William R. Bennett Bridge, (Canada)	80.00%

EDUCATION	EQUITY STAKE
Bedford Schools, (UK)	100.00%
Belfast Metropolitan College, (UK)	100.00%
Clackmannanshire Schools, (UK)	100.00%
Cologne Schools, (Germany)	50.00%
Cologne-Rodenkirchen School, (Germany)	50.00%
Coventry Schools, (UK)	100.00%
East Down Colleges, (UK)	100.00%
Frankfurt Schools, (Germany)	50.00%
Kent Schools, (UK)	50.00%
Lagan College, (UK)	100.00%
Lisburn College, (UK)	100.00%
North West Regional College, (UK)	100.00%
Scottish Borders Schools, (UK)	100.00%
Tor Bank School, (UK)	100.00%

HEALTHCARE	EQUITY STAKE
Barking & Havering Clinics (LIFT), (UK)	60.00%
Gloucester Royal Hospital, (UK)	50.00%
Kelowna & Vernon Hospitals, (Canada)	50.00%
Liverpool & Sefton Clinics (LIFT), (UK)	53.33%
McGill University Health Centre, (Canada)	40.00%
Mersey Care Mental Health Hospital, (UK)	76.20%
North London Estates Partnership (LIFT), (UK)	53.33%
Restigouche Hospital Centre, (Canada)	80.00%
Royal Women's Hospital, (Australia)	100.00%
Women's College Hospital, (Canada)	100.00%

JUSTICE	EQUITY STAKE
Avon & Somerset Police Headquarters, (UK)	100.00%
Burg Prison, (Germany)	90.00%
Northern Territory Secure Facilities, (Australia)	100.00%
Victoria Prisons, (Australia)	100.00%

OTHER	EQUITY STAKE
Fürst Wrede Military Base, (Germany)	50.00%
Stoke-on-Trent & Staffordshire Fire and Rescue Service, (UK)	85.00%
Unna Administrative Centre, (Germany) [3]	44.10%

As at 30 June 2018, BBGI's assets consisted of interests in 44 high-quality, availability-based, PPP/PFI infrastructure assets in the roads and bridges [4], healthcare, education, justice and other services sectors. Located in Australia, Canada, Continental Europe, the UK and the US, 100% of the assets by value are operational.

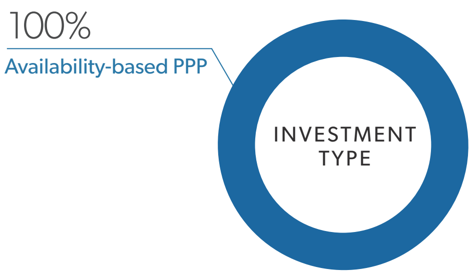
The concessions to project entities in the portfolio are granted predominantly by a variety of public sector clients or entities, which are government backed. All project entities in the portfolio are located in countries which are highly rated (Aa2/AA for the UK; Aaa/AAA for Australia, Canada, Germany and Norway; Aaa/AA+ for the US) by Moody's and Standard & Poor's, respectively.

[3] Entitled to 100% of economic distributions.

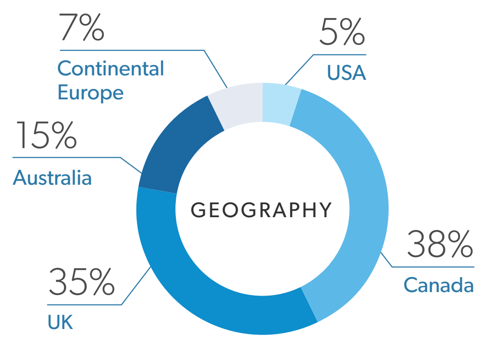
[4] This includes one rail project in Canada.

PORTFOLIO OVERVIEW

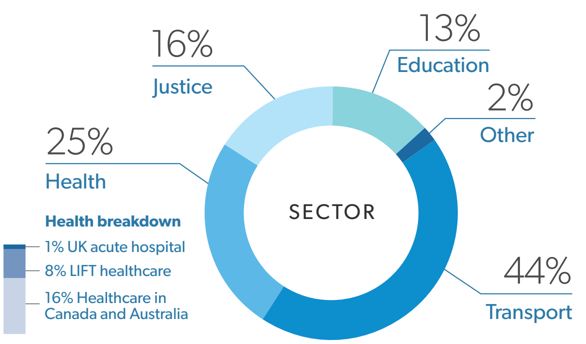
(based on portfolio value as at 30 June 2018)



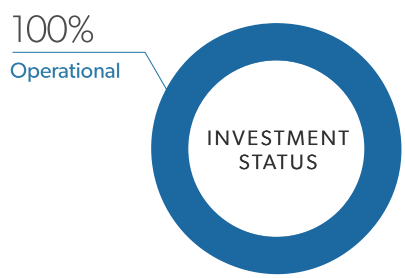
100% availability-based PPP revenue stream with no exposure to higher risk demand or regulatory assets



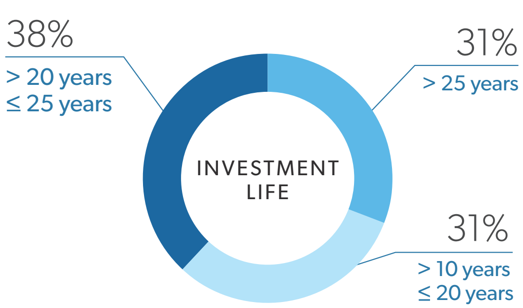
Geographically diversified in stable, developed countries



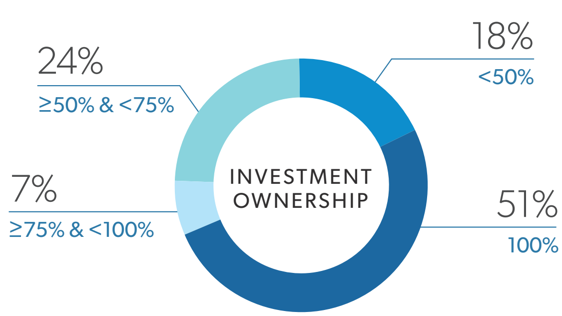
Well-diversified sector exposure with large allocation to lower risk availability-based roads & bridges (includes one rail project in Canada), and limited acute health (1%)



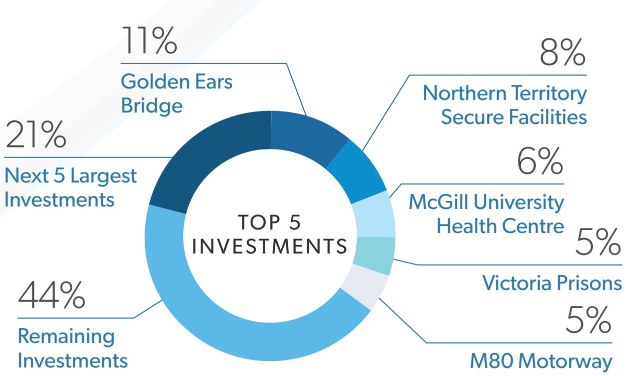
Low risk 100% operational portfolio (by value)



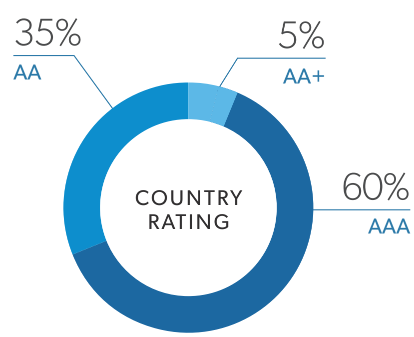
Long investment life with 69% of portfolio by value enjoying a concession length > 20 years; average life 21.6 years



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

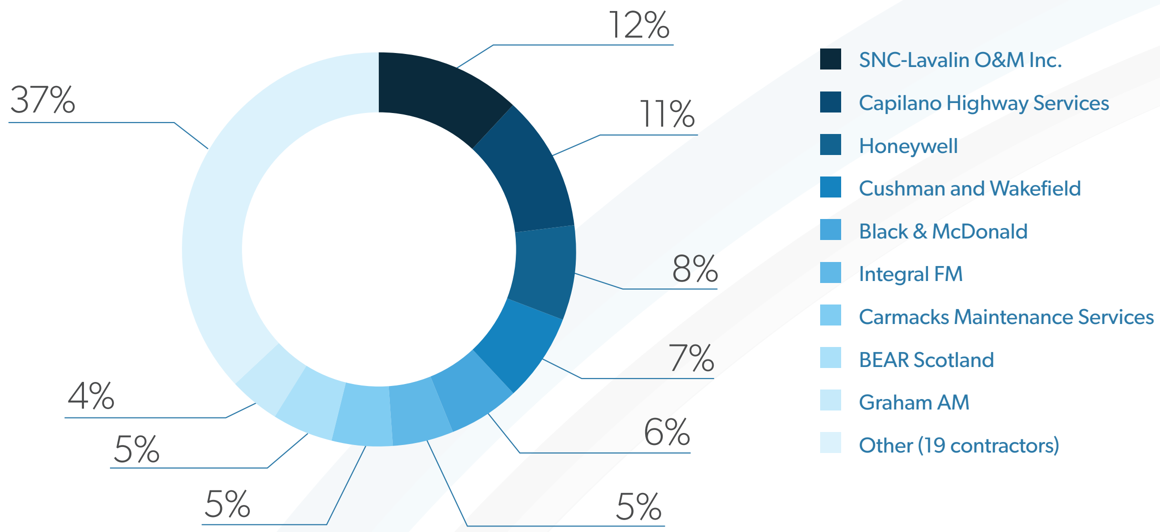


Well-diversified portfolio with no major single asset exposure



All assets located in countries with ratings between AA and AAA

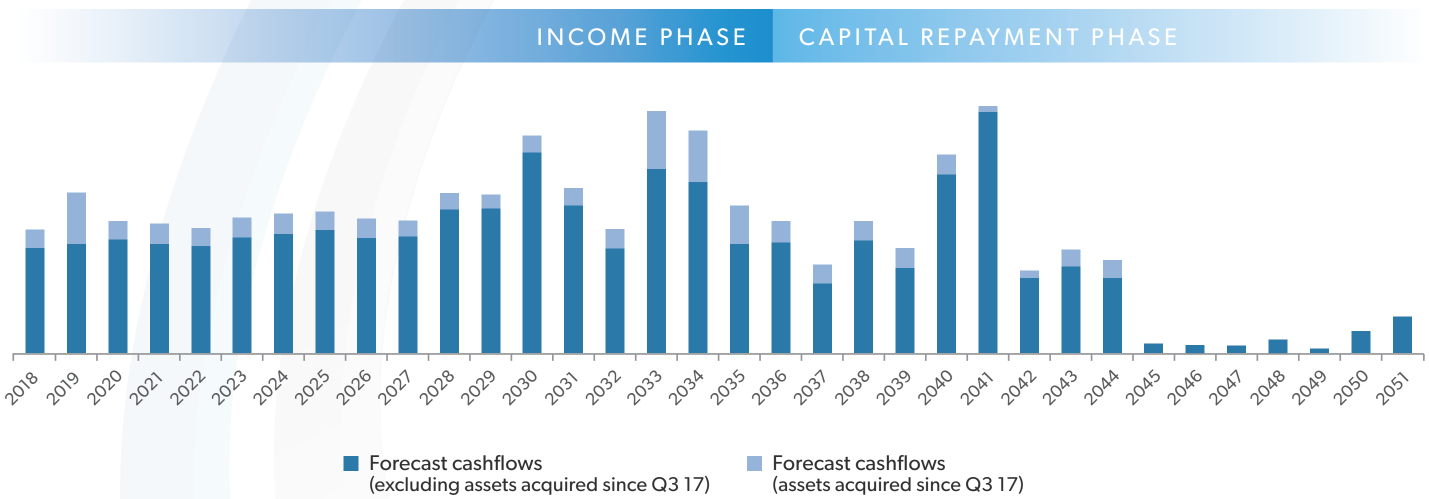
COUNTERPARTY EXPOSURE*



Diversified supply chain partners and no major single name exposure

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

ILLUSTRATIVE PORTFOLIO OVERVIEW



The above chart[5] is based on the portfolio as at 30 June 2018 and illustrates a steady stream of portfolio cash flows deriving from the underlying assets until 2051. The cash flows are stable and long-term with their predictability enhanced by public sector or public sector backed counterparties and the contracted nature of the cash flows. The Index-linked provisions provide a positive inflation correlation.

