

**Reinet Investments S.C.A.**  
**(Incorporated in Luxembourg)**  
**ISIN: LU0383812293**  
**Legal Entity Identifier : 222100830RQTFVV22S80**  
**Code: RNI**  
**(‘the Company’)**

## COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

### CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2022

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 2022.

#### Key financial data

- **Reinet’s net asset value of € 5.4 billion, reflects a compound growth rate of 8.8 per cent per annum in euro terms, since March 2009, including dividends paid**
- **The net asset value at 30 September 2022 reflects a decrease of € 449 million or 7.6 per cent from € 5 890 million at 31 March 2022**
- **Net asset value per share at 30 September 2022: € 29.93 (31 March 2022: € 31.99)**
- **Fifth share buyback programme completed with 2.5 million ordinary shares repurchased for a consideration of some € 49 million, plus transaction costs**
- **Commitments totalling € 53 million in respect of new and existing investments were made during the period, with a total of € 79 million funded**
- **Dividends from British American Tobacco during the period amounted to € 61 million**
- **Reinet dividend of some € 51 million, or € 0.28 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.**  
**R.C.S. Luxembourg B 16 576**  
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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.

	30 September 2022		31 March 2022	
	€ m	%	€ m	%
<b>Net asset value</b>				
The net asset value ('NAV') at 30 September 2022 and 31 March 2022 comprised:				
<b>Listed investments</b>				
British American Tobacco p.l.c.	1 776	32.6	1 832	31.1
Other listed investments	90	1.7	100	1.7
<b>Unlisted investments</b>				
Pension Insurance Corporation Group Limited	2 251	41.4	2 796	47.5
<b>Private equity and related partnerships</b>	<b>1 091</b>	<b>20.0</b>	<b>906</b>	<b>15.4</b>
<b>Trilantic Capital Partners</b>	<b>482</b>	<b>8.8</b>	<b>385</b>	<b>6.5</b>
Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies				
<b>TruArc Partners</b>	<b>281</b>	<b>5.2</b>	<b>202</b>	<b>3.5</b>
Fund II, Fund III, Fund IV, co-investment opportunities and management company				
<b>Asian private equity companies and portfolio funds</b>	<b>228</b>	<b>4.2</b>	<b>213</b>	<b>3.6</b>
Milestone China Opportunities funds, investment holdings and management company	49		50	
Prescient China funds and investment management company	143		143	
Asia Partners funds	36		20	
<b>Specialised investment funds</b>	<b>100</b>	<b>1.8</b>	<b>106</b>	<b>1.8</b>
NanoDimension funds and co-investment opportunities	96		98	
Other fund investments	4		8	
<b>United States land development and mortgages</b>	<b>29</b>	<b>0.5</b>	<b>32</b>	<b>0.5</b>
<b>Diamond interests</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>0.3</b>
<b>Other investments</b>	<b>82</b>	<b>1.5</b>	<b>81</b>	<b>1.4</b>
<b>Total investments</b>	<b>5 319</b>	<b>97.7</b>	<b>5 767</b>	<b>97.9</b>
<b>Cash and liquid funds</b>	<b>338</b>	<b>6.2</b>	<b>415</b>	<b>7.0</b>
<b>Bank borrowings and derivatives</b>				
Borrowings	(209)	(3.8)	(233)	(3.9)
Derivative assets	-	-	1	-
<b>Other liabilities</b>				
Minority interest, fees payable and other liabilities, net of other assets	(7)	(0.1)	(60)	(1.0)
<b>Net asset value</b>	<b>5 441</b>	<b>100.0</b>	<b>5 890</b>	<b>100.0</b>

