SEEIT

SDCL Energy Efficiency Income Trust plc

Unlocking the world's most valuable energy resource: Efficiency

Interim Report
for the six months ended 30 September 2024

About and Purpose:
Supporting the Energy Transition

Company Structure

SDCL Energy Efficiency Income Trust plc (the "Company" or "SEEIT") is the largest FTSE 250 investment company focused exclusively on energy efficiency.

The Company is a closed-ended UK investment company that was admitted to the Official List and to trading on the London Stock Exchange's Main Market on 11 December 2018, with the objective of generating an attractive total return for investors, comprising stable dividend income and capital preservation along with the opportunity for capital growth.

SEEIT is an Article 9 Fund under the EU's Sustainable Finance Disclosure Regulation ("SFDR"), with the sustainable investment objective of climate change mitigation through investments in energy efficiency projects.

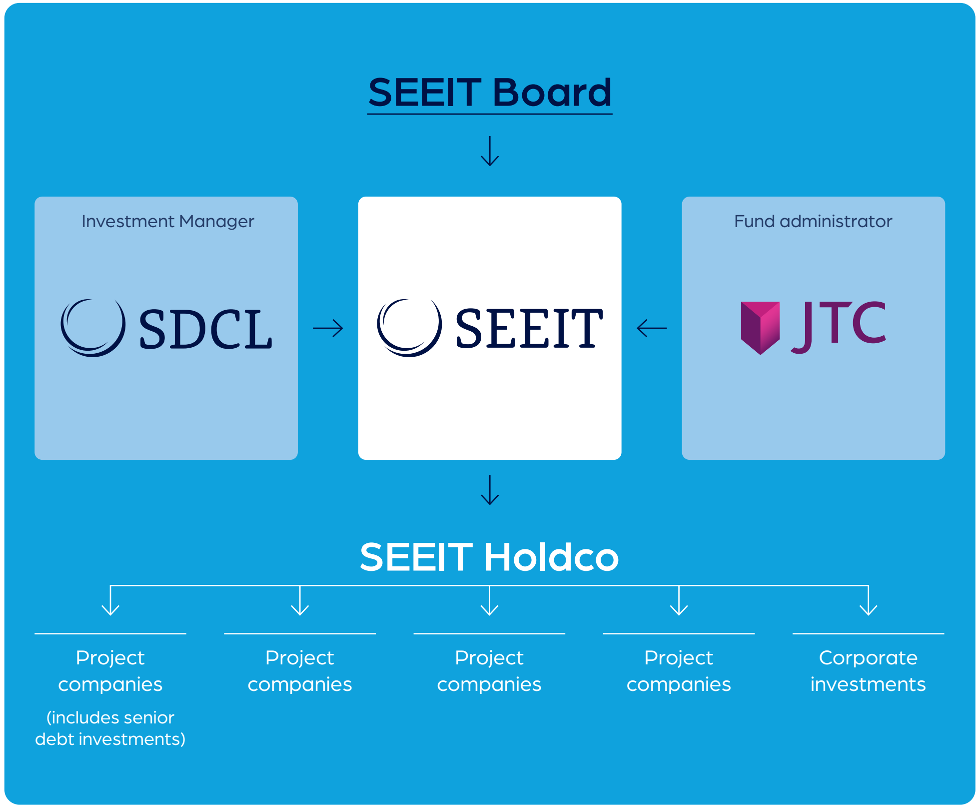
The Company has been established to provide shareholders with access to energy efficiency infrastructure investments and has a portfolio comprising of investments in projects across the United States, Europe, the UK and Asia.

The Company has an independent Board of Directors and has appointed Sustainable Development Capital LLP ("SDCL" or the "Investment Manager") as Manager to manage the portfolio of investments on its behalf.

It should be noted that when referring to "investments" made by the Company, the Company makes its investments via its sole direct subsidiary and main investment vehicle, SEEIT Holdco Limited ("SEEIT Holdco" or "Holdco"), and the investment portfolio is held at Holdco level. The Company holds no other direct investments other than in Holdco.

References to "portfolio basis" include the impact if SEEIT Holdco were to be consolidated. The revolving credit facility ("RCF") referred to in this document is held at Holdco level and the Company itself does not hold any external debt.

The Manager controls the actions of Holdco, and Holdco's subsidiaries manage the existing investments that Holdco has directly or indirectly invested in. Holdco typically invests in project companies, which provide energy efficiency solutions to counterparties through long-term contracts with a fixed lifespan. A project company, and by implication the portfolio of investments as a whole, may have a limited lifetime over which it provides target returns to Holdco and ultimately the Company. These project companies are structured so that they can be sold in an active secondary market for energy efficiency assets although each of the investments will have also been assessed individually to ensure appropriate alternative exit strategies are in place.



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Find out more:
www.seeitplc.com

Purpose

Supporting the energy transition

SDCL Energy Efficiency Income Trust plc is the only FTSE 250 investment company that has the specific sustainable investment objective of mitigating climate change by investing in energy efficiency projects.

The Company has grown its portfolio from £100 million in the UK at IPO in 2018, to a total enterprise value of c.£1.5 billion across ten countries in Europe, North America and Asia. It has developed and invested in projects involving over 50,000 buildings, industrial facilities and transport assets.

Why is this so important?

Energy efficiency is one of the largest, fastest, cheapest and cleanest sources of greenhouse gas emission reductions, energy productivity and sustainable growth. Energy is the largest source of greenhouse gas emissions. Buildings, industry and transport represent most of the demand for energy. And yet most primary energy is lost or wasted.

In the United States, around 55% of energy is lost during electricity generation[1], mostly as waste heat, through the extraction, conversion, generation, transmission, distribution and usage process. At the point of use, it is estimated that around 35% of the energy consumed in commercial buildings is wasted because of inefficiencies in cooling, space heating, air conditioning, lighting and appliances.

Energy efficiency delivers 40% of the greenhouse gas emission reductions needed by 2040 in the International Energy Agency's ("IEA") Sustainable Development Scenario ("SDS"). All net-zero pathways involve energy efficiency improvement as global decarbonisation targets simply cannot be achieved without it.

Meanwhile, despite the welcome and rapid growth rates of the renewable energy sector, the global energy system still remains 80% fossil fuelled[2]. Renewables are taking an increasing share of the energy market, but at a rate of only around 0.4% per annum. At the same time, the overall volume of energy supply, whether higher or lower carbon, continues to rise, as do the associated emissions.

Reducing wastage in both the demand and supply for energy is therefore crucial.

Energy efficiency involves doing more with less, delivering the same or more economic output using less energy. It is essential for protecting the climate, for reducing cost and for improving energy security.

SEEIT's investments are focused on projects that provide more efficient supply of energy as well as reducing the demand for, or waste of, it.

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1. Based on US Energy Information Administration 2023 grid analysis
2. Figures based on IEA World Energy Balance report of 2019 energy usage.

Highlights
of the six months to 30 September 2024

Investing in energy efficiency

90.6p

Net asset value ("NAV") per share APM

(31 March 2024: 90.5p)

£48m

Investment cash inflow from the portfolio APM

on a portfolio basis APM
(September 2023: £47 million)

3.16p

Aggregate interim dividends APM

per share declared for the six months ended 30 September 2024, in line with target (September 2023: 3.12p)

1.1x

Dividend cash cover APM

for the six months ended 30 September 2024
(September 2023: 1.1x)

6.32p

Target dividend[1] guidance

per share for the year to March 2025

£35m

Profit before tax

(30 September 2023: £89 million loss)

£1,102m

Portfolio Valuation APM

(£1,117 million at 31 March 2024)

£90.8m

Capital Recycling APM

from the disposal of UU Solar, investing c.£98 million during the six months ended 30 September 2024

APM

Alternative Performance Measure:
See Glossary of Financial Alternative Performance Measures for further details on APMs used throughout this report.

1. The target dividend stated above by the Company is based on a projection by the Manager and should not be treated as a profit forecast for the Company.

Why Invest?

Overview

Enhancing value for the long term…

Onyx

energy efficiency

Energy efficiency means using less energy to achieve the same outcome; it saves money and reduces carbon.

Energy efficiency is a key element of the energy transition, delivering critical emissions reductions and improvements in energy system resilience. When combined with rapid deployment of solar and wind energy, energy efficiency is capable of delivering half the emission abatement needed by 2030 according to the IEA's net zero by 2050 scenario.

SEEIT focuses on Efficient and Decentralised Generation of Energy ("EDGE") projects. This focus is a source of competitive strength, which remains unique among UK investment Companies and even across other major listed equity capital markets.

compelling investment returns strategy

Shareholder returns are driven by both dividends and capital growth.

The portfolio is diversified and mostly operational (76%)[1], with creditworthy counterparties. Operational performance underpins long-term, predominantly contracted cash flows to cover SEEIT's growing dividend.

SEEIT has always sought to invest into projects that additionally offer the potential to exceed target total returns. This potential is released in three ways:

- Cost reductions and efficiency improvements
- Investment in higher-return projects or new revenue streams
- Unlocking platform value through restructuring or ensuring they have the optimum management teams.

network access and expertise

SEEIT is the first UK-listed company of its kind to invest exclusively in the energy efficiency sector.

SDCL, the Manager, is an award-winning, global team of experienced specialists, dedicated to energy efficiency.

Through its investment activity and asset management, it has built a significant reputation and a deep network of industry experts, managers, subcontractors and counterparties.

The Manager, portfolio company management teams and counterparties all play a role in delivering value to SEEIT's shareholders.

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1. Of gross asset value

Chair's Statement

"On behalf of the Board, I am pleased to present the Interim Report and financial statements (the "Interim Report") for SDCL Energy Efficiency Income Trust plc ("SEEIT" or the "Company") for the half year ended 30 September 2024."

Tony Roper | **Chair**

It has now been over two years since interest rates increased, multi asset managers saw increased net outflows and the sector moved to persistent share price discounts to NAV. During that time equity markets have been effectively closed, preventing the Company from raising primary equity capital to support the growth and development of the portfolio of investments. The Board and the Manager remain focused on addressing the share price discount to NAV APM and on maintaining a disciplined approach to managing SEEIT's balance sheet.

I would like to thank our shareholders for their continued support. The share price discount persists even though overall operational and financial performance of the underlying investments for the half year continues in line with budget and dividends continue to be fully covered by stable investment cashflows from the portfolio.

Global Markets

Interest rates and inflation remained relatively high during the period compared to periods before the increases seen in Q4 2022, with valuations depressed across the infrastructure sector. During Q3 2024, however, there were some positive economic indicators, including:

- relatively high performance from equity markets;
- the start of interest rate cuts by central banks;
- a slowing rate of net outflows from multi-asset managers that have been net sellers of investment trust stocks.

The Manager has noted that these rate cuts offer the potential to reduce discount rates in time. However, despite potential signs of a more favourable environment, bond markets have been relatively volatile and global geopolitical uncertainty persists, including the recent US election. The Manager is assessing potential implications for the Company's portfolio. As such, both the Manager and the Board believe that conservatively maintaining the existing discount rates is appropriate during the still uncertain economic and geopolitical backdrop. We expect this to remain the case until more favourable macro conditions and/or fundamental, project-related factors drive discount rates down.

Responding to Market Conditions

During the period, the Manager has continued with its efforts to address the share price discount in line with the plan published in the 2024 Annual Report, further details of which can be found below. Meanwhile, the Board and the Manager are attentive to shareholder priorities.

Chair's Statement continued

Disposals

In May, the Company announced that it had sold its UK on-site solar portfolio, UU Solar, to UK Power Networks Services Holdings Limited, the private networks business of UK Power Networks Group, for a consideration of £90 million. The agreed price represented a 4.5% premium to the most recent valuation held by the Company and served to validate the valuation of the wider portfolio.

Since then, advisers have been appointed with the aim of selling significant stakes, or inviting co-investment, in Onyx and EVN and first round bids are expected imminently. Interest has been encouragingly high and we are targeting completion of these processes in the first half of the calendar year 2025. Proceeds from disposals will be allocated to the repayment of the Company's revolving credit facility ("RCF") and share buybacks will also be considered.

The Manager takes both a systematic and strategic approach to disposals, and as part of this process the Manager is considering a variety of disposal options.

Positioning the portfolio for NAV return

A key task for the Manager is to ensure the current portfolio continues to perform as expected, thus contributing to the growth of NAV ^{APM} and adding value for shareholders in the medium and long term. To this end, considerable efforts have been made by both the Manager and portfolio level management teams to position the portfolio for growth in value. In particular, Onyx and EVN are growing fast and Onyx is also ahead of its deployment targets.

Onyx, which provides on-site generated solar power to commercial and industrial sectors across 14 US states, continues to create and convert significant pipeline through its development activity. We are delighted that Onyx is hitting and exceeding its targets for the year and SEEIT has continued to fund this development pipeline as the strong return profiles offered by these projects is accretive to the value of Onyx and to portfolio returns.

EVN, the electric vehicle ("EV") charging infrastructure development company, continues to see strong demand for ultra-fast EV charging stations across the UK.

Capital Allocation

In an environment where capital is constrained, the Board and the Manager have adopted a disciplined approach via the Company's Capital Allocation Policy. This policy effectively sets out a minimum return threshold for any investment, including funding the growth pipeline at Onyx and EVN. In order to make these investments, their risk adjusted returns for the Company should be attractive compared to the returns implied by share buybacks at the time of investment. On 30 September 2024, the share price was 63.1 pence per share, implying a minimum return hurdle for any new investments of at least c.13%.

