

TINC publishes its annual report 2019 - 2020

Resilient TINC continues to grow its portfolio

Regulated information

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HIGHLIGHTS

- The portfolio result for the past financial year amounts to € 22,5 million (compared to € 24,8 million in the previous financial year). This translates into a **net profit of € 17,8 million**;
- The **Net Asset Value (NAV) increases to € 445,7 million or € 12,26 per share** (versus € 331,3 million or € 12,15 per share on June 30, 2019) and this after deduction of the distribution to the shareholders of € 13,6 million or € 0,50 per share in October 2019;
- **A distribution of € 0,51 per share** is proposed to the shareholders, an increase of 2% compared to the previous financial year;
- The investment portfolio contains 22 participations in Belgium, the Netherlands and Ireland with a **fair value of € 340,3 million**. This portfolio is valued based on a weighted average discount rate of 7,82% (7,94% at June 30, 2019);
- During the past financial year, TINC made **€ 107 million of new investment commitments**. This includes the acquisition of an interest in a public-private partnership in Ireland, an 80 MW wind farm in the Netherlands, data centers in Belgium and the increase of the existing commitment to portfolio company GlasDraad in the Netherlands. In addition, TINC acquired an interest in two public-private partnerships in the Netherlands under existing contractual investment commitments;
- The **outstanding contractual investment commitments amount to € 64,1 million** at the end of the past financial year. Through the combination of the current participations and the outstanding contractual investment commitments, **the portfolio of TINC will grow over time to approximately € 405 million**;

- The **cash position amounts to € 103,3 million** at the end of the financial year, after the capital increase of € 112,7 million in December 2019;
- The participations showed overall **strong operational resilience under the Covid-19** and continued to function without material disruptions or problems;
- The annual report for the 2019-2020 financial year is available on the website of TINC (www.tincinvest.com), together with, as from September 19, the documents for the ordinary and extraordinary general meeting of October 21, 2020.

Manu Vandenbulcke, CEO: *"TINC has again made good progress in the growth and diversification of its portfolio with a historically high volume of new investment commitments in its three core countries. With this, the funding that was raised with the December 2019 capital increase is put to work. The participations generally showed strong operational resilience under Covid-19 and continued to function without material disruptions or problems. Against this backdrop, in combination with the strong portfolio cash flows, TINC is confident to propose a distribution to its shareholders of € 0,51 gross per share."*

RESULT AND DISTRIBUTION TO SHAREHOLDERS

The net profit for the financial year 2019-2020 amounts to € 17,8 million.

A distribution to the shareholders of € 0,51 per share is proposed for the past financial year. This is an increase of 2% compared to the distribution paid in respect of the previous financial year. The distribution represents a gross yield of 3,95% on the closing share price at the end of the financial year.

The proposed distribution will be a combination of a dividend and a capital decrease. The proposed dividend will amount to € 0,05 per share (9,8% of the total distribution) and the proposed capital decrease will amount to € 0,46 per share (90,2 % of the total distribution).

PORTFOLIO AND INVESTMENT ACTIVITY

TINC continued to focus on the diversification of its investment portfolio, both in terms of geography as in terms of type of infrastructure. By the end of the financial year, the investment portfolio includes 22 participations with a fair value of € 340 million. This is an increase of € 73 million or 27 % compared to the previous financial year. This increase is the result of investments in both new and existing participations, and of underlying value growth of the portfolio. The fair value of the investment portfolio is determined by applying a market-based discount rate to the expected future cash flows from each individual participation. The average weighted discount rate is 7,82 % at the end of the financial year, slightly lower than the 7,94% at the end of the previous financial year. Although during the financial year, the market experienced further downwards pressure on discount rates for quality infrastructure assets, TINC did not change the discount rates applied to its participations on 30 June 2020 because of the COVID-19 health crisis and the related current uncertainty surrounding this crisis.

The participations showed overall strong operational resilience through Covid-19 and continue to operate without material disruption. Where necessary, the operational continuity of the services was subject to review and adapted in function of the Covid-19 measures together with the various stakeholders such as public

authorities, customers, subcontractors and suppliers. Also regular maintenance work was postponed or rescheduled in order to safeguard the health and safety of subcontractors and of those who use the infrastructure. Participations with ongoing construction work experienced delays, temporary work suspensions at building sites and may have increased costs because of the Covid-19 crisis, however TINC is confident that this will not put the successful realisation in jeopardy.