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

**INFORMATION RELATING TO CURRENT KEY INVESTMENTS AT 30 SEPTEMBER 2022**

		Committed amount <sup>(1)</sup> in millions	Remaining committed amount <sup>(1)</sup> in millions	Invested amount <sup>(2)</sup> in millions	Realised amount <sup>(2)</sup> in millions	Current fair value <sup>(1)</sup> in millions	Total realised and unrealised value <sup>(3)</sup> in millions
<b>Listed investments</b>							
British American Tobacco p.l.c.	EUR	-	-	1 739	3 224	1 776	5 000
	GBP	-	-	1 418	2 699	1 559	4 258
Other listed investments	EUR	-	-	127	68	90	158
	USD	-	-	146	78	88	166
<b>Unlisted investments</b>							
<b>Pension Insurance Corporation Group Limited</b>							
	EUR	1 267	-	1 315	-	2 251	2 251
	GBP	1 112	-	1 112	-	1 976	1 976
<b>Trilantic Capital Partners</b>							
Euro investment	EUR	85	19	66	146	27	173
US dollar investment <sup>(4)</sup>	USD	591	128	473	436	446	882
<b>TruArc Partners</b>							
	EUR	489	189	262	223	281	504
	USD	480	185	295	251	275	526
<b>Asian private equity companies and portfolio funds</b>							
Milestone China Opportunities funds, investment holdings and management company							
	EUR	172	1	129	144	49	193
	USD	169	1	168	164	48	212
Prescient China funds and investment management company							
	EUR	-	-	80	4	143	147
	USD	-	-	94	4	140	144
Asia Partners funds							
	EUR	62	34	23	-	36	36
	USD	60	33	27	-	35	35
<b>Specialised investment funds</b>							
NanoDimension funds and co-investment opportunities							
	EUR	195	74	103	46	96	142
Euro investment	EUR	4	-	4	1	2	3
US dollar investment	USD	187	73	114	51	93	144
<b>United States land development and mortgages</b>							
	EUR	218	5	160	62	29	91
	USD	214	5	209	70	28	98
<p>(1) Calculated using period end foreign exchange rates.</p> <p>(2) Calculated using actual foreign exchange rates at transaction date.</p> <p>(3) Total of realised proceeds and current fair value.</p> <p>(4) The invested amount for Trilantic Capital Partners includes an initial payment of \$ 10 million.</p>							

## PERFORMANCE

### NET ASSET VALUE

The net asset value ('NAV') comprises total assets less total liabilities, and equates to total equity under International Financial Reporting Standards. The decrease in the NAV of € 449 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, together with the dividend paid. Offsetting these decreases are dividends received from BAT together with increases in the fair value of Trilantic Capital Partners, TruArc Partners 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 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 2022 assets and liabilities would have resulted in a decrease in the March 2022 NAV of some € 29 million.

### SHARE BUYBACK PROGRAMME

During the period, 2 325 979 ordinary shares were repurchased for some € 46 million, plus transaction costs.

The fifth share buyback programme commenced in March 2022 and concluded on 23 May 2022, with 2.5 million ordinary shares repurchased for € 49 million, plus transaction costs.

As at 30 September 2022, there was no share buyback programme in progress.

The Company repurchased 14 151 395 ordinary shares between November 2018 and May 2022 under five share buyback programmes. The cost of the ordinary shares repurchased amounted to € 222 million, plus transaction costs.

Details of each completed share buyback programme to date can be found in note 7 to the consolidated financial statements.

All ordinary shares repurchased are held as treasury shares.

### NET ASSET VALUE PER SHARE

The NAV per share and the adjusted NAV per share of the Company are calculated by dividing the NAV and adjusted NAV by the number of shares outstanding (excluding treasury shares) of 181 790 891 (31 March 2022: 184 116 870). The adjusted NAV as at 31 March 2022 was calculated by reversing the liability in respect of future repurchases of shares of € 46.5 million. The adjusted NAV is considered relevant as it eliminates the timing difference between the additional liability recorded for future share repurchases and the actual number of shares repurchased as at 31 March 2022. No adjustment was made as at 30 September 2022 as there was no share buyback programme in progress at that date.

	30 September 2022	31 March 2022
<b>Shares in issue</b>	<b>195 942 286</b>	195 942 286
Treasury shares	<b>(14 151 395)</b>	(11 825 416)
<b>Net shares</b>	<b>181 790 891</b>	184 116 870
	<b>€ m</b>	<b>€ m</b>
<b>NAV (see page 2)</b>	<b>5 441</b>	5 890
Reversal of future share buyback liability	-	46
<b>Adjusted NAV</b>	<b>5 441</b>	5 936
	<b>€ per share</b>	<b>€ per share</b>
<b>NAV per share</b>	<b>29.93</b>	31.99
<b>Adjusted NAV per share</b>	<b>29.93</b>	32.24