Continuing to fund the growth of selective investments by drawing on the RCF follows careful consideration by the Manager, in consultation with the Board. The risk adjusted return offered by these investments both meets the Company's Capital Allocation Policy and offers potential benefit to shareholder value that outweighs the costs. The Board and Manager will continue to engage with shareholders and analysts to ensure a good understanding of the rationale behind the investment decision. A critical component of this decision is the multiple avenues the Company is exploring to reduce the RCF in the medium term.

Reducing Short-term Borrowing

The Manager and the Board are highly cognisant of current levels of short- term debt and managing this carefully is a top priority for the Manager.

The sale of UU Solar was used to pay down short-term debt, reducing the RCF to below £100 million in May 2024. Any future disposals will similarly be used to reduce the RCF.

Since that time, the RCF has been used to fund organic investments and, as at 30 September 2024 it was £165 million drawn. The Company level RCF was 11% of enterprise value at the end of September. Project level, structural gearing, was 24% of enterprise value. The Manager is currently evaluating opportunities to refinance the RCF which expires in June 2026.

Notwithstanding that there is an expectation of a small increase in short term debt over the remainder of the financial year, the Manager has set out to the Board its plans to reduce the short-term RCF to £100-150 million during the second half of calendar year 2025. Additionally, any sales proceeds before then will be used to accelerate the reduction of the RCF. These plans include increasing one or more project-level debt facilities in the near term, utilising a portion of the Company's headroom within the total gearing limit. These facilities will allow for longer-term, amortising finance, better aligned with the revenue generated by the assets. These plans are set out in more detail in the Investment Manager's Report.

Portfolio and Financial Performance

The portfolio generated earnings in line with expectations and cash flows that were more than sufficient to cover the Company's dividends.

SEEIT's NAV ^{APM} at 30 September 2024 was 90.6 pence per share (March 2024: 90.5 pence) after the net impact of FX movements (post hedging), which reduced the NAV ^{APM} by 1.6 pence per share during the period. On an annualised basis, this equates to an 8.9% return before the effect of FX during the period.

The weighted average discount rate ("WADR") ^{APM} as at 30 September 2024 remained in line with March 2024 at 9.4% on a levered basis, or 11% assuming amortising debt is maintained at current levels. The levered WADR ^{APM} can be considered a good proxy for the target returns of the portfolio, before fund expenses.

In November 2024 the Company announced its second interim dividend for the year ending 31 March 2025 of 1.58 pence per share. In line with previous guidance and current cash flow projections, the Company is on track to deliver a fully cash covered dividend ^{APM} of 6.32 pence per share for the year ending 31 March 2025.

Chair's Statement continued

Improving Disclosure

Following on from increased disclosure over the performance of our larger investments in the March 2024 Annual Report, we continue to find meaningful and useful ways to share more information about the portfolio's financial and operational performance. There has been an increased focus on cash flow and sharing EBITDA ^{APM} as a means of better understanding the assets that underpin portfolio performance and how that compares to similar types of investments and businesses. This, along with more detail of the Manager's approach to valuations, is set out in the Investment Manager's Report.

The Manager is currently assessing ideas to showcase some of the Company's portfolio of assets and the exceptional management teams that operate them. This is intended for both existing and potential new shareholders, and will be arranged in the coming months.

Governance

As noted in the Company's Interim Update Statement of 30 September 2024, the Board has commenced a process to recruit two new directors, as part of a larger succession plan to ensure that the three original directors at the time of the IPO can retire at suitable times when new directors have been appointed.

A search firm has been identified and our plan is to recruit two new directors in the course of 2025. The second phase of the succession plan will then commence.

At the Company's AGM in September, all resolutions were passed, and Emma Griffin retired from the Board.

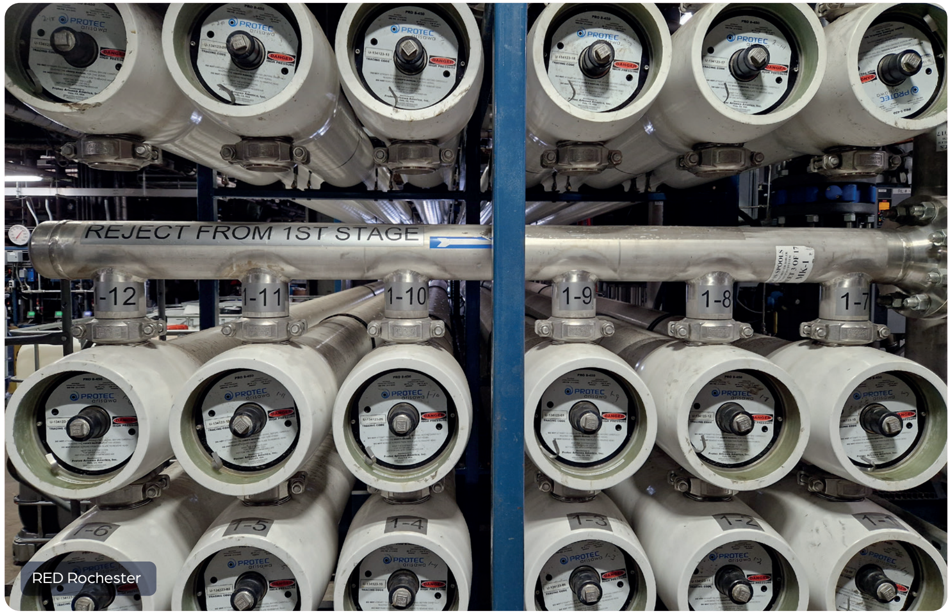
Outlook

The Board and the Manager are committed to delivering value to, and positive outcomes for, shareholders.

SEEIT continues to be differentiated from its wider peers. The energy efficiency thematic offers investments uncoupled from power prices and the Company's portfolio of diversified technology offers resistance to the impacts of geopolitical instability and extreme weather conditions. Individuals, businesses and policymakers across the US and Europe where most of the portfolio is based are increasingly as concerned about energy security as they are about its cost. Together with the global energy transition and high energy prices, these strong tailwinds support the case for energy efficiency and SEEIT's investment strategy.

In an environment where some are consolidating their portfolios, reducing debt and returning capital to shareholders, we believe that the significant opportunities presented by our investment strategy continue to present a compelling proposition. That said, we are committed to managing the balance sheet to reduce short-term debt as soon as practicable whilst supporting the growth, and therefore the value, of the portfolio.

Tony Roper
Chair


RED Rochester


Driva

Investment Manager's Report

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Onyx

The Team

Sustainable Development Capital LLP

Sustainable Development Capital LLP ("SDCL" or the "Investment Manager") is an independent investment firm with a proven track record of investment in energy efficiency and decentralised energy generation projects in the UK, Europe, North America and Asia. SDCL has a broad and growing footprint with over 50 professionals globally and has raised over £2 billion in capital commitments, including seven funds.

Effective management and stewardship of SEEIT and its underlying portfolio remains of utmost priority for SDCL. To strengthen and institutionalise during this time of growth, and with an eye to continuity, some changes have been made to the team. Accordingly, Ben Griffiths and Tamsin Jordan have joined the fund management team, as SDCL continues to deepen and strengthen the resources available to the Company.

Meet the Investment Manager

Jonathan Maxwell

SDCL CEO & Founder

Jonathan is Founder and CEO of SDCL. He is Chair of the Investment Committee for SEEIT and has overall responsibility for SDCL's investment activities.

Jonathan has over 25 years' experience in international finance, infrastructure and private equity and has launched energy efficiency project investment funds in the UK, Ireland, Singapore and New York. He has advised and invested on behalf of a number of national governments as well as a wide range of institutional investors.

Prior to establishing SDCL, Jonathan was at HSBC Infrastructure and managed the IPO of the HSBC Infrastructure Company, the first Main Market, London Stock Exchange listed infrastructure fund, which now has an enterprise value of over £3 billion.

Jonathan has a degree in Modern History from Oxford University.

Purvi Sapre

SDCL Group CIO

Purvi is the Group CIO and is a member of the Investment Committee for SEEIT.

Purvi has over 15 years' experience in Europe, North America and emerging markets investing on behalf of debt, equity and impact investment funds. Purvi has transacted and managed assets across a number of renewable energy technologies including solar, wind, energy efficiency and waste to energy.

Purvi holds a Master's in Chemical Engineering with Environmental Technology and has CIMA and IMC qualifications.

Eugene Kinghorn

SDCL Group CFO

Eugene is the Group CFO and has overall responsibility for SDCL's finance function covering its corporate activity and its funds, including SEEIT. He is a member of the Investment Committee for SEEIT.

Eugene has over 15 years of experience in financial and portfolio management, with particular focus on private equity and listed infrastructure investment management. He is responsible for portfolio and investment management of SEEIT.

Eugene holds a Bachelors in Accounting from Stellenbosch University and is a Fellow of ACCA.

Tamsin Jordan

SEEIT Fund Management and Investor Relations

Tamsin is Director of SEEIT Fund Management and Investor Relations, responsible for stakeholder management and strategy. Tamsin joined with 18 years' experience in alternative investments, most recently advising clients on strategic investor relations across private equity, venture, private credit, real estate, long/short equity and impact investing strategies.

Prior to this, Tamsin was responsible for investor relations and communications for investment trusts and a private equity portfolio; she also spent almost a decade at a leading global hedge fund specialising in long/short equity.

Tamsin holds a Bachelors in International Relations from the University of Sussex after attending the United World College of the Atlantic in South Wales.

Ben Griffiths

SEEIT Fund Management

Ben is Managing Director of SEEIT Fund Management and is responsible for the technical, financial and operational performance of it's investments. He is a member of the Investment Committee for SEEIT.

Ben has over 15 years' experience in the investment and renewable energy industries.

Prior to SDCL, Ben led the portfolio management of a c.£300 million separately managed account, managing a range of technologies and sitting on the boards of a range of investment companies.

Ben is a Chartered Engineer, with a Master's in Mechanical Engineering and an MBA degree from University of Northampton.

Energy Efficiency is a Distinct Investment Strategy

SEEIT invests into projects that reduce cost and improve energy productivity by reducing losses traditionally associated with the supply and demand for energy. The majority of SEEIT's projects deliver energy that is cheaper, cleaner and more reliable than the grid, giving them an enduring competitive advantage and value, during and after their contracted lives.

SEEIT is unlike the peers it is commonly grouped with. As an investor into energy projects that are a major source of greenhouse gas emission reductions, it is understandable why it is compared to renewable infrastructure investments. However, SEEIT is unlike these peers in many of the ways that matter:

- **SEEIT's investments have limited exposure to energy prices** in their revenue streams as it does not invest in merchant energy, but rather has long-term contracted income streams with high-quality counterparties. Where it does have limited exposure, it seeks to mitigate it. SEEIT is not subject to the competitive dynamics or regulatory uncertainties faced by grid-connected, utility scale renewable energy project investors.
- **SEEIT has been built with relatively low levels of gearing** and has headroom within its limits. The investment case of many of the assets was to utilise appropriate, long-term gearing at the project level in the longer term. For example, Oliva, a portfolio of projects supporting the olive oil industry in Spain, is currently unlevered. Oliva has historically demonstrated highly variable revenues, primarily due to the nature of the Ro regulatory payment scheme in Spain. These revenues are expected to be far less variable in the future due to an adjustment in the way these payments will be made. As such, this investment is now better suited to gearing and future returns could be enhanced through the use of suitable project-level debt. Onyx, one of the Company's growth assets, is structured to use a combination of short-term debt or additional equity investment from SEEIT to fund the construction of its pipeline of new assets before replacing this with long-term project-level gearing once the projects are advanced, and attractively derisked.
- **Tailwinds for SEEIT's investment strategy are stronger than ever.** High energy prices, decarbonisation and energy security needs are all tailwinds for energy efficiency. While high interest rates have had a significant impact on the valuations of SEEIT's investments, those interest rates, and also inflation, have been largely driven by high energy prices. High energy prices and the reduction of energy security caused by geopolitical instability and extreme weather conditions increase the business case for and the value of SEEIT's decentralised energy generation projects. Although valuations will remain depressed until interest rate movements can reasonably be reflected in discount rates, the fundamental drivers of the value of the portfolio are stronger than ever.
- **This is a young portfolio with potential for significant accretive returns.** The Company achieved scale quickly, gaining the economies of scale and stability that come with this and the nascent nature of its portfolio promises strong value creation potential. Investments were sourced that met the defined characteristics of energy efficiency, contractual structures with suitable counterparties and the potential to generate accretive returns.

Primary Energy

Continuing to Adapt to Market Conditions

SEEIT's approach to investment, portfolio construction and management of the balance sheet has been adapting to current market conditions. As set out in the 2024 Annual Report, we are in the process of transitioning the portfolio from one built to deliver a steady and growing dividend income and capital preservation with the opportunity for growth, to one that maintains its steady and growing dividend income and capital preservation with a focus on growth. Without the ability to issue new equity in the near term, we have set out to deliver more with the resources available to us, to construct the portfolio for NAV^{APM} growth without damaging its ability to deliver income.

We are focused on capital allocation and careful management of gearing on the balance sheet to deliver change. This has and will continue to be a disciplined navigation through a challenging environment, balancing capital growth and income generation with careful debt management. As mentioned by the Chair in his statement, the Capital Allocation Policy applies a significant, mid-teens hurdle to all new investments. While we remain selective and disciplined, we are delighted that this threshold is met and indeed exceeded by many opportunities within the pipeline of organic investments generated by the portfolio. Since March, the Company has invested a total of £98 million, exclusively into its existing portfolio, with c.£85 million into Onyx and c.£6 million into EVN.

