

REINET INVESTMENTS S.C.A.

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

COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

MANAGEMENT STATEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2022

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the quarter ended 31 December 2022.

Key financial data

- **Reinet’s net asset value of € 5 795 million reflects a compound growth rate of 9.1 per cent per annum in euro terms, since March 2009, including dividends paid**
- **The net asset value at 31 December 2022 reflects an increase of € 354 million or 6.5 per cent from € 5 441 million at 30 September 2022**
- **Net asset value per share at 31 December 2022: € 31.88 (30 September 2022: € 29.93)**
- **Commitments totalling € 284 million in respect of new and existing investments were made during the quarter including a new commitment of € 280 million in respect of Coatue funds**
- **Commitments of € 59 million funded in the quarter**
- **Dividends from British American Tobacco during the period amounted to € 30 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’.

Cautionary statement regarding forward-looking statements

This document contains forward-looking statements which reflect the current views and beliefs of 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
Legal Entity Identifier : 222100830RQTFVV22S80

Registered office: 35, boulevard Prince Henri, L-1724 Luxembourg, Tel. (+352) 22 42 10, Fax (+352) 22 72 53
Email: info@reinet.com, website: www.reinet.com

BUSINESS OVERVIEW

Net asset value				
The net asset value ('NAV') at 31 December 2022 and 30 September 2022 comprised:				
	31 December 2022		30 September 2022	
	€ m	%	€ m	%
Listed investments				
British American Tobacco p.l.c.	1 792	30.9	1 776	32.6
Other listed investments	86	1.5	90	1.7
Unlisted investments				
Pension Insurance Corporation Group Limited	2 650	45.7	2 251	41.4
Private equity and related partnerships	1 075	18.5	1 091	20.0
Trilantic Capital Partners	458	7.9	482	8.8
Funds, related general partners and management companies				
TruArc Partners	268	4.6	281	5.2
Funds, co-investment opportunities and management company				
Coatue funds	34	0.6	-	-
Asian private equity companies and portfolio funds	215	3.7	228	4.2
Milestone China Opportunities funds, investment holdings and management company	43		49	
Prescient China funds and investment management company	139		143	
Asia Partners funds	33		36	
Specialised investment funds	100	1.7	100	1.8
NanoDimension funds and co-investment opportunities	95		96	
Other fund investments	5		4	
United States land development and mortgages	26	0.5	29	0.5
Other investments	81	1.4	82	1.5
Total investments	5 710	98.5	5 319	97.7
Cash and liquid funds	296	5.1	338	6.2
Bank borrowings and derivatives				
Borrowings	(214)	(3.7)	(209)	(3.8)
Other assets/(liabilities)				
Other assets net of minority interest, fees payable and other liabilities	3	0.1	(7)	(0.1)
Net asset value	5 795	100.0	5 441	100.0

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

INFORMATION RELATING TO CURRENT KEY INVESTMENTS AT 31 DECEMBER 2022

		Committed amount ⁽¹⁾ in millions	Remaining committed amount ⁽¹⁾ in millions	Invested amount ⁽²⁾ in millions	Realised amount ⁽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	3 254	1 792	5 046
	GBP	-	-	1 418	2 725	1 585	4 310
Other listed investments	EUR	-	-	127	68	86	154
	USD	-	-	146	78	92	170
Unlisted investments							
Pension Insurance Corporation Group Limited	EUR	-	-	1 315	-	2 650	2 650
	GBP	-	-	1 112	-	2 344	2 344
Trilantic Capital Partners	EUR	636	129	491	535	458	993
Euro investment	EUR	85	19	66	146	33	179
US dollar investment ⁽⁴⁾	USD	591	117	484	460	454	914
TruArc Partners	EUR	448	168	266	223	268	491
	USD	480	180	300	251	286	537
Coatue funds	EUR	280	246	34	-	34	34
	USD	300	264	36	-	36	36
Asian private equity companies and portfolio funds							
Milestone China Opportunities funds, investment holdings and management company	EUR	157	-	130	148	43	191
	USD	169	-	169	168	46	214
Prescient China funds and investment management company	EUR	-	-	80	4	139	143
	USD	-	-	94	4	149	153
Asia Partners funds	EUR	56	32	23	-	33	33
	USD	62	34	28	-	36	36
Specialised investment funds							
NanoDimension funds and co-investment opportunities	EUR	178	61	110	46	95	141
Euro investment	EUR	4	-	4	1	2	3
US dollar investment	USD	187	65	122	51	99	150
United States land development and mortgages	EUR	200	5	160	62	26	88
	USD	214	5	209	70	28	98

(1) Calculated using quarter 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 € 354 million during the quarter reflects increases in the estimated fair value of certain investments including British American Tobacco p.l.c. ('BAT') and Pension Insurance Corporation Group Limited ('Pension Corporation'), offset by decreases in the estimated fair value of certain investments including Trilantic Capital Partners and TruArc Partners.