## SHARE PRICE

The Company's indicative share price as quoted on the Luxembourg Stock Exchange decreased by 27.5 per cent in the period from € 20.00 at 31 March 2022 to € 14.50 at 30 September 2022, with the highest trade being at € 19.80 during the period. The total shareholder return since inception (taking into account the initial price of € 7.1945 and including dividends paid) is 6.1 per cent per annum. The growth in NAV, including dividends paid, reflects an 8.8 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 2022 and 31 March 2022 were as follows:

	30 September 2022		31 March 2022	
	ZAR	EUR	ZAR	EUR
Luxembourg	-	14.50	-	20.00
Amsterdam	-	14.90	-	20.00
Johannesburg	266.93	-	327.76	-

## GLOBAL MARKETS BACKDROP

In March 2020, the World Health Organization classified the COVID-19 outbreak as a pandemic. As of September 2022, the day-to-day impact of COVID-19 is much less than a year ago.

The current crisis in Ukraine continues to have an impact on worldwide energy supplies, along with the availability and cost of other essential goods and services leading to volatility in financial markets. The Company has no direct exposure to Russia or Ukraine through its underlying investments or banking relationships.

The last six months have seen continued volatility in stock and currency markets; interest rates and inflation have increased significantly and global risk levels continue to rise. Notably, sterling declined significantly compared to the US dollar in the last weeks of September. In the first weeks of October markets stabilised with sterling gaining strength against both the US dollar and the euro.

Reinet continues to value its investments in line with the 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, including exchange rates and listed share prices as at 30 September 2022. Discussions have taken place with fund managers and investee companies to determine any significant changes in value and any impacts related to COVID-19, the Ukraine crisis, volatility in stock and currency markets, interest rates and inflation. Future valuations will take into account any new impacts of the above, which could affect the valuation of underlying 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 € 3.5 billion and at 30 September 2022 committed to provide further funding of € 484 million to its current investments. Details of the funding commitments outstanding are given in the table on page 10 of this report. New commitments during the period under review amounted to € 53 million, with a net total of € 79 million 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 € 61 million (£ 52 million), being BAT's second 2022 interim dividend of some € 31 million (£ 26 million) received in August 2022 together with the third interim dividend of some € 30 million (£ 26 million) with a record date of 30 September 2022. The third interim dividend will be paid on 10 November 2022 and has been included as a receivable in the NAV as at 30 September 2022.

The first 2022 interim dividend of some € 31 million (£ 26 million) was received in May 2022 and was recorded as a receivable in Reinet's March 2022 results.

Reinet holds 48.3 million shares in BAT (31 March 2022: 48.3 million), representing some 2.15 per cent of BAT's issued share capital.

The value of Reinet's investment in BAT amounted to € 1 776 million at 30 September 2022 (31 March 2022: € 1 832 million), being some 32.6 per cent of Reinet's NAV (31 March 2022: 31.1 per cent). The BAT share price on the London Stock Exchange increased from £ 31.94 at 31 March 2022 to £ 32.27 at 30 September 2022, however, this was offset by the effect of sterling weakening against the euro in the period, resulting in a net decrease in value of € 56 million.

In its 30 June 2022 half-year report, BAT reported that continued growth in new categories is driving a 'faster transformation' in its journey towards 'A Better Tomorrow'.

The journey towards 'A Better Tomorrow' involves a reduction in the health impact of the business, based on three core beliefs: (a) Rigorous science should underpin a portfolio of reduced-risk products; (b) Product innovation to satisfy evolving global consumer needs; and (c) Sustainability at the centre of business decisions and strategy.

BAT also reiterated its guidance for full year 2022, expecting constant currency revenue growth of 2 to 4 per cent and mid-single figure constant currency adjusted diluted earnings per share growth. BAT also remains committed to dividend growth in sterling terms and a 65 per cent long-term dividend pay-out ratio.

Further information on BAT is available at [www.bat.com/annualreport](http://www.bat.com/annualreport).

## OTHER LISTED INVESTMENTS

Other listed investments comprised:

	30 September 2022	31 March 2022
	€ m	€ m
Grab Holdings Limited	28	33
Selecta Biosciences, Inc.	2	2
Soho China Limited	8	8
SPDR Gold shares	36	37
Twist Bioscience Corporation	16	20
	90	100

### GRAB HOLDINGS LIMITED

Grab Holdings Limited ('Grab') is a leading superapp platform in Southeast Asia, providing everyday services that matter to consumers, including food deliveries, mobility and the e-wallet segment of financial services. Grab offers a wide range of on-demand services across 480 cities in eight countries.