In order to fund this pipeline and strengthen the value of the portfolio's growth assets, the RCF has been used as short-term funding, as per its mandate. As of 30 September 2024, the total gearing as a percentage of enterprise value was 35% with structural gearing at 24%[1].

We remain committed to reducing the Company' short-term borrowing. During the period, the proceeds from the sale of UU Solar were used to reduce the RCF to below £100 million. Since that time the RCF has been drawn to fund investments at Onyx and EVN until completion of the co-investment/disposal processes and/or project-level financing that will be used to reduce its balance. Processes are underway to introduce or increase project-level financing at Onyx, EVN and Oliva. Through the use of such gearing, we have a clear path to reduce the SEEIT RCF to £100-150 million by the second half of 2025, even without a disposal. With a disposal, this would be significantly accelerated.

SEEIT has c.£360 million of portfolio level, structural debt, but with low refinancing risk and low interest rate risk. SEEIT's structural gearing includes high levels of amortising debt, a high percentage of fixed interest rates and minimal levels of refinancing needed in the medium-term. Over 80% of the portfolio debt is amortising, with c.£18 million repaid. The weighted average life remaining was 4.1 years and the weighted average interest rate was 5.9%. While repaying short-term Company-level debt with project-level debt matched to the lives of the assets does not reduce the total gearing levels immediately, the amortising nature of the project-level gearing means that in the medium term, total gearing levels can be reduced substantially without the need for sources of capital.

Portfolio debt amortising	Debt repaid during the period
over 80%	c.£18m

We continue to seek out opportunities to recycle capital through disposals or by bringing in co-investors. In May 2024, we completed the disposal of a major asset, UU Solar, for a price above its latest valuation. We have since launched two additional formal processes to potentially sell or partially sell Onyx and EVN, should that be deemed the best outcome for shareholders. While these processes are not the only way to reduce the RCF, they have the additional benefit of validating our valuations, and therefore underpinning the NAV^{APM} of the portfolio.

We are conscious of the need to find new buyers and long-term shareholders to support liquidity, given the market dislocation across the sector. As such we have continued marketing the shares to new investors both in the UK and US. On average, 0.16% of SEEIT's share register was traded each day during the period, in line with its peer group, demonstrating comfortable liquidity due to the significant buying activity, particularly from US-based institutional investors.

To build on the additional disclosure that was positively received after the 2024 annual results, we have provided additional detail below on how we approach valuations and more clearly detailed the cash generated by the portfolio.

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[1] The total gearing as a percentage of NAV was 53% with structural gearing at 37%.

Approach to Valuations

The purpose of this one off section is to offer greater insight to the approach taken by the Manager regarding the valuation of the investment portfolio, thereby increasing the understanding of the underlying assets' contribution to the Company's NAV^{APM}.

We have taken a consistent and cautious approach to valuing the portfolio since the Company's IPO. We apply a rigorous and thorough process that utilises different methodologies, consultations, sense checks, evidence gathering and controls to ensure that the final portfolio valuation is reflective of fair market value – often referred to as the value at which a willing buyer and willing seller would conduct an arm's length transaction.

In addition:

- Year-end valuations (March of each year) are accompanied by an independent audit of the Company.
- The Board receives an independent third-party expert opinion on project-specific discount rates annually – this is used by the Board to benchmark against the Manager's own assessments of discount rates.
- On a case-by-case basis, independent valuations by industry experts may be commissioned at asset level, particularly when material changes may have occurred either at market or asset level since the preceding valuation - such experts being carefully selected based on sector knowledge, access to their own information and ability to form their own views rather than relying just on management information.
- Interim valuations (September of each year) take a more risk-focused, materiality-based approach through assessment of changes in macroeconomic factors such as discount rates, inflation and corporation tax as well as material changes in risk profiles of individual investments.
- Valuations are conducted almost exclusively using the discounted cash flow ("DCF") approach on an unlevered, post-tax basis.


Electric Vehicle Network

Process

Cash flow forecasts are provided by the management teams of the projects. Operational considerations that involve an element of judgement, such as timings and probability of the revenue streams or expected costs, are factored in at this early stage but further evaluated in the context of both their sensitivity to the valuation and the strength of support behind any changes to cash flow forecasts.

The Manager relies on lookback testing as a key component of the overall process – lookback testing is a technique commonly used to review and compare actual data against previous forecasts of financial performance (e.g. EBITDA) and operational performance (e.g. generation).

The Manager reviews all forecasted cash flows for appropriateness and reasonableness. All management assumptions are modelled, reviewed and analysed by the Manager's asset and portfolio management teams. Evidence provided to support each key judgement is assessed in the context of a "hierarchy of support", grouping evidence into four categories of relative strength:

- Historic evidence (e.g. actual operational and financial information, budgets used for six monthly lookback testing)
- Independent valuations and/or independent expert support (e.g. independent valuation of Onyx and EVN for March 2024 valuation; expert advice to support assumptions for transport growth in Driva (formerly Värtan Gas); expert advice to support evidence provided to project level lenders during refinancings such as Primary Energy in 2024)
- Comparable transactions / market comps (e.g. acquisitions or disposals such as disposal of UU Solar in 2024)
- Publicly available information (e.g. data to support macroeconomic assumptions such as inflation and corporation tax; regulatory information such as Ro published by Spanish government).

Discount rates are derived using a bottom-up approach. The risk-free rate of each individual asset is assessed against relevant government bonds, considering length of cash flows and geography. Credit risk is determined by deducting the risk-free rate from the most relevant corporate bond yield curve applicable to each asset. Asset-specific premiums are assessed for each individual asset at each valuation date, considering, inter alia, country risk, market risk, construction risk, counterparty risk and technology risk.

Macroeconomic assumptions (inflation, corporation tax and FX) are collated using publicly available sources to create a base level proposal and, where market risk exists, third-party commodity curve providers are enlisted.

Once DCF valuations are completed, sense checks are carried out using alternative methodologies such as market pricing on EV multiples, third-party opinions or cost. Methodologies vary from asset to asset, but they are applied consistently across assets of a similar nature and structure, lifecycle stage or development and platform value.

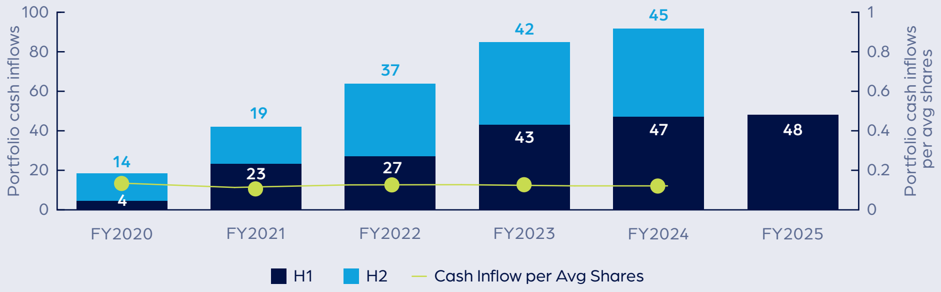
The Manager uses a schedule of gated internal checks throughout the process to ensure that reasonable valuation scenarios and outcomes are discussed and analysed by the Manager's asset and portfolio management teams – this part of the process is typically iterative. Valuation proposals are presented to the Manager's Investment Committee for approval – this part may also be iterative.

Once approved internally, the full set of materials is provided to the auditor and the valuation is presented to the Board's Audit and Risk Committee for review and approval and adoption in the Company's financial statements.

Portfolio Performance

SEEIT's investment objective is to generate an attractive total return for investors comprising stable dividend income and capital preservation, with the opportunity for capital growth. To do this, a diversified portfolio of energy efficiency projects was built, with high-quality counterparties and contracts that entitle SEEIT to receive long-term cash flows once the projects are operational. Since its first full year generating cash in 2020, the portfolio has delivered a steady stream of distributions to the Company and, with a weighted average contracted life of 15.9 years (March 2024: 16.4 years), it is expected to continue to do so.

Portfolio Cash Inflows per Share (GBP Millions)



The portfolio has generated a stable stream of distributions per share since IPO.

SEEIT holds five large sub-portfolios that form a foundation for overall portfolio cash flows as well as providing established platforms to generate growth. These five make up c.75% of SEEIT's gross asset value.

Investing for Total Return

Onyx, one of the most established providers of distributed clean energy solutions to commercial and industrial customers across the United States and the largest SEEIT portfolio investment, and EVN, a smaller investment for SEEIT but one of the most successful EV charging platforms in the UK, are both growth platforms with a growing pipeline of construction assets. These have required further capital during the period to support their growth and secure value for SEEIT shareholders. During the period, the Company has invested c.£85 million into Onyx and c.£6 million into EVN respectively.

Cash Flows Underpinned by Operational Performance

The diversified nature of the portfolio (e.g. by geography, by technology, by customers) helps it to deliver operational performance in line with expectations, on a consolidated basis. The benefit is that headwinds that may be encountered from time to time at one asset can generally be offset by tailwinds at another.

Portfolio Performance continued

Diversified portfolio delivering overall operational performance marginally above budget

	Project Equity Value at 30 September 2024	Project level Debt at 30 September 2024	Technical KPI H1 2024	EBITDA H1 2024 (local currency, millions)
1 **Oliva Spanish Cogeneration**	c.€132m	c.€0	644,313 MWh produced	EUR 12.8
2 **Primary Energy**	c.$255m	c.$160m	191 MW Average net production	USD 19.0
3 **Driva (formerly Värtan Gas)**	c.SEK 969m	c.SEK 682m	92% green gas	SEK 29.0
4 **Onyx Renewable Partners**	c.$378m	c.$51m (excluding RCF)	68,317 MWh produced	USD 5.3[1]
5 **RED- Rochester**	c.$281m	c.$92m	3.4m MMBtus delivered	USD 8.3

1. Onyx EBITDA APM is for the fully operational portfolios of assets (total of four) and does not include the portfolios still partly under construction (total of two)

The projects above delivered a combined EBITDA of c.£39m, marginally above like-for-like budgets of £37m for the period

Oliva, a portfolio of on-site assets generating efficient heat for the olive industry, and treating waste to produce renewable energy, in Spain, has performed ahead of budget during the period. This was largely because of a successful hedging strategy that has boosted operational margins and is expected to continue delivering margin improvements and derisking procurement. Recently, the Spanish government announced a highly anticipated update to the Ro regulation, a local incentive scheme to provide a set return on operations and investments. This update will see Ro remuneration levels largely driven by a predetermined and more transparent formula, making them more predictable, bringing more stability to the Ro levels and indeed financial performance. However, the Ro update did not include the positive updates for compensation of gas distribution costs that the market was expecting, and this has had a one-time negative impact on the valuation. More details can be found in the valuation update on page 17.

Driva (formerly Värtan Gas), who distribute and supply green gas to the city of Stockholm delivered EBITDA APM performance for H1 2024 slightly below budget, predominantly due to lower income paid for the diversion of pipes (the diversion of pipe work is commissioned throughout the city of Stockholm to support unrelated construction work and the impact on revenue is difficult to predict). Gas volumes and related sales were above budget for the same period. Since the end of the half year, operational performance has been strong and is currently back in line with budget for the full year.

Onyx operates as a development platform with portfolios of both operational assets and development and construction pipeline. It is helpful to measure the performance of their development and construction pipeline separately from that of their operational assets that we have included in the table above.

As a developer, the management team's primary objective is to successfully build portfolios of operational assets with long-term contracted revenue streams by converting a pipeline and then developing sites to become operational. During H1 2024 their operational assets performed below budget due to a combination of lower solar resource and technical underperformance at some of the sites. However, as a measure of their successful growth trajectory, they have added 14 MW of capacity to their operational portfolio.

As at 30 September 2024, Onyx has already exceeded its 70MW Notice to Proceed[1] ("NTP") target for the calendar year and is on track to meet its annual Power Purchase Agreement ("PPA") target.

RED-Rochester, one of North America's largest district energy systems, has delivered lower than expected EBITDA APM for H1 2024. The Manager forecasts that RED-Rochester will miss 2024 budget EBITDA APM by c.13%. This has been driven by a combination of lower demand than expected from one of its key customers and some higher maintenance costs.

The Manager sees the underperformance as predominantly a short-term matter as negotiations of tariff amendments for all customers are expected to improve alignment and to significantly improve EBITDA APM performance. In the meantime, management is working to rationalise all expenditure and optimise performance for the rest of the year.

As previously reported, Li-Cycle, an existing customer, is significantly expanding its facilities with the construction of a new hub processing centre that will increase their demand for services from RED-Rochester. The additional funding Li-Cycle needs to restart construction has been secured, with construction expected to recommence in the New Year.

Meanwhile, RED-Rochester's cogeneration project is progressing as planned and remains on schedule to come online by the end of Q1 2025. This will increase the capacity and improve the efficiency of RED's energy systems, thereby reducing costs.

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1. NTP represents the point at which permission has been granted for contractors to begin construction

Financial Review and Valuation Update

Analysis of Movement in NAV $^{\text{APM}}$

As of 30 September 2024, the NAV per share $^{\text{APM}}$ was 90.6p (31 March 2024: 90.5p). We assess the impact of the following components on valuations since 31 March 2024:

- Earnings per share in the period were 3.2p
  - Portfolio valuation movements of 6.2p, consisting of:
    - Portfolio movements of 6.1p
    - Macroeconomic additions of 0.1p
  - Net FX reduction of 1.6p
  - Company expenses of 1.4p
- Dividends paid of 3.1p

Each of these movements is illustrated on the right.

