

REINET INVESTMENTS S.C.A.

Reinet Investments S.C.A.
(Incorporated in Luxembourg)
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Code: RNI
LEI: 222100830RQTFV22S80

COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2021

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the six-month period ended 30 September 2021.

Key financial data

- **Reinet's net asset value of € 4.8 billion, reflects a compound growth of 8.4 per cent per annum in euro terms, since March 2009, including dividends paid**
- **The net asset value at 30 September 2021 reflects a decrease of € 602 million or 11.2 per cent from € 5 384 million at 31 March 2021**
- **Net asset value per share at 30 September 2021: € 25.95 (31 March 2021: € 29.21)**
- **New commitments totalling € 281 million in respect of new and existing investments were made during the period, and a total of € 110 million funded**
- **Dividends from British American Tobacco during the period amounted to € 35 million**
- **Borrowings repaid during the period, significantly reducing the level of debt**
- **Reinet dividend of some € 46 million, or € 0.25 per share, paid during the period**

Reinet Investments S.C.A. (the 'Company') is a partnership limited by shares incorporated in the Grand Duchy of Luxembourg and having its registered office at 35, boulevard Prince Henri, L-1724 Luxembourg. It is governed by the Luxembourg law on securitisation and in this capacity allows its shareholders to participate indirectly in the portfolio of assets held by its wholly-owned subsidiary Reinet Fund S.C.A., F.I.S. ('Reinet Fund'), a specialised investment fund also incorporated in Luxembourg. The Company's ordinary shares are listed on the Luxembourg Stock Exchange, Euronext Amsterdam and the Johannesburg Stock Exchange; the listing on the Johannesburg Stock Exchange is a secondary listing. The Company's ordinary shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg Stock Exchange. The Company and Reinet Fund together with Reinet Fund's subsidiaries are referred to as 'Reinet'.

Cautionary statement regarding forward-looking statements

This document contains forward-looking statements which reflect the current views and beliefs of Reinet Investments S.C.A. (the 'Company'), as well as assumptions made by the Company and information currently available. Words such as 'may', 'should', 'estimate', 'project', 'plan', 'believe', 'expect', 'anticipate', 'intend', 'potential', 'goal', 'strategy', 'target', 'will', 'seek' and similar expressions may identify forward-looking statements. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside Reinet's control. The Company does not undertake to update, nor does it have any obligation to provide updates or to revise, any forward-looking statements.

Reinet Investments S.C.A.
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BUSINESS OVERVIEW

The Company has determined that it meets the definition of an investment entity in terms of International Financial Reporting Standards ('IFRS') 10. The net asset value and income statement included in this business overview have however been presented in a more comprehensive format than required by IFRS in order to provide readers with detailed information relating to the underlying assets and liabilities.

Net asset value				
The net asset value ('NAV') at 30 September 2021 and 31 March 2021 comprised:				
	30 September 2021		31 March 2021	
	€ m	%	€ m	%
Listed investments				
British American Tobacco p.l.c.	1 464	30.6	1 826	33.9
Other listed investments	89	1.9	96	1.8
Unlisted investments				
Pension Insurance Corporation Group Limited	2 223	46.5	2 755	51.2
Private equity and related partnerships	878	18.4	776	14.4
Trilantic Capital Partners	268	5.6	179	3.3
Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies				
TruArc Partners (Snow Phipps successor)	206	4.3	161	3.0
Fund II, Fund III, Fund IV, co-investment opportunities and management company				
Asian private equity companies and portfolio funds	258	5.4	242	4.5
Milestone China Opportunities funds, investment holdings and management company	55		49	
Prescient China funds and investment management company	146		142	
Grab Holdings Inc.	43		43	
Asia Partners fund	14		8	
Specialised investment funds	146	3.1	194	3.6
Vanterra C Change TEM and holding companies	17		17	
NanoDimension funds and co-investment opportunities	96		84	
GAM Real Estate Finance Fund	3		9	
Other fund investments	30		84	
United States land development and mortgages	34	0.7	33	0.6
Diamond interests	15	0.3	17	0.3
Other investments	72	1.5	69	1.3
Total investments	4 775	99.9	5 572	103.5
Cash and liquid funds	188	3.9	507	9.4
Bank borrowings and derivatives				
Borrowings	(141)	(2.9)	(837)	(15.5)
Net derivative assets	1	-	114	2.1
Other (liabilities)/assets				
Minority interest, fees payable and other liabilities, net of other assets	(41)	(0.9)	28	0.5
Net asset value	4 782	100.0	5 384	100.0

All investments are held, either directly or indirectly, by Reinet Fund.