Reinet holds 10 573 666 shares in Grab with a market value of € 28 million (31 March 2022: € 33 million). The decrease in value is due to 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 Grab is available at [www.grab.com](http://www.grab.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 € 16 million (31 March 2022: € 20 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](http://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 2022, Pension Insurance Corporation concluded new business with premiums of almost £ 2.4 billion (first half of 2021: £ 385 million), and the market is presenting a strong pipeline of new business for the second half of the year and into 2023. At 30 June 2022, assets held amounted to £ 44.1 billion (31 December 2021: £ 51.1 billion) with the decrease attributable to higher interest rates. As assets are largely matched to the portfolio, there was also a broadly corresponding decrease in the value of pensioner liabilities.

Reinet's shareholding in Pension Corporation increased from 49.4 per cent at 31 March 2022 to 49.5 per cent at 30 September 2022 as a result of a share purchase in the amount of £ 4.8 million in the period under review.

Reinet's investment in Pension Corporation is carried at an estimated fair value of € 2 251 million at 30 September 2022 (31 March 2022: € 2 796 million). This value takes into account Pension Corporation's adjusted equity own funds value at 30 June 2022 of some £ 5.9 billion (31 December 2021: £ 5.9 billion), corresponding valuation multiples drawn from industry data for a selected UK insurance peer group as at 30 September 2022, 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 mainly due to a decrease in comparable company multiples derived from public information of listed peer group companies in the UK insurance sector, together with the weakening of sterling against the euro in the period.

The decrease in comparable company multiples arose following a short period of market disruption at the end of September 2022 which included the fall in value of sterling, interest rate increases and falling share prices. Since 30 September 2022 sterling has strengthened, long-term interest rates have declined and comparable company share prices have increased. Reinet does not expect any significant long-term impact on the underlying value of Pension Corporation as a result of these market movements.

The investment in Pension Corporation represented some 41.4 per cent of Reinet's NAV at 30 September 2022, compared to 47.5 per cent at 31 March 2022.

In its 30 June 2022 half-year report, Pension Corporation reports that it made significant progress in the evolution of its purposeful investment strategy, including a £ 130 million regeneration lease investment being the cornerstone investment in the UK's largest urban regeneration project, creating social value across generations.

Pension Corporation noted that the long-term defensive positioning of the portfolio, the prudent approach to managing risks and the well-established ability to invest in secure, long-term privately sourced debt allows it to go into what may well be an uncertain economic environment over the remainder of the year and beyond with confidence.

*Further information on Pension Corporation is available at [www.pensioncorporation.com](http://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 currently targets investments in the business services and consumer 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. ('Fund IV') and Trilantic Capital Partners IV (Europe) L.P.; these funds are in the process of realising the remaining underlying investments.

In 2012, Reinet invested in Trilantic Capital Partners V (North America) L.P. ('Fund V') and in 2014, in Trilantic Energy Partners (North America) L.P. ('TEP I'). These US-based funds are focused on North American opportunities with TEP I being especially focused on the energy industry sector. Both funds are in the process of realising the remaining underlying investments.

In 2017, Reinet invested 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. Both funds are currently in late stages of capital deployment.

Reinet's investment in Trilantic Management and the above funds is carried at the estimated fair value of € 482 million at 30 September 2022 (31 March 2022: € 385 million) of which € 2 million (31 March 2022: € 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 2022, adjusted for changes in the value of listed investments included in the portfolios and cash movements up to 30 September 2022.

The increase in the estimated fair value is due to net capital calls of € 8 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, offset by distributions of € 21 million in the period.

During the period under review, gains of € 10 million (30 September 2021: € 2 million) and carried interest of € 2 million (30 September 2021: € 2 million) were realised.

*Further information on Trilantic is available at [www.trilantic.com](http://www.trilantic.com).*

## **TRUARC PARTNERS FUNDS, CO-INVESTMENT OPPORTUNITIES AND MANAGEMENT COMPANY**

In 2021, a new management company called TruArc Partners, LP ('TruArc') was formed as a successor business to Snow Phipps Group, LLC ('Snow Phipps'), to continue the team's focus on transformational growth of middle-market private equity investments within Specialty Manufacturing and Business Services. In addition to acting as investment adviser to the recently launched TruArc Fund IV, TruArc also serves as a sub-adviser to the existing Snow Phipps funds.