Opening NAV
90.5p

EPS
3.2p

Dividends paid
(3.1)p

Closing NAV
90.6p

Portfolio valuation movements
6.2p

Macro changes (inflation and tax)	0.1
Portfolio movements	6.1
Portfolio valuation movement	**6.2**

Net FX movement
(1.6)p

Portfolio valuation losses	(4.4)
Hedging gains	2.8
NET FX movements	**(1.6)**

Company expenses
(1.4)p

Management fees (c. £4m)	(0.4)
RCF interest (c.£6m)	(0.6)
Other expenses	(0.4)
Company expenses	**(1.4)**

FX Movement

The Company's hedging strategy is executed at the level of Holdco, so the Company itself is only indirectly exposed to foreign exchange movements. The objective of the Company's hedging strategy is to protect the value of both near-term income and capital elements of the portfolio from a material impact on NAV $^{\text{APM}}$ arising from movements in foreign exchange rates, and the approach to achieving this objective remains unchanged from previous periods.

In line with policy, the Manager maintained hedging levels of between 75–90% of its non-GBP investment, which meant the impact to NAV $^{\text{APM}}$ due to currency movements in the period was limited to less than 2% of NAV $^{\text{APM}}$

Dividends paid

The Company paid a total of £34 million in interim dividends to shareholders for the period. This included the last quarterly interim dividend for the year ended 31 March 2024 and the first quarterly interim dividend for the year ending 31 March 2025. The Company is targeting a total dividend of 6.32 pence per share for the year ending 31 March 2025 as per the previously announced guidance. Further detail on dividend cash cover $^{\text{APM}}$ can be found on page 18.

Financial Review and Valuation Update continued

September 2024: Portfolio Valuation

Movements in Portfolio Valuation APM

The Portfolio Valuation APM as at 30 September 2024 was £1,102 million, compared with £1,117 million as at 31 March 2024.

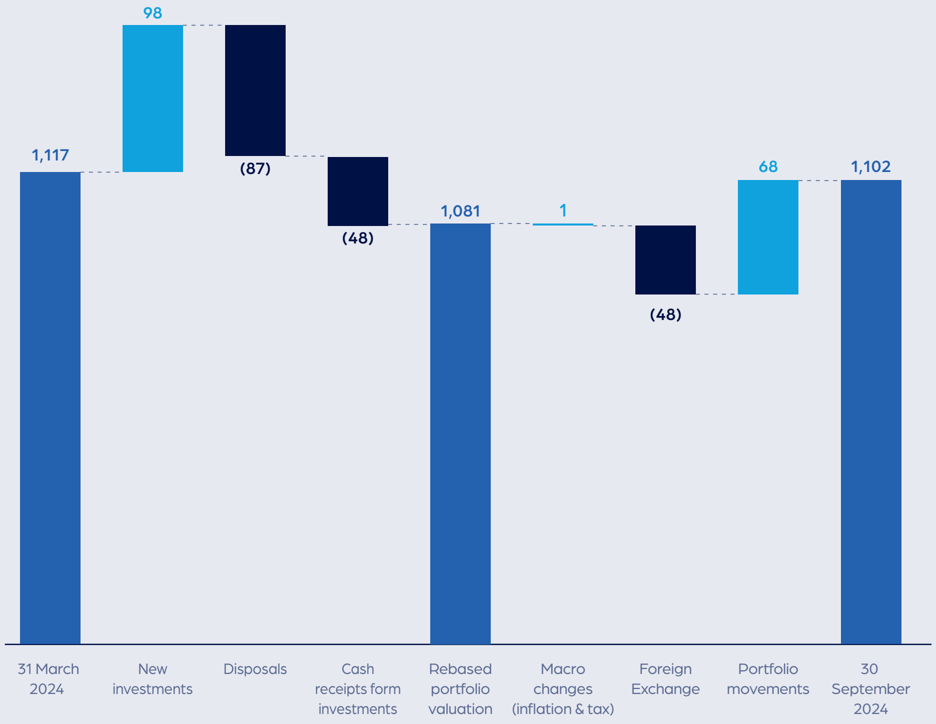
After allowing for investments made of £98 million and cash receipts from investments of £135 million, the rebased Portfolio Valuation APM is £1,081 million. Adjusting for changes in macroeconomic assumptions, and foreign exchange movements (excluding the effect of hedging), this resulted in portfolio movements of £68 million, a c.6.3% movement.

Valuation Movements

A breakdown of the movement in the Portfolio Valuation APM in the year is shown on the chart and set out in the table below.

Valuation movements during the six-month period to 30 September 2024 (£'m)

Portfolio Valuation – 31 March 2024		**1,117.4**
New investments	97.9	
Disposals	(86.7)	
Cash receipts from investments	(47.8)	
Rebased Portfolio Valuation APM		**1,080.8**
Macro changes (inflation & tax)	0.6	
Foreign exchange	(47.6)	
Portfolio movements	68.2	
Portfolio Valuation APM – 30 September 2024		**1,102.0**



Six Month Valuation Bridge – March 2024 to September 2024 (GBP Millions)

Portfolio basis NAV APM

Investments at fair value
£1,102m
→
Working capital
£31m
→
RCF
£(165)m
→
Cash
£15m
→
NAV APM
£983m

Financial Review and Valuation Update continued

i) Changes in macroeconomic assumptions – impact of £0.6 million:

- **Inflation assumptions:**
  - Minor adjustment to near-term inflation (next three years) based on latest inflation curves.
  - Long-term inflation assumptions remain the same as applied to the March 2024 valuation.
- **Tax rate assumptions:**
  - No changes to corporation tax rate assumptions during the period.

ii) Changes in foreign exchange rates – impact of £48 million (before hedging):

- Investment portfolio decreased £48 million during the year from movements in foreign exchange rates, driven by the movement of GBP against the US dollar, euro, Singapore dollar and Swedish krona since 31 March 2024 or since new investments were made in the year.
- This only reflects the sterling movement in underlying investment values, and does not take into account the offsetting effect of foreign exchange hedging that SEEIT Holdco applies outside of the Portfolio Valuation APM.
- SEEIT Holdco experienced an aggregate gain of £30 million due to foreign exchange hedging.
- Although there was a net loss of £18 million from foreign exchange movements, this remained within the expected outcomes of the existing hedging strategy.

iii) Portfolio Movements – impact of £68 million

- Portfolio weighted average levered discount rate ("WADR") of 9.4% (March 2024: 9.4%).
  - The WADR has remained at the same level as at March 2024, notwithstanding that it was impacted during the period by the disposal of UU Solar, which was held in the portfolio below the prevailing WADR, offset by the net impact of specific reductions in risk premiums described below
  - The WADR is considered a reasonable proxy for the return than can be generated by the portfolio over time, all other factors remaining equal

Weighted average discount rate at 30 September 2024 (compared to 31 March 2024)

Levered/unlevered	UK	US	Europe/Asia	Combined
Levered				
September 2024	**10.3%**	**9.4%**	**7.9%**	**9.4%**
March 2024	8.1%	9.6%	9.1%	9.4%

Breakdown of discount rate (levered) at 30 September 2024 (compared to 31 March 2024 in brackets)

	UK	US	Europe/Asia	Combined
Weighted average risk-free rate				
September 2024	**4.3%**	**4.0%**	**2.6%**	**3.7%**
March 2024	4.3%	4.4%	3.0%	4.0%
Risk premium				
September 2024	**6.0%**	**5.4%**	**6.3%**	**5.6%**
March 2024	3.8%	5.6%	6.1%	5.4%
Weighted average discount rate (levered)				
September 2024	**10.3%**	**9.4%**	**9.0%**	**9.4%**
March 2024	8.1%	9.9%	9.0%	8.6%

Financial Review and Valuation Update continued

iii) Portfolio Movements continued

- This refers to the balance of valuation movements in the period, excluding (i) and (ii) above, which provided aggregate movements of £93 million. The portfolio movements reflect in aggregate:
  - the net present value of the cash flows unwinding over the period at the average prevailing portfolio discount rate;
  - specific adjustments to future cash flows were required for events during the period that affected the actual outcome from certain investments (see below for Oliva and Onyx);
  - on a very selected basis, certain asset-specific risk premiums were adjusted up and down for an overall decrease in risk premiums – reductions in risk premiums were made in RED Rochester, Primary Energy, Onyx and Driva (formerly Värtan Gas) to reflect greater certainty over specific assumptions for future cash flows or as a reversal of a provision held at March 2024 for a risk to future cash flows where the provision has now been replaced with estimated cash flows instead.
- The Portfolio Valuation ^{APM} as at 30 September 2024, and by implication the return achieved over the period, includes a number of key estimates and judgements of future cash flows expected from different investments. Additional information and sensitivities are disclosed in the critical estimates and judgements section of Note 2 on pages 29 to 30.
- The key factors that have had a material impact on the 30 September 2024 Portfolio Valuation ^{APM} are listed below. These have had a value impact of 1% or higher on the Company's NAV ^{APM}:

Oliva Spanish Cogeneration

- The Spanish Government published regulatory updates in the period to the Ro, a local incentive scheme to provide a guaranteed return on operations and investments, that did not include the positive updates for compensation of distribution costs that the market was expecting.
- This resulted in a one-off adverse impact on Portfolio Valuation of c.£23 million – in line with the estimated impact of this valuation assumption included in Note 4 of the March 2024 Annual Report.
- The industry is expecting to appeal against the omission of compensation for distribution costs from this periodic regulatory update.

Onyx

- For the valuation of the entire Onyx business at 31 March 2024, an independent valuation expert provided a valuation range from which the Manager derived its valuation. The Onyx team delivered strongly on their targets for 2024 and in addition has made very good progress on securing PPAs for 2025. As a result, the valuation was adjusted upwards by c.£22 million.

Ongoing Charges APM

The portfolio's ongoing charges ratio ^{APM}, in accordance with AIC guidance, has remained in line with previous periods at 1.05% (March 2024: 1.02%). The ongoing charges ^{APM} percentage has been calculated on a portfolio basis ^{APM} to take into consideration the expenses of the Company and Holdco.

	September 2024	March 2024
Expenses – Management fees	**£8.8 million (annualised)**	£9.2 million
Expenses – Other	**£2.0 million (annualised)**	£2.0 million
Total expenses	**£10.8 million (annualised)**	£11.2 million
Average NAV	**£1,030 million**	£1,095 million
Ongoing charges %	**1.05%**	1.02%

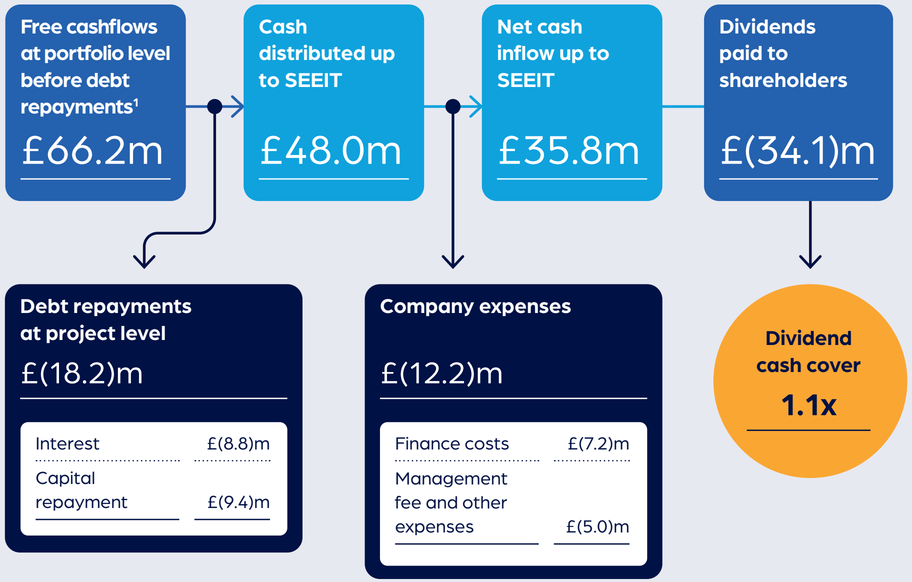
The small increase in ongoing charges ^{APM} is from the reduction in average NAV ^{APM} used in the calculation.

Financial Review and Valuation Update continued

Cash Cover APM for Dividends Paid

The Company's investments generated free cash flows of £66.2 million in the period. After allowing for structural debt repayments, the cash inflow from investments (on a portfolio basis $^{\text{APM}}$) was £48.0 million, an increase from the comparative period (September 2023: £47.4 million). After allowing for fund-level costs of £12.2 million (September 2023: £10.4 million), this enabled the Company to cover its cash dividends paid in the six-month period by 1.1x. (September 2023: 1.1x).