INFORMATION RELATING TO CURRENT KEY INVESTMENTS AT 30 SEPTEMBER 2021

		Committed amount ⁽¹⁾ in millions	Remaining committed amount ⁽¹⁾ in millions	Invested amount ⁽²⁾ in millions	Realised proceeds ⁽²⁾ in millions	Current fair value ⁽¹⁾ in millions	Total realised and unrealised value ⁽³⁾ in millions
Listed investments							
British American Tobacco p.l.c.	EUR	-	-	1 739	3 070	1 464	4 534
	GBP	-	-	1 418	2 569	1 258	3 827
Other listed investments							
	EUR	-	-	84	68	89	157
	USD	-	-	96	78	103	181
Unlisted investments							
Pension Insurance Corporation Group Limited							
	EUR	1 288	-	1 309	-	2 223	2 223
	GBP	1 107	-	1 107	-	1 911	1 911
Trilantic Capital Partners							
Euro investment	EUR	87	20	67	144	34	178
US dollar investment ⁽⁴⁾	USD	590	209	391	397	271	668
TruArc Partners (Snow Phipps successor)							
	EUR	412	242	172	71	206	277
	USD	477	280	197	80	239	319
Asian private equity companies and portfolio funds							
Milestone China Opportunities funds, investment holdings and management company							
	EUR	146	-	129	144	55	199
	USD	169	1	168	164	64	228
Prescient China funds and investment management company							
	EUR	-	-	68	2	146	148
	USD	-	-	82	2	169	171
Grab Holdings Inc.							
	EUR	-	-	43	-	43	43
	USD	-	-	50	-	50	50
Asia Partners fund							
	EUR	22	8	13	-	14	14
	USD	25	9	16	-	16	16
Specialised investment funds							
Vanterra C Change TEM and holding companies							
	EUR	61	4	53	2	17	19
	USD	71	4	67	3	20	23
NanoDimension funds and co-investment opportunities							
	EUR	122	31	91	38	96	134
Euro investment	EUR	4	-	4	1	4	5
US dollar investment	USD	137	35	102	42	106	148
GAM Real Estate Finance Fund							
	EUR	116	32	87	87	3	90
	GBP	100	28	72	75	2	77
United States land development and mortgages							
	EUR	186	5	160	46	34	80
	USD	215	6	209	52	39	91
Diamond interests							
	EUR	-	-	116	97	15	112
	ZAR	-	-	1 160	1 439	258	1 697

(1) Calculated using period end foreign exchange rates.

(2) Calculated using actual foreign exchange rates at transaction date.

(3) Total of realised proceeds and current fair value.

(4) The invested amount for Trilantic Capital Partners includes an initial payment of \$ 10 million.

PERFORMANCE

NET ASSET VALUE

The NAV comprises total assets less total liabilities, and equates to total equity under International Financial Reporting Standards. The decrease in the NAV of € 602 million during the period reflects decreases in the estimated fair value of certain investments including British American Tobacco p.l.c. ('BAT'), Pension Insurance Corporation Group Limited and other listed investments. Offsetting these decreases are dividends received from BAT together with increases in the fair value of Trilantic Capital Partners, TruArc Partners (Snow Phipps successor) and Asian private equity companies and portfolio funds. Details of the Company's NAV and details of movements in key investments can be found on pages 2 and 3 of this report.

Reinet records its assets and liabilities in euro; the weakening of sterling and the South African rand against the euro, offset by the strengthening of the US dollar against the euro has resulted in an overall decrease in the value of certain assets and liabilities in euro terms. Applying current period-end exchange rates to the March 2021 assets and liabilities would have resulted in a decrease in the March 2021 NAV of some € 29 million.

SHARE BUYBACK PROGRAMME

During the period, the Company did not enter into new share buyback programmes and as a result there was no share buyback programme in progress at 30 September 2021.

The Company has repurchased 11 651 395 ordinary shares between November 2018 and November 2019 under four share buyback programmes. The cost of the ordinary shares repurchased amounts to € 173 million, plus transaction costs.

Details of each completed share buyback programme to date can be found in note 7 of the Reinet 2021 interim report.

All ordinary shares repurchased are held as treasury shares.

NET ASSET VALUE PER SHARE

The NAV per share of the Company is calculated by dividing the NAV by the number of shares outstanding (excluding treasury shares) of 184 290 891.

SHARE PRICE

The Company's indicative share price as quoted on the Luxembourg Stock Exchange decreased by 4.7 per cent in the period from € 17.00 at 31 March 2021 to € 16.20 at 30 September 2021, with the highest trade being at € 18.30 during the period. The total shareholder return since inception (taking into account the initial price of € 7.1945 and including dividends paid) is 7.4 per cent per annum. The growth in NAV, including dividends paid, reflects an 8.4 per cent compounded increase since March 2009. The Company's ordinary shares are listed on the Luxembourg Stock Exchange, Euronext Amsterdam and the Johannesburg Stock Exchange; the listing on the Johannesburg Stock Exchange is a secondary listing.

Share prices as at 30 September 2021 and 31 March 2021 were as follows:

	30 September 2021		31 March 2021	
	ZAR	EUR	ZAR	EUR
Luxembourg	-	16.20	-	17.00
Euronext	-	16.30	-	17.08
Johannesburg	283.12	-	291.81	-

COVID-19

In March 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic.

Reinet recognises that the long-term financial impact of COVID-19 may still be unknown. However, it continues to value its investments in line with International Private Equity and Venture Capital Valuation ('IPEV') guidelines and its approved valuation procedures and methodologies. All investment valuations have been prepared using latest available data and discussions have taken place with fund managers to determine any significant changes in value and any impacts related to COVID-19. Future valuations will take into account any new impacts of COVID-19 which could affect the valuation of underlying unlisted investments.

INVESTMENTS

Reinet seeks, through a range of investment structures, to build partnerships with other investors, specialised fund managers and entrepreneurs to find and develop opportunities for long-term value creation for its shareholders.

Since its formation in 2008, Reinet has invested some € 3.2 billion and at 30 September 2021 committed to provide further funding of € 524 million to its current investments. Details of the funding commitments outstanding are given in the table on page 9 of this report. New commitments during the period under review amounted to € 281 million, and a total of € 110 million was funded during the period.

Major items impacting the NAV, significant changes in carrying value and new investments during the period under review are described below.

LISTED INVESTMENTS

BRITISH AMERICAN TOBACCO P.L.C.

The investment in BAT remains one of Reinet's largest investments and is kept under constant review, considering the company's performance, the industry outlook, cash flows from dividends, stock market performance, volatility and liquidity.