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

Reinet's investment is carried at an estimated fair value of € 281 million at 30 September 2022 (31 March 2022: € 202 million), based on the unaudited valuation data provided by TruArc at 30 June 2022 adjusted for cash movements up to 30 September 2022.

The increase in the estimated fair value reflects capital contributions of € 44 million, increases in the value of underlying investments together with the strengthening of the US dollar against the euro, offset by distributions of € 2 million in the period.

*Further information on TruArc Partners is available at [www.truarcpartners.com](http://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 and e-commerce.

The investment in Milestone is held at the estimated fair value of € 49 million (31 March 2022: € 50 million) based on unaudited financial information provided by Milestone Capital at 30 June 2022 adjusted for movements in listed investments and cash movements up to 30 September 2022.

The decrease in the estimated fair value reflects decreases in the value of underlying investments offset by the strengthening of the US dollar against the euro in the period.

*Further information on Milestone Capital and Milestone funds is available at [www.mcmchina.com](http://www.mcmchina.com).*

### **Prescient China funds and investment management company**

Reinet invests in the Prescient China Equity Fund, the Prescient China Balanced Fund, the Prescient China Growth Enhanced Absolute Return 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.

In May 2022, Reinet committed to invest in the newly launched Prescient China Growth Enhanced Absolute Return Fund. The fund aims to achieve long-term capital growth at significantly lower return volatility than conventional multi-asset China investment strategies. The fund will predominantly invest in mainland Chinese equities, bonds, cash, money market instruments and derivatives. Reinet invested € 12 million (\$ 12 million) during the period.

All 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 € 143 million based on unaudited financial information provided by Prescient at 30 September 2022 (31 March 2022: € 143 million). The estimated fair value over the period under review, takes into account net capital contributions of € 12 million together with the strengthening of the US dollar against the euro in the period offset by decreases in the value of underlying investments.

*Further information on Prescient is available at [www.prescient.co.za](http://www.prescient.co.za).*



## **Asia Partners funds**

Reinet is invested in Asia Partners I LP and Asia Partners II LP.

Asia Partners I LP is the inaugural fund of Asia Partners Fund Management Pte. Ltd ('Asia Partners'), a Singapore-based growth equity investment firm. Asia Partners II LP was launched in April 2022.

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 \$ 80 million range, often described as the 'Series C/D Gap' between early-stage venture capital and the public capital markets.

In April 2022, Reinet committed € 30 million (\$ 31 million) to Asia Partners II LP as part of the first close. This amount increased to € 35 million (\$ 35 million) in August 2022 and is expected to increase further at subsequent fund closings. An initial investment of some € 7 million (\$ 8 million) was made in July 2022.

The investment in Asia Partners funds is held at the estimated fair value of € 36 million (31 March 2022: € 20 million) based on unaudited financial information provided by Asia Partners at 30 June 2022 adjusted for cash movements up to 30 September 2022.

The increase in estimated fair value reflects capital contributions of € 9 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 Asia Partners is available at [www.asiapartners.com](http://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 systems for aviation. They invest predominantly across the United States and Europe with additional 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., NanoDimension IV L.P. and ND Capital Opportunity Fund I L.P., and is invested in one co-investment opportunity alongside NanoDimension II L.P.

At 30 September 2022, the estimated fair value of Reinet's investment amounted to € 96 million (31 March 2022: € 98 million). The estimated fair value is based on unaudited valuation data provided by NanoDimension as at 30 June 2022 adjusted for movements in listed investments and cash movements up to 30 September 2022.

The decrease in estimated fair value reflects decreases in the value of underlying investments together with distributions of € 6 million in the period offset by the strengthening of the US dollar against the euro in the period.

*Further information on NanoDimension is available at [www.ndcapital.com](http://www.ndcapital.com).*

### **Other fund investments**

This includes small, specialist funds investing in private equity businesses, property and start-up ventures.

Other fund investments are valued in total at their estimated fair value of € 4 million at 30 September 2022 (31 March 2022: € 8 million) based on the latest available valuation statements received from the fund managers.