Dividend cash cover 6-month period to September 2024



Free cashflows at portfolio level before debt repayments[1]
£66.2m

Cash distributed up to SEEIT
£48.0m

Net cash inflow up to SEEIT
£35.8m

Dividends paid to shareholders
£(34.1)m

Debt repayments at project level
£(18.2)m

Interest	£(8.8)m
Capital repayment	£(9.4)m

Company expenses
£(12.2)m

Finance costs	£(7.2)m
Management fee and other expenses	£(5.0)m

Dividend cash cover
1.1x

1. After cash retained at project level for WC requirements

The Company remains on track to deliver a fully cash covered target aggregate dividend $^{\text{APM}}$ of 6.32 pence per share for the year ending 31 March 2025.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company (and its underlying investment via Holdco) are largely unchanged from those described in the March 2024 Annual Report, although the likelihood of certain risks crystalising has moved since the Annual Report. The Manager continues to employ suitable mitigants to manage the principal risks and remains alert to the uncertainties created by current markets, geopolitical events and other macroeconomic issues. The Board and the Manager consider risks on a regular basis and conduct reviews to evaluate the risks and mitigants available to the Company, including assessment of potential impacts through targeted stress testing. Although some risks may be faced directly by the Company, most of the risks are faced indirectly through the project investments in the portfolio.

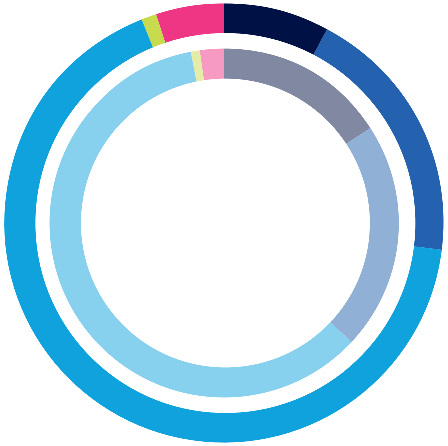
The Manager's risk assessments therefore review the impact at the underlying investment level and assess how they may influence the stated objective of the Company. These assessments are both quantitative and qualitative and may, for example, include financial performance risk, reputational risk, climate risk and market risk.

The key risk faced by the Company during the period is the continuing discount to NAV$^{\text{APM}}$ of its share price. The Manager has set out its mitigating strategies in the Risk Management Framework section published in the March 2024 Annual Report.

Portfolio Diversification

Portfolio by Geography[1]

as at September 2024 | March 2024



■ UK **8%** | 16%
■ Europe **19%** | 21%
■ US **67%** | 60%
■ Asia Pacific **1%** | 1%
■ Cash and working capital **5%** | 2%

Portfolio by Project[1]

as at September 2024 | March 2024

■ RED-Rochester **18%** | 17%
■ Onyx – Obsidian I **17%** | 12%
■ Primary – Cokenergy **9%** | 9%
■ Driva (formerly Värtan Gas) **6%** | 6%
■ Onyx – Development Platform **4%** | 3%
■ Primary – North Lake **4%** | 4%
■ Zood – Operational **3%** | 3%
■ Capshare **3%** | 3%
■ Primary – Portside **2%** | 3%
■ FES – R1 **2%** | 1%
■ Remainder of portfolio **27%** | 29%
■ Cash and working capital **5%** | 2%
■ UU Solar **0%** | 8%

Portfolio by Technology[1]

as at September 2024 | March 2024

■ Solar & Storage **25%** | 25%
■ District Energy **18%** | 17%
■ CHP (Waste gases/other) **13%** | 13%
■ CHP (Natural Gas) **9%** | 12%
■ Gas Distribution Networks **6%** | 6%
■ EV charging **5%** | 5%
■ Biomass **5%** | 5%
■ Lighting **4%** | 4%
■ Industrial process efficiency solutions **4%** | 4%
■ Bundled Energy Efficiency **3%** | 3%
■ Other technologies **3%** | 4%
■ Cash and working capital **5%** | 2%

Portfolio by Investment Stage[1]

as at September 2024 | March 2024

■ Operating **76%** | 84%
■ Construction[2] **12%** | 9%
■ Development **7%** | 5%
■ Cash and working capital **5%** | 2%

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1. Presented on a gross asset value (GAV) basis as at 30 September 2024, consisting of Portfolio Valuation and other assets, cash includes net working capital
2. Construction stage represent investments where construction work has commenced or high degree of confidence in it commencing

Environmental, Social and Governance ("ESG") Summary

Incorporation of SDCL's Sustainability Framework into SEEIT's ESG management process

The Manager has worked closely with the SEEIT Board's ESG Committee to establish the Company's ESG priorities based on the UN Sustainable Development Goals ("UN SDGs"). These priorities were used to establish the five principles of the SEEIT Sustainability Framework (the "Framework"). The Framework is used as a guide for the Company's ESG Management Process, which refers to the integration of ESG priorities into the investment due diligence, asset management and reporting processes.

Scope 4 emissions[1]

972,201 tCO_2e

avoiding the equivalent of carbon generated by 872,712 average cars annually[2]

Energy saved[3]

379,589 mwh

reducing the equivalent amount of average energy demanded by 26,732 houses annually[4]

SDCL Sustainability Framework

The SDCL sustainability framework consists of five principals:

1 Champion Energy Efficiency

7 AFFORDABLE AND CLEAN ENERGY · 13 CLIMATE ACTION · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

2 Deliver Net Zero Energy

7 AFFORDABLE AND CLEAN ENERGY · 13 CLIMATE ACTION · 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

3 Promote Sustainable Supply Chains

12 RESPONSIBLE CONSUMPTION AND PRODUCTION · 13 CLIMATE ACTION

4 Support Our Communities

8 DECENT WORK AND ECONOMIC GROWTH · 11 SUSTAINABLE CITIES AND COMMUNITIES

Investment strategy (1–2) | ESG management (3–4)

5 Match Best Practice

Match best practice in sustainability as set out in SDCL's ESG commitments

PRI Principles for Responsible Investment[5] · TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES · GFANZ · SFDR 9

SEEIT ESG Management Process

The SEEIT ESG Management Process refers to the integration of ESG considerations into the investment process, from due diligence to asset management to reporting.

Investment Due Diligence →

- Go / No review
- Detailed Due Diligence
- Initial Engagement

ESG incorporated in IC papers

Asset management →

- Energy performance survey
- Annual ESG Survey
- Ongoing engagement

Monitoring

Managing

Reporting

- Results reporting
- Disclosures
- Marketing & investor materials
- Investor DDQs

Risk compliance

HR + Operations

1. For the year ended 31 March 2024 and based on an analysis of the portfolio. Scope 4 emissions refer to the previously reported on "carbon savings" KPI.
2. Based on the Statistica average CO_2 emissions from new cars in the United Kingdom from 2004–2023.
3. For the year ended 31 March 2024 and based on an analysis of the portfolio.
4. Based on the Ofgem 2023 average annual energy usage of houses in the UK.
5. UN PRI and GFANZ are commitments made by the Manager but impact the Company.

Statement of Directors' Responsibilities

The Directors confirm that these condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the authors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that might have occurred to the interim financial statements since they were initially presented on the website.

The Responsibility Statement has been approved on 3 December 2024 on behalf of the Board by:

Tony Roper
Chair

Financial Statements

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Primary Energy

Independent Review Report

to SDCL Energy Efficiency Income Trust Plc

Report on the condensed interim financial statements

Our conclusion

We have reviewed SDCL Energy Efficiency Income Trust Plc's condensed interim financial statements (the "interim financial statements") in the Interim Report of SDCL Energy Efficiency Income Trust Plc for the 6 month period ended 30 September 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the condensed statement of financial position as at 30 September 2024;
- the condensed statement of comprehensive income for the period then ended;
- the condensed statement of cash flows for the period then ended;
- the condensed statement of changes in shareholders' equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Report of SDCL Energy Efficiency Income Trust Plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the company to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Interim Report, including the interim financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants

Watford

3 December 2024

Condensed Statement of Comprehensive Income

For the six–month period ended 30 September 2024

	Note	**Six months ended 30 September 2024 (unaudited) £'millions**	Six months ended 30 September 2023 (unaudited) £'millions
Investment income/(loss)	4	**40.3**	(83.0)
Total operating income/(loss)		**40.3**	(83.0)
Fund expenses	5	**(5.2)**	(6.1)
Profit/(loss) for the period before tax		**35.1**	(89.1)
Tax on profit/(loss) on ordinary activities	6	**–**	–
Total comprehensive income/(loss) for the period after tax		**35.1**	(89.1)
Attributable to: Equity holders of the Company		**35.1**	(89.1)
Income/(loss) per ordinary share (basic and diluted) – pence	7	**3.2**	(8.1)

The accompanying Notes are an integral part of these condensed interim financial statements.

All results are from continuing operations in the period.

Condensed Statement of Financial Position

As at 30 September 2024

	Note	**30 September 2024 (unaudited) £'millions**	31 March 2024 (audited) £'millions
Non-current assets			
Investment at fair value through profit or loss	10	**990.6**	983.8
		990.6	983.8
Current assets			
Trade and other receivables		**0.3**	0.2
Cash and cash equivalents		**2.4**	0.5
		2.7	0.7
Current liabilities			
Trade and other payables		**(10.4)**	(2.6)
Net current liabilities		**(7.7)**	(1.9)
Net assets		**982.9**	981.9
Capital and reserves			
Share capital	11	**11.1**	11.1
Share premium	11	**756.8**	756.8
Other distributable reserves		**305.2**	339.3
Accumulated losses		**(90.2)**	(125.3)
Total equity		**982.9**	981.9
Net assets per share (pence)	9	**90.6**	90.5

The accompanying Notes are an integral part of these condensed interim financial statements.

The condensed interim financial statements for the period ended 30 September 2024 of SDCL Energy Efficiency Income Trust plc were approved and authorised for issue by the Board of Directors on 3 December 2024 and signed on its behalf by:

Sarika Patel
Director

Tony Roper
Director

Company registered number: 11620959

Condensed Statement of Changes in Shareholders' Equity

For the six-month period ended 30 September 2024

For the period ended 30 September 2024

	Note	Share capital (unaudited) £'millions	Share premium (unaudited) £'millions	Other distributable reserves (unaudited) £'millions	Retained earnings/ (accumulated losses) (unaudited) £'millions	Total (unaudited) £'millions
Balance at 1 April 2024		**11.1**	**756.8**	**339.3**	**(125.3)**	**981.9**
Dividends paid	8	**–**	**–**	**(34.1)**	**–**	**(34.1)**
Total comprehensive income for the period		**–**	**–**	**–**	**35.1**	**35.1**
Balance at 30 September 2024		**11.1**	**756.8**	**305.2**	**(90.2)**	**982.9**

For the period ended 30 September 2023

	Note	Share capital (unaudited) £'millions	Share premium (unaudited) £'millions	Other distributable reserves (unaudited) £'millions	Retained earnings/ (accumulated losses) (unaudited) £'millions	Total (unaudited) £'millions
Balance at 1 April 2023		11.1	1,056.8	39.3	18.2	1,125.4
Share buyback	11	–	–	(20.0)	–	(20.0)
Share transaction costs	11	–	–	(0.1)	–	(0.1)
Dividends paid	8	–	–	–	(33.3)	(33.3)
Total comprehensive loss for the period		–	–	–	(89.1)	(89.1)
Balance at 30 September 2023		**11.1**	**1,056.8**	**19.2**	**(104.2)**	**982.9**

The accompanying Notes are an integral part of these condensed interim financial statements.

Condensed Statement of Cash Flows

For the six-month period ended 30 September 2024

	Note	**Six months ended 30 September 2024 £'millions**	Six months ended 30 September 2023 £'millions
Cash flows from operating activities			
Total comprehensive income/(loss) for the period before tax		**35.1**	(89.1)
Adjustments for:			
(Gain)/loss on investment at fair value through profit or loss		**(1.3)**	137.0
Interest income		**(2.0)**	(4.0)
Operating cash flows before movements in working capital		**31.8**	43.9
Changes in working capital			
(Increase)/decrease in trade and other receivables		**(0.1)**	0.2
Increase/(decrease) in trade and other payables		**7.8**	(2.0)
Net cash (used in)/generated from operating activities		**39.5**	42.1
Cash flows from investing activities			
Additional investment in Holdco	10	**(7.0)**	(32.6)
Loan principal repayment received		**1.5**	47.5
Loan interest income received		**2.0**	4.0
Net cash generated from investing activities		**36.0**	18.9
Cash flows from financing activities			
Share buyback payments	11	**–**	(20.0)
Payment of share buyback costs		**–**	(0.1)
Dividends paid	8	**(34.1)**	(33.3)
Net cash generated from/(used in) in financing activities		**(34.1)**	(53.4)
Net movement in cash and cash equivalents during the period		**1.9**	7.6
Cash and cash equivalents at the beginning of the period		**0.5**	0.3
Cash and cash equivalents at the end of the period		**2.4**	7.9

The accompanying Notes are an integral part of these financial statements.

Notes to the Condensed Interim Financial Statements

For the six–month period ended 30 September 2024

1. General Information

SDCL Energy Efficiency Income Trust plc ("the Company") is incorporated in England and Wales under number 11620959 pursuant to the Companies Act 2006 and is domiciled in the United Kingdom. The Company's registered office and principal place of business is The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF. The Company was incorporated on 12 October 2018 and is a Public Company and the ultimate controlling party of the group.

The Company's ordinary shares were first admitted to the premium segment of the UK Listing Authority's Official List and to trading on the Main Market of the London Stock Exchange under the ticker SEIT on 11 December 2018.

The Company's objective is to generate an attractive total return for investors comprising stable dividend income and capital preservation, with the opportunity for capital growth through the acquiring and realising of a diverse portfolio of energy efficiency infrastructure projects.

