SEIT

SDCL Efficiency Income Trust plc

(formerly SDCL Energy Efficiency Income Trust plc)

Unlocking the world’s most valuable energy resource: Efficiency

Annual Report and Audited Financial Statements
for the year ended 31 March 2025

About

Company Structure

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

The Company is a closed-ended investment company incorporated in England and Wales 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 to generate an attractive total return for investors, comprising stable dividend income and capital preservation, with the opportunity for capital growth. SEIT 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.

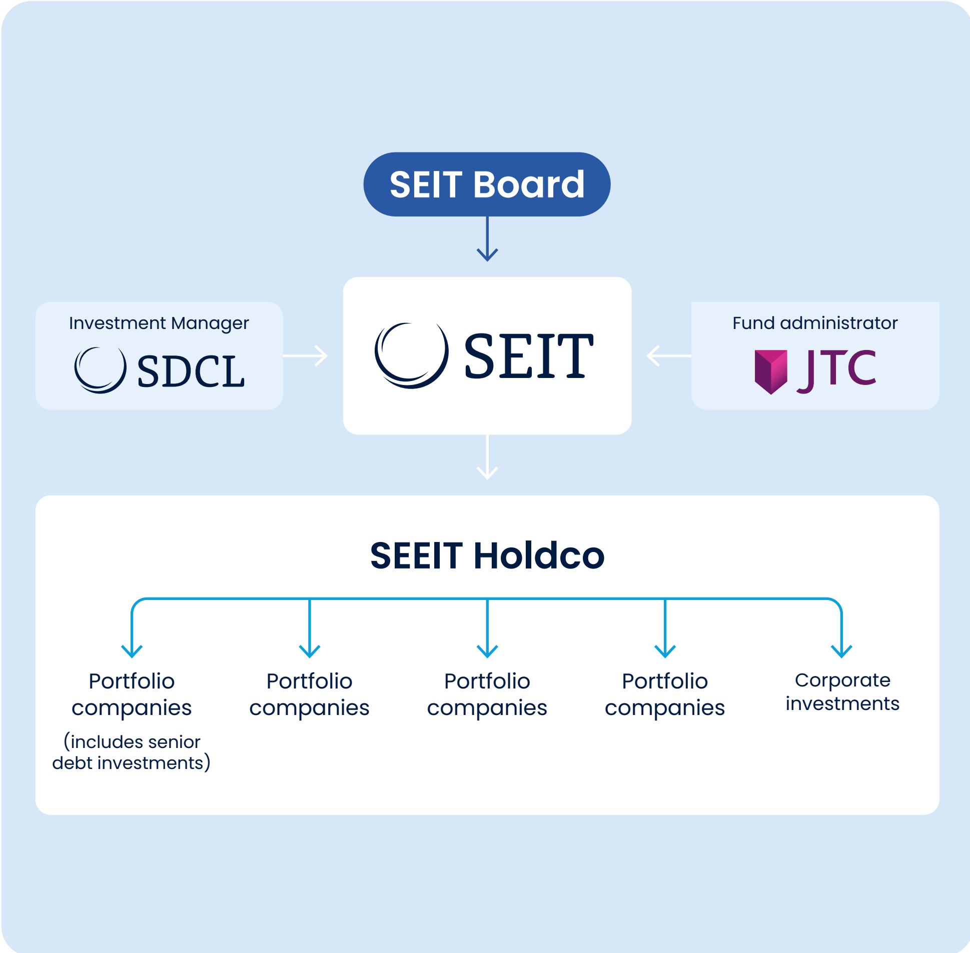
The Company has been established to provide shareholders with access to investment into energy efficiency infrastructure investments and has a current portfolio comprising investments in projects across North America, Europe, the UK and Asia.

The Company has an independent Board of Directors and has appointed SDCL as Investment Manager ("SDCL" or the "Investment 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 investments.

