

Today TINC publishes its [annual report](#)

TINC continues to grow: increase of the portfolio size and annual results

Regulated information

Antwerp, under embargo until 12 September 2018, 7h30 CET

HIGHLIGHTS

- The net profit for the financial year 2017-2018 **amounts to € 19,3 million** (or € 0,87 per share), an increase of approximately 80% compared to the previous financial year, as a result of predominantly the growth of the portfolio and some non-recurring items. **The operational result** of the financial year 2017-2018 amounts to **€ 17 million** (or € 0,77 per share), **an increase of approximately 56%** compared to the previous financial year;
- The **Net Asset Value (NAV)** **amounts to € 325,1 million or € 11,92 per share** (vs € 238,8 million or € 11,67 per share on June 30, 2017 prior to payment of a gross dividend in October 2017 of € 8,3 million);
- The investment portfolio includes **17 participations** located in Belgium, the Netherlands and Ireland with a **fair market value of € 243,4 million**, an **increase of 37,4%** compared to the previous financial year;
- TINC **invested in total € 65,5 million** in its existing and new additional participations including Glasdraad (the Neth.) and Réseau Abilis (B). TINC further acquired an additional participation in the A11 highway (B);
- At the end of the financial year, the portfolio consists of **40% PPP** (based on availability fees), **39% renewable energy** and **21% demand-based infrastructure**. The valuation of the portfolio is based on a **weighted average discount rate of 8,26%** with individual discount rates within a range of 6,79% to 10%;
- At the end of the financial year, TINC has **€ 41,8 million outstanding contractual investment commitments** in respect of existing participations and for the acquisition of new participations. Through the combination of the existing portfolio and the contractual investment commitments, the portfolio of TINC will grow over time to € 285 million;
- In March 2018, TINC successfully increased its share capital for an amount of € 77,7 million. At the end of the financial year, TINC has approximately **€ 75,7 million** cash available to invest in the growth of the portfolio;
- In October, a distribution will be proposed for approval by the shareholders of **€ 13,4 million or € 0,49 per share**, of which € 0,46 per share will be distributed under the form of a capital reduction (on which no withholding tax is due) and € 0,03 per share under the form of a dividend, in accordance with new

legislation. This distribution corresponds to a gross return of 4,08% and a net return (after withholding tax) of 4,01% on the share price of € 12,00 at the end of the financial year;

- Mrs. Elvira Haezendonck shall be appointed as a third independent director of TINC, as of 17 October 2018;
- The annual report for the financial year 2017-2018 will be available on the website of TINC (www.tincinvest.com) (as well as, as from 17 September, the documents for the annual and extraordinary shareholders meeting of 17 October 2018).

Manu Vandenbulcke, CEO: *"This is once again a very good result for TINC. The investment portfolio grew considerably with diversification into fibre-optic networks (Glasdraad in the Netherlands) and special residential care (Réseau Abilis in Belgium). The successful capital increase in March provides the necessary resources for further growth. Our 17 participations continue to perform as expected. This allows us to confirm TINC's distribution policy. The proposed distribution to the shareholders increases to € 0,49 per share."*

RESULT AND DISTRIBUTION TO SHAREHOLDERS

The net profit for the financial year 2017-2018 amounts to € 19,3 million (or € 0,87 per share). This is an increase of approximately 80% compared to the net profit of € 10,7 million of the previous financial year, as a result of predominantly the growth of the portfolio and some non-recurring items. The operational result amounts to € 17 million (or € 0,77 per share), an increase of 56% compared to the previous financial year.

A distribution is proposed to the shareholders of € 0,49 per share, an increase of 2,08% compared to the dividend of the previous financial year. This represents a gross return of 4,08% (a net return of 4,01% after withholding tax) on the closing share price (€ 12,00) at the end of the financial year. The amount of € 0,49 per share will be distributed, using the legal framework created in the summer of 2017, partly in the form of a dividend (€ 0,03 per share) and to the largest part by way of a capital reduction (€ 0,46 per share). No withholding tax is due on the latter amount.

PORTFOLIO & INVESTMENT ACTIVITY

The net profit is the result of the good performance of the participations, which translates into a portfolio result of € 20,3 million. The increase, compared to the previous financial year, is mainly the result of new investments and includes the one-off positive impact on the valuation of the portfolio as a result of the recent tax reform in Belgium. The portfolio was valued by discounting the expected future cash flows from the participations at the same discount rates as those of the previous financial year.

At the end of the financial year, the investment portfolio includes 17 participations. The fair market value of the portfolio increased with € 66,2 million to € 243,4 million, an increase of 37,4% compared to the previous financial year.