There have been no changes in the structure and operations of the Company. The Company currently makes its investments through its principal holding company and single subsidiary, SEEIT Holdco Limited ("Holdco"), and intermediate holding companies which are directly owned by the Holdco. The Company controls the investment policy of each of Holdco and its intermediate holding companies in order to ensure that each will act in a manner consistent with the investment policy of the Company.

The Company has appointed Sustainable Development Capital LLP as its Manager (the "Investment Manager") pursuant to the Investment Management Agreement dated 22 November 2018. The Manager is registered in England and Wales under number OC330266 pursuant to the Companies Act 2006. The Manager is regulated by the FCA, number 471124.

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2024 were approved by the Board of Directors on 26 June 2024 and delivered to the Registrar of Companies.

The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2. Significant Accounting Policies

Basis of preparation

These condensed interim financial statements for the half year ended 30 September 2024 have been prepared in accordance with the UK-adopted International Accounting Standard 34, "Interim Financial Reporting" and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 March 2024, which has been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006 and any public announcements made by the Company during the interim reporting period. The financial statements are prepared under the historical cost convention, except for certain investments and financial instruments measured at fair value through the Statement of Comprehensive Income.

(1) New standards and amendments to existing standards effective 1 April 2024

The following standards have been issued and are effective for annual periods beginning 1 April 2024:

- Amendments to IAS 1, Presentation of financial statements' on classification of liabilities (effective 1 January 2024)
- Amendments to IAS 1, Presentation of financial statements' on non-current liabilities with covenants (effective 1 January 2024)
- Amendments to IFRS 16, 'Leases' Lease Liability in a Sale and Leaseback (effective 1 January 2024)
- Amendments to IAS 7 and IFRS 7 – Supplier finance (effective from 1 January 2024)

Adoption of the above did not have a material effect on the financial statements of the Company.

The Company's financial performance does not suffer materially from seasonal fluctuations. The condensed interim financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates and is the Company's functional currency.

The condensed interim financial statements were approved by the Board of Directors on 3 December 2024 and have been reviewed by the Company's independent auditor but not audited.

IFRS 10 – Investment entity

IFRS 10 states that investment entities should measure all of their subsidiaries that are themselves investment entities at fair value. Being an investment entity, as detailed in the 31 March 2024 Annual Report, Holdco is measured at fair value as opposed to being consolidated on a line-by-line basis, meaning its cash, debt and working capital balances are included in the fair value of investments rather than the Company's assets and liabilities. There has been no event during the period or thereafter that has caused the Directors to change their judgement that the Company should apply the investment entity exemptions of IFRS 10, including from the review of recent investments made by Holdco.

Notes to the Condensed Interim Financial Statements continued

For the six-month period ended 30 September 2024

2. Significant Accounting Policies continued

Chief Operating Decision Maker

The Chief Operating Decision Maker ("CODM"), being the Board of Directors, is of the opinion that the Company is engaged in a single segment of business, being investment in energy efficiency projects to generate investment returns whilst preserving capital. The financial information used by the CODM to manage the Company presents the business as a single segment.

Significant changes

These condensed interim financial statements for the half-year reporting period ended 30 September 2024 disclose the events and transactions that are significant to the understanding of the changes in financial position and performance of the Company since the Company's annual financial statements for the year ended 31 March 2024. This includes the following:

- Payment of interim dividends (see Note 8)
- Changes in investment at fair value through profit or loss (see Note 10)

Going concern

The Directors have considered the following current matters alongside the regular cash flow and business activities in assessing that it is appropriate to prepare the financial statements on a going concern basis:

Ukraine and Middle East conflicts

The Board and the Manager have performed an assessment of the current exposure to the conflicts in Ukraine, Russia and the Middle East and the potential impact to the Company's and the portfolio companies' operations. The Company is a UK registered public company. Currently neither the Company, the Manager nor the Company's investments conducts business and operations in the regions; therefore the Company is not subject to any direct impact by these events.

The Company duly considered any restriction imposed by relevant sanctions, and its impact on the portfolio companies, and has concluded there are no direct material implications.

Regular cash flow and business activity

In assessing whether the Company is a going concern for a period of at least twelve months from the approval of the Interim Report, the Directors have reviewed a cash flow forecast to December 2025, taking into consideration potential changes in investment and trading performance and applying a 10% reduction in income to test the resilience of cash flows in the near term. The forecast results in positive cash flows for the foreseeable future that meets the liabilities as they fall due.

They also reviewed a severe but plausible downside scenario where the Company receives no income from its investment for the next twelve months but continues with existing committed payments for running the Company. Even under this stress scenario, the Company would have sufficient cash reserves to continue as a going concern. As at 30 September 2024, the Company's net assets were £982.9 million (31 March 2024: £981.9 million), including cash balances of £2.4 million (31 March 2024: £0.5 million).

Further amounts of cash are held by the Company's direct and indirect subsidiaries (including Holdco which has c.£13.0 million (31 March 2024: c.£3.3 million) at the period end), which are sufficient to meet current obligations as they fall due. The major cash outflows of the Company are the payment of dividends and payments relating to the investment in new assets, both of which are discretionary.

The Company's single subsidiary, Holdco, has a £200 million RCF that has adequate headroom in its covenants that have been tested for historic and forward interest cover and loan to value limits. As at 30 September 2024, £165 million (31 March 2024: £155 million) of the RCF was drawn down. The Company is a guarantor to the RCF but has no other guarantees or commitments.

Closing summary

The Directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than twelve months from the date of approval of the interim financial statements, and that it is appropriate to prepare the financial statements on a going concern basis.

Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expense during the period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period and future periods if the revision affects both current and future periods.

Judgements

Investment entity

As detailed in the 31 March 2024 Annual Report, the Directors have concluded that the Company continues to meet the definition of an investment entity as defined in IFRS 10. This conclusion involved a degree of judgement and assessment as to whether the Company met the criteria outlined in the accounting standards.

Estimates

Investment valuations

The key area where estimates may be significant to the financial statements is the valuation of the Company's single subsidiary, SEEIT Holdco, which in turn holds investments in a portfolio that are held at fair value (the "Portfolio Valuation"^{APM}). See Note 10 for calculation.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Board of Directors has appointed the Manager to produce the Portfolio Valuation^{APM} at 30 September 2024, which includes estimates of future cash flows that have the potential to have a material effect on the measurement of fair value.

Notes to the Condensed Interim Financial Statements continued

For the six-month period ended 30 September 2024

2. Significant Accounting Policies continued

Critical accounting estimates and judgements continued

Estimates continued

The key estimates made include:

Discount rate

The weighted average unlevered discount rate (post tax) applied in the 30 September 2024 valuation was 8.6% (31 March 2024: 8.6%). The discount rate is considered one of the most unobservable inputs through which an increase or decrease would have a material impact on the fair value of investment at fair value through profit or loss. An appropriate discount rate is applied to each underlying asset. The range of discount rates applied and its sensitivity to movements in discount rates is shown in Note 3.

Macroeconomic assumptions

Further estimates have been made on the key macroeconomic assumptions that are likely to have a material effect on the measurement of fair value, being inflation, corporation tax and foreign exchange, which are further described in Note 3.

Investment-specific cash flow assumptions

The below highlights several key investment-specific estimates made for the Portfolio Valuation ^{APM} at 30 September 2024:

Primary Energy – An estimate has been made to determine the future demand for generation by the offtaker in the PCI asset. If the demand assumed is 25% less than estimated, the Investment at fair value through profit or loss at 30 September 2024 could be reduced by between an estimated £5 million and £15 million, assuming no other mitigants are available.

Onyx – The process of converting development assets into construction and then operational stages has been adversely affected by delays in the financial year, however an estimate has been made for the amount of megawatts that is expected to be become mechanically complete and earn revenues in 2025 and 2026. If only 75% of the megawatts are achieved in each of 2025 and 2026, the Investment at fair value through profit or loss at 30 September 2024 could be reduced by between an estimated £5 million and £10 million, assuming no other mitigants are available.

An estimate has been made for the amount of megawatts that is expected to be deployed from the development pipeline in 2026 to 2030. This estimate and methodology has not changed since March 2023, however if only 50% of the development pipeline is achieved, including community solar projects, the Investment at fair value through profit or loss at 30 September 2024 would be reduced by between an estimated £25 million and £35 million, assuming no other mitigants are available.

RED-Rochester – Estimates have been made regarding future capital expenditure projects at the site and the expected increase to overall revenues, the most material being the construction of a cogeneration plant expected to complete in 2025. If the cogeneration plant delivers only 75% of the energy savings currently assumed, the Investment at fair value through profit or loss at 30 September 2024 would be reduced by between an estimated £10 million and £20 million.

Estimates have been included for revenues related to providing electricity to customers based on projected demands and an assumed power price charged to customers. If market power pricing is 25% lower than assumed, the Investment at fair value through profit or loss at 30 September 2024 would be reduced by between £5 million and £10 million.

In addition, estimates have been included, based on projected growth of earnings in the RED-Rochester business, that a gain share pay-out will be made to the external asset management team tasked with delivering the growth within the next seven years, linked to the investment increasing its profitability. Furthermore, the projected growth is assumed to deliver a business capable of continuing to serve customers at the Eastman Business Park for a further 20 years beyond the c. 20 years lifetime assumed at the time of the original investment. Should only 15 years of the targeted economic life extension occur, the Investment at fair value through profit or loss at 30 September 2024 would be reduced by between £10 million and £20 million, assuming no other mitigants are available.

Estimates have been included for the timing of completion of construction work undertaken by Li-Cycle and the levels of their near to medium term and long term demand for energy services. If there is a material delay in the construction work and a 50% reduction in future demand for energy services, the Investment at fair value through profit or loss at 30 September 2024 would be reduced by between £10 million and £25 million, assuming no other mitigants are available.

Driva (formerly Värtan Gas) – The future cash flows includes an assumption that the management team will target a decline in customer numbers at a year-on-year rate that is lower than the historic average decline. There are also a number of accretive expansion opportunities for the Driva (formerly Värtan Gas) investment in the Stockholm region's transport sector for which estimates have been made around the future growth profile in relation to decarbonisation targets and electrification. If the recent historic average rate to customers is applied for the next five years and no growth in revenue from transport is achieved over the next ten years, the Investment at fair value through profit or loss may potentially reduce by between £5 million and £10 million, assuming no other mitigants are available.

Oliva Spanish Cogeneration – Key estimates were made in 30 September 2024 valuation regarding the expected Spanish Governments regulatory updates. The Government has since published updates in the period to the Ro, a local incentive scheme to provide a guaranteed return on operations and investments, that did not include the positive updates for compensation of distribution costs that the market was expecting. This has resulted in a one-off adverse impact on Portfolio Valuation of £23 million .

Notes to the Condensed Interim Financial Statements continued

For the six-month period ended 30 September 2024

3. Financial Instruments

Valuation methodology

The Company has a single investment in a directly wholly owned holding company (Holdco). It recognises this investment at fair value. Holdco makes investments into wholly owned portfolio companies or intermediary holding companies. To derive the fair value of Holdco, the Company determines the fair value of investments held directly or indirectly by Holdco and adjusts for any other assets and liabilities. See Note 10 for a reconciliation of this fair value. The valuation methodology applied by Holdco to determine the fair value of its investments is described below and is consistent with the methodology described in the 31 March 2024 Annual Report.

The Directors have satisfied themselves as to the methodology used and the discount rates and key assumptions applied in producing the valuations. All investments are at fair value through profit or loss.

For non-market traded investments (being all the investments in the current portfolio), the valuation is based on a discounted cash flow methodology and adjusted in accordance with the International Private Equity and Venture Capital ("IPEV") valuation guidelines where appropriate to comply with IFRS 13 and IFRS 9, given the special nature of infrastructure investments. Where an investment is traded in an open market, a market quote is used. Certain investments may be held at cost if in the early part of a construction phase, however this will still be supported by a discounted cash flow analysis or similar method to determine fair value. For certain investments, fair value is determined through assuming a price that can be achieved per MW.

The Manager exercises its judgement in assessing the expected future cash flows from each investment based on the project's expected life and the financial models produced for each project company and adjusts the cash flows where necessary to take into account key external macroeconomic assumptions and specific operating assumptions. Assumptions for future cash flows may include successful recontracting and project life extensions as well as cash flow linked to assumptions made on growth rates and further business development opportunities within existing projects.

The fair value for each investment is then derived from the application of an appropriate market discount rate (on an unlevered basis) to reflect the perceived risk to the investment's future cash flows and the relevant period-end foreign currency exchange rate to give the present value of those cash flows. Where relevant, project level debt balances are then netted off to arrive at the valuation for each investment. The discount rate takes into account risks associated with the financing of an investment such as investment risks (e.g. liquidity, currency risks, market appetite), any risks to the investment's earnings (e.g. predictability and covenant of the income) and a thorough assessment of counterparty credit risk, all of which may be differentiated by the phase of the investment.

Specific risks related to each asset that can be attributed to climate-related risks are assessed and, where required, adjustments are made to expected future cash flows or reflected in the asset-specific discount rate that is applied.

The Manager uses its judgement in arriving at the appropriate discount rate. This is based on its knowledge of the market, taking into account intelligence gained from its bidding activities, discussions with financial advisers in the appropriate market, and publicly available information on relevant transactions.