References to "portfolio basis APM" includes 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 Investment Manager controls the actions of Holdco and its direct and indirect 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 also have been assessed individually to ensure appropriate alternative exit strategies are in place.



Contents

Purpose

Supporting the energy transition through efficiency

SDCL Efficiency Income Trust plc

SEIT is a FTSE 250 investment company with a dedicated sustainable objective — mitigating climate change by investing in energy efficiency projects.

SEIT'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 successfully achieve this objective, a diversified portfolio of energy efficiency projects has been established, featuring high-quality counterparties and contracts that secure long-term cash flows once the projects become operational.

Since its initial public offering in 2018, the Company has actively managed and grown its portfolio from £100 million in the UK to a total £1.6 billion[1] across ten countries in Europe, North America and Asia. Alongside this growth, SEIT has developed and invested in portfolio companies and projects involving over 50,000 buildings, industrial facilities and transport assets.

A key differentiator of SEIT is its reliance on long-term contractual income streams with creditworthy counterparties, which greatly limits exposure to often volatile energy prices. Unlike merchant energy investors, SEIT's approach avoids competitive dynamics and reduces regulatory uncertainties typically encountered by grid-connected, utility-scale renewable energy project investors. This risk mitigation is further enhanced by the Company's commitment to maintaining relatively low levels of gearing [APM] across its portfolio, while deploying project-level leverage when appropriate.

Why is energy efficiency so important?

Energy efficiency represents one of the largest, fastest, most cost-effective routes to reducing greenhouse gas emissions, enhancing energy productivity, driving sustainable growth and achieving energy security.

1. Consists of c.£1 billion of NAV and c.£0.6 billion of debt.
2. Energy loss refers to the "rejected energy" referenced in the Lawrence Liverpool National Laboratory Sankey energy flow diagrams, the most recent of which was published on 2023 energy data. These energy flow diagrams represent the flow of primary energy to use in residential, commercial, industrial and transportation sectors, demonstrating how energy is "rejected" during different parts of the energy generation, transmission and use process.
3. Following the review of environmental performance data by a third-party, data methodology issues have been identified, resolved and standardised. Additionally, data has been recalculated to match the calendar year as opposed to the financial year. Both of these changes have resulted in variations from previously reported environmental performance data. Further information is detailed in the SEIT Climate Report.

Energy remains the primary contributor to greenhouse gas emissions. Buildings, industry and transport consume most of our energy, and yet most primary energy is lost along the supply chain between the points of generation and use.

For example, in the United States, around 62% of energy is lost[2], predominantly as waste heat during extraction, conversion, generation, transmission, distribution and use. In commercial premises, it is estimated that around 35% of the energy dissipates as a result of inefficiencies in cooling, space heating, air conditioning, lighting and appliances.

Energy efficiency can deliver 40% of the greenhouse gas emission reductions needed by 2040, according to the International Energy Agency's ("IEA") Sustainable Development Scenario ("SDS"). Every net-zero pathway relies on energy efficiency improvements — global decarbonisation targets simply cannot be achieved without it.

Reducing waste in both energy demand and supply presents a crucial opportunity.

In essence, energy efficiency is about achieving more with less — delivering the same or greater economic output while consuming less energy.

SEIT's investments are strategically focused on projects that both enhance the efficient supply of energy and reduce its demand or waste. This approach is underpinned by the active management of a specialised yet diversified portfolio, ensuring that the portfolio not only delivers a stable and growing dividend, with a focus on net asset value [APM] ("NAV") growth, but also contributes to global climate objectives.