TINC invested in total € 65,5 million in new and existing participations.

In September 2017, TINC entered into a joint venture agreement with *Maatschappij voor Breedband in Nederland* for the realisation of fibre optic networks (FttH) in the Netherlands. Today, the Netherlands still has a number of underserved areas where families and businesses do not have broadband internet access. Together with its Dutch partner, who already has a significant experience in the realization of fibre-optic networks, TINC wants to make broadband internet possible for families and businesses. The fibre-optic networks will be realized in function of the interest from users and internet service providers. TINC makes an investment budget of € 20 million available of which already € 4,4 million was invested at the end of the financial year.

In February 2018, TINC entered into a joint venture agreement with Réseau Abilis, an expanding network of specialized care facilities that provide life-long residential care to persons with special needs, in 24 locations in Wallonia, Brussels and France. The facilities can accommodate persons with a wide range of mental disorders. TINC's total commitment amounts to € 34 million of which already € 27 million was invested at the end of the financial year.

These new participations reflect TINC's ambition to further diversify its portfolio from a basis of project investments to investments in infrastructure companies with a particular focus on selected areas of interest such as the healthcare sector and digital infrastructure. TINC strives to achieve a balance between project and corporate investments within its total portfolio. Always based on an investment philosophy focused on cash flows with a high degree of visibility, TINC wants to make every effort to expand its portfolio with participations in infrastructure companies that can be a platform for further growth and with revenue models with a certain degree of inflation link. In an economic climate of extremely low interest rates, TINC also wants to anticipate changes in this low interest rate environment.

During the past year, TINC also increased its participation in Via A11, an investment of approximately € 20,2 million. Via A11 is a new highway in Belgium that was realized through a public private partnership and has been in use since September 2017.

At the end of the financial year, TINC has another € 41,8 million of investment commitments outstanding under contractual commitments which will be invested in the coming years. This includes the acquisition of a (additional) participation in 2 public private partnerships in the Netherlands.

Through the combination of the existing portfolio and the contractual investment commitments, the portfolio of TINC will grow over time to circa € 285 million.

CAPITAL INCREASE

In March 2018, TINC successfully increased its share capital by issuing new shares equal to a third of the existing number. The capital increase involved a public offering to subscribe to 6.818.182 new shares in cash with non-statutory preferential rights. The capital increase was fully subscribed at an issue price of € 11,40 per share. TINC raised an amount of € 77,7 million to fund its investment commitments. Also, the proceeds of the capital increase enable TINC to implement its strategy to further grow and diversify the portfolio.

Jean-Pierre Blumberg, Chairman of the Board of Directors: *“Classic infrastructure assets such as participations in public private partnerships or renewable energy are in high demand, while the supply in TINC's historic core countries is often limited and fragmented. This results in a high price pressure with decreasing returns as a result. TINC remains fully active in the market, albeit with a high degree of discipline and focus, inspired by a healthy balance between risk and return in the long term. TINC continues enjoying of a healthy trend line supporting its investment ambitions and benefits from its increased strength and network in order to further diversify its portfolio within an evolving infrastructure landscape. TINC remains committed to this with the support of its staff and the trust of its shareholders.”*

KEY FIGURES

1. Audited consolidated statement of comprehensive income

Period ending at:	June 30, 2018	June 30, 2017
(€)	12 months	12 months
Operating income	22 610 538	13 807 391
Interest income	7 757 695	5 664 080
Dividend income	4 712 374	3 792 009
Gain on disposal of investments	-	-
Unrealised gains on investments	9 472 950	4 022 954
Revenue	667 518	328 347
Operating expenses (-)	(5 612 935)	(2 909 246)
Unrealised losses on investments	(2 335 688)	(1 091 495)
Selling, General & Administrative Expenses	(3 238 639)	(1 658 805)
Other operating expenses	(38 608)	(158 946)
Operating result, profit (loss)	16 997 603	10 898 145
Finance income	4 134	5 835
Finance costs (-)	(68 703)	(25 740)
Result before tax, profit (loss)	16 933 034	10 878 241
Tax expenses (-)	2 400 900	(192 702)
Total Consolidated income	19 333 934	10 685 539
Total other comprehensive income	-	-
Total comprehensive income	19 333 934	10 685 539

Earnings per share (€)		
1. Basic earnings per share (*)	0,87	0,62
2. Diluted earnings per share (**)	0,87	0,62
Weighted average number of ordinary shares	22 215 285	17 241 594

(*) Calculated on the basis of the weighted average number of ordinary shares

(**) Assumed that all stock options warrants which were in the money as at the end of the period would be exercised.
The Company has no options / warrants outstanding throughout the reporting period.