Fair value measurement by level

IFRS 13 requires disclosure of fair value measurement by level. Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Investment at fair value through profit or loss	Level 1 £'millions	Level 2 £'millions	Level 3 £'millions
30 September 2024	**–**	**–**	**990.6**
31 March 2024	–	–	983.8

The Company's indirect investments have been classified as Level 3 as the investments are not traded and contain unobservable inputs. As the fair value of the Company's equity and loan investments in the Holdco is ultimately determined by the underlying fair values of the projects in which the Group invests, the Company's sensitivity analysis of reasonably possible alternative input assumptions is the same across all its investments. The reconciliation of Level 3 fair value is disclosed in Note 10.

Notes to the Condensed Interim Financial Statements continued

For the six-month period ended 30 September 2024

3. Financial Instruments continued

Valuation assumptions

		30 September 2024	31 March 2024	30 September 2023
Inflation rates	UK (RPI)	**3.4% declining to 2.9% by 2026, 3.0% p.a long term**	3.3% declining to 2.9% by 2026, 3.0% p.a. long term	9.4% declining to 3.1% by 2025, 3.0% p.a. long term
	UK (CPI)	**2.5% declining to 1.9% by 2026, 2.0% p.a long term**	2.5% declining to 2.2% by 2026, 2.0% p.a. long term	6.2% declining to 2.0% by 2025, 2.0% p.a. long term
	Spain (CPI)	**3.0% declining to 2.0% by 2026, 2.0% p.a long term**	2.9% declining to 2.0% by 2026, 2.0% p.a. long term	3.6% declining to 2.0% by 2025, 2.0% p.a. long term
	Sweden (CPI)	**3.0% declining to 1.9% by 2026, 2.0% p.a long term**	2.9% declining to 2.0% by 2026, 2.0% p.a. long term	7.9% declining to 2.2% by 2025, 2.0% p.a. long term
	Singapore (CPI)	**2.8% declining to 2.0% by 2026, 2.0% p.a long term**	3.0% declining to 2.0% by 2026, 2.0% p.a. long term	4.6% declining to 2.0% by 2025, 2.0% p.a. long term
	Ireland (CPI)	**2.0% declining to 1.8% by 2026, 2.0% p.a long term**	2.3% declining to 1.7% by 2026, 2.0% p.a. long term	5.3% declining to 2.1% by 2025, 2.0% p.a. long term
	USA (CPI)	**2.8% declining to 2.2% by 2026, 2.0% p.a long term**	2.6% declining to 2.2% by 2026, 2.0% p.a. long term	3.7% declining to 2.3% by 2025, 2.0% p.a. long term
Tax rates	UK	**25%**	25%	25%
	Spain	**25%**	25%	25%
	Sweden	**20.6%**	20.6%	20.6%
	Singapore	**17%**	17%	17%
	Ireland	**12.5%**	12.5%	12.5%
	USA	**21% Federal & 3–9% State rates**	21% Federal & 3–9% State rates	21% Federal & 3–9% State rates
Foreign exchange rates	EUR/GBP	**0.83**	0.86	0.87
	SEK/GBP	**0.07**	0.07	0.08
	SGD/GBP	**0.58**	0.59	0.60
	USD/GBP	**0.75**	0.79	0.82

Discount rates

The discount rates used for valuing the investments in the portfolio are as follows:

	30 September 2024	31 March 2024
Weighted average discount rate (on unlevered basis)	**8.6%**	8.6%
Weighted average discount rate (on levered basis)	**9.4%**	9.4%
Discount rates	**5.15% to 11.40%**	5.15% to 11.40%

Notes to the Condensed Interim Financial Statements continued

For the six–month period ended 30 September 2024

3. Financial Instruments continued

Sensitivities

The sensitivities below show the effect on net assets and net asset value per share^{APM} of assuming a different range for each key input assumption, in each case applying a range that is considered to be a reasonable and plausible outcome for the market in which the Company has invested.

Discount rates

A change to the weighted average discount rate by plus or minus 0.5% has the following effect on the NAV.

Discount rate	NAV/share^{APM} impact	–0.5% change	Net assets	+0.5% change	NAV/share^{APM} impact
30 September 2024	**5.6p**	**£61.1m**	**£982.9m**	**£(55.4)m**	**(5.1)p**
31 March 2024	5.0p	£53.9m	£981.9m	£(49.6)m	(4.6)p

Inflation rates

The Portfolio Valuation ^{APM} assumes long–term inflation as indicated above in the UK, USA, Spain, Singapore and Sweden. A change in the inflation rate by plus or minus 1.0% has the following effect on the NAV, with all other variables held constant.

Inflation rate	NAV/share^{APM} impact	–1% change	Net assets	+1% change	NAV/share^{APM} impact
30 September 2024	**(4.7p)**	**£(51.5)m**	**£982.9m**	**£61.0m**	**5.6p**
31 March 2024	(4.4)p	£(47.7)m	£981.9m	£57.2m	5.3p

Corporation tax rates

The Portfolio Valuation ^{APM} assumes tax rates based on the relevant jurisdiction. A change in the corporation tax rate by plus or minus 5% has the following effect on the NAV, with all other variables held constant.

Corporation tax rate	NAV/share^{APM} impact	–5% change	Net assets	+5% change	NAV/share^{APM} impact
30 September 2024	**3.2p**	**£34.5m**	**£982.9m**	**£(34.2)m**	**(3.2)p**
31 March 2024	3.4p	£36.6m	£981.9m	£(36.4)m	(3.3)p

Foreign exchange rates

The Portfolio Valuation ^{APM} assumes foreign exchange rates based on the relevant foreign exchange rates against GBP at the reporting date. A change in the foreign exchange rate by plus or minus 10% (GBP against euro, Swedish krona, Singapore dollar and US dollar) has the following effect on the NAV, with all other variables held constant. The effect is shown after the effect of the current level of hedging which reduces the impact of foreign exchange movements on the Company's NAV.

NAV/share^{APM} impact	NAV/share^{APM} impact	–10% change	Net assets	+10% change	NAV/share^{APM} impact
30 September 2024	**0.9p**	**£10.0m**	**£982.9m**	**£(10.0)m**	**(0.9)p**
31 March 2024	0.9p	£9.4m	£981.9m	£ (9.4)m	(0.9)p

Notes to the Condensed Interim Financial Statements continued

For the six-month period ended 30 September 2024

4. Investment Income/(Loss)

	Period ended 30 September 2024 £'millions	Period ended 30 September 2023 £'millions
Dividend income	**37.0**	50.0
Gain/(loss) on investment at fair value through profit or loss (Note 10)	**1.3**	(137.0)
Interest income	**2.0**	4.0
Investment income/(loss)	**40.3**	**(83.0)**

Interest income is mainly in respect of coupon bearing loan notes issued to the Company by Holdco. The loan notes accrue interest at 6%, are unsecured and repayable in full on 18 April 2039. Loan interest income is recognised on the Statement of Comprehensive Income on an accruals basis. The gain on investment is unrealised.

5. Fund Expenses

	Period ended 30 September 2024 £'millions	Period ended 30 September 2023 £'millions
Investment management fees	**4.4**	4.9
Non-Executive Directors' fees (Note 12)	**0.2**	0.2
Other expenses	**0.5**	0.9
Fees to the Company's independent auditor	**0.1**	0.1
Fund expenses	**5.2**	**6.1**

As at 30 September 2024, the Company had no employees (30 September 2023: nil) apart from Directors in office. The Company confirms that it has no key management personnel, apart from the Directors disclosed in the Directors' Remuneration Report in the Annual Report and audited financial statements for the year ended 31 March 2024. There is no other compensation apart from those disclosed.

6. Tax on Profit/(Loss) on Ordinary Activities

The tax for the period shown in the Statement of Comprehensive Income is as follows.

	Period ended 30 September 2024 £'millions	Period ended 30 September 2023 £'millions
Profit/loss for the period before taxation	**35.1**	(89.1)
Profit/loss for the period multiplied by the standard rate of UK corporation tax of 25% (2023: 25%)	**8.8**	(22.3)
Fair value movements (not subject to taxation)	**(0.3)**	34.3
Dividends received (not subject to tax)	**(9.3)**	(12.5)
Surrendering of tax losses to unconsolidated subsidiaries	**0.8**	0.5
UK corporation tax	**–**	**–**

No deferred tax was recognised in the periods.

7. Income/Loss per Share

	Period ended 30 September 2024	Period ended 30 September 2023
Total comprehensive income/loss for the period (£'millions)	**35.1**	(89.1)
Weighted average number of ordinary shares ('000)	**1,085,420**	1,094,730
Income/loss per ordinary share (pence)	**3.2**	**(8.1)**

There is no dilutive or anti-dilutive element during the current, comparative or subsequent financial periods.

Notes to the Condensed Interim Financial Statements continued

For the six-month period ended 30 September 2024

8. Dividends

	Period ended 30 September 2024	Period ended 30 September 2023
Amounts recognised as distributions to equity holders during the year:		
Fourth quarterly interim dividend for the year ended 31 March 2023 of 1.50 pence per share	**–**	16.4
First quarterly interim dividend for the year ended 31 March 2024 of 1.56 pence per share	**–**	16.9
Fourth quarterly interim dividend for the year ended 31 March 2024 of 1.56 pence per share	**16.9**	–
First quarterly interim dividend for the year ending 31 March 2025 of 1.58 pence per share	**17.2**	–
	34.1	**33.3**

All dividends have been paid out of distributable reserves. Further information on distributable reserves can be found in Note 11.

9. Net Assets per Ordinary Share

	30 September 2024	31 March 2024
Shareholders' equity (£'millions)	**982.9**	981.9
Number of ordinary shares ('000)	**1,085,420**	1,085,420
Net assets per ordinary share (pence)	**90.6**	**90.5**

The number of shares above excludes shares held in Treasury (see Note 11)

10. Investment at Fair Value Through Profit or Loss

The Company recognises the investment in its single directly owned holding company (Holdco) at fair value which includes the fair value of each of the individual project companies and holding companies in which the Company holds an indirect investment, along with the working capital of Holdco.

	30 September 2024 £'millions	31 March 2024 £'millions
Brought forward investment at fair value through profit or loss	**983.8**	1,127.8
Equity investments in period/year	**7.0**	38.4
Loan principal repaid in period/year	**(1.5)**	(66.2)
Movement in fair value	**1.3**	(116.2)
Closing investment at fair value through profit or loss	**990.6**	**983.8**

Movement in fair value is recognised through investment income in the Statement of Comprehensive Income (see Note 4).

Notes to the Condensed Interim Financial Statements continued

For the six-month period ended 30 September 2024

10. Investment at Fair Value Through Profit or Loss continued

Of the closing investment at fair value through profit or loss balance, £63.7 million (31 March 2024: £65 million) related to loan investments (see Note 4) and £926.9 million (31 March 2024: £916 million) related to equity investments.

A reconciliation between the Portfolio Valuation^{APM}, being the valuation of the investment portfolio held by Holdco, and the investment at fair value through profit or loss per the Statement of Financial Position is provided below. The principal differences are the balances in Holdco for cash and working capital.

	30 September 2024 £'millions	31 March 2024 £'millions
Portfolio Valuation ^{APM}	**1,101.8**	1,117.4
Holdco cash	**13.0**	3.4
Holdco intercompany debt	**63.7**	65.2
Holdco RCF	**(165.4)**	(155.0)
Holdco net working capital	**(22.5)**	(47.2)
Investment at fair value per Condensed Statement of Financial Position	**990.6**	**983.8**

Investments by the Company

During the period ended 30 September 2024, the Company invested £7 million into Holdco for new portfolio investments, mainly to fund further investments into Onyx and EVN.

11. Share Capital and Share Premium

Ordinary shares	**30 September 2024 '000**	31 March 2024 '000
Authorised and issued at the beginning of the period/year	**1,085,420**	1,108,709
Authorised and issued at the end of the period/year	**1,085,420**	**1,085,420**

Treasury shares	**30 September 2024 '000**	31 March 2024 '000
Balance at the beginning of the period/year	**23,289**	–
Balance at the end of the period/year	**23,289**	**23,289**

Share capital	**30 September 2024 £'millions**	31 March 2024 £'millions
Balance at the beginning of the period/year	**11.1**	11.1
Balance at the end of the period/year	**11.1**	**11.1**

Share premium	**30 September 2024 £'millions**	31 March 2024 £'millions
Balance at the beginning of the period/year	**756.8**	1,056.8
Transfer to other distributable reserves	**–**	(300.0)
Balance at the end of the period/year	**756.8**	**756.8**

The Company currently has one class of ordinary share in issue. All the holders of the £0.01 ordinary shares (excluding shares held in treasury, 23,289,000), which total 1,085,420,000 (2023: 1,085,420,000), are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Other distributable reserves of £97 million were initially created through the cancellation of the share premium account on 12 March 2019. On 24 November 2023, the Company cancelled a further £300 million of its share premium, creating additional distributable reserves. This amount will be applied in accordance with the Companies Act 2006.

Other distributable reserves and retained earnings are detailed in the Statement of Changes in Shareholders' Equity.

Notes to the Condensed Interim Financial Statements continued

For the six-month period ended 30 September 2024

12. Related Parties

The Company and Sustainable Development Capital LLP (the "Manager") have entered into the Investment Management Agreement pursuant to which the Manager has been given responsibility, subject to the overall supervision of the Board, for active discretionary investment management of the Company's portfolio in accordance with the Company's investment objective and policy.