During the period under review, dividend income recorded from BAT amounted to € 35 million (£ 30 million), being BAT's second 2021 interim dividend received in August 2021. The first 2021 interim dividend of some € 36 million (£ 31 million) was received in May 2021 and was recorded as a receivable in Reinet's March 2021 results. No amount has been recorded as receivable at 30 September 2021 as the next dividend record date is in October 2021.

Reinet holds 48.3 million shares in BAT (31 March 2021: 56.1 million), representing some 2.11 per cent of BAT's issued share capital. During the period under review some 7.8 million BAT shares with a fair value of € 242 million (€ 252 million at 31 March 2021) were surrendered as part payment of the loan due to Merrill Lynch International, see pages 9 and 10 for further information.

The value of Reinet's remaining investment in BAT amounted to € 1 464 million at 30 September 2021 (31 March 2021: € 1 826 million), being some 30.6 per cent of Reinet's NAV (31 March 2021: 33.9 per cent). The BAT share price on the London Stock Exchange decreased from £ 27.74 at 31 March 2021 to £ 26.04 at 30 September 2021, together with the effect of sterling weakening against the euro in the period, resulting in a total decrease in value of € 110 million.

In its 30 June 2021 half-year report, BAT reported that rapid growth in new categories is driving significant scale benefits and 2021 is shaping up to be a pivotal year in its journey towards 'A Better Tomorrow'. The focus on new categories growth and business sustainability puts ESG at the core of its strategy. BAT also remains committed to a 65 per cent dividend pay-out ratio and growth in sterling terms.

Further information on BAT is available at www.bat.com/annualreport.

OTHER LISTED INVESTMENTS

Other listed investments comprised:

	30 September 2021	31 March 2021
	€ m	€ m
SPDR Gold shares	32	32
Selecta Biosciences, Inc.	5	5
Soho China Limited	11	12
Twist Bioscience Corporation	41	47
	89	96

SOHO CHINA LIMITED

Soho China Limited ('Soho') is a Chinese office developer focused on developing and leasing properties in the central business districts of Beijing and Shanghai. Soho developments are known for their modern architecture, with designs from architects such as Zaha Hadid and Japanese architect Kengo Kuma. The company has developed over five million square metres of commercial properties in China.

In June 2021, the Blackstone Group announced its intention to make a general offer to acquire a controlling stake in Soho; however, in September 2021 the offer was withdrawn due to a lack of progress in satisfying pre-conditions within the agreed offer timeframe.

Reinet holds 47 million shares with a market value of € 11 million as at 30 September 2021 (31 March 2021: € 12 million). The decrease in value reflects the decrease in the share price during the period.

Further information on Soho is available at www.sohochina.com.

TWIST BIOSCIENCE CORPORATION

Twist Bioscience Corporation ('Twist') is involved in the fields of medicine, agriculture, industrial chemicals and data storage, by using synthetic DNA tools, and has created a revolutionary silicon-based DNA synthesis platform that offers precision at a scale otherwise unavailable.

Reinet holds 444 497 shares in Twist with a market value of € 41 million (31 March 2021: € 47 million). The decrease in value reflects the decrease in the share price during the period offset by the strengthening of the US dollar against the euro during the period.

Further information on Twist is available at www.twistbioscience.com.

UNLISTED INVESTMENTS

Unlisted investments are carried at their estimated fair value. In determining fair value, Reinet Fund Manager S.A. (the 'Fund Manager') relies on audited and unaudited financial statements of investee companies, management reports and valuations provided by third-party experts. Valuation methodologies applied include the NAV of investment funds, discounted cash flow models and comparable valuation multiples, as appropriate.

PENSION INSURANCE CORPORATION GROUP LIMITED

Pension Insurance Corporation Group Limited's ('Pension Corporation') wholly-owned subsidiary, Pension Insurance Corporation plc ('Pension Insurance Corporation'), is a leading provider in the UK pension risk transfer market.

During the first half of 2021, Pension Insurance Corporation concluded new business with premiums of £ 385 million (First half of 2020: £ 3.5 billion). The reduced premiums reflect the impact of the 2020 COVID-19 lockdown on new business generation and trustee activity; however, in the second half of 2021 Pension Insurance Corporation signed a £ 2.2 billion pension insurance buy-in with the Trustee of the Metal Box Pension Scheme, the largest transaction so far this year, and has a number of transactions in exclusivity.

At 30 June 2021, Pension Insurance Corporation reported it held £ 47.6 billion in assets (31 December 2020: £ 49.6 billion) with the decrease attributable to higher interest rates and had to date insured 270 800 pension fund members. Clients include FTSE 100 companies, multinationals and the public sector.

Pension Insurance Corporation has a total of £ 1.6 billion Tier 2 subordinated notes and £ 450 million Tier 1 restricted notes outstanding. In May 2021 Fitch affirmed its Insurer Financial Strength rating at A+ (Strong) and Long-Term Issuer Default rating at A. The reported Solvency II capital ratio as at 30 June 2021 was 157 per cent (31 December 2020: 157 per cent).

Reinet's shareholding in Pension Corporation decreased from 49.5 per cent at 31 March 2021 to 49.4 per cent at 30 September 2021 as a result of an increase in issued shares in respect of employee incentive plans in the period under review.

Reinet's investment in Pension Corporation is carried at an estimated fair value of € 2 223 million at 30 September 2021 (31 March 2021: € 2 755 million). This value takes into account Pension Corporation's adjusted equity own funds value at 30 June 2021 of some £ 5.3 billion (31 December 2020: £ 5.9 billion), valuation multiples drawn from industry data and a discount of 10 per cent which takes into account the illiquid nature of Reinet's investment.

