

REINET INVESTMENTS S.C.A.

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

COMPANY ANNOUNCEMENT FOR IMMEDIATE RELEASE

MANAGEMENT STATEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2023

The Board of Reinet Investments Manager S.A. announces the results of Reinet Investments S.C.A. for the quarter ended 31 December 2023.

Key financial data

- **Reinet's net asset value of € 5 733 million reflects a compound growth rate of 8.5 per cent per annum in euro terms, since March 2009, including dividends paid**
- **The net asset value at 31 December 2023 reflects an increase of € 117 million or 2.1 per cent from € 5 616 million at 30 September 2023**
- **Net asset value per share at 31 December 2023: € 31.54 (30 September 2023: € 30.89)**
- **Commitments totalling € 6 million in respect of new and existing investments were made during the quarter, with a total of € 50 million funded**
- **Dividends from British American Tobacco during the period amounted to € 32 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

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BUSINESS OVERVIEW

Net asset value				
The net asset value ('NAV') at 31 December 2023 and 30 September 2023 comprised:				
	31 December 2023		30 September 2023	
	€ m	%	€ m	%
Listed investments				
British American Tobacco p.l.c.	1 279	22.3	1 436	25.6
Other listed investments	92	1.6	88	1.5
Unlisted investments				
Pension Insurance Corporation Group Limited	3 116	54.4	2 746	48.9
Private equity and related partnerships	1 103	19.2	1 182	21.0
Trilantic Capital Partners	440	7.7	513	9.1
Funds and related general partners				
TruArc Partners	315	5.5	315	5.6
Funds, co-investment opportunities and management company				
Coatue funds	75	1.3	48	0.9
Asian private equity companies and portfolio funds	175	3.0	191	3.4
Milestone China Opportunities fund and management company	25		31	
Prescient China funds and management company	120		128	
Asia Partners funds	30		32	
Specialised investment funds	98	1.7	115	2.0
NanoDimension funds and co-investment opportunities	97		114	
Other fund investments	1		1	
United States land development and mortgages	20	0.3	21	0.4
Other investments	73	1.3	78	1.4
Total investments	5 683	99.1	5 551	98.8
Cash and liquid funds	331	5.8	301	5.4
Bank borrowings	(225)	(3.9)	(221)	(3.9)
Other liabilities				
Minority interest, fees payable and other liabilities, net of other assets	(56)	(1.0)	(15)	(0.3)
Net asset value	5 733	100.0	5 616	100.0

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

INFORMATION RELATING TO CURRENT KEY INVESTMENTS AT 31 DECEMBER 2023

		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	3 382	1 279	4 661
	GBP	-	-	1 418	2 838	1 109	3 947
Other listed investments	EUR	-	-	127	68	92	160
	USD	-	-	146	78	101	179
Unlisted investments							
Pension Insurance Corporation Group Limited	EUR	-	-	1 315	57	3 116	3 173
	GBP	-	-	1 112	50	2 702	2 752
Trilantic Capital Partners	EUR	620	101	515	589	440	1 029
Euro investment	EUR	85	19	66	148	45	193
US dollar investment ⁽⁴⁾	USD	591	90	511	516	436	952
TruArc Partners	EUR	438	128	304	224	315	539
	USD	482	141	341	252	348	600
Coatue funds	EUR	272	199	74	-	75	75
	USD	300	220	81	-	83	83
Asian private equity companies and portfolio funds							
Milestone China Opportunities fund and management company	EUR	-	-	130	162	25	187
	USD	-	-	169	183	28	211
Prescient China funds and management company	EUR	-	-	79	4	120	124
	USD	-	-	94	4	132	136
Asia Partners funds	EUR	66	40	25	-	30	30
	USD	73	44	29	-	33	33
Specialised investment funds							
NanoDimension funds and co-investment opportunities	EUR	174	45	124	60	97	157
Euro investment	EUR	4	-	4	5	-	5
US dollar investment	USD	187	50	137	66	107	173
United States land development and mortgages	EUR	194	5	160	71	20	91
	USD	214	5	209	78	22	100

(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 € 117 million during the quarter reflects increases in the estimated fair value of Pension Insurance Corporation Group Limited ('Pension Corporation'), offset by decreases in the estimated fair value of certain investments including British American Tobacco p.l.c. ('BAT'), Trilantic Capital Partners, TruArc Partners and Prescient 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, the US dollar and the South African rand against the euro during the quarter has resulted in an overall decrease in the value of certain assets and liabilities in euro terms. Applying current quarter end exchange rates to the September 2023 assets and liabilities would have resulted in a decrease in the September 2023 NAV of some € 62 million.

SHARE BUYBACK PROGRAMME

As at 31 December 2023, 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 on page 28 of the Reinet 2023 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 2023: 181 790 891).

