REINET INVESTMENTS S.C.A.

Reinet Investments S.C.A.
(Incorporated in Luxembourg)
ISIN: LU0383812293
Code: RNI
LEI: 222100830RQTFVV22S80

COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

MANAGEMENT STATEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the quarter ended 31 December 2021.

Key financial data

- **Reinet's net asset value of € 5.2 billion, reflects a compound growth of 8.8 per cent per annum in euro terms, since March 2009, including dividends paid**
- **The net asset value at 31 December 2021 reflects an increase of € 375 million or 7.8 per cent from € 4 782 million at 30 September 2021**
- **Net asset value per share at 31 December 2021: € 27.98 (30 September 2021: € 25.95)**
- **New commitments totalling € 41 million in respect of new and existing investments were made during the period, and a total of € 76 million funded**
- **Dividends from British American Tobacco during the period amounted to € 61 million**

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'.

Reinet Investments S.C.A.
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BUSINESS OVERVIEW

Net asset value

The net asset value ('NAV') at 31 December 2021 and 30 September 2021 comprised:

	31 December 2021		30 September 2021	
	€ m	**%**	€ m	%
Listed investments				
British American Tobacco p.l.c.	**1 570**	**30.4**	1 464	30.6
Other listed investments	**144**	**2.8**	89	1.9
Unlisted investments				
Pension Insurance Corporation Group Limited	**2 303**	**44.7**	2 223	46.5
Private equity and related partnerships	**809**	**15.7**	878	18.4
Trilantic Capital Partners	**323**	**6.3**	268	5.6
Fund IV, Fund V, Fund VI, TEP, TEP II, related general partners and management companies				
TruArc Partners	**156**	**3.0**	206	4.3
Fund II, Fund III, Fund IV, co-investment opportunities and management company				
Asian private equity companies and portfolio funds	**231**	**4.5**	258	5.4
Milestone China Opportunities funds, investment holdings and management company	57		55	
Prescient China funds and investment management company	153		146	
Grab Holdings Inc. (see 'other listed investments')	-		43	
Asia Partners fund	21		14	
Specialised investment funds	**99**	**1.9**	146	3.1
Vanterra C Change TEM and holding companies	-		17	
NanoDimension funds and co-investment opportunities	91		96	
GAM Real Estate Finance Fund	1		3	
Other fund investments	7		30	
United States land development and mortgages	**27**	**0.5**	34	0.7
Diamond interests	**19**	**0.4**	15	0.3
Other investments	**86**	**1.7**	72	1.5
Total investments	**4 958**	**96.2**	4 775	99.9
Cash and liquid funds	**349**	**6.8**	188	3.9
Bank borrowings and derivatives				
Borrowings	**(142)**	**(2.8)**	(141)	(2.9)
Net derivative assets	**1**	**-**	1	-
Other liabilities				
Minority interest, fees payable and other liabilities, net of other assets	**(9)**	**(0.2)**	(41)	(0.9)
Net asset value	**5 157**	**100.0**	4 782	100.0