The decrease in estimated fair value principally reflects decreases in the value of underlying investments 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. The fair value as at 30 September 2022 is based on recent unaudited valuation data, less distributions received.

*Further information on Reinet's investments may be found in the Reinet 2022 annual report which is available at [www.reinet/investor-relations/reports.html](http://www.reinet/investor-relations/reports.html).*

## COMMITTED DURING THE PERIOD

During the period, Reinet committed a total of € 12 million (\$ 12 million) to Prescient China Growth Enhanced Absolute Return Fund and € 35 million (\$ 35 million) to Asia Partners II LP.

## TOTAL COMMITMENTS

Funding commitments are entered into in various currencies including sterling and US dollar and are converted into euro using 30 September 2022 exchange rates.

The table below summarises Reinet's investment commitments as at 30 September 2022.

	31 March 2022 <sup>(1)</sup> € m	Exchange rate effects <sup>(2)</sup> € m	Committed during the period <sup>(3)</sup> € m	Funded during the period <sup>(3)</sup> € m	30 September 2022 <sup>(3)</sup> € m	30 September 2022 %
<b>Pension Corporation</b>	-	-	6	(6)	-	-
<b>Private equity and related partnerships</b>						
<b>Trilantic Capital Partners</b> Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies <sup>(4)</sup>	137	15	-	(5)	147	30.4
<b>TruArc Partners</b> Fund II, Fund III, Fund IV, co-investment opportunities and management company	207	27	-	(45)	189	39.1
<b>Asian private equity companies and portfolio funds</b>						
Milestone China Opportunities funds, investment holdings and management company	1	-	-	-	1	0.2
Prescient China funds and investment management company	-	-	12	(12)	-	-
Asia Partners funds	7	1	35	(9)	34	7.0
<b>Specialised investment funds</b>						
NanoDimension funds and co-investment opportunities	66	8	-	-	74	15.3
Other fund investments	33	(1)	-	-	32	6.6
<b>United States land development and mortgages</b>	5	-	-	-	5	1.0
<b>Other investments</b>	4	-	-	(2)	2	0.4
	460	50	53	(79)	484	100.0

(1) Commitments calculated using 31 March 2022 exchange rates.  
(2) Reflects exchange rate movements between 31 March 2022 and 30 September 2022.  
(3) Amounts calculated using 30 September 2022 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 2022, 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 instruments.

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 2022 can be summarised as follows:

Cash and liquid funds	€ 338 m
Undrawn borrowing facilities	€ 228 m
Cash required for unfunded commitments (refer to table above)	(€ 484 m)
Cash required to meet GBP borrowing obligations	(€ 228 m)

The undrawn borrowing facilities comprise a revolving facility with Bank of America, N.A. and with Citibank N.A. (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 fixed-rate £ 100 million margin loan due to Citibank N.A., which is repayable in August 2024. At 30 September 2022, the estimated fair value of the loan amounted to € 104 million (31 March 2022: € 114 million).

In addition, Reinet has a fixed-rate £ 100 million margin loan due to Bank of America, N.A., which is repayable in March 2025. At 30 September 2022, the estimated fair value of the loan amounted to € 105 million (31 March 2022: € 119 million).

The decrease in the estimated fair value of both loans reflects the increase in the discount rates used (due to increases in market interest rates) together with the weakening of sterling in the period.

Some 13.8 million BAT shares have been pledged to collateralise these two loans.

In addition, Reinet has a facility agreement in place with Citibank N.A. up to August 2024 and with Bank of America, N.A. up to March 2025. These facilities allow Reinet to drawdown the equivalent of up to € 228 million (£ 200 million) in a combination of currencies to fund further investment commitments. As at 30 September 2022 and 31 March 2022 no funds have been drawn under these facilities.

Refer to page 57 of the Reinet 2022 annual report for a description of Reinet's policy on foreign exchange exposure.

## OTHER LIABILITIES

Minority interest, fees payable and other liabilities, net of other assets comprise:

	30 September 2022	31 March 2022
	€ m	€ m
Minority interest	(3)	(3)
Liability in respect of current share buyback programme	-	(46)
Management fee	(20)	(17)
Performance fee	-	(3)
Tax provisions	(6)	(11)
Accruals and other payables, net of other receivables	(8)	(11)
BAT dividend receivable	30	31
<b>Total other liabilities</b>	<b>(7)</b>	<b>(60)</b>

The minority interest liability is in respect of a 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.