Reinet records its assets and liabilities in euro; the weakening of sterling, the US dollar and the South African rand against the euro in the quarter has resulted in an overall decrease in the value of certain assets and liabilities in euro terms. Applying the current quarter end exchange rates to the September 2022 assets and liabilities would have resulted in a decrease in the September 2022 NAV of some € 148 million.

SHARE BUYBACK PROGRAMME

During the quarter, 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 2022.

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 under these five share buyback programmes amounted to € 222 million, plus transaction costs.

Details of each completed share buyback programme to date can be found in note 7 of the Reinet 2022 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 181 790 891 (30 September 2022: 181 790 891).

SHARE PRICE

The Company's indicative share price as quoted on the Luxembourg Stock Exchange increased by 22.8 per cent in the quarter from € 14.50 at 30 September 2022 to € 17.80 at 31 December 2022, with the highest trade being at € 18.00 during the quarter. The total shareholder return since inception (taking into account the initial price of € 7.1945 and including dividends paid) is 7.5 per cent per annum. The growth in NAV, including dividends paid, reflects a 9.1 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 31 December 2022 and 30 September 2022 were as follows:

	31 December 2022		30 September 2022	
	ZAR	EUR	ZAR	EUR
Luxembourg	-	17.80	-	14.50
Amsterdam	-	17.70	-	14.90
Johannesburg	327.36	-	266.93	-

GLOBAL MARKETS BACKDROP

During the quarter, global markets continued to be impacted by the effects of the Ukraine crisis, increasing interest rates and inflation. The world has made significant progress in its recovery from the impacts of COVID, although in certain parts of the world it still remains a concern.

Reinet has no direct exposure to Russia or Ukraine through its underlying investments or banking relationships and has not experienced any significant impacts in respect of interest rate increases or inflation.

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 31 December 2022. Discussions have taken place with fund managers and investee companies to determine any significant changes in value and any impacts related to 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 31 December 2022 has committed to provide further funding of € 674 million to its current investments. New commitments during the quarter under review amounted to € 284 million, with a net amount of € 59 million 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 € 30 million (£ 26 million), being BAT's fourth 2022 interim dividend with a record date of 23 December 2022. The fourth interim dividend will be paid on 2 February 2023 and has been included as a receivable in the NAV as at 31 December 2022.

Reinet holds 48.3 million shares in BAT (30 September 2022: 48.3 million) representing some 2.16 per cent of BAT's issued share capital net of treasury shares as at 31 December 2022.

The value of Reinet's investment in BAT amounted to € 1 792 million at 31 December 2022 (30 September 2022: € 1 776 million), being some 30.9 per cent of Reinet's NAV. The increase in value reflects the increase in the BAT share price on the London Stock Exchange from £ 32.27 at 30 September 2022 to £ 32.82 at 31 December 2022 offset by the weakening of sterling against the euro during the quarter.

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

OTHER LISTED INVESTMENTS

Other listed investments comprised:

	31 December 2022	30 September 2022
	€ m	€ m
Grab Holdings Limited	32	28
Selecta Biosciences, Inc.	1	2
Soho China Limited	8	8
SPDR Gold shares	35	36
Twist Bioscience Corporation	10	16
	86	90

The decrease in value reflects a decrease in the listed share price of Twist Bioscience Corporation between 30 September 2022 and 31 December 2022 together with the weakening of the US dollar against the euro during the quarter, offset by the increase in the listed share price of Grab Holdings Limited.

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 Corporation is carried at an estimated fair value of € 2 650 million at 31 December 2022 (30 September 2022: € 2 251 million). This value takes into account Pension Corporation's unaudited adjusted equity own funds value at 30 June 2022 of £ 5.9 billion, corresponding valuation multiples drawn from industry data for a selected UK insurance peer group as at 31 December 2022, and a discount of 10 per cent which takes into account the illiquid nature of Reinet's investment.

The increase in Reinet's estimated fair value of Pension Corporation over the quarter is mainly due to an increase in comparable company multiples derived from public information of listed peer-group companies in the UK insurance sector between 30 September 2022 and 31 December 2022 which reflects the recovery following the short period of market disruption at the end of September 2022. This was offset by the weakening of sterling against the euro in the quarter.

The investment in Pension Corporation represents some 45.7 per cent of Reinet's NAV at 31 December 2022, compared to 41.4 per cent at 30 September 2022.