The decrease in Reinet's estimated fair value of Pension Corporation is due, almost in equal portion, to a) the decrease in Pension Corporation's adjusted equity own funds value (which results primarily from an increase in long-term risk free interest rates in the period); and b) a decrease in comparable company multiples derived from public information of listed peer-group companies in the UK insurance sector. A small additional impact is derived from the weakening of sterling against the euro in the period.

The investment in Pension Corporation represented some 46.5 per cent of Reinet's NAV at 30 September 2021, compared to 51.2 per cent at 31 March 2021.

In its 30 June 2021 half-year report, Pension Corporation noted that the business goes into the second half with a strong, resilient balance sheet and a large, long-term store of value. After a slow start to the year, the pension risk transfer market is once again very busy.

Further information on Pension Corporation is available at www.pensioncorporation.com.

PRIVATE EQUITY AND RELATED PARTNERSHIPS

TRILANTIC CAPITAL PARTNERS

Trilantic Capital Partners ('Trilantic') is composed of Trilantic North America and Trilantic Europe, two separate and independent private equity investment advisors focused on making controlling and significant minority interest investments in companies in their respective geographies. Trilantic North America primarily targets investments in the business services, consumer and energy, and energy transition sectors, and currently manages five fund families. Trilantic Europe primarily targets investments in the industrials, consumer and leisure, telecommunication, media and technology, business services and healthcare sectors, and currently manages three fund families.

Reinet and its minority partner invest in certain of the Trilantic general partnerships and management companies (together 'Trilantic Management'). Reinet and its minority partner, through Reinet TCP Holdings Limited, invest in two of the current funds under Trilantic's management. Reinet also directly invests in four additional funds under Trilantic's management. The terms of investment applicable to Reinet's investment in the Trilantic funds provide that Reinet will not pay any management fees or carried interest. In addition, Reinet receives a share of the carried interest payable on the realisation of investments held in the funds, once a hurdle rate has been achieved.

Reinet TCP Holdings Limited invests in Trilantic Capital Partners IV L.P. and Trilantic Capital Partners IV (Europe) L.P.; these funds are in the process of realising the remaining underlying investments.

In addition, Reinet invests in Trilantic Capital Partners V (North America) L.P. and Trilantic Energy Partners (North America) L.P. These US-based funds are focused on North American opportunities with Trilantic Energy Partners (North America) L.P. being especially focused on the energy industry sector and are primarily in the process of realising the remaining underlying investments.

Reinet also invests in Trilantic Capital Partners VI Parallel (North America) L.P. (collectively with its parallel vehicles, 'Fund VI') and Trilantic Energy Partners II Parallel (North America) L.P. (collectively with its parallel vehicles 'TEP II'). These US-based funds are focused on North American opportunities with TEP II being especially focused on the energy industry sector and are primarily in the process of capital deployment.

Reinet's investment in Trilantic Management and the above funds is carried at the estimated fair value of € 268 million at 30 September 2021 (31 March 2021: € 179 million) of which € 2 million (31 March 2021: € 2 million) is attributable to the minority partner. The estimated fair value is based on unaudited valuation data provided by Trilantic Management at 30 June 2021, adjusted for changes in the value of listed investments included in the portfolios and cash movements up to 30 September 2021.

The increase in the estimated fair value is due to net capital calls of € 49 million together with increases in the estimated fair values of underlying investments and the strengthening of the US dollar against the euro in the period.

During the period under review, gains of € 2 million (30 September 2020: € 6 million) and carried interest of € 2 million (30 September 2020: € nil) were realised.

Further information on Trilantic is available at www.trilantic.com.

TRUARC PARTNERS (SNOW PHIPPS SUCCESSOR) FUNDS, CO-INVESTMENT OPPORTUNITIES AND MANAGEMENT COMPANY

In 2021, a new management company known as TruArc Partners, LP ('TruArc') was formed as a successor business to Snow Phipps Group, LLC ('Snow Phipps'), continuing the historical focus on middle-market controlled private equity investments. In addition to acting as investment adviser to the recently launched TruArc Fund IV, TruArc will also serve as a sub-adviser to the existing Snow Phipps funds.

In the period ended September 2021, Reinet committed a total of € 259 million (\$ 300 million) to TruArc Fund IV and a related co-investment vehicle. In addition, Reinet acquired a minority stake in TruArc.

At period end, Reinet is invested in Snow Phipps II, Snow Phipps III, TruArc Fund IV and a related co-investment vehicle, TruArc, and in four co-investment opportunities alongside Snow Phipps III.

Reinet's investment is carried at an estimated fair value of € 206 million at 30 September 2021 (31 March 2021: € 161 million), based on the unaudited valuation data provided by TruArc at 30 June 2021 adjusted for cash movements up to 30 September 2021.

The increase in the estimated fair value reflects capital contributions of € 34 million, increases in the value of underlying investments together with the strengthening of the US dollar against the euro, offset by distributions of € 23 million in the period.

Further information on TruArc Partners is available at www.truarcpartners.com

ASIAN PRIVATE EQUITY COMPANIES AND PORTFOLIO FUNDS

Milestone China Opportunities funds, investment holdings and management company

Reinet has invested along with Milestone Capital in a management company based in Shanghai, and has also invested in certain funds and an investment holding company managed by Milestone Capital (together 'Milestone').

Milestone Capital has a strong track record in helping portfolio companies scale their operations and become listed on either domestic or foreign stock exchanges. Funds under management invest primarily in domestic Chinese high-growth companies seeking expansion or acquisition capital. Milestone funds seek to maximise medium- to long-term capital appreciation by making direct investments to acquire minority or majority equity stakes in those companies identified by Milestone's investment team. Current areas of investment include: domestic consumer brands; biopharmaceutical manufacturers; medical device manufacturers; big data services; e-commerce; etc.