2. Audited consolidated balance sheet

Period ending at:	June 30, 2018	June 30, 2017
(€)	12 months	12 months
I. NON-CURRENT ASSETS	247 524 006	179 080 558
Investments at fair value through profit and loss	243 428 356	177 203 967
Deferred taxes	4 095 650	1 876 591
II. CURRENT ASSETS	78 149 120	60 290 045
Trade and other receivables	2 438 945	1 619 686
Cash and short-term deposits	75 710 174	58 670 359
Other current assets	-	-
TOTAL ASSETS	325 673 126	239 370 603

Period ending at:	June 30, 2018	June 30, 2017
(€)	12 months	12 months
I. EQUITY	325 071 849	238 792 421
Issued capital	163 496 956	122 622 636
Share premium	108 187 628	71 334 673
Reserves	(284 416)	1 884 907
Retained earnings	53 671 682	42 950 204
II. LIABILITIES	601 276	578 182
A. Non-current liabilities	-	-
B. Current liabilities	601 276	578 182
Financial liabilities	-	-
Trade and other payables	598 789	387 117
Income tax payables	0	191 065
Other liabilities	2 487	-
TOTAL EQUITY AND LIABILITIES	325 673 126	239 370 603

3. Audited consolidated statement of changes in equity

Financial year 2017-2018

	Issued capital	Share premium	Reserves	Retained earnings	Equity
As per June 30, 2017	122 622 636	71 334 673	1 884 907	42 950 204	238 792 421
Total comprehensive income	-	-	-	19 333 934	19 333 934
Capital increase	40 874 319	36 852 956	-	-	77 727 275
Dividends to shareholders	-	-	-	(8 284 091)	(8 284 091)
Other changes	-	-	(2 169 324)	(328 365)	(2 497 689)
As per June 30, 2018	163 496 956	108 187 628	(284 416)	53 671 682	325 071 849

For comparison purposes, the following table shows the changes in equity during the previous financial year.

Financial year 2016 – 2017

	Issued capital	Share premium	Reserves	Retained earnings	Equity
As per June 30, 2016	81 748 317	35 504 445	2 994 415	37 470 914	157 718 092
Total comprehensive income	-	-	-	10 685 539	10 685 539
Capital increase	40 874 319	35 830 228	-	-	76 704 548
Dividends to shareholders	-	-	-	(4 738 636)	(4 738 636)
Other changes	-	-	(1 109 508)	(467 614)	(1 577 122)
As per June 30, 2017	122 622 636	71 334 673	1 884 907	42 950 204	238 792 421

4. Audited consolidated statement of cash flows

Period ending at:	June 30, 2018	June 30, 2017
(€)	12 months	12 months
Cash at beginning of period	58 670 359	28 327 665
Cash Flow from Financing Activities	66 926 684	69 486 180
Proceeds from capital increase	77 727 275	76 704 548
Capital repayment / decrease	-	-
Proceeds from borrowings	6 000 000	-
Repayment of borrowings	(6 000 000)	-
Interest paid	(11 667)	(20 915)
Dividends to shareholders	(8 284 091)	(4 738 636)
Other cash flow from financing activities	(2 504 833)	(2 458 817)
Cash Flow from Investing Activities	(45 832 679)	(36 387 889)
Investments	(65 459 234)	(47 515 921)
Repayment of investments	7 523 072	1 428 905
Interest received	7 042 495	5 372 326
Dividend received	4 276 612	3 929 500
Other cash flow from investing activities*	784 377	397 300
Cash Flow from Operational Activities	(4 054 189)	(2 755 596)
Management Fee	(3 280 395)	(2 168 676)
Expenses	(432 730)	(449 808)
Taxes paid	(341 065)	(137 113)
Cash at end of period	75 710 174	58 670 359

* Costs related to the rights issue (including VAT)

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About TINC

TINC is a listed investment company that participates in companies that realise and operate infrastructure. TINC holds a diversified investment portfolio of participations in public private partnerships, energy and demand based infrastructure, located in Belgium, the Netherlands and Ireland. This investment portfolio generates cash flows of a long-term sustainable nature, which form the basis for TINC's dividend policy. The participations are actively managed by an experienced team of investment and infrastructure professionals with offices in Antwerp and The Hague. TINC is listed on the regulated market of Euronext Brussels since May 12, 2015.

For more information please visit www.tincinvest.com.