Tax provisions relate to realised and unrealised gains arising from the investments in Trilantic Capital Partners and TruArc Partners, together with withholding and corporate taxes relating to the investment in United States land development and mortgages.

The BAT dividend receivable had a record date of 30 September 2022 and a payment date of 10 November 2022.

No provision has been made in respect of a performance fee as at 30 September 2022 (31 March 2022: € 3 million) 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 2023, 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 € 18.61.

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

<b>INCOME STATEMENT</b>	<b>Six-month period ended</b>		<b>Six-month period ended</b>	
	<b>30 September 2022</b>		<b>30 September 2021</b>	
	<b>€ m</b>	<b>€ m</b>	<b>€ m</b>	<b>€ m</b>
<b>Income</b>				
BAT dividends	<b>61</b>		35	
Interest and other investment income	<b>10</b>		8	
Realised gain on disposal of BAT shares	-		83	
Realised gains on sale of other investments	<b>1</b>		14	
Realised gain on derivative instruments	-		11	
Carried interest earned on investments	<b>2</b>		2	
<b>Total income</b>		<b>74</b>		153
<b>Expenses</b>				
Management fee	<b>(26)</b>		(23)	
Operating expenses, foreign exchange and transaction-related costs	<b>(3)</b>		(3)	
Interest and related financing expenses	<b>(3)</b>		(6)	
Tax expense	-		(4)	
<b>Total expenses</b>		<b>(32)</b>		(36)
<b>Realised investment income, net of expenses</b>		<b>42</b>		117
<b>Fair value adjustments</b>				
BAT – unrealised loss on shares held	<b>(56)</b>		(110)	
– unrealised gain on shares disposed of <sup>(1)</sup>	-		(93)	
Pension Corporation	<b>(551)</b>		(532)	
Other investments	<b>129</b>		77	
Derivative instruments – fair value adjustment on outstanding contracts	<b>(1)</b>		-	
– unrealised gains on settled contracts <sup>(2)</sup>	-		(20)	
Borrowings – unrealised gain on outstanding loans	<b>19</b>		1	
– unrealised loss on repaid loans <sup>(3)</sup>	-		2	
<b>Total fair value adjustments</b>		<b>(460)</b>		(675)
		<b>(418)</b>		(558)
<b>Effect of exchange rate changes on cash balances</b>		<b>19</b>		2
Net loss		<b>(399)</b>		(556)
Minority interest		-		-
<b>Loss attributable to the shareholders of the Company</b>		<b>(399)</b>		(556)
<p>(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.</p> <p>(2) The reversal of the unrealised gains on derivative contracts represents the unrealised fair value as at 1 April 2021.</p> <p>(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.</p>				

## INCOME

Dividend income from BAT recorded during the period amounted to € 61 million (£ 52 million) (30 September 2021: € 35 million (£ 30 million)). Dividend income recorded for the six months to September 2022 was in respect of BAT's second and third 2022 interim dividends each amounting to £ 0.545 per share (2021: £ 0.539 per share), with the third 2022 interim dividend having a record date of 30 September 2022.

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

Realised gains on other investments were in respect of investments in Trilantic Capital Partners and TruArc Partners, offset by realised losses in respect of investments in Diamond interests.

## **EXPENSES**

The management fee for the period ended 30 September 2022 amounts to € 26 million and is based on Reinet Fund's NAV of € 5 932 million at 31 March 2022 (30 September 2021: € 23 million, based on Reinet Fund's NAV of € 5 386 million at 31 March 2021).

A performance fee may be payable for the year ended 31 March 2023 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 2023, 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 2022 and 2021.

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.

The net tax expense of € 0.2 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 and co-investment opportunities and other US investments, offset by the reversal of a provision for withholding taxes of € 7.6 million in the period.

## **FAIR VALUE ADJUSTMENTS**

The investment in 48.3 million BAT shares decreased in value by € 56 million during the period under review. Of this, € 21 million was attributable to the increase in value of the underlying BAT shares in sterling terms, offset by a decrease of € 77 million due to the weakening of sterling against the euro during the period under review.

The investment in Pension Corporation decreased in value by € 551 million which includes a decrease of € 107 million in respect of the weakening of sterling against the euro in the period under review.