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

INFORMATION RELATING TO CURRENT KEY INVESTMENTS AT 31 DECEMBER 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**	**3 131**	**1 570**	**4 701**
	GBP	-	-	1 418	2 621	1 319	3 940
Other listed investments	**EUR**	**-**	**-**	**127**	**68**	**144**	**212**
	USD	-	-	146	78	164	242
Unlisted investments							
Pension Insurance Corporation Group Limited	**EUR**	**-**	**-**	**1 309**	**-**	**2 303**	**2 303**
	GBP	-	-	1 107	-	1 935	1 935
Trilantic Capital Partners	**EUR**	**606**	**158**	**451**	**490**	**323**	**813**
Euro investment	EUR	86	19	67	146	35	181
US dollar investment(4)	USD	591	158	443	415	328	743
TruArc Partners	**EUR**	**421**	**220**	**198**	**221**	**156**	**377**
	USD	478	250	228	249	177	426
Asian private equity companies and portfolio funds							
Milestone China Opportunities funds, investment holdings and management company	**EUR**	**149**	**1**	**129**	**144**	**57**	**201**
	USD	169	1	168	164	65	229
Prescient China funds and investment management company	**EUR**	**-**	**-**	**68**	**2**	**153**	**155**
	USD	-	-	82	2	174	176
Asia Partners fund	**EUR**	**22**	**7**	**14**	**-**	**21**	**21**
	USD	25	8	17	-	24	24
Specialised investment funds							
Vanterra C Change TEM and holding companies	**EUR**	**-**	**-**	**53**	**20**	**-**	**20**
	USD	-	-	67	24	-	24
NanoDimension funds and co-investment opportunities	**EUR**	**168**	**72**	**94**	**40**	**91**	**131**
Euro investment	EUR	4	-	4	1	3	4
US dollar investment	USD	187	82	105	45	100	145
GAM Real Estate Finance Fund	**EUR**	**119**	**33**	**87**	**89**	**1**	**90**
	GBP	100	28	72	77	1	78
United States land development and mortgages	**EUR**	**188**	**4**	**160**	**53**	**27**	**80**
	USD	214	5	209	60	31	91
Diamond interests	**EUR**	**-**	**-**	**116**	**106**	**19**	**125**
	ZAR	-	-	1 160	1 599	350	1 949

(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 increase in the NAV of € 375 million during the quarter reflects dividends received and receivable from British American Tobacco p.l.c. ('BAT') together with increases in the estimated fair value of certain investments including BAT, other listed investments, Pension Insurance Corporation Group Limited, Trilantic Capital Partners, TruArc Partners, Prescient China funds, Asia Partners and Diamond interests. Offsetting these increases are decreases in the fair value of NanoDimension funds. Details of the 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 strengthening of sterling and the US dollar against the euro, offset by the weakening of the South African rand against the euro has resulted in an overall increase in the value of certain assets and liabilities in euro terms. Applying current period-end exchange rates to the September 2021 assets and liabilities would have resulted in an increase in the September 2021 NAV of some € 105 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 31 December 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 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 increased by 0.6 per cent in the quarter from € 16.20 at 30 September 2021 to € 16.30 at 31 December 2021, with the highest trade being at € 17.00 during the quarter. The total shareholder return since inception (taking into account the initial price of € 7.1945 and including dividends paid) is 7.3 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 ('JSE'); the listing on the JSE is a secondary listing.

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

	31 December 2021		30 September 2021	
	ZAR	**EUR**	ZAR	EUR
Luxembourg	**-**	**16.30**	-	16.20
Euronext	**-**	**16.10**	-	16.30
Johannesburg	**286.03**	**-**	283.12	-

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 € 3.3 billion and at 31 December 2021 committed to provide further funding of € 497 million to its current investments. New commitments during the quarter under review amounted to € 41 million, and a total of € 76 million was funded during the quarter.

Major items impacting the NAV, significant changes in carrying value and new investments during the quarter 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 quarter under review, dividend income recorded from BAT amounted to € 61 million (£ 52 million), being BAT's third 2021 interim dividend of € 30 million (£ 26 million), received in November 2021 together with the fourth interim dividend of some € 31 million (£ 26 million) with a record date of 24 December 2021. The fourth interim dividend will be paid on 9 February 2022 and has been included as a receivable in the NAV as at 31 December 2021.

Reinet holds 48.3 million shares in BAT, representing some 2.11 per cent of BAT's issued share capital. The value of Reinet's investment in BAT amounted to € 1 570 million at 31 December 2021, being some 30.4 per cent of the NAV (30 September 2021: € 1 464 million). The BAT share price on the London Stock Exchange increased from £ 26.04 at 30 September 2021 to £ 27.31 at 31 December 2021, together with the effect of sterling strengthening against the euro in the quarter resulting in a total increase in value of € 106 million.