Typically, new investments contribute to both the cash flows and the weighted average length of the portfolio. Based on current estimates, the existing portfolio is forecast to enter into the repayment phase in 2036 whereby cash inflows from the portfolio will be paid to BBGI's shareholders as capital and the portfolio valuation will reduce as assets reach the end of their concession term.

As at 30 June 2018, BBGI has a weighted average portfolio life of 21.6 years, a decrease of 0.2 years compared with 31 December 2017.

[5] This chart is for illustrative purposes only and should not be taken as a forecast of actual outcomes, in relation to which no assurance can be given.

McGill University Health Centre,
Canada

REPORT OF THE MANAGEMENT BOARD

BUSINESS REVIEW

The Management Board is very pleased to report another successful six months for the Company in the period to 30 June 2018. Despite a challenging sector backdrop, the Company has continued to deliver on its key performance indicators.

BBGI's goals for 2018 remain consistent with those of previous years, i.e. to pursue a prudent, low-risk investment strategy focused on delivering long-term, predictable shareholder returns.

During the period, the investment portfolio has enjoyed an uplift in valuation resulting from continued active management, disciplined cost control and the continued strong market demand for PPP/PFI infrastructure assets. Furthermore, the Company has been active in pursuing opportunities in both the primary and secondary markets.

In light of the continued strong portfolio performance, the Board is pleased to confirm its 2018 dividend target of 6.75 pence per share, which represents an increase of 3.8% from the previous year and aligns with the Company's aim to increase progressively the dividend target over the longer term. As a result, the Company will pay an interim dividend of 3.375 pence per share on 24 October 2018.

HIGHLIGHTS AND KEY PERFORMANCE INDICATORS ("KPIS")

Please see page 1 for a summary of the Financial and Operational Highlights for the period ending 30 June 2018.
Certain key performance indicators for the last 3 ½ years are highlighted below:

	TARGET	31 DEC 2015	31 DEC 2016	31 DEC 2017	30 JUNE 2018	COMMENTARY
Dividends for the year	Progressive long term dividend growth in pence per share	6.00	6.25	6.50	6.75 target, 3.375 interim dividend	50% of the 2018 target achieved
NAV per share	Positive NAV per share growth	2.1%	13.1%	3.0%	2.0%	Achieved
Annualised Total Shareholder return since listing	7% to 8% annualised on IPO issue price of £1 per share	11.24%	11.20%	10.50%	9.4%	Achieved
Ongoing Charges	Competitive cost position	0.96%	0.98%	0.99%	0.96% [6]	Seek to minimise Ongoing Charge over time
Cash Dividend Cover	>1.0x	1.4x	1.3x	1.5x	1.9x	Achieved
Refinancing Risk (as a percentage of portfolio value)	Minimise refinancing risk	20%	18%	9%	8%	Achieved: Northern Territory is the only asset with refinancing risk
Asset Availability [7]	>98% asset availability	N/A	N/A	✓	✓	Achieved
Single Asset Concentration Risk (as a percentage of portfolio value)	To be less than 20% of portfolio value at time of acquisition	12% (NTSF)	13% (GEB)	12% (GEB)	11% (GEB)	Achieved
Availability based projects (as a percentage of portfolio value)	Maximise availability based projects	100%	100%	100%	100%	Achieved

CASH PERFORMANCE

The Company's portfolio of 44 high quality, availability-based infrastructure investments performed well during the period, with cash flows ahead of business plan.

AVAILABILITY

The availability level of the Group's assets for the period ended 30 June 2018 was approximately 99.7% demonstrating the high quality of the services provided. Deductions (if any) are either borne by third-party facility managers and road operators or are part of planned (lifecycle) budgets.

LOCK-UP / DEFAULTS

None of the portfolio assets were reported to be in default or lock-up as at the period ended 30 June 2018. This is a direct result of our ongoing 'hands-on' approach and the efforts of our asset management team.

[6] The Ongoing Charge percentage shown for 30 June 2018 is based on an annualised calculation.

[7] Calculated as percentage of actual availability payments received divided by scheduled payments.

DE-RISKING

During the reporting period, several assets were further de-risked: Mersey Gateway Bridge in Liverpool, UK has moved closer to stable operations and Ohio River Bridges, US has reached the stable operational phase. North Commuter Parkway, Canada is scheduled to complete on time in October 2018 and construction is progressing according to schedule.

RELATIONSHIP WITH PUBLIC SECTOR CLIENTS AND PARTNERS

The Management Board has worked hard to build and maintain a good dialogue and relationship with the Group's public sector clients and partners. We believe that having a regular dialogue with public sector clients is important for the partnership relationship and can help prevent any issues from escalating.

SUPPLY CHAIN EXPOSURE

BBGI actively monitors its supply chain exposure. The failure of Carillion in January highlighted the importance of supply chain monitoring and appropriate risk mitigation policies. The Company did not have any exposure to Carillion as either a constructor of facilities or as a service provider and therefore was not directly affected by Carillion's recent liquidation. There are no material counterparty issues to report at subcontractor level.

We believe that by having a diversified supply chain with no concentrated exposure, being geographically diversified and by having a rigorous supply chain monitoring policy in place, we are less exposed to this risk than we otherwise might be.

INVESTMENT PERFORMANCE

The share price closed at 135.5 pence on 30 June 2018, which represents a TSR of 80.0% since listing on 21 December 2011 to 30 June 2018, equating to an annualised figure of 9.4% since IPO. The return per share for the period ending 30 June 2018 calculated based on NAV per share growth and dividend paid was 4.5%.

The Investment Basis NAV per share at 30 June 2018 was 132.5 pence. The listed social infrastructure companies have experienced a de-rating since John McDonnell's speech at the September 2017 Labour party conference where he was critical of PFI in the UK. Carillion's failure in January 2018 also added to the negative public market sentiment for the listed infrastructure sector. It is worth noting that other stocks within the infrastructure peer group came under greater pressure over the same period, with others in the sector trading at a discount to their respective NAVs during the period. Management believe that the Company's robust share price performance relative to others in the sector is a reflection of its global investment portfolio with significantly less exposure to the UK, highly regarded internal management structure, absence of exposure to Carillion and furthermore an endorsement of the Company's disciplined investment strategy to continue to invest in pure play PPP assets only.

LONG-TERM CUSTODIANSHIP

BBGI is committed to value-driven active management and prudent financial management which drives long-term, responsible ownership of public infrastructure assets.

During the reporting period, several portfolio enhancements were undertaken to enhance the environmental and sustainability performance of individual assets. Some examples include:

- Liverpool & Sefton Clinics (LIFT)

  The Royal Society for the Prevention of Accidents (RoSPA) Gold Medal Award was awarded in respect of this asset for the fifth successive year, for health and safety performance. RoSPA Gold Award winners have achieved a very high level of performance, demonstrating well developed occupational health and safety management systems and culture, outstanding control of risk and very low levels of error, harm and loss.

• Stoke-on-Trent & Staffordshire Fire and Rescue Services

On an ongoing basis, the Project Company contributes to the Prince's Trust, through which it reaches out to a number of children, young people and partnerships in the Staffordshire and Stoke-on-Trent regions. As an example, the project has been involved in helping deliver courses based on a theme (science, technology, engineering or maths) which contribute to increasing the confidence, skills and employability of young people.

• Avon & Somerset Police accommodation

Two initiatives under the joint Project Company/client 'strategic fit' program have progressed, one of which is the complete conversion of a shipping container into a residential unit for the homeless. Another initiative includes the decoration and help to renovate a property for the support and rehabilitation of women with addiction problems. Both initiatives add to the strategic intent of the Blue Light Partnership and their associated service providers, in relation to our long-term relationship with the Avon & Somerset Police Authority and how we will work together towards delivering real tangible outcomes that support the Police and Crime Plan in the areas of sustainability and environmental and corporate social responsibility. Other examples of initiatives realised under this scheme include the following; redecoration of a women and children refuge, installation of a wormery (food waste recycling), addition of hand dryers in single toilet cubicles (reduction of hand towel use), and employment of an apprentice.

• Kent Schools

One of the schools of the Kent education project, the Malling School, had advised it wishes to increase outdoor seating at the school. Kent Schools, sponsored by the Project Company, is in the process of constructing and installing 16 benches in the shade of trees situated around the site. Furthermore, Kent Schools is organising to provide catering for the day of opening these benches.

• Golden Ears Bridge

During the peak of the snowmelt in May 2018, several communities near the Fraser River were at high risk of flooding including the Katzie First Nation in Pitt Meadows, one of the Project's neighbouring communities. The Project Company with the support of its O&M Contractor immediately deployed equipment outfitted to fill sandbags at a rapid pace and staff volunteered their time during a weekend to help contain the emergency in the affected areas.

• Mersey Gateway Bridge

A great moment for the project and the entire community of Halton Borough, when Her Majesty Queen Elizabeth II and The Duchess of Sussex opened the Mersey Gateway Bridge on 14 June 2018. The project is a great showcase of how large infrastructure projects can help to rejuvenate an entire region by focusing on social and community benefits from the beginning. The project attracted more than 470 permanent full time equivalent jobs including over 30 apprenticeships on site during the construction phase. It will help to create over 4,000 permanent new jobs through regeneration and inward investments in the region long term. In addition the travel times over the River Mersey have reduced by 10 minutes per journey.

Official opening,
Mersey Gateway Bridge,
June 2018

DIVIDENDS

A second 2017 interim dividend of 3.25 pence per share was paid on 6 June 2018. Together with the first interim dividend, which was paid in October 2017, the total dividend for the year ended 31 December 2017 amounted to 6.50 pence per share.

The Board has today declared a 2018 interim dividend of 3.375 pence per share, which is in line with its increased target of 6.75 pence per share, to be paid on 24 October 2018. Furthermore, the Board is providing 2019 dividend guidance of 7.00 pence per share, which represents an increase of 3.7%.

FOREIGN EXCHANGE

During the period ended 30 June 2018 there were some adverse movements across the currencies to which BBGI is exposed, most notably a strengthening of the Sterling against the Australian and Canadian dollar. The net effect of exchange rate movements on the NAV over the period was a decrease of £5.9 million. This figure takes into account a £7.1 million reduction in portfolio value resulting from foreign exchange movements which was partially offset by a £1.2 million gain resulting from the natural hedge effect of foreign currency borrowings and foreign currency gains on cash balances and working capital.

HEDGING

BBGI is exposed to foreign exchange movements on future portfolio distributions denominated in Australian dollars (AUD), Canadian dollars (CAD), euros (EUR), Norwegian kroner (NOK) and US dollars (USD). The Company seeks to mitigate foreign exchange risk by implementing a combination of the following techniques which are further explained below:

- natural hedge in place for EUR denominated income;
- hedging of forecast portfolio distributions;
- borrowing in the currency of the underlying project, and
- balance sheet hedging through the use of forward contracts.

Firstly, euro denominated income is not subject to any currency exposure as the majority of BBGI's running cost are paid in euro thereby providing a natural hedge.

Secondly, the non-Sterling and non-euro distribution proceeds that will be used to pay dividends on ordinary shares over the next four years are subject to currency fluctuations. In order to reduce this risk and the volatility of returns that may result from such currency exposure, the Company has implemented a policy of using forward contracts to hedge a portion of its anticipated foreign currency cash flows. During the period the Company entered into a number of additional forward contracts in order to maintain a four-year coverage with forecast portfolio distributions hedged on a 100% basis for years one to year four. The Management Board revised its hedging strategy during the reporting period resulting in a 100% hedge of the year four forecast portfolio distributions where previously they were hedged at 75%.

Thirdly, the Company currently utilises its ability to borrow in the currency of underlying assets. During the period the Company utilised some of its multi-currency credit facility to borrow in CAD and thereby benefit from a natural hedge until these borrowings are repaid. As at 30 June 2018, the Company had outstanding CAD borrowings of CAD253.1 million. Over the same period the Company recognised a gain on foreign currency borrowing of £0.8 million which partially offset the negative movement from foreign exchange on the portfolio value.