With a portfolio result of € 22,5 million, the investment portfolio realises a good result in a challenging year. The decrease compared to the previous financial year (- 9%) is predominantly the result of the performance of the energy participations. Power price projections dropped significantly following the Covid-19 crisis, and this adversely affects the valuation and hence the unrealised result of these participations. However, this has little to no effect on the short to mid-term cash flow generation of the energy participations. Some participations with a demand-based revenue model – such as car parks and holiday cottages experienced the likely temporary impact of a decrease in demand from customers because of the Covid-19 health measures.

Generally, the cash flow generation of the investment portfolio remains strong: TINC received in total € 35,5 million cash from its participations, including the proceeds of the successful refinancing of the windfarm Storm Ireland.

Notwithstanding the challenges posed during the second half of the year because of the Covid-19 crisis, TINC succeeded in growing and geographically diversifying the investment portfolio with € 107 million of new investment commitments to existing and new participations. This includes:

- Entering into a partnership with Macquarie Capital according to which TINC will hold a minority economic interest in an Irish public private partnership (PPP) of social housing facilities in the Dublin Region (Ireland). TINC's investment commitment of in total ca. € 15 million will be funded after availability of the project;
- Acquiring a majority stake in windfarm Kroningswind that will be realised on the island of Goeree-Overflakkee in the Netherlands as soon as all conditions and formalities have been satisfied, an investment commitment of TINC that by realisation can be up to € 40 million;
- Acquiring a majority participation in Datacenter United, an investment commitment of circa € 12 million;
- Increasing its existing € 20 million commitment to GlasDraad by € 40 million to accelerate the roll-out of fast internet access (FttH) in underserved areas in the Netherlands.

TINC has further under existing contractual investment commitments increased its participation in the operational public private partnership (PPP) Princess Beatrix Lock (the Netherlands) from 3.75% to 37.5% (an investment of circa € 5 million) and acquired a participation in the operational public private partnership (PPP) A15 Maasvlakte-Vaanplein in the Netherlands (an investment of circa € 12 million).

The demand-based participations have by now evolved to about one third of the total portfolio, adding not just diversification but also an element of growth to the overall portfolio profile. An important spearhead is digital infrastructure such as fiber optic networks and data centers that form the backbone for the transformation to a robust digital society. The Covid-19 health crisis has once again illustrated the importance of good and widely available digital infrastructure.

TINC has € 64,1 million of contractual investment commitments outstanding at the end of the financial year. Through the combination of the existing participations and the contractual investment commitments, the portfolio will grow over time to circa € 405 million.

TINC has € 103,3 million in cash and cash equivalents at the end of the financial year.

Jean-Pierre Blumberg, Chairman of the Board of Directors: *“Quality infrastructure companies have demonstrated their resilience and capacity to generate sustainable cash flows during the Covid-19 crisis. Moreover, a continuing low interest rate environment is a strong value driver that underpins the attractiveness of infrastructure as a prized asset class. TINC will continue to seek opportunities to grow and diversify its portfolio, both in terms of type of infrastructure – with a strong focus on energy transition and the digital transformation – and in terms of its geographical footprint. TINC will continue to do this in a spirit of partnership with our various stakeholders.”*

KEY FIGURES

1. Audited consolidated statement of comprehensive income

Period ending at:	June 30, 2020	June 30, 2019
(€)	12 months	12 months
Operating income	35.660.136	29.058.631
Interest income	7.973.266	8.188.895
Dividend income	7.508.670	5.908.524
Gain on disposal of investments	-	-
Unrealised gains on investments	19.506.791	14.315.374
Revenue	671.408	645.838
Operating expenses (-)	(17.047.715)	(8.043.158)
Unrealised losses on investments	(13.156.850)	(4.251.595)
Selling, General & Administrative Expenses	(3.776.319)	(3.693.893)
Other operating expenses	(114.546)	(97.670)
Operating result, profit (loss)	18.612.421	21.015.473
Finance income	53.124	6.298
Finance costs (-)	(118.551)	(4.336)
Result before tax, profit (loss)	18.546.994	21.017.434
Tax expenses (-)	(704.579)	(758.086)
Total Consolidated income	17.842.415	20.259.349
Total other comprehensive income	-	-
Total comprehensive income	17.842.415	20.259.349
Earnings per share (€)		
1. Basic earnings per share (*)	0,55	0,74
2. Diluted earnings per share (**)	0,55	0,74
Weighted average number of ordinary shares	32.453.301	27.272.728