	31 December 2023	30 September 2023
Shares in issue	195 942 286	195 942 286
Treasury shares	(14 151 395)	(14 151 395)
Net shares	181 790 891	181 790 891
	€ m	€ m
NAV (see page 2)	5 733	5 616
	€ per share	€ per share
NAV per share	31.54	30.89

SHARE PRICE

The Company's indicative share price as quoted on the Luxembourg Stock Exchange increased by 14.3 per cent in the quarter from € 19.60 at 30 September 2023 to € 22.40 at 31 December 2023. The total shareholder return since inception (taking into account the initial price of € 7.1945 and including dividends paid) is 8.6 per cent per annum. The growth in NAV, including dividends paid, reflects an 8.5 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 2023 and 30 September 2023 were as follows:

	31 December 2023		30 September 2023	
	ZAR	EUR	ZAR	EUR
Luxembourg	-	22.40	-	19.60
Amsterdam	-	22.40	-	19.60
Johannesburg	466.21	-	415.73	-

GLOBAL MARKETS BACKDROP

During the quarter, global markets continued to be impacted by the effects of the Ukraine crisis, the Middle East crisis interest rates and inflation. Whilst inflation has started to fall, high prices continue to put significant pressure on households and consumers as many central banks hold interest rates at current levels to mitigate the inflation concerns. The extent and impact of these factors remain uncertain.

Reinet has no direct exposure to Russia, Ukraine or the Middle East through its underlying investments or banking relationships and has not experienced any significant direct impacts in respect of interest rate fluctuations or inflation. Reinet has various banking relationships with highly rated institutions, and a well-diversified approach to cash and liquidity management.

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 2023. Discussions have taken place with fund managers and investee companies to determine any significant changes in value and any impacts related to the various geo-political areas of conflict, volatility in stock and currency markets, interest rates, inflation and exposure to certain financial institutions. 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 € 3.6 billion and at 31 December 2023 has committed to provide further funding of € 561 million to its current investments. New commitments during the quarter under review amounted to € 6 million, with a total of € 50 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 € 32 million (£ 28 million), being BAT's fourth 2023 interim dividend with a record date of 22 December 2023, which will be paid on 1 February 2024 and has been included as a receivable in the NAV as at 31 December 2023.

Reinet holds 48.3 million shares in BAT (30 September 2023: 48.3 million) representing some 2.16 per cent of BAT's issued share capital.

The value of Reinet's investment in BAT amounted to € 1 279 million at 31 December 2023 (30 September 2023: € 1 436 million), being some 22.3 per cent of Reinet's NAV. The decrease in value reflects the decrease in the BAT share price on the London Stock Exchange from £ 25.765 at 30 September 2023 to £ 22.945 at 31 December 2023.

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

OTHER LISTED INVESTMENTS

Other listed investments comprised:

	31 December 2023	30 September 2023
	€ m	€ m
Grab Holdings Limited	32	35
Cartesian Therapeutics, Inc. (formerly Selecta Biosciences, Inc.)	1	2
Soho China Limited	4	5
SPDR Gold shares	40	37
Twist Bioscience Corporation	15	9
	92	88

In November 2023, Selecta Biosciences, Inc. merged with Cartesian Therapeutics, Inc. a clinical-stage biotechnology company pioneering RNA cell therapies for autoimmune diseases. The combined company is now known as Cartesian Therapeutics, Inc. and its Nasdaq ticker symbol changed to 'RNAC'.

The increase in value reflects an increase in the listed share prices of Twist Bioscience Corporation and SPDR Gold shares between 30 September 2023 and 31 December 2023, offset by a decrease in the listed share price of Grab Holdings and the weakening of the US dollar against the euro during the quarter.

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 € 3 116 million at 31 December 2023 (30 September 2023: € 2 746 million). This value takes into account Pension Corporation's adjusted equity own funds value at 30 June 2023 of £ 6 billion, corresponding valuation multiples drawn from industry data for a selected UK insurance peer group as at 31 December 2023, 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 exclusively 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 2023 and 31 December 2023. The increase in comparable company multiples reflects significant increases in the share prices of most peer group companies over the quarter.

The investment in Pension Corporation represents some 54.4 per cent of Reinet's NAV at 31 December 2023, compared to 48.9 per cent at 30 September 2023.

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 and related general partners.

Reinet's investment is carried at an estimated fair value of € 440 million at 31 December 2023 (30 September 2023: € 513 million) of which € 3 million (30 September 2023: € 3 million) is attributable to the minority partner. The estimated fair value is based on unaudited valuation data provided by Trilantic Management at 30 September 2023 adjusted for movements in listed investments and cash movements up to 31 December 2023.

The decrease in the estimated fair value reflects net capital distributions of € 53 million together with the weakening of the US dollar against the euro.

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, in two co-investment opportunities alongside Snow Phipps III, and in the management company.

Reinet's investment is carried at an estimated fair value of € 315 million at 31 December 2023 (30 September 2023: € 315 million), based on the unaudited valuation data provided by TruArc at 30 September 2023 adjusted for cash movements up to 31 December 2023.

The estimated fair value reflects net capital contributions of € 24 million, offset by decreases in the estimated fair values of underlying investments and 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

Reinet is invested in Coatue Structured Offshore Feeder Fund LP and Coatue Tactical Solutions CT Offshore Fund B LP (together the 'Coatue Structured Funds').