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

PRIVATE EQUITY AND RELATED PARTNERSHIPS

TRILANTIC CAPITAL PARTNERS

Reinet is invested as a limited partner in six Trilantic Capital Partners' funds, related general partners and management companies.

Reinet's investment is carried at an estimated fair value of € 458 million at 31 December 2022 (30 September 2022: € 482 million) of which € 2 million (30 September 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 September 2022 adjusted for changes in the value of listed investments included in the portfolios and cash movements up to 31 December 2022.

The decrease in the estimated fair value reflects net capital distributions of € 12 million together with the weakening of the US dollar against the euro, partially offset by increases in estimated fair values of underlying investments.

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

TRUARC PARTNERS FUNDS, CO-INVESTMENT OPPORTUNITIES AND MANAGEMENT COMPANY

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 € 268 million at 31 December 2022 (30 September 2022: € 281 million), based on the unaudited valuation data provided by TruArc at 30 September 2022 adjusted for cash movements up to 31 December 2022.

The decrease in the estimated fair value reflects net capital contributions of € 4 million and increases in the estimated fair values of underlying investments, offset by the weakening of the US dollar against the euro in the quarter.

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

COATUE FUNDS

In October 2022, Reinet committed a total of € 280 million (\$ 300 million) to two funds managed by Coatue Management L.L.C. ('Coatue').

Coatue is a global investment firm focused on technology-related investment opportunities led by founder and portfolio manager Mr Philippe Laffont. Coatue invests in public and private markets with a focus on technology, media, telecommunications, the consumer and healthcare sectors. With a lifecycle approach to investing, Coatue utilises a range of strategies, including public equities investing, growth and venture strategies, and structured equity solutions. Coatue manages some \$ 46 billion in assets on behalf of individuals, endowments, foundations, pension plans, sovereign wealth funds, insurance companies and other institutional investors and has offices in New York, San Francisco, London, Shanghai and Hong Kong.

Reinet invested a total of € 34 million (\$ 36 million) in the current quarter. The investments are carried at cost as at 31 December 2022.

Further information on Coatue is available at www.coatue.com

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.

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 cash and liquid funds decreased from € 338 million at 30 September 2022 to € 296 million at 31 December 2022. During the quarter the BAT dividend received which was accrued as at 30 September 2022 amounted to € 30 million and distributions from several investments amounted to some € 27 million. Payments made of some € 59 million in respect of underlying investments, management fees of € 20 million to Reinet Investment Advisors Limited which were accrued as at 30 September 2022, tax payments together with other income and expenses amounted to some € 5 million. The impact of the weakening of sterling and the US dollar against the euro in the quarter amounted to a decrease in cash balances of some € 15 million.

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 31 December 2022, the fair value of the loan amounted to € 106 million (30 September 2022: € 104 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 31 December 2022, the fair value of the loan amounted to € 108 million (30 September 2022: € 105 million).

The increase in the estimated fair value of both loans reflects a decrease in the discount rates used, offset by the weakening of sterling against the euro in the quarter.

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 € 226 million (£ 200 million) in a combination of currencies to fund further investment commitments. As at 31 December 2022 no funds have been drawn under these facilities.

OTHER ASSETS/(LIABILITIES)

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

	31 December 2022	30 September 2022
	€ m	€ m
Minority interest	(3)	(3)
Management fee	(10)	(20)
Tax provisions	(5)	(6)
Accruals and other payables, net of other receivables	(9)	(8)
BAT dividend receivable	30	30
Total other assets/(liabilities)	3	(7)

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 has a record date of 23 December 2022 and a payment date of 2 February 2023.

No provision has been made in respect of a performance fee as at 31 December 2022 (30 September 2022: € 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 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.

CAPITAL STRUCTURE

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

As at 31 December 2022 and 30 September 2022, the Company held 14 151 395 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 2022 and 30 September 2022 was 181 790 891.

SHARE INFORMATION

The Company's 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), 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), 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

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

24 JANUARY 2023

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>31 December 2022</u>	<u>30 September 2022</u>
Shares in issue	195 942 286	195 942 286
Treasury shares	<u>(14 151 395)</u>	<u>(14 151 395)</u>
Net shares	<u>181 790 891</u>	<u>181 790 891</u>

Net asset value

Using the closing euro/rand exchange rate prevailing as at 31 December 2022 of 18.2156 and a rate of 17.7259 as at 30 September 2022.

	<u>31 December 2022</u>	<u>30 September 2022</u>
Net asset value	<u>ZAR 105 559 m</u>	<u>ZAR 96 447 m</u>

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

	<u>31 December 2022</u>	<u>30 September 2022</u>
Net asset value per share	<u>ZAR 580.71</u>	<u>ZAR 530.54</u>