Fourthly, the Company has decided to expand its hedging strategy with the objective of further mitigating the risk of currency fluctuations. The Management Board intends to enter into forward contracts with a term of c. one year to hedge part of all non-Sterling and non-euro denominated portfolio values. The objective is to reduce the sensitivity of the NAV to adverse movements resulting from currency fluctuations in any given year. Currently a 10% adverse movement in foreign exchange rates would result in a 3.6% reduction in NAV or a 5.7% reduction in NAV if we were to exclude foreign currency borrowing (the third hedging tool, referred to above). Using the above scenario of a 10% adverse movement in exchange rates, the forward contracts would reduce the FX sensitivity and risk by almost 50%. Under this revised hedging strategy Management would seek to limit this NAV reduction to 3% for a 10% adverse movement in foreign exchange. By doing so the Company can continue to increase its global exposure while at the same time prudently manage the sensitivity of the NAV to a level deemed acceptable by Management. The intention is that the natural hedge derived from the foreign currency borrowing will be replaced by the forward currency contracts.

REVOLVING CREDIT FACILITY

In January 2018, the Group secured a new multi-currency Revolving Credit Facility (RCF) of £180 million from ING, KfW and DZ Bank AG.

The tenor of the new RCF is four years, and the borrowing margin decreased to 165 bps over LIBOR. The arrangement fee and the commitment fee also decreased.

Under the new RCF, BBGI retains the flexibility to consider larger transactions by virtue of having structured a further £70 million incremental accordion tranche, for which no commitment fees will be paid.

The new RCF will be used primarily to fund acquisitions and provide letters of credit for investment obligations, and the intention will be to repay the facility from time to time through equity fundraisings. As part of the Company's hedging strategy part of the loan was also used for balance sheet hedging purposes.

As at 30 June 2018, the Group had utilised £151.2 million of the £180 million RCF, of which £5.3 million was used to cover letters of credit.

FINANCING

As at 30 June 2018, the Group had, on an Investment Basis, a net debt position of £31.6 million consisting of a total cash balance of £114.3 million and total borrowings outstanding of £145.9 million. In addition, the Group had utilised a further £5.3 million of the credit facility to cover outstanding letters of credit. All borrowings outstanding at 30 June 2018 were denominated in CAD thereby providing a partial hedge against foreign exchange movements on portfolio value. Subsequent to the 30 June 2018 balance sheet date, the Company repaid CAD155.4 million of borrowings thereby reducing the Group's cash balance to c. £29 million as at 28 August 2018.


Mersey Gateway Bridge, UK

TAP ISSUE AND REMOVAL OF 5% PREMIUM RESTRICTION

In April 2018, the Company raised £60.8 million of gross proceeds through a placing. This was after undertaking a scaling back exercise as the placing was significantly oversubscribed. A total of 47,525,493 new ordinary shares were issued at a price of 128.0 pence each and commenced trading on 24 April 2018.

The support shown by both existing and new investors in this fundraise, particularly given the backdrop of more challenging and uncertain markets, was particularly encouraging and a further endorsement of the Company's investment strategy.

The Company has the ability, without the expense of issuing a prospectus or holding an extraordinary general meeting ('EGM'), to raise new equity by allotting up to 10% of its issued share capital to finance further acquisitions [8].

As previously reported, under the Luxembourg law of 17 December 2010 on undertakings for collective investments, the Company was prohibited from issuing shares at a price exceeding the NAV per share plus 5%. We are now pleased to report that in April 2018 the Commission de Surveillance du Secteur Financier confirmed that it had waived the 5% limitation restriction, subject to the amendment of the Company's Articles of Association. An EGM of the shareholders which was held on 29 August voted in favour of making the necessary amendments to the Company's articles. With the removal of this limitation the Company is no longer prohibited from issuing shares at premium of greater than 5% of NAV per share and can now issue shares at or close to the market price in accordance with the UK listing rules.

The Company is giving consideration to an equity fundraising in the short to medium term in order to reduce leverage and thereby to provide financing flexibility with respect to its investment pipeline. The timing of a capital raise will depend on inter alia, wider market conditions, existing shareholder support and the proximity of current pipeline opportunities. Any capital raise in the short to medium term is likely to be limited to approximately 10% of the issued share capital of the Company.

PROJECT FINANCING

As at 30 June 2018, the weighted average PPP project concession length remaining was 21.6 years and the weighted average portfolio debt maturity was 18.6 years. Debt financing at the project level is structured in a way that does not provide any recourse to the Company.

INTERNALLY MANAGED

The Company has an experienced internal management team. Management are incentivised to maintain and grow the returns to shareholders. As BBGI has no external manager, there are no fees paid based on the size of the portfolio and no acquisition fees.

The Ongoing Charge percentage is a figure that shows the drag on performance caused by operational expenses. This figure is expected to continue to decrease due to economies of scale as the portfolio increases in size, i.e. the growth in the average net assets is expected to outpace the growth in the cost of administering those assets, thereby resulting in a reduction in the Ongoing Charge percentage. The annualised Ongoing Charge for the year ending 31 December 2018 is forecast to be 0.96% [9].

[8] Under the new EU Prospectus Regulation, which was enacted into law in 2017, regulated market issuers have the ability to conduct private placements of new securities of less than 20 percent of their existing listed securities for a 12-month period and to have those new securities admitted to listing without the need to issue a listing prospectus.

[9] Refer to page 24 of the Financial Results section of this report for further detail on the Ongoing Charge percentage.

MARKET DEVELOPMENTS

During the last 9 months, there has been a disconnect between the public markets for PPP infrastructure and the private markets for PPP infrastructure investments. From September 2017 to July 2018 there was a period where the public markets were less enthusiastic about the prospects for the sector than they have been in the recent past. The public markets were driven by comments made by Labour MP John McDonnell who was critical of PFI in the UK, by concerns about Carillion's collapse and the impact it may have on the sector, and other macro-economic factors. The result was that during this period, all BBGI's peers within the listed infrastructure space moved to trading at discounts to published NAV for a period of time, a situation which had not existed since the brief period during the Global Financial Crisis in 2008 and 2009. BBGI's share price showed more resilience than its peers and continued to trade at a premium to NAV (likely due to the fact that it had no Carillion exposure and benefitted from a globally diversified portfolio of PPP assets with only 35% exposure to UK).

During this same period, the demand for PPP infrastructure assets amongst private market investors remained very robust. Private market investors continued to seek out high-quality income, particularly from asset classes uncorrelated to general equity market volatility and economic cycles. This has continued to make PPP infrastructure a very desirable asset class to these investors. This trend was evidenced by a number of high profile single asset transactions (e.g.: Inner City Express Programme, M25 / Connect Plus, Highland Schools, etc.) at compelling valuations and was further validated in July 2018, shortly after the period end, when the Board of JLIF announced that a consortium of two private fund managers were engaged in discussions regarding a possible cash offer for the issued share capital of JLIF, at a 20.6 per cent premium to JLIF's closing share price on the last trading day prior to the announcement. The latter event has acted as a catalyst, resulting in each of the UK listed infrastructure peers returning once again to trading at premiums to NAV.

The Management Board believes the market outlook for the Company remains positive. Infrastructure investment remains a key priority for governments in the regions where we operate as it is viewed as a driver of economic growth, employment and social betterment. The number of new projects being considered in the markets where we are active is significant and we are optimistic this environment will lead to continued investment opportunities for experienced companies like BBGI who have strong origination and investment capabilities.

We continue to track both primary development opportunities and secondary acquisition opportunities in a variety of PPP transactions in the transportation, health, judicial, and accommodation sectors as described below. We will remain focused on availability-based PPP projects and will stay within our circle of competence. All opportunities are appraised on an individual basis and pursued in a disciplined way. BBGI's strong origination and development platform will continue to seek out attractive investment opportunities in Europe, North America and Australia.

Southeast Stoney Trail, Canada

SECONDARY
INVESTMENT ACTIVITY

Despite a competitive acquisition environment, the Company has demonstrated it can still grow its PPP portfolio on accretive terms. During the half year period, we completed two transactions and one subsequently in July, all done without engaging in auctions:

In April 2018, BBGI completed the acquisition of a further 33.3% equity interest in the East Down Colleges PPP project in Northern Ireland and now owns 100% of the equity and debt interest in the project. The acquisition price of c. £2.1 million was funded from the Company's existing cash resources.

In June 2018, the Company completed its investment in the McGill University Health Centre ("MUHC"), an investment made through the continuing strategic partnership (the "Partnership") between the Company and SNC-Lavalin Group Inc. (TSX ticker: SNC). The asset is classified as availability-based under the investment policy of the Company.

MUHC is a 214,000 m2 hospital with 500 private patient rooms located in Montreal, Quebec. The project became operational in 2014 and the concession runs until 2044. Availability payments are received from MUHC, which is rated A (high) by the credit rating agency DBRS. The cash consideration for the interest acquired was funded from drawings under the RCF and is the fifth transfer by SNC-Lavalin into the Partnership. The total cash consideration paid for all five project interests previously announced is approximately CAD191 million or approx. (£111) million.

Subsequent to the reporting period, on 16 July 2018, we also acquired and completed a 25% equity interest in the Stanton Territorial Hospital PPP Project ("Stanton"). Stanton is a new 27,000 m2 hospital with 100 patient rooms located in Yellowknife, Northwest Territories, Canada. The project is in the final stages of construction and has a 30-year operational period. Availability payments will be received from the Government of Northwest Territories, which is rated Aa1 by the credit rating agency Moody's. The facility management contractor is a wholly-owned subsidiary of Fairfax Financial Holdings Limited which has taken over the contract from Carillion Canada Inc. BBGI does not have any exposure to Carillion either as construction contractor or as facility management contractor. The cash consideration for the interest acquired has been funded from the Company's existing cash resources and drawings under the existing credit facility to back the equity commitment. As per the arrangements between the parties the specific purchase price is confidential but is less than £5 million.

The Board is looking forward to continuing to build on its strategic partnership with SNC-Lavalin and continues to benefit from a formal pipeline agreement with SNC-Lavalin that provides a right of first offer with respect to the potential future acquisition of defined interests in SNC-Lavalin's robust pipeline of Canadian availability-based PPP projects currently under construction. The Management Board views Canada as a stable, reliable and well developed operating environment. These assets represent a further investment potential in excess of £200 million and include the Highway 407 East Extension Phase I (Ontario), the Confederation Line (Ottawa, ON), the John Hart Generating Station (Campbell River, BC), the New Corridor for the Champlain Bridge (Montreal, QC), and the Eglinton Crosstown LRT (Toronto, ON). We expect this pipeline to provide investment opportunities in the near to mid-term as these assets move closer to construction completion.

PRIMARY INVESTMENT ACTIVITY – BIDDING ON NEW PPP PROJECTS

As our portfolio grows, and projects currently in construction move into their operational phase, we will continue to add construction exposure to maintain an appropriate mix. As a number of senior members of our team have extensive experience managing PPP bids and seeing assets through the construction phase, we believe some exposure (less than 25%) can be attractive. We see this as an opportunity to grow the NAV organically over time and will continue to ensure that the dividend target is not compromised. Since IPO the Company has de-risked a variety of projects which added 5.2% to the NAV [10], demonstrating the added value this strategy brings to the shareholders.

The Company is also actively looking at Offshore Transmission Line (OFTO) projects. OFTO contracts provide for a (at least) 20-year index-linked availability-based revenue stream. The OFTO's revenue stream is unrelated to the generating asset's performance (or even presence). The OFTO needs only to ensure the transmission infrastructure is available to transmit regardless of the power actually generated.

The Company is part of a consortium bidding for a new availability-based accommodation and training project for the Marine Corps in the Netherlands. Contract award is scheduled for 2019 and full operational capacity of the new facilities should be achieved by 2022/2023. These new facilities are to be located in the city of Vlissingen in the southwest of the Netherlands. The Dutch State which will be the contractual counterpart is rated AAA/Aaa (Standard & Poor's/Moody's).