(*) 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, 2020	June 30, 2019
(€)	12 months	12 months
I. NON-CURRENT ASSETS	342.630.888	269.962.202
Investments at fair value through profit and loss	340.316.550	267.105.792
Deferred taxes	2.314.338	2.856.410
II. CURRENT ASSETS	103.707.574	62.122.331
Trade and other receivables	438.280	393.876
Cash and short-term deposits	103.269.294	61.728.455
Other current assets	-	-
TOTAL ASSETS	446.338.463	332.084.533

Period ending at:	June 30, 2020	June 30, 2019
(€)	12 months	12 months
I. EQUITY	445.697.401	331.321.268
Issued capital	184.905.136	150.951.501
Share premium	174.688.537	108.187.628
Reserves	(4.839.591)	(1.348.949)
Retained earnings	90.943.318	73.531.088
II. LIABILITIES	641.062	763.265
A. Non-current liabilities	-	-
B. Current liabilities	641.062	763.265
Financial liabilities	-	-
Trade and other payables	632.557	499.847
Income tax payables	-	-
Other liabilities	8.505	263.417
TOTAL EQUITY AND LIABILITIES	446.338.463	332.084.533

3. Audited consolidated statement of changes in equity

Financial year 2019-2020

	Notes	Issued capital	Share premium	Reserves	Retained earnings	Equity
June 30, 2019	2	150.951.501	108.187.628	(1.348.949)	73.531.088	331.321.268
Total comprehensive income	1	-	-	-	17.842.415	17.842.415
Capital increase	4,19	46.226.364	66.500.908	-	-	112.727.272
Proceeds towards shareholders		(12.272.728)	-	(1.363.636)	-	(13.636.364)
Other changes		-	-	(2.127.006)	(430.185)	(2.557.190)
June 30, 2020		184.905.136	174.688.537	(4.839.591)	90.943.318	445.697.401

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

Financial year 2018-2019

	Notes	Issued capital	Share premium	Reserves	Retained earnings	Equity
June 30, 2018	2	163.496.956	108.187.628	(284.416)	53.671.682	325.071.849
Total comprehensive income	1	-	-	-	20.259.349	20.259.349
Proceeds towards shareholders	4,19	(12.545.455)	-	(818.182)	-	(13.363.637)
Other changes		-	-	(246.350)	(399.942)	(646.293)
June 30, 2019		150.951.501	108.187.628	(1.348.949)	73.531.088	331.321.268

4. Audited consolidated statement of cash flows

Period ending at:		June 30, 2020	June 30, 2019
(€)	Notes	12 months	12 months
Cash at beginning of period		61.728.455	75.710.174
Cash Flow from Financing Activities		96.372.188	(13.363.659)
Proceeds from capital increase		112.727.272	-
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Interest paid		-	-
Distribution to shareholders		(13.636.364)	(13.363.659)
Other cash flow from financing activities *		(2.718.720)	-
Cash Flow from Investing Activities		(50.578.666)	1.209.100
Investments		(86.077.029)	(17.496.215)
Repayment of investments		19.187.845	3.692.299
Interest received		8.050.254	8.116.109
Dividend received		7.508.653	6.344.277
Other cash flow from investing activities		751.610	552.630
Cash Flow from Operational Activities		(4.252.683)	(1.827.160)
Management Fee		(3.995.156)	(3.634.457)
Expenses		(850.977)	(465.512)
Recovered VAT		693.450	2.482.809
Taxes paid		(100.000)	(210.000)
Cash at end of period	2,18	103.269.294	61.728.455

* Costs related to the rights issue (including VAT)

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About TINC

TINC is a listed investment company, participating in companies that realise and operate infrastructure. TINC holds a diversified investment portfolio of participations in Public Infrastructure, Energy Transition 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 distribution policy. The participations are actively monitored by an experienced team of investment and infrastructure professionals with offices in both Antwerp and the Hague. TINC is listed on Euronext Brussels since May 12, 2015.

For more information please visit www.tincinvest.com.