SEIT's portfolio of energy efficiency projects can be broadly split into two categories:

Energy generators

5,333,971MWh[3]
energy generated in the year ended 31 December 2024

Energy savers

364,495MWh[3]
energy saved in the year ended 31 December 2024

Highlights
of the year to 31 March 2025

Investing in energy efficiency

90.6p

Net asset value ("NAV") per share APM

31 March 2024: 90.5p
30 September 2024: 90.6p

£97m

Investment cash inflow from the portfolio APM
up 5% on a portfolio basis APM

31 March 2024: £92m

6.32p

Aggregate dividends APM
per share declared, in line with target for 31 March 2025

31 March 2024: 6.24p

1.0x

Dividend cash cover APM
For the twelve months ended 31 March 2025

31 March 2024: 1.1x

6.36p

Target dividend[1] guidance
per share for the year ending 31 March 2026

31 March 2025: 6.32p

£70m

Profit before tax

31 March 2024: £56m loss

£1,197m

Portfolio Valuation APM

31 March 2024: £1,117m
30 September 2024: £1,102m

c.£90.8m

Gross disposal proceeds

From the disposal of UU Solar

1,000,791 tCO_2e

Scope 4 emissions[2]
from the Company's portfolio in Y/E 2024

Y/E 2023: 841,687 tCO_2e

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 Investment Manager and should not be treated as a profit forecast for the Company.
2. Following the review of environmental performance data by a third-party, data methodology issues have been identified, resolved and standardised. Additionally, data has been recalculated to match the calendar year as opposed to the financial year. Both of these changes have resulted in variations from previously reported environmental performance data. Further information is detailed in the SEIT Climate Report.

Why invest?

Overview

Enhancing value for the long term...

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 40% of the emissions abatement needed by 2040 according to the International Energy Agency's ("IEA") Sustainable Development Scenario ("SDS").

SEIT 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.

Attractive Investment Returns Strategy

Shareholder returns are driven by both dividends and capital growth.

The portfolio is diversified and mostly operational (77%)[1] with creditworthy counterparties. Operational performance underpins long-term, predominantly contracted cash flows to cover SEIT's attractive dividend.

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

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

Network Access and Expertise

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

SDCL, the Investment 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 Investment Manager, portfolio company management teams and counterparties all play a role in delivering value to SEIT's shareholders.

1. Of gross asset value.

Chair's Statement

> "Firstly, and most importantly, I would like to thank our shareholders for their continued support."

Tony Roper
Chair

During the financial year, SEIT delivered a total return on an NAV basis APM of 7.1% (financial year 2024: (4.7%)) and declared an aggregate 6.32 pence per share in dividends (financial year 2024: 6.24p), fully covered by net cash inflow from the portfolio. The portfolio EBITDA APM has increased and the portfolio value is broadly in line with the prior year.

This has been delivered despite markets that have continued to present an extraordinarily challenging environment for both SEIT and its peers.

While shareholder dividends and operational portfolio performance have increased, we, like many of our peers, remain frustrated that our share price has drifted down. We are disappointed to report a decline in share price total returns of 7.78% in this financial year. With this in mind, the Investment Manager continues to focus on steps to address the share price discount to NAV APM, as detailed later in this report. Most importantly, the Investment Manager continues to assess the existing portfolio for opportunities to release capital to pay down the RCF, return to shareholders and recycle into the remaining portfolio when appropriate.

The Board continues to explore all potential opportunities available to deliver value for all shareholders in an effective and efficient manner. This is both in the context of the Company's longer-term plan to drive value for shareholders and in a more wholesale and strategic manner.

Capital Markets

Over the past year, there has been a marked and well-documented dislocation between the share prices of UK investment trusts and their underlying net asset values. Despite sound investment strategies and good performance, prevailing market uncertainty – fuelled by evolving regulatory frameworks, fluctuating interest rates and broader economic headwinds—has driven share prices to trade at significant discounts relative to their published valuations. SEIT is no exception with shares trading at a discount to net asset value APM of over 40% continuously since mid-January 2025.

This divergence is indicative of a market that is increasingly influenced by transient sentiment and liquidity concerns, rather than solely by the long-term quality of the underlying assets. Such a dynamic not only accentuates the prudence required in assessing true value but also underscores the potential for attractive entry points for discerning investors, as demonstrated by the continued relative liquidity of SEIT's shares.