[10] Cumulative annual NAV growth since listing

PRINCIPAL RISKS AND UNCERTAINTIES

Each quarter the Board reviews and considers updates to the Company's Risk Matrix. The principal risks faced by the Company, and the controls and strategies used to mitigate those risks, have not materially changed since those set out in detail in the 31 December 2017 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. We 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 and page 11 for the Company's hedging strategy.

TAXATION RISK

The risk the implementation of various national and international tax developments could have an adverse impact on the Group's cash flows. BBGI and its advisors will continue to review these developments and others to assess whether any changes are required in order to minimise the impact, if any, on Group cash flows.

CREDIT AND COUNTERPARTY RISKS

The risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. BBGI applies strict criteria when identifying / assessing potential counterparties and undertakes a due diligence process before committing to enter into contractual relationships.

NATIONALISATION OF PFI PROJECTS

Representatives of the UK Labour Party have voiced their ambition to bring private finance initiative (PFI) contracts "back in-house" were the Labour Party returned to government. Whilst the Board recognise 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. We refer to the 2017 Annual Report for further detail on the various mitigants / deterrents to the risk of voluntary termination for the UK projects where BBGI has made investments.

MACROECONOMIC ASSUMPTION RISK

The risk that the macroeconomic assumptions made 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 based on sound methodologies and 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 page 17 of the Valuation section of this report for further details.

OTHER EXTERNAL RISKS

Includes the political and regulatory risks associated with the Group and its projects; IT and cyber risks; and changes in the competitive environment which may have an adverse impact on the Group.

The Board seeks to mitigate and manage risks relating to the Group through continual review, policy setting and enforcement of contractual obligations. It also regularly monitors the investment environment and the management of the Group's portfolio.

Further details on the above risks can be found in the Risk and Risk Management section of the Company's 2017 Annual Report.

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 at 30 June and 31 December each year. An independent third party reviews the valuation.

The valuation is determined using the discounted cash flow methodology. The cash flows forecast to be received by the Company or its subsidiaries, generated by each of the underlying assets and adjusted as appropriate to reflect the risk and opportunities, are discounted using project specific discount rates. Assets are valued on an individual basis and no additional portfolio premium is applied. The valuation methodology is the same one used for the valuation of the portfolio in previous reporting periods.

The Company uses the following macroeconomic assumptions for the cash flows:

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

[1] Basket of four indices.

[2] 80% of ORB indexation factor for revenue is contractually fixed at 2.5% and is not tied to CPI.

[3] Individual tax rates vary among Canadian Provinces.

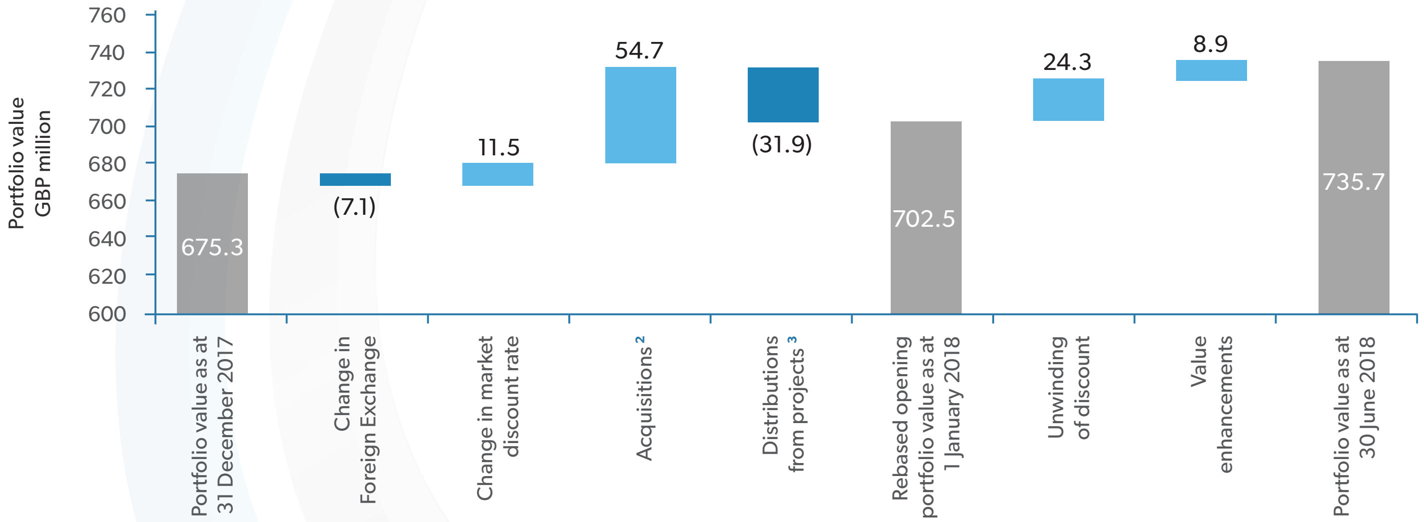
Project Company and portfolio cash flow assumptions underlying NAV calculation include:

- The macroeconomic assumptions as set out above continue to be applicable.
- The financial models for the Project Companies accurately reflect the terms of all agreements relating to the Project Companies and a fair and reasonable estimation of future cash flows accruing to the Project Companies.
- The Project Company 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.
- 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.
- In cases 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 borne by the Project Companies during the operations period are fully passed down to subcontractors under contractual arrangements or are part of the planned (lifecycle) budgets.
- Where the Project Company owns the residual property value in an asset that the projected value is realised.
- 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.

Over the six-month period from 31 December 2017 to 30 June 2018, the Company's Investment Basis NAV increased from £622.5 million to £700.9 million. The increase in NAV per share from 129.9 pence to 132.5 pence or 2.0% is primarily as a result of the key drivers listed below. The Management Board believes that the portfolio valuation is prudent and conservative.

NAV MOVEMENT 31 DECEMBER 2017 TO 30 JUNE 2018	£ MILLION
Net Asset Value at 31 December 2017	622.5
Add back: other net liabilities at 31 December 2017 [1]	52.9
Portfolio value at 31 December 2017	675.3
Change in foreign exchange	(7.1)
Change in market discount rate	11.5
Acquisitions/follow-on investments	54.7
Distributions from projects	(31.9)
Rebased opening portfolio value at 1 January 2018	702.5
Unwinding of discount	24.3
Value enhancements	8.9
Portfolio value at 30 June 2018	735.7
Other net liabilities at 30 June 2018 [1]	(34.8)
Net asset value at 30 June 2018	700.9

PORTFOLIO MOVEMENT 31 DECEMBER 2017 TO 30 JUNE 2018



[1] These figures represent the assets and liabilities of the Group after excluding the portfolio of project investments and include, amongst other items, the Group's consolidated cash balances and borrowings (where applicable).

[2] This includes the purchase price paid for the interest in McGill University Health Centre in Canada acquired from SNC-Lavalin and the further 33.33% interest in East Down Colleges PPP project in Northern Ireland.

[3] While distributions from projects reduce the portfolio value, they do not have an 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 (cash and cash equivalents) at the consolidated Group level. These distributions are shown net of withholding tax and where applicable, shown at their hedged foreign exchange rate.

KEY DRIVERS
FOR NAV GROWTH

GROWTH BASED ON REBASED VALUATION

During the period ended 30 June 2018, the Company recognised £33.2 million, or 5.3% change in NAV, from the "unwinding of discounts" and value accretive enhancements. As the Company moves closer to forecast project distribution payment dates, the time value of those cash flows increases on a net present value basis as a result. The portfolio value growth from this unwinding of discount during the period was approximately £24.3 million or 3.9% change in NAV.

The difference, £8.9 million or 1.4% change in NAV, above the anticipated growth from unwinding of discounts represents the net effect of value accretive enhancements across the portfolio through active management, which includes amongst others:

- Net valuation uplift from adjusting the risk premium reflected in specific project discount rates (asset specific, asset moving closer towards the stable operational phase and asset reaching stable operational phase);
- Lower costs realised and forecast on some projects;
- The net effect of inter alia cash optimisation and restructuring on certain projects and more conservative refinancing assumptions on Northern Territories Secure Facilities, Australia.

The net effect of inflation on the portfolio value, against the 31 December 2017 modelled Assumptions has been positive and is included in the value above.

DISCOUNT RATES AND SENSITIVITY

The discount rates used for individual assets range between 6.80% and 8.82%. The value weighted average rate is approximately 7.20% (7.45% at 31 December 2017). This methodology calculates the weighted average based on the value of each project in proportion to the total portfolio value, i.e. based on the net present value of their respective future cash flows.

The discount rates used for individual project companies are based on BBGI's knowledge of the market, discussions with advisors and publicly available information on relevant transactions. Furthermore, the discount rates used as part of the portfolio valuation process are independently reviewed by an independent professional valuer.

As reported in the market development section the demand for PPP infrastructure assets remained very robust. This was evidenced by a number of high profile single asset transactions (e.g. sale by the John Laing Group to AXA of their 15% interest in the Intercity Express Programme Phase 1 (IEP) PPP project, UK at a price of £227.5 million, sale of Highlands Schools PPP project, UK at a premium of 21% over carrying value and sale by Balfour Beatty of interests in M25 PPP project, London, UK of a total interest of 25.0% for a combined value of £207 million) at compelling valuations and was further validated in July 2018, shortly after the period end, when the Board of JLIF announced that a consortium of two private fund managers were engaged in discussions regarding a possible cash offer for the issued share capital of JLIF, at a 20.6 per cent premium to JLIF's closing share price on the last trading day prior to the announcement. The transactions above suggest that the discount rates in the secondary market continued to move downwards.

We have differentiated the asset classes with respect to discount rates. For stable operational projects, such as typical roads, schools and hospitals, we have applied discount rates towards the lower end of the range mentioned above. Further adjustments have been applied to acute hospitals in the UK where a risk premium of 50bps 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 from contractual payments on UK acute hospitals and, consequently, distribution lock ups. To date BBGI has not been affected, with the only acute hospital in the BBGI portfolio being the Gloucester Royal Hospital (representing approximately 1% of BBGI's portfolio value), with no similar assets identified in current pipeline. BBGI continues to apply a modest risk premium to prison projects to reflect the higher complexity of such projects, and has also applied a risk premium to a limited number of other projects to reflect the individual situations.

The following table shows the sensitivity of the NAV to a change in the discount rate:

DISCOUNT RATE SENSITIVITY[1]	CHANGE IN NET ASSET VALUE 30 JUNE 2018
Increase by 1% to 8.20%	£(63.1) million, i.e. (9.0)%
Decrease by 1% to 6.20%	£73.2 million, i.e. 10.4%

[1] Based on the weighted average discount rate of 7.20%.

FOREIGN EXCHANGE AND SENSITIVITY

BBGI values its portfolio of assets by discounting anticipated future cash flows. The present value of these cash flows are converted to Pound 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 reporting period closing rate for unhedged future cash flows. Although the closing rate is the required conversion rate to use, it is not necessarily representative of future exchange rates as it reflects an exchange rate at a specific point in time.

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

	F/X RATES AS OF 30 JUNE 2018	F/X RATES AS OF 31 DECEMBER 2017
GBP/AUD	1.783	1.729
GBP/CAD	1.735	1.694
GBP/EUR	1.130	1.126
GBP/NOK	10.759	11.085
GBP/USD	1.321	1.349

A significant proportion of the Company's underlying investments are denominated in currencies other than Pound Sterling. The Company maintains its accounts, prepares the valuation and pays distributions in Pound Sterling. Accordingly, fluctuations in exchange rates between Pound Sterling and the relevant local currencies will affect the valuation of the Company's underlying investments. During the period ended 30 June 2018 the net effect of an appreciation of Pound Sterling against the AUD, CAD and EUR and a moderate depreciation against the NOK and USD resulted in a decrease in the portfolio valuation of £7.1 million. Since listing in December 2011, the net cumulative effect of foreign exchange movement on the portfolio value has been a decrease of £8.4 million or 1.2% of NAV as at 30 June 2018.

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 2018
Increase by 10% [1]	£(25.3) million, i.e. (3.6)%
Decrease by 10% [1]	£25.3 million, i.e. 3.6%

[1] Sensitivity applied against the foreign exchange rates at 30 June 2018. This sensitivity only applies to unhedged cash flows.