The investment in Milestone is held at the estimated fair value of € 55 million (31 March 2021: € 49 million) based on unaudited financial information provided by Milestone Capital at 30 June 2021 adjusted for movements in listed investments and cash movements up to 30 September 2021.

The increase in estimated fair value reflects increases in the value of underlying investments together with the strengthening of the US dollar against the euro.

Further information on Milestone Capital and Milestone funds is available at www.mcmchina.com.

Prescient China funds and investment management company

Reinet invests in the Prescient China Balanced Fund, the Prescient China Equity Fund and the management company.

The Prescient China Equity Fund uses a systematic, quantitative approach to seek long-term capital growth by investing primarily in China 'A' shares listed on the Shanghai and Shenzhen Stock Exchanges by virtue of Prescient's Qualified Foreign Institutional Investor status granted by the China Securities Regulatory Commission.

Prescient China Balanced Fund invests in equities following a similar strategy to the Prescient China Equity Fund and also in bonds, cash and derivatives with the objective of generating inflation-beating returns at acceptable risk levels.

Both funds are managed by a subsidiary of Prescient Limited ('Prescient'), a South African fund manager, with the team based in Shanghai.

Reinet's total investment is carried at an estimated fair value of € 146 million based on unaudited financial information provided by Prescient at 30 September 2021 (31 March 2021: € 142 million). The increase in estimated fair value over the period under review is the result of increases in the value of underlying investments together with the strengthening of the US dollar against the euro.

Further information on Prescient is available at www.prescient.co.za.

Asia Partners fund

Asia Partners I LP ('Asia Partners') is the inaugural fund of Asia Partners Fund Management Pte. Ltd, a Singapore-based growth equity investment firm.

Asia Partners bases its investment strategy on the long-term growth potential of Southeast Asia, the rapid growth of innovative technology and technology-enabled businesses in the region, and target investments in the \$ 20 million to \$ 50 million range, often described as the 'Series C/D Gap' between early-stage venture capital and the public capital markets.

The investment in Asia Partners is held at the estimated fair value of € 14 million (31 March 2021: € 8 million) based on unaudited financial information provided by the fund manager at 30 June 2021 adjusted for cash movements up to 30 September 2021.

The increase in estimated fair value reflects capital contributions of € 6 million, increases in the value of underlying investments together with the strengthening of the US dollar against the euro.

Further information on Asia Partners is available at www.asiapartners.com

SPECIALISED INVESTMENT FUNDS

NanoDimension funds and co-investment opportunities

ND Capital ('NanoDimension') is a venture capital firm founded in 2002 that invests in disruptive technologies in and at the intersection of the life and physical sciences, accelerated by data sciences. Their core belief is that scientific disciplines will continue to converge, and that some of the biggest breakthroughs will occur at the intersection of two or more disciplines. The focus of each fund is to invest in and support the establishment, technology development and scale up, growth and commercialisation of portfolio companies. They believe that these disruptive technologies address some of the biggest societal problems. Investments range from molecular diagnostics, cell and gene therapies, organs on chip, DNA synthesis and DNA editing, energy storage and electrical propulsion system for aviation. They invest predominantly across the United States and Europe with recent investments in Canada, Denmark and the United Kingdom. Their teams are situated in Silicon Valley, Switzerland and the Cayman Islands.

Reinet is a limited partner in NanoDimension L.P., NanoDimension II L.P., NanoDimension III L.P. and ND Capital Opportunity Fund I L.P., and is invested in one co-investment opportunity alongside NanoDimension II L.P.

In the period ended September 2021, Reinet committed € 22 million (\$ 25 million) to ND Capital Opportunity Fund I L.P., a fund which invests primarily in companies that other NanoDimension funds have previously invested in, or is currently co-investing in or that may be sourced through the NanoDimension network.

At 30 September 2021, the estimated fair value of Reinet's investment in the four funds and the co-investment amounted to € 96 million (31 March 2021: € 84 million). The estimated fair value is based on unaudited valuation data received from NanoDimension as at 30 June 2021 adjusted for movements in listed investments and cash movements up to 30 September 2021.

The increase in estimated fair value reflects capital contributions of € 6 million, increases in the value of underlying investments together with the strengthening of the US dollar against the euro in the period.

Further information on NanoDimension is available at www.ndcapital.com.

Other fund investments

Other fund investments are valued in total at their estimated fair value of € 30 million at 30 September 2021 (31 March 2021: € 85 million) based on the latest available valuation statements received from the fund managers.

The decrease in estimated fair value principally reflects distributions received in the period under review.

Included in this section is a limited partner investment in RLG Real Estate Partners L.P. ('RLG'), a property fund which is managed by a subsidiary of Compagnie Financière Richemont SA. RLG invests in and develops real estate properties, including luxury brand retail developments situated in prime locations throughout the world. During the period under review, capital distributions of € 55 million were received and the remaining unfunded commitment of € 32 million was cancelled. The fair value as at 30 September 2021 is based on recent unaudited valuation data, less distributions received.

Further information on Reinet's investments may be found in the Reinet 2021 annual report which is available at www.reinet/investor-relations/reports.html.

COMMITMENTS

During the period, Reinet committed a total of € 259 million (\$ 300 million) to TruArc Fund IV and a related co-investment vehicle and € 22 million (\$ 25 million) to the ND Capital Opportunity Fund I L.P.

Unpaid commitments of € 32 million in respect of RLG Real Estate Partners L.P. were cancelled in the period.

COMMITTED FUNDS

Funding commitments are entered into in various currencies including sterling, US dollar and South African rand and are converted into euro using 30 September 2021 exchange rates.