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

OTHER LISTED INVESTMENTS

As at 31 December 2021 and 30 September 2021, other listed investments comprised:

	31 December 2021 € m	30 September 2021 € m
SPDR Gold shares	**35**	32
Selecta Biosciences, Inc.	**4**	5
Soho China Limited	**9**	11
Twist Bioscience Corporation	**30**	41
Grab Holdings Limited	**66**	-
	144	89

Twist Bioscience Corporation

Reinet holds 444 497 shares in Twist Bioscience Corporation with a market value of € 30 million (30 September 2021: € 41 million). The decrease in value reflects the decrease in the share price during the quarter offset by the strengthening of the US dollar against the euro in the quarter.

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

Grab Holdings Limited

In December 2021, Grab Holdings Inc. merged with Altimeter Growth Corp, a NASDAQ listed special-purpose acquisition company launched by Altimeter Capital, a US investment firm, and following this merger (business combination) Reinet received Class A Ordinary Shares of Grab Holdings Limited ('Grab'). As a consequence, shares in Grab now trade on the NASDAQ under the ticker symbol 'GRAB'.

Following the merger, Reinet reclassified its previously unlisted holding in Grab from 'Asian private equity companies and portfolio funds' to 'other listed investments'.

In July 2018, Reinet invested € 43 million ($ 50 million) in Grab. As at 31 December 2021, Reinet holds 10 573 666 shares with a market value of € 66 million ($ 75 million) (30 September 2021: € 43 million).

Further information on Grab is available at www.grab.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

Reinet's investment in Pension Insurance Corporation Group Limited ('Pension Corporation') is carried at an estimated fair value of € 2 303 million at 31 December 2021 (30 September 2021: € 2 223 million). This value takes into account Pension Corporation's unaudited adjusted equity own funds value at 30 June 2021 of some £ 5.3 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 resultant increase in Reinet's estimated fair value of Pension Corporation is mainly a result of an increase in comparable company multiples derived from public information of listed peer-group companies in the UK insurance sector as at 31 December 2021 together with the strengthening of sterling against the euro in the quarter.

The investment in Pension Corporation represented some 44.7 per cent of the NAV at 31 December 2021, compared to 46.5 per cent at 30 September 2021.

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

PRIVATE EQUITY AND RELATED PARTNERSHIPS

TRILANTIC CAPITAL PARTNERS

Reinet's investment in Trilantic Management and related funds is carried at the estimated fair value of € 323 million at 31 December 2021 (30 September 2021: € 268 million) of which € 2 million (30 September 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 September 2021, adjusted for cash movements and changes in the value of listed investments included in the portfolios up to 31 December 2021.

The increase in the estimated fair value is due to increases in the estimated fair values of underlying investments, together with capital contributions of € 45 million and the strengthening of the US dollar against the euro in the quarter, offset by distributions of € 11 million.

During the quarter under review, gains of € 5 million and carried interest of € 6 million were realised.

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

TRUARC PARTNERS FUNDS, CO-INVESTMENT OPPORTUNITIES AND MANAGEMENT COMPANY

Reinet is invested in three funds (Snow Phipps II, Snow Phipps III, TruArc Fund IV), a related co-investment vehicle, along with co-investment opportunities alongside Snow Phipps III, and the management company, TruArc Partners, LP ('TruArc').

Reinet's investment in TruArc, related funds and co-investments is carried at an estimated fair value of € 156 million at 31 December 2021 (30 September 2021: € 206 million), based on the unaudited valuation data provided by TruArc at 30 September 2021 adjusted for cash movements up to 31 December 2021.

The decrease in the estimated fair value reflects distributions of € 150 million received in the quarter, offset by capital contributions of € 26 million, increases in the value of underlying investments together with the strengthening of the US dollar against the euro.

During the quarter under review, gains of € 111 million were realised.