The unrealised fair value adjustment of € 129 million in respect of other investments includes an increase in the estimated fair value of Trilantic Capital Partners and TruArc Partners. The above amounts include the effect of changes in foreign exchange rates in the period under review.

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. An unrealised gain of € 19 million arose during the period in respect of the Citibank N.A. and Bank of America, N.A. loans as a result of increased market interest rates together with the weakening of sterling in the period.

## **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 € 50.9 million or € 0.28 per share (excluding treasury shares held) was paid in September 2022, following approval at the annual general meeting on 30 August 2022. The Company only declares an annual dividend.

## **CAPITAL STRUCTURE**

As at 30 September 2022 and 31 March 2022 there were 195 941 286 ordinary shares and 1 000 management shares of no par value in issue.

As at 30 September 2022, the Company held 14 151 395 ordinary shares as treasury shares (31 March 2022: 11 825 416). The voting and dividend rights attached to the treasury shares are suspended. Therefore the total number of voting rights at 30 September 2022 was 181 790 891 (31 March 2022: 184 116 870).

## **FINANCIAL STATEMENTS**

The consolidated unaudited financial statements at 30 September 2022, on which this announcement is based, have been approved by the Board of the General Partner on 14 November 2022.

## **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.

## Data protection matters

The Data Protection Information Notice is available on the Company's website ([www.reinet.com/investor-relations/data-protection.html](http://www.reinet.com/investor-relations/data-protection.html)), which is intended to provide investors with detailed information regarding the processing of their personal data, as well as the Privacy Policy available on its website ([www.reinet.com/privacy-policy.html](http://www.reinet.com/privacy-policy.html)), which is intended to provide users of the Company's website with information regarding the processing of their personal data resulting from the use of the Company's website and/or from requests made via the Company's website.

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

Website: [www.reinet.com](http://www.reinet.com)

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

## 16 NOVEMBER 2022

### 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

Reinet repurchased 14 151 395 ordinary shares between November 2018 and May 2022 under five share buyback programmes. The cost of the ordinary shares repurchased amounted to ZAR 3 594.97 million, plus transaction costs.

All ordinary shares repurchased are held as treasury shares.

	<u>30 September 2022</u>	<u>31 March 2022</u>
Shares in issue	195 942 286	195 942 286
Treasury shares	<u>(14 151 395)</u>	<u>(11 825 416)</u>
<b>Net shares</b>	<u>181 790 891</u>	<u>184 116 870</u>

#### Net asset value

Using the closing euro/rand exchange rate prevailing as at 30 September 2022 of 17.7259 and a rate of 16.1681 as at 31 March 2022.

	<u>30 September 2022</u>	<u>31 March 2022</u>
<b>Net asset value</b>	<u>ZAR 96 447 m</u>	<u>ZAR 95 230 m</u>

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

#### Net asset value per ordinary share

	<u>30 September 2022</u>	<u>31 March 2022</u>
<b>Net asset value per share</b>	<u>ZAR 530.54</u>	<u>ZAR 517.22</u>

## Loss for the period

Using the average euro/rand exchange rate for the period ended 30 September 2022 of 16.8750 and the average rate of 17.1378 for the period ended 30 September 2021.

	<u>30 September 2022</u>	<u>30 September 2021</u>
<b>Loss for the period</b>	<b>(ZAR 6 733 m)</b>	<b>(ZAR 9 529 m)</b>

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 2022</u>	<u>30 September 2021</u>
<b>Unadjusted earnings per share</b>	<b>(€ 2.18)</b>	<b>(€ 3.02)</b>
<b>Headline earnings per share *</b>	<b>(€ 2.18)</b>	<b>(€ 3.02)</b>
<b>Unadjusted earnings per share</b>	<b>(ZAR 36.79)</b>	<b>(ZAR 51.76)</b>
<b>Headline earnings per share *</b>	<b>(ZAR 36.79)</b>	<b>(ZAR 51.76)</b>

\* There are no dilutive instruments

## Dividends paid

	<u>30 September 2022</u>	<u>30 September 2021</u>
<b>Gross dividend per share</b>	<b>€ 0.28</b>	<b>€ 0.25</b>
<b>Gross dividend per share</b>	<b>ZAR 4.76560</b>	<b>ZAR 4.30395</b>
Euro/rand exchange rate	17.0200	17.2158