Governance and Engagement with Shareholders

All resolutions were passed at our AGM in September 2024. The 2025 AGM will be held on 3 September.

The Board and the Investment Manager have continued to engage with shareholders throughout the year, recording over 200 interactions, virtually or in person, and have listened to their feedback, as well as engaging with a number of retail investors who continue to increase engagement with SEIT.

Chair's Statement continued

Governance and Engagement with Shareholders continued

The Board is committed to ongoing dialogue with shareholders, especially during this period of continued volatility.

Our engagement with shareholders and analysts resulted in the Company increasing the level of its disclosures, providing investors with more information related to the performance of individual investments as well as the wider portfolio. In this Annual Report, there are further new disclosures focused on providing greater comfort on the health of the underlying portfolio. These include the aggregate portfolio-wide EBITDA and budget versus actual EBITDA as well as projected long-term cash flows for each of the top five portfolio companies. To expand on the "Approach to Valuations" section from the 2025 Interim Report, the Investment Manager has also provided a detailed valuation case study on pages 13 and 14.

The Investment Manager and the Board have agreed an amendment of the investment management fee structure to improve competitiveness and alignment. Fees will be charged on a blend of NAV APM and market capitalisation from 1 October 2025. This agreement was reached in consultation with the Broker, and in the context of the evolving market standards that seek to reduce costs and align investment managers with the total return achieved by shareholders.

At the AGM Emma Griffin stood down as an independent Director and I would like to extend my thanks for her work on SEIT. A recruitment process has been taking place using an independent third-party search firm. From a long list the process has narrowed down to two suitable candidates and the Company will finalise its decision in due course.

Portfolio and Financial Performance

The portfolio's operational performance was generally in line with expectations. On a consolidated basis, EBITDA APM for the year ended 31 December 2024 was on budget, delivering the targeted distributions to the Company to cover the aggregate dividend declared in the year to 31 March 2025. Aggregated EBITDA APM for the portfolio, a new disclosure for this reporting cycle, was c.£86 million[1]. This does not include the EBITDA increase expected from significant capital investment during 2024 into Onyx and the completion of the construction of the cogeneration plant at RED-Rochester.

SEIT's NAV APM per share at 31 March 2025 was 90.6 pence (90.5 pence at 31 March 2024), a small increase over the year, representing a total return on a NAV basis APM of c.7.1% for the year. The earnings per share ("EPS") for the financial year were 6.4 pence per share.

Dividends

Based on our current assumptions and expectations about future cash flow projections, as well as considering the potential impact of disposals and other balance sheet activity, the Company is announcing new dividend guidance of 6.36 pence per share for the year to 31 March 2026, an increase of c.1%. The Company continues to target progressive dividend growth thereafter.

The dividend forecast balances dividend growth with the Company's priority of using cash to repay debt to support the value of the portfolio by reinvestment.

We also monitor our ability to return capital to investors through other means, such as a share buyback programme.

Addressing the Share Price Discount to NAV APM

During the year, the Investment Manager has continued its efforts to address the share price discount. This includes the following activities:

Disposals

In May 2024, the Investment Manager successfully sold the investment in UU Solar to UK Power Networks Services Holdings Limited. The agreed price represented a 4.5% premium to the Company's 30 September 2023 valuation.

In summer 2024, private capital markets in the US and Europe showed cautious recovery, with a modest uptick in deal volumes and favourable conditions for buyers. This environment supported the launch of sale processes for Onyx (North America) and EVN (UK), as the market adjusted to slower growth and shifting investor sentiment.

However, rising macroeconomic and geopolitical uncertainty significantly impacted deal activity by early 2025. US transactions have largely stalled, while momentum in Europe and the UK has slowed. Increased cost volatility has made forecasting and valuations more difficult, particularly around growth potential. As a result, many companies are delaying major transactions, leading to a notable decline in deal volumes.