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

ASIAN PRIVATE EQUITY COMPANIES AND PORTFOLIO FUNDS

Asia Partners fund

The investment in Asia Partners is held at the estimated fair value of € 21 million (30 September 2021: € 14 million) based on unaudited financial information provided by the fund manager at 30 September 2021 adjusted for cash movements up to 31 December 2021.

The increase in estimated fair value reflects capital contributions of € 1 million, increases in the value of underlying investments together with the strengthening of the US dollar against the euro in the quarter.

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

SPECIALISED INVESTMENT FUNDS

Vanterra C Change TEM and holding companies

Vanterra C Change Transformative Energy & Materials was established in July 2010 to invest in companies and projects providing products or services that supply cleaner energy; create a more cost-effective building environment through the use of energy-efficient technologies; and develop renewable resources as a substitute for fossil and other traditional fuels.

In the current quarter, Reinet disposed of the major part of the investment for proceeds of € 12 million with a remaining portfolio investment amounting to € 6 million being reallocated to 'other investments'. The estimated fair value at 30 September 2021 was € 17 million.

Other fund investments

Other fund investments are valued in total at their estimated fair value of € 7 million at 31 December 2021 (30 September 2021: € 30 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 quarter.

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 quarter, capital distributions of € 24 million were received. The fair value as at 31 December 2021 is based on recent unaudited valuation data, less distributions received.

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 cash and liquid funds increased from € 188 million at 30 September 2021 to € 349 million at 31 December 2021. During the quarter, the BAT dividend received amounted to € 30 million and distributions from other investments amounted to some € 225 million. Reinet invested some € 76 million in underlying investments, payment of the management fee to Reinet Investment Advisors Limited ('RIAL') amounted to € 19 million, payments of loans and interest amounted to € 1 million. The strengthening of sterling and the US dollar against the euro resulted in a further increase of € 2 million.

BANK BORROWINGS AND DERIVATIVES

BORROWINGS

Reinet has borrowed £ 100 million 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. At 31 December 2021, the estimated fair value of the borrowing was € 118 million (30 September 2021: € 116 million). The increase in value is mainly due to the strengthening of sterling against the euro in the quarter.

In addition, 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 € 417 million (£ 350 million) in a combination of currencies to fund further investment commitments. As at 31 December 2021, no amounts have been drawn under these facilities.

Reinet has also borrowed ZAR 443 million to fund its investments in South African projects. At 31 December 2021, the estimated fair value of the borrowing was € 24 million (30 September 2021: € 25 million). The decrease in value is mainly due to the weakening of the South African rand against the euro in the quarter. This loan matures in March 2022.

OTHER LIABILITIES

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

	31 December 2021 € m	30 September 2021 € m
Minority interest	**3**	3
Management fee - RIAL	**8**	19
Tax provisions	**22**	16
Accruals and other payables, net of other receivables	**7**	3
BAT dividend receivable	**(31)**	-
Total other liabilities net of other assets	**9**	41

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.

The management fee and performance fee (if applicable) are payable to RIAL. The management fee accrued at 30 September 2021 was paid in the current quarter.

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 increase in the quarter relates to estimated taxes on the sale of certain underlying assets by TruArc Partners.

The BAT dividend receivable has a record date of 24 December 2021 and payment date of 9 February 2022.

No provision has been made in respect of a performance fee as at 31 December 2021 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.

CAPITAL STRUCTURE

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

As at 31 December 2021 and 30 September 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 31 December 2021 was 184 290 891.

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.

Website: www.reinet.com

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

25 JANUARY 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

	31 December 2021	30 September 2021
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 31 December 2021 of 18.1344 and a rate of 17.4361 as at 30 September 2021.

	31 December 2021	30 September 2021
Net asset value	**ZAR 93 519 m**	ZAR 83 379 m

The increase in the net asset value reflects the increase in the net asset value in euro terms together with the impact of the weakening of the South African rand against the euro in the quarter.

Net asset value per ordinary share

	31 December 2021	30 September 2021

Net asset value per share	**ZAR 507.40**	ZAR 452.47