INFLATION SENSITIVITY

The project cash flows are positively correlated with inflation (e.g. RPI or CPI). The table below demonstrates the effect of a change in inflation rates compared to the macroeconomic assumptions in the table above.

INFLATION SENSITIVITY	CHANGE IN NET ASSET VALUE 30 JUNE 2018
Inflation + 1% [1]	£37.6 million, i.e. 5.4%
Inflation - 1% [1]	£(30.6) million, i.e. (4.4) %

[1] Sensitivity applied against those inflation rates as set out in the macroeconomic assumptions table above.

DEPOSIT RATE SENSITIVITY

The project cash flows are positively correlated with the deposit rates. The table below demonstrates the effect of a change in long-term deposit rates compared to the macroeconomic assumptions above.

DEPOSIT RATE SENSITIVITY	CHANGE IN NET ASSET VALUE 30 JUNE 2018
Long-term deposit rate + 1% [1]	£14.9 million, i.e. 2.1%
Long-term deposit rate - 1% [1]	£(14.8) million, i.e.(2.1)%

[1] Sensitivity applied against those deposit rates as set out in the macroeconomic assumptions table above.

LIFECYCLE COSTS SENSITIVITY

Of the 44 projects in the portfolio, 15 project companies retain the lifecycle obligations. The remaining 29 projects have this obligation passed down to the sub-contractor. Management review project lifecycle budgets on a periodic basis. The table below demonstrates the impact of a change in lifecycle costs.

LIFECYCLE COSTS SENSITIVITY	CHANGE IN NET ASSET VALUE 30 JUNE 2018
Increase by 5% [1]	£(6.9) million, i.e. (1.0)%
Decrease by 5% [1]	£7.4 million, i.e. 1.1%

[1] The sensitivity is applied to the 15 projects within the portfolio which retain the lifecycle obligation, i.e. the obligation is not passed down to the sub-contractor.

CORPORATE TAX RATE SENSITIVITY

The table below demonstrates the effect of a change in the project level corporate tax rates.

CORPORATE TAX RATE SENSITIVITY	CHANGE IN NET ASSET VALUE 30 JUNE 2018
Corporate tax rate + 1% [1]	£ (5.6) million, i.e. (0.8)%
Corporate tax rate - 1% [1]	£5.7 million, i.e. 0.8%

[1] Sensitivity applied against those SPC corporate tax rates as set out in the macroeconomic assumptions table above.

In addition, Management has performed a sensitivity analysis on the long-term UK corporate tax rate being 19% as opposed to 17% as currently assumed. This would result in a decrease of NAV by £2.5 million, i.e. (0.4)%.

GDP SENSITIVITY

The BBGI portfolio is not sensitive to GDP.

FINANCIAL RESULTS

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2018 are on pages 30 to 54.

BASIS OF ACCOUNTING

The Company has prepared its consolidated financial statements under International Financial Reporting Standards ("IFRS") as adopted by the European Union. In accordance with IFRS, the Company (an Investment Entity) does not consolidate its investments in PPP assets that are subsidiaries, but instead recognises them as investments at fair value through profit or loss ("FVPL"). Subsidiaries which are not investments at FVPL, but instead provide investment related services or activities that relate to the investment activities of the Company, are consolidated.

INCOME AND COSTS

PRO FORMA INCOME STATEMENT

	SIX MONTHS TO 30 JUNE 2018 £ MILLION	SIX MONTHS TO 30 JUNE 2017 £ MILLION
Income from investments at FVPL	38.9	31.8
Other operating income	2.1	0.5
Operating income	41.0	32.3
Administration expenses and net finance result	(5.4)	(4.3)
Other operating expenses	(0.6)	(0.8)
Profit before tax	35.0	27.2
Tax expense (income tax)	(0.9)	(1.9)
Profit from continuing operations	34.1	25.3
Basic earnings per share (pence)	6.45	5.30

Profit from continuing operations during the period has increased by 34.8% to £34.1 million (30 June 2017: £25.3 million).

The comparative increase in income from investments at FVPL was driven largely by the effect of changes in market discount rates, unwinding of discount and value enhancements, partly offset by foreign exchange loss on portfolio value during the year. A detailed analysis of the movement in the fair value of the portfolio is highlighted on page 18 in the Valuation section of this report.

The other operating income earned during the period relates mainly to foreign exchange gain of £1.2 million (£0.1 million loss in 2017) resulting from the translation of foreign currency denominated assets and liabilities into Pound Sterling. In addition, the Group also recorded a net gain on the valuation of derivative financial instruments amounting to £0.8 million (£0.1 million gain in 2017).

The administration expenses and net finance result are further detailed under the corporate cost analysis below.

The other operating expenses incurred during the six-month period ended 30 June 2018 relates to acquisition related costs of £0.6 million (30 June 2017: 0.8 million).

GROUP LEVEL CORPORATE COST ANALYSIS

The table below is prepared on an accruals basis.

CORPORATE COSTS	SIX MONTHS TO 30 JUNE 2018 £ MILLION	SIX MONTHS TO 30 JUNE 2017 £ MILLION
Net finance cost	1.6	1.1
Staff costs	2.3	1.8
Fees to non-executive directors	0.1	0.1
Professional fees	0.6	0.4
Office and administration	0.6	0.9
Acquisition-related costs	0.6	0.8
Taxes (including non-recoverable VAT)	1.0	1.9
Total corporate costs	6.8	7.0

The increase in net finance costs is predominantly due to the increased utilisation of the revolving credit facility. All borrowings outstanding at 30 June 2018 were denominated in CAD (CAD 253.1 million) and provided a natural hedge against adverse exchange rate movements on the portfolio value. Over the period to 30 June 2018 the CAD weakened against the Pound Sterling resulting in a foreign currency exchange gain of £0.8 million (nil in 2017) on the CAD borrowings.

Please refer to the Remuneration section of this report for further analysis of staff costs during the year.

ONGOING CHARGES

The "Ongoing Charges" percentage was prepared in accordance with the Association of Investment Companies ("AIC") recommended methodology . The percentage represents the annualised reduction or drag in shareholder returns as a result of recurring operational expenses incurred in managing the BBGI Group entities. This information provides an indication of the level of recurring costs that may be incurred in managing the Group in the future.

ONGOING CHARGES	ANNUALISED 2018 £ MILLION	2017 £ MILLION
Ongoing charges	6.7	6.1
Average undiluted net asset value	704.4	618.6
Ongoing charges (%)	0.96%	0.99%

The Company is internally managed and as such 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 investments, financing charges and gains/losses arising from investments.

For the period ended 30 June 2018, certain non-recurring costs have been excluded from the Ongoing Charges, most notably acquisition-related advisory costs of £0.7 million (inclusive of VAT), direct taxation of £0.9 million and net finance costs of £1.6 million.

A reconciliation of Ongoing Charges and Ongoing Charges Percentage, actual and annualised, to the administration expenses under IFRS is as follows:

	ANNUALISED TO 31 DECEMBER 2018 £ MILLION (EXCEPT %)	YEAR ENDED 31 DECEMBER 2017 £ MILLION (EXCEPT %)
Administration expenses under IFRS (consolidated) to 30 June 2018	3.8	6.9
Add: Projected additional administration expenses for six months ended 31 December 2018	3.8	–
Less: nonrecurring costs as per AIC guidelines		
Nonrecurring professional and external advisory costs	(0.2)	(0.3)
Personnel costs related to acquisition and/or nonrecurring	(0.4)	(0.3)
Other nonrecurring costs	(0.3)	(0.2)
Ongoing Charges	6.7	6.1
Divide by:		
Average undiluted Investment Basis NAV (average of 30 June 2018: £700.9 million and projected 31 December 2018: £ 707.9 million)	704.4	618.6
Ongoing charges percentage	0.96%	0.99%

[11] Additional information regarding Ongoing Charges and ongoing charges percentage can be obtained from the AIC website www.theaic.co.uk

CASH FLOWS

The table below summarises the cash received by the consolidated Group from the FVPL investments net of the cash flows from operating, financing and other cash flows from investing activities of the Group.

	SIX MONTHS TO 30 JUNE 2018 £ MILLION	SIX MONTHS TO 30 JUNE 2017 £ MILLION
Distributions from FVPL investments	32.5	26.2
Net cash flows from operating activities	(8.3)	(6.5)
Acquisitions of / additional investments at FVPL and/or deposits made related on cash collateral account of a project	(54.7)	(19.7)
Net cash flows from financing activities	122.7	0.5
Impact of foreign exchange gain/(loss) on cash and cash equivalents	0.4	–
Net cash inflow (outflow)	92.6	0.5

Distributions from FVPL investments increased by 24.0% to £32.5 million as compared to the same period in 2017. The Company's portfolio of 44 high quality, availability-based infrastructure investments performed well during the period, with cash flows ahead of business plan.

Acquisitions during the period totalled £54.7 million and relate to the investment made in MUHC and the acquisition of a further 33.33% interest in East Down Colleges (UK).

During the period the Company raised £60.8 million of gross proceeds through a placing (share issuance cost amounted to approx. £1.0 million). Also during the period, the Group secured a new multi-currency Revolving Credit Facility ('new RCF') of £180 million from ING, KfW and DZ Bank AG. As at 30 June 2018, the Group had utilised £151.2 million of the new RCF, of which £5.3 million was being used to cover letters of credit. Total net cash inflow related to the abovementioned financing activities amounted to £122.7 million.

For the period ended 30 June 2018, the Group has a cash dividend cover ratio of 1.9x (year ended 31 December 2017: 1.5x). Cash dividend cover is calculated as follows:

	30 JUNE 2018 £ MILLION (EXCEPT RATIO)	31 DECEMBER 2017 £ MILLION (EXCEPT RATIO)
Distributions received from investments at fair value through profit or loss under IFRS (consolidated)	32.5	49.3
Less: Net cash flows from operating activities under IFRS	(8.3)	(12.0)
Net distributions	24.2	37.3
Divide by: Dividends paid under IFRS (consolidated)	12.7	24.7
Cash Dividend Cover (ratio)	1.9x	1.5x

BALANCE SHEET

PRO FORMA BALANCE SHEET

	30 JUNE 2018			31 DECEMBER 2017		
	Investment Basis[1] £ MILLION	Adjust £ MILLION	Consolidated IFRS £ MILLION	Investment Basis £ MILLION	Adjust £ MILLION	Consolidated IFRS £ MILLION
Investment portfolio at fair value	735.7	–	735.7	675.3	–	675.3
Adjustments to investments	–	1.0	1.0	–	0.2	0.2
Other assets and liabilities (net)	(3.2)	0.9	(2.3)	(3.7)	0.9	(2.8)
Net debt / borrowings	(31.6)	(0.1)	(31.7)	(49.1)	(0.3)	(49.4)
Derivative financial liability – net	–	(0.2)	(0.2)	–	(2.0)	(2.0)
Net asset value attributable to ordinary shares	700.9	1.6	702.5	622.5	(1.2)	621.3

[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, were paid. The Investment Basis NAV per share is the Investment Basis NAV divided by the number of Company shares issued and outstanding under IFRS. This information presents the residual claim of each Company shareholder to the net assets of the Group.

As at 30 June 2018, the Group has 44 projects which are accounted for as FVPL investments (31 December 2017: 43). The additional project pertains to MUHC as noted above.

Adjustments to investments relate to those cash balances that are not included in the consolidation and which fall outside of the project valuation. This amount is included as part of the cash balance under Investment Basis NAV.

The derivative financial liability adjustment reflects the fair value of forward currency contracts that hedge certain future portfolio distributions. Under the Investment Basis, the contracted forward rates are applied to the hedged future distributions with the unhedged distributions converted at the 30 June 2018 closing rate.

Net borrowings under IFRS include cash and cash equivalents of £113.3 million (31 December 2017: £20.6 million) less the Pound Sterling equivalent of the net amount borrowed under the Group Revolving Credit Facility of £145.0 million (31 December 2017: £70.5 million).

Net debt/borrowings of the Group is calculated by deducting the Group borrowings from the Group cash and cash equivalents. Net debt under Investment Basis excludes debt issuance cost, and includes other cash balances not included in the consolidation and outside of the project valuation.