The table below summarises Reinet's investment commitments as at 30 September 2021.

	31 March 2021 ⁽¹⁾ € m	Exchange rate effects ⁽²⁾ € m	Committed during the period ⁽³⁾ € m	Funded during the period ⁽³⁾ € m	30 September 2021 ⁽³⁾ € m	30 September 2021 %
Private equity and related partnerships						
Trilantic Capital Partners	256	2	-	(60)	198	37.8
Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies ⁽⁴⁾						
TruArc Partners (Snow Phipps successor)	17	-	259	(34)	242	46.2
Fund II, Fund III, Fund IV, co-investment opportunities and management company						
Asian private equity companies and portfolio funds						
Milestone China Opportunities funds, investment holdings and management company	1	-	-	(1)	-	-
Asia Partners fund	14	-	-	(6)	8	1.5
Specialised investment funds						
Vanterra C Change TEM and holding companies	4	-	-	-	4	0.8
NanoDimension funds and co-investment opportunities	15	-	22	(6)	31	5.9
GAM Real Estate Finance Fund	33	(1)	-	-	32	6.1
Other fund investments	32	-	(32)	-	-	-
United States land development and mortgages	5	-	-	-	5	0.9
Other investments	7	-	-	(3)	4	0.8
	384	1	249	(110)	524	100.0

(1) Commitments calculated using 31 March 2021 exchange rates.
(2) Reflects exchange rate movements between 31 March 2021 and 30 September 2021.
(3) Amounts calculated using 30 September 2021 exchange rates, which may differ from actual exchange rates on the transaction date.
(4) Commitments noted represent only Reinet's share of the investments at 30 September 2021, additional commitments payable by minority partner amount to € 3 million in respect of Trilantic.

CASH AND LIQUID FUNDS

Reinet holds cash on deposit principally in European-based banks and in liquidity funds holding highly rated short-term commercial paper.

Reinet's liquidity is measured by its ability to meet potential cash requirements, including unfunded commitments on investments and the repayment of borrowings, and at 30 September 2021 can be summarised as follows:

Cash and liquid funds	€ 188 m
Undrawn borrowing facilities	€ 407 m
Cash required for unfunded commitments (refer to table above)	(€ 524 m)
Cash required to meet ZAR borrowing obligations	(€ 25 m)
Cash required to meet GBP borrowing obligations	(€ 116 m)

The undrawn borrowing facilities comprise a revolving facility with Bank of America, N.A. of € 291 million (£ 250 million) and a revolving facility with Citibank N.A. of € 116 million (£ 100 million) (see below).

Reinet may sell further BAT shares or use such shares to secure additional financing facilities from time to time.

BANK BORROWINGS AND DERIVATIVES

BORROWINGS

Reinet has a facility agreement in place with Bank of America, N.A. up to 9 December 2022 and with Citibank N.A. up to 19 August 2024. The borrowing facilities allow Reinet to drawdown the equivalent of up to € 407 million (£ 350 million) in a combination of currencies to fund further investment commitments. As at 31 March 2021, € 203 million of these facilities were drawn; all of which have been fully repaid during the period to 30 September 2021.

During early 2017, Reinet entered into a £ 500 million, medium-term financing arrangement with Merrill Lynch International. The £ 500 million financing transaction included the purchase by Reinet of put options over approximately 15.5 million BAT shares for a premium of some £ 79 million payable over the life of the transaction (the 'Premium Loan'). In the current period ending 30 September 2021, the £ 500 million borrowing and the Premium Loan were repaid using cash on hand (£ 223 million), proceeds from the associated put options (£ 89 million) and the surrendering of some 7.8 million BAT shares (£ 206 million). At 31 March 2021, the fair value of the £ 500 million borrowing amounted to € 591 million (£ 503 million) and the fair value of the Premium Loan was € 18 million (£ 16 million), resulting in a fair value adjustment of £ 1 million during the period. All BAT shares used as security in respect of the above loans have been released.

In the period under review, Reinet obtained a fixed-rate £ 100 million margin loan from Citibank N.A. The loan is repayable in August 2024 and some 7.5 million BAT shares have been pledged to collateralise the loan.

Reinet has also borrowed ZAR 443 million to fund its investments in South African projects. At 30 September 2021, the estimated fair value of the borrowing was € 25 million (31 March 2021: € 25 million). This loan matures in March 2022.

DERIVATIVE ASSETS/(LIABILITIES) – OPTIONS AND FORWARD EXCHANGE CONTRACT

As part of the aforementioned £ 500 million medium-term financing arrangement, Reinet purchased put options at a cost of £ 79 million, which provided protection should the value of the BAT shares used to secure the borrowings fall below a certain amount. Proceeds of £ 89 million were received as a result of the put options being exercised to repay a portion of the borrowing. The put options were carried at an estimated fair value of € 114 million (£ 97 million) at 31 March 2021.

In the period under review, Reinet settled an outstanding forward exchange contract amounting to ZAR 200 million realising a loss of € 2 million. The forward exchange contract was carried at an estimated fair value of € 1 million (liability) at 31 March 2021.

Reinet holds 340 230 warrants in respect of shares in Selecta. The warrants expire in December 2024 and are carried at the estimated fair value of € 1 million (31 March 2021: € 1 million).

Refer to page 55 of the Reinet 2021 annual report for a description of Reinet's policy on foreign exchange exposure.

OTHER (LIABILITIES)/ASSETS

MINORITY INTEREST, FEES PAYABLE AND OTHER LIABILITIES, NET OF OTHER ASSETS

The minority interest liability amounts to € 3 million (31 March 2021: € 3 million) and is in respect of the minority partner's share in the gains and losses not yet distributed arising from the estimated fair value movement of investments in which they have interests.