Reinet's investment is carried at an estimated fair value of € 75 million at 31 December 2023 (30 September 2023: € 48 million), based on unaudited valuation data provided by Coatue at 30 September 2023 adjusted for cash movements up to 31 December 2023.

The increase in the estimated fair value reflects capital contributions of € 29 million, offset by the weakening of the US dollar against the euro in the quarter.

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

Further information on Reinet's investments may be found in the Reinet 2023 annual report which is available at www.reinet/investor-relations/reports.html.

ASIAN PRIVATE EQUITY COMPANIES AND PORTFOLIO FUNDS

Milestone China Opportunities fund and management company

Reinet has invested along with Milestone Capital in a management company based in Shanghai, and has also invested in a fund managed by Milestone Capital (together 'Milestone').

The investment in Milestone is held at the estimated fair value of € 25 million (30 September 2023: € 31 million) based on unaudited financial information provided by Milestone Capital at 30 September 2023 adjusted for movements in listed investments and cash movements up to 31 December 2023.

The decrease in the estimated fair value reflects distributions of € 2 million together with decreases in the value of underlying investments and the weakening of the US dollar against the euro in the quarter.

Further information on Milestone is available at www.mcmchina.com

Prescient China funds and management company

Reinet is invested in three Prescient China funds and the management company.

Reinet's total investment is carried at an estimated fair value of € 120 million based on unaudited financial information provided by Prescient at 31 December 2023 (30 September 2023: € 128 million).

The decrease in the estimated fair value reflects decreases in the value of underlying investments together with the weakening of the US dollar against the euro in the quarter.

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

SPECIALISED INVESTMENT FUNDS

NanoDimension funds and co-investment opportunities

Reinet is a limited partner in 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 31 December 2023, the estimated fair value of Reinet's investment amounted to € 97 million (30 September 2023: € 114 million). The estimated fair value is based on unaudited valuation data provided by NanoDimension as at 30 September 2023 adjusted for movements in listed investments and cash movements up to 31 December 2023.

The decrease in the estimated fair value reflects distributions of € 16 million together with decreases in the value of underlying investments and the weakening of the US dollar against the euro in the quarter.

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

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 increased from € 301 million at 30 September 2023 to € 331 million at 31 December 2023. During the quarter the BAT dividend received which was accrued as at 30 September 2023 amounted to € 32 million and distributions from several investments amounted to some € 86 million. Payments made of some € 62 million in respect of underlying investments, management fees of € 18 million to Reinet Investment Advisors Limited which were accrued as at 30 September 2023, tax payments together with other income and expenses amounted to some € 1 million. The impact of the weakening of the US dollar against the euro in the quarter amounted to a decrease in cash balances of some € 7 million.

BANK BORROWINGS BORROWINGS

Reinet has a fixed-rate £ 100 million margin loan due to Citibank N.A., which is repayable in August 2024. At 31 December 2023, the fair value of the loan amounted to € 112 million (30 September 2023: € 111 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 2023, the fair value of the loan amounted to € 113 million (30 September 2023: € 110 million).

The increase in the estimated fair value of both loans reflects the decrease in time to maturity and a decrease in the discount rates used.

Some 15 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 € 230 million (£ 200 million) in a combination of currencies to fund further investment commitments. As at 31 December 2023 no funds have been drawn under these facilities.

OTHER LIABILITIES

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

	31 December 2023	30 September 2023
	€ m	€ m
Minority interest	(4)	(4)
Management fee	(10)	(18)
Performance fee	(60)	(12)
Tax provisions	(5)	(4)
Accruals and other payables, net of other receivables	(9)	(9)
BAT dividend receivable	32	32
Total other liabilities	(56)	(15)

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 22 December 2023 and a payment date of 1 February 2024.

A provision of € 60 million has been made for the nine-month period to 31 December 2023 in respect of a potential performance fee (31 March 2023: € nil), based on the indicative closing price of Reinet shares of € 22.40. In order for a performance fee to be payable at 31 March 2024, 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 € 18.33.

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

CAPITAL STRUCTURE

As at 31 December 2023 and 30 September 2023, there were 195 941 286 ordinary shares and 1 000 management shares in issue.

As at 31 December 2023 the Company held 14 151 395 ordinary shares as treasury shares (30 September 2023: 14 151 395). The voting and dividend rights attached to the treasury shares are suspended. Therefore, the total number of voting rights at 31 December 2023 was 181 790 891 (30 September 2023: 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

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)

23 JANUARY 2024

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 2023</u>	<u>30 September 2023</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 2023 of 20.1923 and a rate of 20.0102 as at 30 September 2023.

	<u>31 December 2023</u>	<u>30 September 2023</u>
Net asset value	<u>ZAR 115 762 m</u>	<u>ZAR 112 377 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 2023</u>	<u>30 September 2023</u>
Net asset value per share	<u>ZAR 636.87</u>	<u>ZAR 618.12</u>