A reconciliation of Net Debt as compared to net borrowings under IFRS is as follows:

	30 JUNE 2018 £ MILLION	31 DECEMBER 2017 £ MILLION
Loans and borrowings under IFRS (consolidated)	145.0	70.5
Add back: Debt issuance cost under IFRS (consolidated)	1.0	0.1
Less: Interest payable under IFRS (consolidated)	(0.1)	(0.5)
	145.9	70.1
Cash and cash equivalents under IFRS (consolidated)	(113.3)	(20.6)
Cash balance not included under IFRS (consolidated) and outside of project valuation	(1.0)	(0.4)
Net Debt under Investment Basis	31.6	49.1

The Management and Supervisory Boards have approved the NAV calculation on an Investment Basis as at 30 June 2018.

Victoria Prisons, Australia

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 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,
30 August 2018

SIGNATURES

Duncan Ball	Frank Schramm	Michael Denny
Co-CEO	Co-CEO	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

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ
on the review of the condensed consolidated interim financial information

INTRODUCTION

We have reviewed the accompanying condensed consolidated interim statement of financial position of BBGI SICAV S.A. ("the Company") as at 30 June 2018, the condensed consolidated interim income statement, the condensed consolidated interim statements of comprehensive income, of changes in equity and 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 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 2018 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Luxembourg, 30 August 2018

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Emmanuelle Ramponi

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT (UNAUDITED)

IN THOUSANDS OF POUNDS STERLING	NOTE	SIX MONTHS ENDED 30 JUNE 2018	SIX MONTHS ENDED 30 JUNE 2017
Continuing operations			
Income from investments at fair value through profit or loss	7	38,850	31,790
Other operating income	6	2,118	481
Operating income		40,968	32,271
Administration expenses	4	(3,820)	(3,182)
Other operating expenses	5	(578)	(815)
Operating expenses		(4,398)	(3,997)
Results from operating activities		36,570	28,274
Finance cost	11	(1,614)	(1,057)
Finance income		23	3
Net finance result		(1,591)	(1,054)
Profit before tax		34,979	27,220
Tax expense	8	(847)	(1,942)
Profit from continuing operations		34,132	25,278
Profit from continuing operations attributable to owners of the Company		34,132	25,278
Earnings per share			
Basic earnings per share (pence)	10	6.45	5.30
Diluted earnings per share (pence)	10	6.45	5.30

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

IN THOUSANDS OF POUNDS STERLING	NOTE	SIX MONTHS ENDED 30 JUNE 2018	SIX MONTHS ENDED 30 JUNE 2017
Profit for the period		34,132	25,278
Other comprehensive income for the period		–	–
Total comprehensive income for the period attributable to the owners of the Company		34,132	25,278

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)

IN THOUSANDS OF POUNDS STERLING	NOTE	30 JUNE 2018	31 DECEMBER 2017 (AUDITED)
Assets			
Property plant and equipment		40	51
Investments at fair value through profit or loss	7	735,681	675,314
Derivative financial instruments	13	636	–
Non-current assets		736,357	675,365
Trade and other receivables	15	996	262
Other current assets		1,171	851
Cash and cash equivalents		113,250	20,648
Current assets		115,417	21,761
Total assets		851,774	697,126
Equity			
Share capital	9	568,767	506,061
Additional paid-in capital	15	599	763
Translation reserves	9	(597)	(597)
Retained earnings		133,683	115,133
Equity attributable to owners of the Company		702,452	621,360
Liabilities			
Derivative financial instruments	13	–	56
Non-current liabilities		–	56
Loans and borrowings	11	144,993	70,493
Trade payables		79	92
Derivative financial instruments	13	801	1,876
Other payables	12	3,007	2,636
Tax liabilities	8	442	613
Current liabilities		149,322	75,710
Total liabilities		149,322	75,766
Total equity and liabilities		851,774	697,126
Net asset value attributable to the owners of the Company	9	702,452	621,360
Net asset value per ordinary share (pence)	9	132.74	129.69

The accompanying notes form an integral part of the 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 2018 (Audited)	9,15	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	9	59,812	–	–	–	59,812
Scrip dividend	9	2,903	–	–	(2,903)	-
Cash dividend	9	–	–	–	(12,679)	(12,679)
Equity settlement of share-based compensation	9,15	411	(411)	–	–	–
Tax settlement of share-based compensation	9,15	(420)	–	–	–	(420)
Share-based compensation for the period	15	–	247	–	–	247
Balance at 30 June 2018		568,767	599	(597)	133,683	702,452

IN THOUSANDS OF POUNDS STERLING	NOTE	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	TRANSLATION RESERVES	RETAINED EARNINGS	TOTAL EQUITY
Balance at 1 January 2017 (Audited)	9,15	442,680	304	(597)	96,397	538,784
Total comprehensive income for the six months ended 30 June 2017						
Profit for the period		–	–	–	25,278	25,278
Total comprehensive income for the period		–	–	–	25,278	25,278
Transactions with owners of the Company, recognised directly in equity						
Issuance of shares through placing of ordinary shares – net of issuance cost	9	57,745	–	–	–	57,745
Scrip dividend	9	3,001	–	–	(3,001)	–
Cash dividend	9	–	–	–	(11,851)	(11,851)
Share-based compensation for the period	15	–	171	–	–	171
Balance at 30 June 2017		503,426	475	(597)	106,823	610,127

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

IN THOUSANDS OF POUNDS STERLING	NOTE	SIX MONTHS ENDED 30 JUNE 2018	SIX MONTHS ENDED 30 JUNE 2017
Cash flows from operating activities			
Profit for the period		34,132	25,278
Adjustments for:			
Depreciation		12	16
Net finance cost (income)		1,591	1,054
Income from investments at fair value through profit or loss	7	(38,850)	(31,790)
Change in fair value of derivative financial instruments	6	(769)	(62)
Share-based compensation	15	247	171
Income tax expense		847	1,942
Foreign currency exchange gain/(loss)	5,6	(1,216)	60
		(4,006)	(3,331)
Changes in:			
- Trade and other receivables		–	77
- Other assets		(320)	(244)
- Trade and other payables		367	82
Cash generated from operating activities		(3,959)	(3,416)
Finance cost paid		(1,863)	(823)
Interest received		23	3
Realised gain/(loss) on derivative financial instruments	13	(998)	(1,999)
Tax settlement of share-based compensation		(420)	-
Taxes paid		(1,018)	(220)
Net cash flows from operating activities		(8,235)	(6,455)
Cash flows from investing activities			
Acquisition of /additional investments in investments at fair value through profit or loss	7	(54,708)	–
Distributions received from investments at fair value through profit or loss	7	32,457	26,168
Deposits made on cash collateral account of a project		–	(19,684)
Acquisition of other equipment		(1)	(2)
Net cash flows from investing activities		(22,252)	6,482
Cash flows from financing activities			
Proceeds from issuance of ordinary shares through placing – net of share issuance cost	9	59,812	57,745
Proceeds from issuance of loans and borrowings	11	88,340	-
Dividends paid	9	(12,679)	(11,851)
Payment of loans and borrowings	11	(11,719)	(45,221)
Loan issuance cost	11	(1,097)	(192)
Net cash flows from financing activities		122,657	481
Net increase/(decrease) in cash and cash equivalents		92,170	508
Impact of foreign currency exchange gain/(loss) on cash and cash equivalents		432	5
Cash and cash equivalents at 1 January		20,648	22,113
Cash and cash equivalents at 30 June		113,250	22,626

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

NOTE 01. 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 assets. The Company has limited investment in projects that are under construction.

As at 30 June 2018, the Group employed 19 staff (30 June 2017: 18 staff).

REPORTING PERIOD

The Company's interim reporting period runs from 1 January to 30 June each year. The Company's condensed consolidated interim statement of financial position, condensed consolidated interim income statement, condensed consolidated interim statement of comprehensive income and condensed consolidated interim statement of cash flows include comparative figures as at 31 December 2017 or for the six months ended 30 June 2017.

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 2018 and for the six months ended were approved by the Management Board on 29 August 2018.

NOTE 02. 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 of and for the year ended 31 December 2017 except for the below:

IFRS 9: FINANCIAL INSTRUMENTS

IFRS 9: Financial instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement

The Group adopted *IFRS 9: Financial Instruments* from 1 January 2018. The main impact of IFRS 9 on the Group's condensed consolidated interim financial statements is regarding classification of financial assets and liabilities.

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets measured at either:

1) Amortised cost

2) Fair value through other comprehensive income, or

3) Fair value through profit or loss

The standard eliminated the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

The Group classified its financial assets as either (1) fair value through profit or loss or (2) loans and receivables at 31 December 2017. The Group did not classify any financial asset as held to maturity or available for sale. During the Group's analysis, the Group took into consideration the following factors:

- Business model assessment - The business model of the Group regarding the FVPL investments is one of collecting contractual cash flows and/or selling such FVPL investments if there are favourable terms of doing so. The Group's business model for trade and other receivables and derivative financial assets is to hold such and collect the contractual cash flows.

- Purpose to collect contractual cash flows –The Group holds the FVPL investments for the purpose of either collecting the contractual cash flows or selling them in the future. However, receivables and derivative financial assets are held for the sole purpose of collecting contractual cash flows.

IFRS 9 largely retained the existing requirements as prescribed under IAS 39 for the classification of financial liabilities. The main changes under IFRS 9 pertains to liabilities designated at fair value through profit or loss. The Group has not designated any financial liability at fair value through profit or loss and has no current intention to do so. As such, IFRS 9 did not have any impact on the Group's financial liabilities.

Based on the above consideration and as of 1 January 2018, the Group classified its financial assets as below:

	30 JUNE 2018		31 DECEMBER 2017	
IN THOUSANDS OF POUNDS STERLING	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST
Assets				
FVPL investments	735,681	–	675,314	–
Trade and other receivables	–	996	–	262
Cash and cash equivalents	–	113,250	–	20,648
Derivative financial instruments	636	–	–	–
	736,317	114,246	675,314	20,910
Liabilities				
Loans and borrowings	–	144,993	–	70,493
Derivative financial instruments	801	–	1,932	–
Trade payables	–	79	–	92
Other payables	–	3,007	–	2,636
	801	148,079	1,932	73,221

The provisions of IFRS 9 regarding impairment, expected credit loss models, and hedging does not have a significant impact to 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.

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 judgments, 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.

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 the capital value over the long term.

- Target an annual dividend payment with the aim to increase this dividend progressively over the longer term.

- Target an IRR in the region of 7% to 8% 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 projects that have been developed predominantly under the PPP/PFI or similar procurement models. Each of these PPP/PFI projects 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 2018, the Company has 44 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%) 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 project 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 13.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data ("unobservable inputs").

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

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

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, these Management Board believes it is appropriate to adopt the going concern basis of accounting in preparing these condensed consolidated interim financial statements.

NOTE 03. 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 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

Segment information for the six months ended 30 June 2017 is presented below:

IN THOUSANDS OF POUNDS STERLING	UK	NORTH AMERICA	AUSTRALIA	CONTINENTAL EUROPE	HOLDING ACTIVITIES	TOTAL GROUP
Income from FVPL investments	16,583	6,555	5,617	3,035	–	31,790
Administration expenses	–	–	–	–	(3,182)	(3,182)
Other operating expenses – (net)	–	–	–	–	(334)	(334)
Results from operating activities	16,583	6,555	5,617	3,035	(3,516)	28,274
Finance cost	–	–	–	–	(1,057)	(1,057)
Finance income	–	–	–	–	3	3
Tax expense	–	–	–	–	(1,942)	(1,942)
Profit or (loss) from continuing operations	16,583	6,555	5,617	3,035	(6,512)	25,278

Segment information as at 30 June 2018 is presented below:

IN THOUSANDS OF POUNDS STERLING	UK	NORTH AMERICA	AUSTRALIA	CONTINENTAL EUROPE	HOLDING ACTIVITIES	TOTAL GROUP
Assets						
FVPL investments	257,479	313,206	113,140	51,856	–	735,681
Other non-current assets	–	–	–	–	676	676
Current assets	–	–	–	–	115,417	115,417
Total assets	257,479	313,206	113,140	51,856	116,093	851,774
Liabilities						
Current	–	–	–	–	149,322	149,322
Total liabilities	–	–	–	–	149,322	149,322

Segment information as at 31 December 2017 is presented below:

IN THOUSANDS OF POUNDS STERLING	UK	NORTH AMERICA	AUSTRALIA	CONTINENTAL EUROPE	HOLDING ACTIVITIES	TOTAL GROUP
Assets						
FVPL investments	251,738	255,758	116,760	51,058	–	675,314
Other non–current assets	–	–	–	–	51	51
Current assets	–	–	–	–	21,761	21,761
Total assets	251,738	255,758	116,760	51,058	21,812	697,126
Liabilities						
Non–current	–	–	–	–	56	56
Current	–	–	–	–	75,710	75,710
Total liabilities	–	–	–	–	75,766	75,766

The Holding Activities of the Group include the activities which are not specifically related to a specific project or region but to those companies which provide services to the Group. The total current assets classified under Holding Activities mainly represent cash and cash equivalents. The total current liabilities relate to loans and borrowings (see Note 11).