Fees payable and other liabilities comprise principally an accrual of € 19 million in respect of the management fee payable at 30 September 2021 (31 March 2021: € 16 million), a provision for deferred taxes of € 9 million (31 March 2021: € 6 million) relating to realised and unrealised gains arising from the investments in Trilantic Capital Partners and TruArc Partners (Snow Phipps successor), and withholding and corporate taxes of € 7 million (31 March 2021: € 6 million) relating to the investment in United States land development and mortgages. Accruals, other payables and other receivables net to € 3 million (31 March 2021: € 6 million).

No provision has been made in respect of a performance fee as at 30 September 2021 (31 March 2021: € nil) as the conditions required to pay a fee had not been met at that date. In order for a performance fee to be payable at 31 March 2022, the volume weighted average market price of the Company's share determined by taking into account volume and price information on the Luxembourg Stock Exchange, Euronext Amsterdam and the Johannesburg Stock Exchange over the last 20 trading days of the current financial year needs to exceed € 18.69.

The performance fee (if applicable) and management fee are payable to Reinet Investment Advisors Limited.

Amounts payable are offset by other assets which comprise the BAT dividend receivable of € nil (31 March 2021: € 37 million). No amount has been recorded as BAT dividend receivable at 30 September 2021 as the next dividend record date is in October 2021.

INCOME STATEMENT	Six-month period ended		Six-month period ended	
	30 September 2021		30 September 2020	
	€ m	€ m	€ m	€ m
Income				
BAT dividends	35		34	
Interest and other investment income	8		16	
Realised gain on disposal of BAT shares	83		-	
Realised gains/(losses) on sale of other investments	14		(14)	
Realised gain on derivative instruments	11		2	
Carried interest earned on investments	2		-	
Total income		153		38
Expenses				
Management fee	(23)		(18)	
Operating expenses, foreign exchange and transaction-related costs	(3)		(1)	
Interest and related financing expenses	(6)		(4)	
Tax expense	(4)		-	
Total expenses		(36)		(23)
Realised investment income, net of expenses		117		15
Fair value adjustments				
BAT – unrealised loss on shares held	(110)		(25)	
– reversal unrealised gain on shares disposed of ⁽¹⁾	(93)		-	
Pension Corporation	(532)		209	
Other investments	77		15	
Derivative instruments – fair value adjustment on outstanding contracts	-		(21)	
– reversal of unrealised gains on settled contracts ⁽²⁾	(20)		-	
Borrowings – unrealised gain on outstanding loans	1		11	
– reversal of unrealised loss on repaid loans ⁽³⁾	2		-	
Total fair value adjustments		(675)		189
		(558)		204
Effect of exchange rate changes on cash balances		2		(21)
Net (loss)/profit		(556)		183
Minority interest		-		-
(Loss)/profit attributable to the shareholders of the Company		(556)		183

(1) The reversal of the unrealised gain on shares surrendered during the period ended 30 September 2021 in relation to the repayment of the Merrill Lynch International loan represents the unrealised gain on these BAT shares as at 1 April 2021.

(2) The reversal of the unrealised gains on derivative contracts represents the unrealised fair value as at 1 April 2021.

(3) The reversal of the unrealised loss on borrowings represents the unrealised loss as at 1 April 2021 on borrowings repaid during the period ended 30 September 2021.

INCOME

Dividend income from BAT recorded during the period amounted to € 35 million (£ 30 million) (30 September 2020: € 34 million (£ 31 million)). Dividend income recorded for the six months to September 2021 was in respect of BAT's second 2021 interim dividend of £ 0.539 per share (2020: £ 0.526 per share) with a record date of 9 July 2021, being the only dividend with a record date falling in the period under review.

Interest income is earned on bank deposits, investments and loans made to underlying investments.

Realised gains on disposal of BAT shares are in respect of the surrendering of some 7.8 million BAT shares calculated by reference to the initial cost of the investment.

Realised gains on other investments of € 14 million were in respect of investments realised in Trilantic Capital Partners and TruArc Partners (Snow Phipps successor).

A loss of € 1.8 million was realised on the settlement of the euro/South African rand forward exchange contract during the period, and a gain of € 12.3 million was realised on the settlement of the put options.

EXPENSES

The management fee for the period ended 30 September 2021 amounts to € 23 million and is based on Reinet Fund's NAV of € 5 386 million at 31 March 2021 (30 September 2020: € 18 million, based on Reinet Fund's NAV of € 4 404 million at 31 March 2020).

A performance fee may be payable for the year ended 31 March 2022 if certain conditions are met. The performance fee is calculated as 10 per cent of the Cumulative Total Shareholder Return as defined in the Company's prospectus, published on 10 October 2008 as last amended on 25 August 2020, including dividends paid, over the period since completion of the rights issue in December 2008 up to 31 March 2022, less the sum of all performance fees paid in respect of previous periods. No provision for the performance fee was accrued in respect of the six-month periods ended 30 September 2021 and 2020.

Operating expenses of € 3 million include € 1 million in respect of charges from Reinet Investments Manager S.A. (the 'General Partner') and other expenses, including legal and other fees, which amounted to € 2 million.

Interest and related financing expenses include interest expenses relating to sterling and South African rand denominated borrowings of € 5 million and loan break costs of € 1 million.

The net tax expense of € 4 million includes corporate and withholding taxes payable in respect of gains realised on Trilantic investments, together with deferred tax provision related to unrealised gains, expected distributions and accrued interest in respect of the Trilantic Capital Partners, TruArc Partners (Snow Phipps successor) funds and co-investment opportunities and other US investments.