Whilst the intention was to announce further disposals in the financial year, this has taken longer than envisioned. The delay is for various reasons, including the recent market dynamics outlined above, but we are ultimately reluctant to sell assets when the value for shareholders would be diluted by heightened uncertainty. The Board and Investment Manager are clearly disappointed that our objectives have not yet been achieved, but both parties remain focused on releasing liquidity from the portfolio. Any proceeds will be used to reduce gearing and commence a share buyback programme.

Balance sheet and gearing levels

During the year, the portfolio's total debt levels increased to £626 million (as at 31 March 2025), or 34% of enterprise value, as the Company has continued to fund growth, mostly at Onyx and RED-Rochester. Total debt included c.£234 million of short-term debt in the revolving credit facility ("RCF"). At or around the time of publication, the RCF is expected to be reduced to c.£216 million through active management of gearing APM, including better matching debt to the lives of the assets in mostly amortising facilities. Whilst total debt levels are close to the Company's gearing limit, this is being closely managed.

As announced in March, the Manager has refinanced SEIT's revolving credit facility, securing terms for a further three years, with two one-year extensions. By locking in a competitive margin with a rolling interest rate cap, the refinanced RCF materially mitigates against interest rate risk for the coming years. The increased capacity also allowed the Company to support Onyx's growth without increasing the portfolio company's debt during the sales process. Both the Board and the Manager remain committed to reducing the RCF as swiftly as is practicable.

1. Based on calendar year to 31 December 2024, using audited numbers for all largest assets and combination of audited numbers and management calculations for entities that have fiscal year ends not falling on 31 December

Chair's Statement continued

Positioning the Company's portfolio for total return growth

The Investment Manager's asset management team continues to implement an active and disciplined approach to engaging with SEIT's portfolio companies and targeting sustained value creation at the asset level. This encompasses close collaboration with management teams to identify and address operational inefficiencies, optimise cost structures and capitalise on emerging growth opportunities. Notable examples include the construction of a new cogeneration plant at RED-Rochester, delivering lower-cost and lower-emission electricity, driving efficiency and future EBITDA [APM] and investing into the significant growth opportunity at Onyx.

We are pleased that the portfolio continues to perform as intended and adds value for shareholders over the medium and long term.

Capital Allocation Policy

During the year, SEIT invested £172 million into the organic opportunities presented by the portfolio. Most of this investment was into Onyx, which provides on-site solar and storage for commercial and industrial buildings across the US. The Capital Allocation Policy ensured that all investment was made with a minimum return hurdle implied by the alternative of buying back shares at the time of investment. In practice, the majority of this investment was made with an expected return in the mid to high teens. This served to support the portfolio's growth prospects and its valuation.

Considering the continued capital requirements at Onyx, in balance with the requirement to prudently manage short-term gearing levels, since the end of the financial year the Company has found alternative financing options, as announced 11 June 2025. While we remain committed to disposals to release liquidity and reduce overall debt levels, project-level financing is reducing short-term debt and supporting Onyx's growth to protect shareholder value in the immediate term.

Supporting the liquidity and marketability of the Company's shares

During the year, the Manager has added to its senior investor relations and communications capabilities, with the intention of continuing to raise the Company's profile, bring in new shareholders and improve disclosures. This has resulted in increased investment from retail investors as well as increasing positions from new institutional investors.

Name Change and Sustainability

On 21 May 2025, SEIT changed its name from SDCL Energy Efficiency Income Trust to SDCL Efficiency Income Trust. This followed the release of the European Securities and Markets Authority's ("ESMA") Guidelines on Fund Names, setting out additional ESG-related benchmarking criteria for funds using sustainability terms in their names. The ticker symbol remains the same and all website traffic is being redirected to the new website at www.seitplc.com.