Transactions between reportable segments are conducted at arm's length and are accounted for in a similar way to the basis of accounting used for third parties. The accounting methods used for all the segments are similar and comparable with those of the Company.

NOTE 04. ADMINISTRATION EXPENSES

IN THOUSANDS OF POUNDS STERLING	SIX MONTHS ENDED 30 JUNE 2018	SIX MONTHS ENDED 30 JUNE 2017
Personnel expenses	2,259	1,841
Legal and professional fees	563	447
Other expenses	998	894
	3,820	3,182

The Group has engaged certain third parties to provide legal and other professional costs such as depositary, custodian, audit, tax and other services to the Group. The expenses incurred in relation to such services are treated as administration expenses.

The legal and professional fees include audit fees, and where applicable, audit related and non-audit related fees charged by the Group's external auditor as follows:

IN THOUSANDS OF POUNDS STERLING	SIX MONTHS ENDED 30 JUNE 2018	SIX MONTHS ENDED 30 JUNE 2017
Audit fees	62	67
Audit related fees	–	–
Non-audit related fees	–	–
	62	67

NOTE 05. OTHER OPERATING EXPENSES

IN THOUSANDS OF POUNDS STERLING	SIX MONTHS ENDED 30 JUNE 2018	SIX MONTHS ENDED 30 JUNE 2017
Acquisition-related costs	578	755
Foreign currency exchange loss	–	60
	578	815

NOTE 06. OTHER OPERATING INCOME

IN THOUSANDS OF POUNDS STERLING	SIX MONTHS ENDED 30 JUNE 2018	SIX MONTHS ENDED 30 JUNE 2017
Foreign currency exchange gain	1,216	–
Net gain on derivative financial instruments (see Note 13)	769	62
Other income	133	419
	2,118	481

NOTE 7. FVPL INVESTMENTS

The movements of FVPL investments are as follows:

IN THOUSANDS OF POUNDS STERLING	30 JUNE 2018	31 DECEMBER 2017
Balance at 1 January	675,314	569,926
Acquisitions of/additional investment in FVPL investments	54,708	96,522
Income from FVPL investments	38,850	58,456
Distributions received	(32,457)	(49,341)
Reclassification to other receivables	(734)	(249)
	735,681	675,314

The impact of unrealised foreign exchange gains or losses on the income from FVPL investments for the period ended 30 June 2018 amounted to a £7.1 million loss (year ended 31 December 2017: £7.9 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 Project Entities; or (c) approvals of the external lenders on the financial models have been obtained.

As at 30 June 2018 and 31 December 2017, loan and interest receivable from unconsolidated 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 2018, amounted to £31,021,000 (year to 31 December 2017: £47,092,000). The associated cash flows from these items were taken into account when valuing the projects.

In June 2018, the Group completed its investment in the McGill University Health Centre ("MUHC"), an investment made through the continuing strategic partnership between the Company and SNC-Lavalin Group Inc. (TSX ticker: SNC). The asset is classified as availability-based under the investment policy of the Group.

MUHC is a 214,000 m2 hospital with 500 private patient rooms located in Montreal, Quebec. The project became operational in 2014 and the concession runs until 2044. Availability payments are received from MUHC, which is rated A (high) by the credit rating agency DBRS.

In April 2018 the Group completed the acquisition of a further 33.33% equity interest in the East Down Colleges project in Northern Ireland and now owns 100% of the equity interest in the project. The acquisition price of circa £2.1 million was funded from the Company's existing cash resources.

NOTE 8. TAXES

The Company pays an annual subscription tax amounting to 0.05% of its total net assets. For the six months ended 30 June 2018, BBGI SICAV S.A. incurred a subscription tax expense of £154,000 (30 June 2017: £143,000). 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 2018 the Company recorded a tax expense of £847,000 (30 June 2017: £1,942,000). As at 30 June 2018, the consolidated tax liabilities amounted to £442,000 (31 December 2017: £613,000).

A significant portion of the profit before tax results from fair valuation of FVPL investments. The net income of the unconsolidated subsidiaries is taxed in their respective jurisdictions. As a consequence of the adoption of IFRS 10, the Company is classified as an Investment Entity (see Note 2), meaning the tax expenses of the unconsolidated subsidiaries are not included within these 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 reflected as cash outflows within the fair value calculation of the FVPL investments.

There are no unrecognised taxable temporary differences. The Group did not recognise any deferred tax asset on tax losses carried forward amounting to £3,895,000 as of 31 December 2017.

NOTE 9. CAPITAL AND RESERVES

SHARE CAPITAL

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

IN THOUSANDS OF POUNDS STERLING	30 JUNE 2018	31 DECEMBER 2017
Share capital as at 1 January	506,061	442,680
Issuance of ordinary shares through placing	60,833	58,533
Share issuance cost on the placing	(1,021)	(788)
Share capital issued through scrip dividend	2,903	5,636
Equity settlement of share-based compensation (see Note 15)	411	–
Tax settlement of share-based compensation (see Note 15)	(420)	–
	568,767	506,061

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 2018	31 DECEMBER 2017
In issue at beginning of the period/year	479,105	432,216
Shares issued through placing of ordinary shares	47,526	43,039
Shares issued through scrip dividend	2,201	3,850
Shares issued as share based compensation	357	–
	529,189	479,105

During April 2018, the Company raised gross proceeds of £60,833,000 million through a placing of 47,525,493 new ordinary shares of no par value ('Placing'). The Placing price was 128.0 pence per Placing share.

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.

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 profit and loss. The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

DIVIDENDS

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
Second 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 during 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.

The final 2016 dividend declared by the Company during the six months ended 30 June 2017 was as follows:

IN THOUSANDS OF POUNDS STERLING EXCEPT AS OTHERWISE STATED	SIX MONTHS ENDED 30 JUNE 2017
Final dividend of 3.125 pence per qualifying ordinary share – for the year ended 31 December 2016	14,852

The 31 December 2016 final dividend was paid during June 2017. The value of the scrip election was £3,001,000, with the remaining amount of £11,851,000 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 as at 30 June 2018, 31 December 2017 and 31 December 2016 are as follows:

IN THOUSANDS OF POUNDS STERLING/PENCE	30 JUNE 2018	31 DECEMBER 2017	31 DECEMBER 2016
Net asset value attributable to the owners of the Company	702,452	621,360	538,784
Net asset value per ordinary share (pence)	132.74	129.69	124.66

NOTE 10. 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 2018	SIX MONTHS ENDED 30 JUNE 2017
Profit attributable to ordinary shareholders	34,132	25,278
Weighted average number of ordinary shares in issue	529,189	477,348
Basic and diluted earnings per share (in pence)	6.45	5.30

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 2018	SIX MONTHS ENDED 30 JUNE 2017
Shares outstanding as at 1 January	479,105	432,216
Effect of shares issued on placing of ordinary shares	47,526	43,039
Effect of scrip dividends issued	2,201	2,093
Shares issued as share based compensation	357	–
Weighted average – outstanding shares	529,189	477,348

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. The shares issued on the placing above were not entitled to participate in the 2017 second interim dividend but are eligible to participate in all future dividends.

NOTE 11. LOANS AND BORROWINGS

The Group has a 4-year £180 million Revolving Credit Facility from ING Bank and KfW IPEX-Bank ("RCF") commencing January 2018. DZ Bank AG subsequently acceded as a lender to the new RCF in February 2018.The borrowing margin has decreased to 165 bps over LIBOR. The arrangement fee and the commitment fee have also decreased from the previous revolving credit facility. Under the RCF, BBGI retains the flexibility 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 2018, the Group had utilised £151.2 million of the RCF, of which £5.3 million was being used to cover letters of credit. As at 30 June 2018, the total utilised amount is mainly composed of amounts drawn in Canadian dollar (CAD 253.1 million).

As at 31 December 2017, the Group had utilised £75.7 million of the £180 million of the previous revolving credit facility, of which £5.6 million was being used to cover letters of credit.

The interest payable under the RCF as at 30 June 2018 amounted to £134,000 (31 December 2017: £533,000).

The unamortised debt issuance cost related to the above-mentioned RCF amounted to £1,047,000 as at 30 June 2018 (31 December 2017: £100,000). The unamortised debt issuance cost is netted against the amount borrowed under the RCF.

The total finance cost incurred in relation to the above-mentioned RCF for the period ended 30 June 2018 amounted to £1,614,000 (30 June 2017: £1,057,000) which includes debt issue expense of £150,000 (30 June 2017: £279,000).

Non-cash foreign exchange gain earned by the Group in relation to loans and borrowings amounted to £777,000 (30 June 2017: nil).

PLEDGES AND COLLATERALS

As of 30 June 2018, and 31 December 2017, the Group has provided a pledge over shares issued by consolidated subsidiaries, pledge over receivables between consolidated subsidiaries and a pledge over the bank accounts of the consolidated subsidiaries.

Based on the provisions of the RCF, 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 continues to operate comfortably within covenant limits under the facility.

NOTE 12. OTHER PAYABLES

Other payables are composed of the following:

IN THOUSANDS OF POUNDS STERLING	30 JUNE 2018	31 DECEMBER 2017
Accruals	2,829	2,550
Others	178	86
	3,007	2,636

NOTE 13. 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 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	735,681	–	–	735,681	735,681
Trade and other receivables	–	996	–	996	996
Cash and cash equivalents	–	113,250	–	113,250	113,250
Derivative financial instruments	636	–	–	636	636
	736,317	114,246	–	850,563	850,563
Liabilities					
Loans and borrowings	–	–	144,993	144,993	146,040
Derivative financial instruments	801	–	–	801	801
Trade payables	–	–	79	79	79
Other payables	–	–	3,007	3,007	3,007
	801	–	148,079	148,880	149,927

The difference between the carrying amount and the fair value of loans and borrowings relates to the unamortised debt issuance cost of £1,047,000.

IN THOUSANDS OF POUNDS STERLING	31 DECEMBER 2017 Fair value through profit or loss	Assets at amortised cost	Liabilities at amortised cost	Total carrying amount	Fair value
Assets					
FVPL investments	675,314	–	–	675,314	675,314
Trade and other receivables	–	262	–	262	262
Cash and cash equivalents	–	20,648	–	20,648	20,648
	675,314	20,910	–	696,224	696,224
Liabilities					
Loans and borrowings	–	–	70,493	70,493	70,593
Derivative financial instruments	1,932	–	–	1,932	1,932
Trade payables	–	–	92	92	92
Other payables	–	–	2,636	2,636	2,636
	1,932	–	73,221	75,153	75,253

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 at 30 June and 31 December each year. An independent third party reviews the valuation.

The valuation is determined using the discounted cash flow methodology. The cash flows forecast 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, are discounted using project specific discount rates. The valuation methodology is the same one used for the valuation of the portfolio in previous reporting periods.

The Group uses the following macroeconomic assumptions for the cash flows:

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

[1] Basket of four indices.

[2] 80% of ORB indexation factor for revenue is contractually fixed at 2.5% and is not tied to CPI.

[3] Individual tax rates vary among Canadian Provinces.