As the entity appointed to be responsible for risk management and portfolio management, the Manager is the Company's Alternative Investment Fund Manager ("AIFM"). The Manager has full discretion under the Investment Management Agreement to make investments in accordance with the Company's investment policy from time to time. This discretion is, however, subject to: (i) the Board's ability to give instructions to the Manager from time to time; and (ii) the requirement of the Board to approve certain investments where the Manager has a conflict of interest in accordance with the terms of the Management Agreement. The Manager also has responsibility for financial administration and investor relations, advising the Company and its Group in relation to the strategic management of the portfolio, advising the Company in relation to any significant investments and monitoring the Company's funding requirements.

Under the terms of the Investment Management Agreement, the Manager will be entitled to a fee calculated at the rate of:

- 0.9% per annum of the adjusted NAV in respect of the net asset value^{APM} of up to, and including, £750 million; and
- 0.8% per annum of the adjusted NAV in respect of the net asset value^{APM} in excess of £750 million.

During the period ended 30 September 2024, management fees of £4.4 million (30 September 2023: £4.9 million) were incurred, of which £1.4 million (30 September 2023: £0.8 million) was payable at the period end.

During the period ended 30 September 2024, £7.0 million (30 September 2023: £32.6 million) of funding was provided by the Company to the Holdco for investments. The funding of Holdco consisted of issued share capital and share premium.

As at 30 September 2024, coupon bearing loan notes totalling £63.7 million were issued by the Company which accrue interest at 6%, are unsecured and repayable in full on 18 April 2039. In the period to 30 September 2024, £2.0 million interest had accrued on the loan notes (30 September 2023: £3.9 million), of which £nil was outstanding at the period end (30 September 2023: £nil).

There have been no changes in material related party relationships since the 31 March 2024 Annual Report.

The Directors of the Company, who are considered to be key management, received fees for their services. Their fees were £0.2 million (disclosed as Non-Executive Directors' fees in Note 5) in the period (30 September 2023: £0.2 million).

13. Events after the reporting period

The Directors have evaluated subsequent events from the date of the financial statements through to the date the financial statements were available to be issued.

The Company announced its second quarterly dividend in respect of the year ending 31 March 2025 of 1.58 pence per share. The shares will go ex-dividend on 12 December and will be paid on 31 December 2024.

Company Information

Directors

Tony Roper, Chair
Christopher Knowles
Helen Clarkson
Sarika Patel

Registered Office

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Company Secretary

JTC (UK) Limited
The Scalpel, 18th Floor
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EC3M 7AF

Company Administrator

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Depositary

Indos Financial
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Registrar

Computershare Investor Services plc
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Bankers

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Brokers and Placing Agent

Jefferies International Limited
100 Bishopsgate
London
EC2N 4JL

Legal Adviser

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2EG

Key Company Data

Company name	SDCL ENERGY EFFICIENCY INCOME TRUST PLC
Registered address	The Scalpel, 18th Floor 52 Lime Street London EC3M 7AF
Listing	London Stock Exchange – Premium Listing
Ticker symbol	SEIT
SEDOL	BGHVZM4
Index inclusion	FTSE All-Share, FTSE 250
Company year end	31 March
Dividend payments	Quarterly
Investment Manager	Sustainable Development Capital LLP
Company Secretary & Administrator	JTC (UK) Limited
Shareholders' funds	£1.0 billion as at 30 September 2024 (31 March 2024: £1.0 billion)
Market capitalisation	£0.7 billion as at 30 September 2024 (31 March 2024: £0.6 billion)
Management fees	0.9% p.a. of NAV (adjusted for uncommitted cash) up to £750 million, 0.8% p.a. thereafter
ISA, PEP and SIPP status	The ordinary shares are eligible for inclusion in Personal Equity Plans ("PEPs") and ISAs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market, and they are permissible assets for SIPPs
Website	**www.seeitplc.com**

Glossary

AIC
the Association of Investment Companies

AIFM
an alternative investment fund manager, within the meaning of the AIFM Directive

AIFM Directive
2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No. 1095/2010; the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision

Board
the Board of Directors of the Company, who have overall responsibility for the Company

CHP
combined heating and power

Company
SDCL Energy Efficiency Income Trust plc, a limited liability company incorporated under the Act in England and Wales on 12 October 2018 with registered number 11620959, whose registered office is at The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF

Counterparty
the host, beneficiary or procurer of the Energy Efficiency Project with whom the Company has entered into the Energy Efficiency Project, either directly or indirectly through the use of one or more Project SPVs

Decentralised energy
is energy that is produced close to where it will be used, rather than at a large, centralised plant elsewhere, delivered through a centralised grid infrastructure

Energy Efficiency
using less energy to provide the same level of energy. Efficient energy use is achieved primarily through implementation of a more efficient technology or process

Energy Efficiency Equipment
the equipment that is installed at or near the premises of a counterparty or a site directly associated with an Energy Efficiency Project, including, but not limited to, solar, storage, CHP units, heat pumps, HVAC units, lighting equipment, motors, controls, biomass boilers and steam raising boilers (including IP steam processors) and green fuels for use in the built environment or transport produced at or near the point of use or via a distribution network

Energy Efficiency Project
a project, the objective of which is to achieve one or more of the following criteria:

- reduce energy consumed and/or related GHG emissions arising from the existing and/or future supply, transmission, distribution or consumption of energy;
- reduce its Scope 1 GHG emissions ("Direct GHG emissions occur from sources that are owned or controlled by the Company") and Scope 2 GHG emissions ("electricity indirect GHG emissions from the generation of purchased, or generated on site, electricity consumed by the Company") as defined by the GHG Protocol, directly and/or in conjunction with offsets that may be used to deliver additional net emissions reduction benefits;
- increase the supply of renewable energy generated on the premises of a counterparty or generated at a site directly associated with the premises of a counterparty;
- reduce emissions and energy consumption in non-domestic sectors, which include:
  - all forms of energy supply, conversion, distribution or transmission not originating within a private domestic dwelling, including district heating systems and CHP systems;
  - demand for energy in non-domestic buildings including commercially owned or used property and public sector owned buildings;
  - demand for energy in industrial and light manufacturing plant and machinery, operations and logistics;
  - demand for energy in the transport sector; and
  - through the deployment of energy efficiency measures in public and private infrastructure, such as in utilities (including the installation of smart metering equipment) and street lighting; or
- otherwise satisfy, in the Manager's reasonable opinion, any other criteria or measurement of energy efficiency in an industry or sector, or by using energy efficiency technologies that are compatible with the Company's investment objective and policy

GHG
greenhouse gases

Holdco
is SEEIT Holdco Limited, the Company's single wholly owned subsidiary

HVAC
heating, ventilation and air conditioning

Investment Manager – Sustainable Development Capital LLP
a limited liability partnership incorporated in England and Wales under the Limited Liability Partnership Act 2000 with registered number OC330266

Investment portfolio
is the portfolio of energy efficiency investments held by the Company via its single wholly owned subsidiary, SEEIT Holdco Limited

ISA
individual savings account

kWh
kilowatt-hours used or generated per hour

MMBtu
one million British thermal units

MW
megawatt

MWh
megawatt hours used or generated per hour

NAV
net asset value

Ordinary shares
an ordinary share of £0.01 in the capital of the Company issued and designated as "ordinary shares" of such class (denominated in such currency) as the Directors may determine in accordance with the Articles and having such rights and being subject to such restrictions as are contained in the Articles

Portfolio Valuation^{APM}
the Manager is responsible for carrying out the fair market valuation of the SEEIT Group's portfolio of investments

RAB
regulated asset base

RCF
is the revolving credit facility of SEEIT Holdco Limited, used by SEEIT for capital efficiency in making new investments

RoRi
the "Return on Operations" incentive payment and the "Return on Investment" incentive payment under Spain's Royal Decree-Law 9/2013 under which qualifying energy generation assets are compensated, in the medium to long term, for fluctuations in revenues and costs against an established base case

SDCL Group
the Manager and the SDCL Affiliates

SEEIT
the Company

SEEIT Holdco
see Holdco

SIPP
self-invested personal pension

SPVs
special purpose vehicles

WACC
weighted average cost of capital

Glossary of Financial Alternative Performance Measures ("APMs")

The Company uses APMs to provide shareholders and stakeholders with information it deems relevant to understand and assess the Company's historic performance and its ability to deliver on the stated investment objective.

Measure	Calculation	Why the Company uses the APM	**30 September 2024**	Comparative	Reconciliation/cross reference
Aggregate dividends	The sum of the dividends paid in the period: June 2024 1.56 pence September 2024: 1.58 pence	Provides a useful metric to evaluate the investment performance year-on-year	**3.16 pence per share**	3.12 pence per share	Referred to in the Investment Manager's Report
Cash cover	Operational cash inflow from investments into Holdco less fund expenses in the Company and Holdco, divided by dividends paid to shareholders	Provides a metric for the level of cash generated, enabling the Company to pay dividends to shareholders	**1.1x**	31 March 2024: 1.1x	Net cash inflow (portfolio basis) divided by dividends paid in Statement of Changes in Equity
Capital Recycling	Capital received during the period from disposals reinvested. Sale 90.8m less transaction leakage of £(3.5)m	Provides shareholders with a useful metric that explains the source of funds	**£90.8 million**	N/A	Referred to in the introduction
EBITDA	Earnings before interest, taxes, depreciation and amortisation	Provides shareholders with a metric that reflects the performance of the business and underlying assets	**N/A**	N/A	Referred to in the Chair's statement and Investment Manager's Report
Gearing	Ratio of outstanding debt and NAV at the period end				
	Total gearing: Consolidated outstanding debt at Holdco and investment level (£524 million) divided by NAV at the period end (£982.9 million)	To indicate the Company's direct and indirect exposure to debt obligation	**53%**	31 March 2024: 49%	Referred to in the Chair's Statement and the Investment Manager's Report
	Fund level gearing: Outstanding debt at Company and Holdco level (£165 million) divided by NAV at the period end	To indicate the Company's exposure to debt via Holdco	**17%**	31 March 2024: 10%	Referred to in the Chair's Statement and the Investment Manager's Report
	Portfolio level gearing: Consolidated outstanding debt (£359 million) in Holdco's underlying portfolio	To indicate the Company's exposure at project level	**37%**	31 March 2024: 39%	Referred to in the Chair's Statement and the Investment Manager's Report
Gross asset value ("GAV")	All assets of the Company (non-current assets and current assets)	It provides a metric that allows for useful analysis of underlying portfolio exposures	**£993.3 million**	31 March 2024: £984.5 million	Statement of Financial Position shows non-current assets and current assets
Investment cash inflow from the portfolio	Cash received from the portfolio investments at Holdco during the period	This provides shareholders with a metric that allows for tracking the Company's performance year-on-year	**£48.0 million**	30 September 2023: £47 million	Referred to in Financial Review and Valuation Update

Glossary of Financial Alternative Performance Measures ("APMs") continued

Measure	Calculation	Why the Company uses the APM	30 September 2024	Comparative	Reconciliation/cross reference
NAV per share	NAV divided by total number of shares in issue at the balance sheet date	This provides shareholders with a metric that allows for tracking the Company's performance year-on-year	**90.6 pence**	31 March 2024: 90.5 pence	NAV per share shown on the Statement of Financial Position
Net asset value ("NAV")	Net assets attributable to ordinary shares by deducting gross liabilities from gross assets	It provides a metric that allows for useful comparison to similar companies and that allows for useful year-on-year comparisons of the Company	**£982.9 million**	31 March 2024: £981.9 million	NAV is shown on the Statement of Financial Position
Ongoing charges ratio	In accordance with AIC guidance, defined as annualised ongoing charges on portfolio basis (i.e. excluding investment costs and other non-recurring items) of £10.8 million divided by the average published undiluted net asset value in the year of £1,030 million	A metric used in the investment company industry to compare cost-effectiveness	**30 September 2024: 1.05%**	31 March 2024: 1.02%	Discussed in Financial Review and Valuation Update Reconciliation of expenses used in ongoing charges calculation
Portfolio basis	Portfolio basis includes the impact if Holdco (the Company's only direct subsidiary) were to be consolidated on a line-by-line basis	See Section 3.5 for detailed description and reconciliation	**N/A**	N/A	Referred to in Financial Review and Valuation Update
Portfolio Valuation	The fair value of all investments in aggregate that are held directly or indirectly by Holdco	It provides relevant information of the value of the underlying investments held indirectly by the Company from which it is ultimately expected to derive its future revenues	**£1,102 million**	31 March 2024: £1,117 million	Reconciliation provided in Financial Review and Valuation Update
Rebased Portfolio Valuation (portfolio basis)	Portfolio Valuation brought forward, plus new investments (including transaction costs) during the period less cash from investments	Used to derive the fair value movement of the portfolio	**£1,080.5 million**	31 March 2024: £1,168.8 million	Referred to in Financial Review and Valuation Update
Weighted Average Discount Rate (levered)	The sum of weight of rate multiplied by the discount rate, divided by the sum of weights	Provides a useful metric to the shareholders when estimating the present value of an investment	**9.4%**	31 March 2024: 9.4%	Referred to in Chair's Statement

	£'m
Fund expenses (income statement)	5.2
Less Company expenses excluded from definition of ongoing charges	(0.3)
Add Holdco expenses included in definition of ongoing charges	0.4
Total expenses for the period	5.3
Total annualised ongoing expenses	10.8
Average NAV (includes March 23, Sept 23 and March 24)	1,030.0
Ongoing charges (A/B)	1.05%

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SEEIT

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