FAIR VALUE ADJUSTMENTS

The investment in 48.3 million BAT shares decreased in value by € 110 million during the period under review. Of this, € 96 million was attributable to the decrease in value of the underlying BAT shares in sterling terms, together with a decrease of € 14 million due to the weakening of sterling against the euro during the period under review.

The investment in Pension Corporation decreased in value by € 532 million which includes a decrease of € 26 million in respect of the weakening of sterling against the euro in the period under review (refer to page 6 for a full description of the overall movement of Pension Corporation during the period).

The unrealised fair value adjustment of € 77 million in respect of other investments includes an increase in the estimated fair value of Trilantic Capital Partners of € 40 million, TruArc Partners (Snow Phipps successor) of € 22 million, Milestone of € 9 million the Prescient China funds of € 3 million, NanoDimension of € 5 million offset by decreases in the fair value of other listed investments of € 7 million. The above amounts include the effect of changes in foreign exchange rates in the period under review.

Put options were settled in the period under review, thereby reversing the previously recorded unrealised gains of € 22 million. In addition, the forward exchange contract amounting to ZAR 200 million was settled, thereby reversing an unrealised loss of € 2 million.

Borrowings are carried at estimated fair value reflecting the discounted cash flow value of future principal and interest payments taking into account prevailing interest rates. Unrealised losses of € 2 million previously recorded in respect of sterling borrowings were reversed due to the repayment of this borrowing during the period. An unrealised gain of € 1 million during the period was in respect of the Citibank N.A. loan.

MINORITY INTEREST

The minority interest expense arises in respect of the minority partner's share in the earnings of Reinet TCP Holdings Limited.

DIVIDEND

A cash dividend of some € 46.1 million or € 0.25 per share (excluding treasury shares held) was paid in September 2021, following approval at the annual general meeting on 30 August 2021. The Company only declares an annual dividend.

CAPITAL STRUCTURE

As at 30 September 2021 and 31 March 2021 there were 195 941 286 ordinary shares and 1 000 management shares in issue.

As at 30 September 2021 and 31 March 2021, the Company held 11 651 395 ordinary shares as treasury shares. The voting and dividend rights attached to the treasury shares are suspended. Therefore the total number of voting rights at 30 September 2021 was 184 290 891.

FINANCIAL STATEMENTS

The consolidated unaudited financial statements at 30 September 2021, on which this announcement is based, have been approved by the Board of the General Partner on 15 November 2021.

SHARE INFORMATION

Reinet Investments S.C.A. (the 'Company') ordinary shares are listed and traded on the Luxembourg Stock Exchange (symbol 'REINI', Refinitiv code REIT.LU), on Euronext Amsterdam (symbol 'REINA', Refinitiv code REIT.AS) and on the Johannesburg Stock Exchange (symbol 'RNI', Refinitiv code RNIJ.J) with the ISIN number LU0383812293; the listing on the Johannesburg Stock Exchange is a secondary listing. The Company's ordinary shares are included in the 'LuxX' index of the principal shares traded on the Luxembourg Stock Exchange.

Reinet Investments Manager S.A.
General Partner
For and on behalf of Reinet Investments S.C.A.

Sponsor
RAND MERCHANT BANK (a division of FirstRand Bank Limited)

17 NOVEMBER 2021

Website: www.reinet.com

Notes for South African editors

Acknowledging the interest in Reinet's results on the part of South African investors, set out below are key figures from the results expressed in rand.

Shares in issue

	<u>30 September 2021</u>	<u>31 March 2021</u>
Shares in issue	195 942 286	195 942 286
Treasury shares	(11 651 395)	(11 651 395)
Net shares	184 290 891	184 290 891

Net asset value

Using the closing euro/rand exchange rate prevailing as at 30 September 2021 of 17.4361 and a rate of 17.3323 as at 31 March 2021.

	<u>30 September 2021</u>	<u>31 March 2021</u>
Net asset value	ZAR 83 379 m	ZAR 93 317 m

The decrease in the net asset value reflects the decrease in the net asset value in euro terms offset by the weakening of the South African rand against the euro during the period.

Net asset value per ordinary share

	<u>30 September 2021</u>	<u>31 March 2021</u>
Net asset value per share	ZAR 452.47	ZAR 506.28

(Loss)/profit for the period

Using the average euro/rand exchange rate for the period ended 30 September 2021 of 17.1378 and the average rate of 19.7518 for the period ended 30 September 2020.

	<u>30 September 2021</u>	<u>30 September 2020</u>
(Loss)/profit for the period	<u>(ZAR 9 529 m)</u>	<u>ZAR 3 615 m</u>

The loss for the period reflects the decrease in the net asset value in euro terms.

Headline earnings per share

To comply with the South African practice of providing Headline earnings per share data, the relevant data is as follows:

	<u>30 September 2021</u>	<u>30 September 2020</u>
Unadjusted earnings per share	<u>(€ 3.02)</u>	<u>€ 0.99</u>
Headline earnings per share *	<u>(€ 3.02)</u>	<u>€ 0.99</u>
Unadjusted earnings per share	<u>(ZAR 51.76)</u>	<u>ZAR 19.55</u>
Headline earnings per share *	<u>(ZAR 51.76)</u>	<u>ZAR 19.55</u>

* There are no dilutive instruments

Dividends paid

	<u>30 September 2021</u>	<u>30 September 2020</u>
Gross dividend per share	<u>€ 0.25</u>	<u>€ 0.19</u>
Gross dividend per share	<u>ZAR 4.30395</u>	<u>ZAR 3.94062</u>
Euro/rand exchange rate	<u>17.2158</u>	<u>20.7401</u>