OTHER KEY INPUTS AND ASSUMPTIONS INCLUDE:

- The macroeconomic assumptions as set out above continue to be applicable.
- The financial models for the Project Companies accurately reflect the terms of all agreements relating to the project Companies and a fair and reasonable estimation of future cash flows accruing to the Project Companies.
- The Project Company 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.
- 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.
- In case 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 borne by the Project Companies during the operations period are fully passed down to subcontractors under contractual arrangements or are part of the planned (lifecycle) budgets.
- Where the Project Company owns the residual property value in an asset that the projected value is realised.
- 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.

DISCOUNT RATE SENSITIVITY

The discount rates used for individual assets range between 6.80% and 8.82%. The value weighted average rate is approximately 7.2% (7.45% as at 31 December 2017). This methodology calculates the weighted average based on the value of each project in proportion to the total portfolio value, i.e. based on the net present value of their respective future cash flows.

The discount rates used for individual project entities are based on BBGI's knowledge of the market, discussions with advisors and publicly available information on relevant transactions. Furthermore, the discount rates used as part of the portfolio valuation process are independently reviewed by an independent professional valuer.

The following table shows the sensitivity of the FVPL investments to a change in the discount rate:

	+1% TO 8.2% IN 30 JUNE 2018		−1% TO 6.2% IN 30 JUNE 2018	
EFFECTS IN THOUSANDS OF POUNDS STERLING	EQUITY	PROFIT OR LOSS	EQUITY	PROFIT OR LOSS
30 June 2018	(63,107)	(63,107)	73,232	73,232
31 December 2017	(58,911)	(58,911)	68,514	68,514

FOREIGN EXCHANGE RATE SENSITIVITY

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

The table below shows those closing rates which were used to convert unhedged future cash flows into the reporting currency at 30 June 2018 and 31 December 2017

	FOREIGN EXCHANGE RATES AS OF 30 JUNE 2018	FOREIGN EXCHANGE RATES AS OF 31 DECEMBER 2017
GBP/AUD	1.783	1.729
GBP/CAD	1.735	1.694
GBP/EUR	1.130	1.126
GBP/NOK	10.759	11.085
GBP/USD	1.321	1.349

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

	INCREASE BY 10%		DECREASE BY 10%	
EFFECTS IN THOUSANDS OF POUNDS STERLING	EQUITY	PROFIT OR LOSS	EQUITY	PROFIT OR LOSS
30 June 2018	(25,335)	(25,335)	25,335	25,335
31 December 2017	(25,267)	(25,267)	32,179	32,179

Sensitivity in comparison to the foreign exchange rates at 30 June 2018. This sensitivity only applies to unhedged cash flows.

INFLATION SENSITIVITY

The project cash flows are correlated with inflation (e.g. RPI or CPI). The table below demonstrates the effect of a change in inflation rates compared to the macroeconomic assumptions above:

	+ 1%		- 1%	
EFFECTS IN THOUSANDS OF POUNDS STERLING	EQUITY	PROFIT OR LOSS	EQUITY	PROFIT OR LOSS
30 June 2018	37,626	37,626	(30,638)	(30,638)
31 December 2017	37,383	37,383	(30,151)	(30,151)

Sensitivity applied against those inflation rates as set out in the macroeconomic assumptions table above.

DEPOSIT RATE SENSITIVITY

The project cash flows are positively correlated with the deposit rates. The table below demonstrates the effect of a change in long-term deposit rates compared to the macroeconomic assumptions above:

	+ 1%		- 1%	
EFFECTS IN THOUSANDS OF POUNDS STERLING	**EQUITY**	**PROFIT OR LOSS**	**EQUITY**	**PROFIT OR LOSS**
30 June 2018	14,863	14,863	(14,773)	(14,773)
31 December 2017	13,388	13,388	(13,443)	(13,443)

Sensitivity applied against those long-term deposit rates as set out in the macroeconomic assumptions table above.

LIFECYCLE COSTS SENSITIVITY

Of the 44 projects in the portfolio, 15 project companies retain the lifecycle obligations. The remaining 29 projects have this obligation passed down to the sub-contractor. Management review project lifecycle budgets on a periodic basis. The table below demonstrates the impact of a change in lifecycle costs.

	INCREASE BY 5% FOR 30 JUNE 2018 AND 10% FOR 31 DECEMBER 2017		DECREASE BY 5% FOR 30 JUNE 2018 AND 10% FOR 31 DECEMBER 2017	
EFFECTS IN THOUSANDS OF POUNDS STERLING	**EQUITY**	**PROFIT OR LOSS**	**EQUITY**	**PROFIT OR LOSS**
30 June 2018	(6,870)	(6,870)	7,436	7,436
31 December 2017	(14,059)	(14,059)	14,644	14,644

The 30 June 2018 sensitivity is applied to the 15 projects within the portfolio which retain the lifecycle obligation, i.e. the obligation is not passed down to the sub-contractor.

CORPORATE TAX RATE SENSITIVITY

The table below demonstrates the effect of a change in the project level corporate tax rates.

	+1% IN FOR 30 JUNE 2018 AND +5% FOR 31 DECEMBER 2017		-1% IN FOR 30 JUNE 2018 AND -5% FOR 31 DECEMBER 2017	
EFFECTS IN THOUSANDS OF POUNDS STERLING	**EQUITY**	**PROFIT OR LOSS**	**EQUITY**	**PROFIT OR LOSS**
30 June 2018	(5,559)	(5,559)	5,718	5,718
31 December 2017	(24,567)	(24,567)	24,907	24,907

Sensitivity applied against those SPC corporate tax rates as set out in the macroeconomic assumptions table above.

In addition, Management has performed a sensitivity on the long-term UK corporate tax rate being 19% as opposed to 17% currently assumed. This would result in a decrease of NAV by £2.5 million.

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. The fair value of derivative financial instruments as of 30 June 2018 amounted to £165,000 of net liability (31 December 2017: £1,932,000 – liability). The counterparty bank has an S&P/Moody's credit rating of A+/Aa3.

The net gain on the valuation of foreign exchange forwards for the six months ended 30 June 2018 amounted to £769,000 (30 June 2017: £62,000 – gain).

During the six months ended 30 June 2018, the Group realised a loss of £998,000 on the cash settlement of foreign exchange forwards (30 June 2017: £1,999,000 – realised loss).

OTHER ITEMS

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

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

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

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

The following table shows the grouping of assets/(liabilities) recognised at fair value under their respective levels as at 30 June 2018:

IN THOUSANDS OF POUNDS STERLING	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FVPL investment	–	–	735,681	735,681
Derivative financial net asset / (net liability)	–	(165)	–	(165)

The following table shows the grouping of assets/(liabilities) recognised at fair value under their respective levels as at 31 December 2017:

IN THOUSANDS OF POUNDS STERLING	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
FVPL investment	–	–	675,314	675,314
Derivative financial net asset / (net liability)	–	(1,932)	–	(1,932)

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 2018	31 DECEMBER 2017
Balance at 1 January	675,314	569,926
Acquisitions of/additional investment in FVPL investments	54,708	96,522
Income from FVPL investments	38,850	58,456
Distributions received	(32,457)	(49,341)
Reclassification to other receivables	(734)	(249)
	735,681	675,314

The impact of unrealised foreign exchange gains or losses on the income from FVPL investments for the period ended 30 June 2018 amounted to a £7.1 million loss (year ended 31 December 2017: £7.9 million loss).

NOTE 14. SUBSIDIARIES ESTABLISHED

No additional consolidated subsidiaries were acquired/established during the six months ended 30 June 2018.

NOTE 15. 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 £112,500 in fees for the six months ended 30 June 2018 (30 June 2017: £74,000). At 30 June 2018, there was an amount of £30,000 due to be paid.

DIRECTORS' SHAREHOLDING IN THE COMPANY

IN THOUSANDS OF SHARES	30 JUNE 2018	31 DECEMBER 2017
David Richardson	175	172
Colin Maltby	120	117
Frank Schramm	418	251
Duncan Ball	419	252
Michael Denny	77	41
	1,209	833

REMUNERATION OF THE MANAGEMENT BOARD

Under the current remuneration program, all staff of BBGI Management HoldCo S.à r.l. 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 2018	SIX MONTHS ENDED 30 JUNE 2017
Short-term benefits	974	848
Share-based payment	246	171
	1,220	1,019

SHARE-BASED COMPENSATION

Each of the members of the Management Board received award letters ("2017 Award", "2016 Award", and "2015 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% 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 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:

	2017 AWARD	2016 AWARD	2015 AWARD
Return Period	December 2017-December 2020	December 2016-December 2019	December 2015-December 2018
Vesting period (by reference to performance measure – NAV Condition)	36 mos. ending 31/12/2020	36 mos. ending 31/12/2019	36 mos. ending 31/12/2018
Maximum number of shares which will vest	881,626	785,562	696,998

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:

	2017 AWARD	2016 AWARD	2015 AWARD
Share price at grant date	£ 1.405	£ 1.395	£ 1.28
Maturity	3 years	3 years	3 years
Annual target dividends (2018 to 2020)	£0.0650	–	–
Annual target dividends (2017 to 2019)	–	£0.0625	–
Annual target dividends (2016 to 2018)	–	–	£ 0.06
Volatility	10%	10%	10%
Risk free rate	Between 0.38%-0.56%	0.25%	0.85%

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.

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 2018	31 DECEMBER 2017
2017 Award	68	–
2016 Award	202	136
2015 Award	329	216
2014 Award	–	411
Amount recognised in additional paid–in capital	599	763

During the period, the Company settled the outstanding obligation under the 2014 Award through (a) issuance of 357,320 shares and (b) facilitation of tax settlement amounting to £420,000. The total accrued amount under the 2014 Award as at 31 December 2017 was £411,000. This amount was transferred from Additional paid in capital to Share capital at the settlement date. The tax settlement of the share-based compensation of £420,000 was presented as a reduction in the Company's share capital.

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 2018	SIX MONTHS ENDED 30 JUNE 2017
2017 Award	68	–
2016 Award	66	68
2015 Award	113	54
2014 Award	–	49
Amount recognised as additional paid–in capital	247	171

RECEIVABLE COMPONENT OF FVPL INVESTMENTS

As at 30 June 2018, the loan and interest receivable component of FVPL investments, which is included in the FVPL investments, amounted to £171,744,000 (31 December 2017: £192,848,000). The fixed interest charged on the receivables ranges from 6.75% to 13.5% per annum. The receivables have expected repayment dates ranging from 2024 to 2044.

TRADE AND OTHER RECEIVABLES

As at 30 June 2018, trade and other receivables include short-term receivables from project holding companies amounted to £983,000 (31 December 2017: £249,000). The remaining amount pertains to third-party receivables.

NOTE 16. SUBSEQUENT EVENTS

Subsequent to the reporting period, the Company completed the acquisition of 25% interest in Stanton Territorial Hospital in Yellowknife, NWT, Canada.

Also, subsequent to the 30 June 2018 balance sheet date, the Company repaid CAD155.4 million of borrowings under the revolving credit facility.

There have been no other significant subsequent events from 30 June 2018 to the date of approval of the condensed consolidated interim financial statements which would impact the current amounts and disclosures included herein.

BOARD MEMBERS,
AGENTS & ADVISORS

SUPERVISORY BOARD

- David Richardson (Chairman)
- Colin Maltby
- Howard Myles
- Jutta af Rosenborg (appointed on 1 July 2018)

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 & PRINCIPAL PAYING AGENT

RBC Investor Services Bank S.A.
14 Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

RECEIVING AGENT & UK TRANSFER AGENT

Link Market Services Limited (formerly Capita Registrars Limited)
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

DEPOSITORY

Link Market Services Trustees Limited (formerly Capita IRG 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

TAX ADVISORS

BDO Tax & Accounting, SA
1, rue Jean Piret
L-2350 Luxembourg
Grand Duchy of Luxembourg

A Global Infrastructure Company

E18, Norway

EBBC, 6 E route de Trèves
L-2633 Senningerberg,
Luxembourg

www.bb-gi.com
Registre de Commerce
et des Sociétés
Luxembourg:
B163879

www.bb-gi.com
BBGI SICAV S.A.