SEIT is an Article 9 Fund under the EU Sustainable Finance Disclosure Regulation ("SFDR"), meaning that it is able to demonstrate that a majority of its portfolio consists of investments focused on environmental, social and governance ("ESG") criteria. I encourage you to turn to the full sustainability update on page 44, but, in short, the Investment Manager's alignment to and support for SFDR along with the Task Force on Climate-related Financial Disclosures ("TCFD") has been robust in a time of significant ESG-related regulatory change.

Outlook and Strategic Options

In relation to the Company and its investment portfolio, our investment strategy remains a differentiator to our broader renewable infrastructure peers. Our focus on energy efficiency offers an investment exposure largely independent of power price fluctuations, while our diversified technology portfolio provides increased resilience against the challenges posed by geopolitical instability and extreme weather.

Stakeholders—including individuals, businesses and policymakers—in our key markets across the US and Europe increasingly express concerns about energy security as much as those about its cost. Coupled with the accelerating global energy transition and persistently high energy prices, these tailwinds underpin the merits of prioritising energy efficiency as a means of achieving energy security, economic benefits and greenhouse gas emission reductions, thus reinforcing SEIT's investment strategy.

However, the alternative asset segment of the UK investment trust market has seen capital outflows and there are too many trusts for current shareholders, leading to shares trading at large discounts to NAV per share. We are operating with continued market volatility and price dislocation, with the Investment Manager focused on what we can control—preserving financial strength, executing our investment strategy and delivering long-term value. While external challenges limit the pace and scope, we continue to seek the best possible outcomes for shareholders.

Like most companies in our peer group, we are managing the balance sheet prudently by seeking to reduce short-term debt as soon as practicable, all the while supporting the sustained growth that certain investments require—and thus the enduring value—of our portfolio. Despite the continued negative market sentiment, incremental disposals remain the priority for the Investment Manager and the Board are hopeful of achieving this, notwithstanding the delays encountered so far.

It is hard to see how the alternative asset segment of the UK investment trust market can solve the current market issues without either a material improvement in sentiment, consolidation or investments being sold, and capital returned to shareholders. The status quo is clearly unsustainable and so the Board is considering all strategic options to deliver value for all shareholders in an effective and efficient manner.

Strategic Report

Strategic Report: The Company and Portfolio Review

Strategy

Performance

Strategy

The Team

Sustainable Development Capital LLP

Sustainable Development Capital LLP ("SDCL") 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 was established in 2007 and has a team of over 60 professionals across offices in London, Dublin, New York, Connecticut, Hong Kong and Singapore.

Effective management and stewardship of SEIT and its underlying portfolio is of utmost priority for SDCL. As an active manager of the portfolio companies and assets owned by SEIT, SDCL has added additional capacity dedicated to SEIT across a number of business functions including fund management, portfolio management, investments, investor relations and communications during the year to 31 March 2025. These broader teams form the foundation from which the Company is managed.

Meet the Investment Manager

Jonathan Maxwell

SDCL CEO & Founder

Jonathan is CEO and Founder of SDCL. He is Chair of the Investment Committee for SEIT 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 SEIT.

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 corporate activities and various funds, including SEIT. He is a member of the Investment Committee for SEIT.

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 SEIT.

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

Tamsin Jordan

Director, Fund Management

Tamsin is Director of SEIT Fund Management and Investor Relations, responsible for stakeholder management and strategy. Tamsin joined with over 15 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

MD, Fund Management

Ben is Managing Director of SEIT Fund Management and is responsible for the technical, financial and operational performance of its investments. He is a member of the Investment Committee for SEIT.

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 several investment companies.

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

Strategy Investment Manager: Markets and Outlook

A Resilient Investment Strategy in Challenging Markets

SEIT has a diversified and actively managed portfolio, designed to deliver resilient and growing revenue with significant opportunities to increase NAV APM over time. This resilience was demonstrated in the year to 31 March 2025, with stable portfolio performance and continued dividend cover amidst global economic uncertainty and geopolitical instability. Further details of the portfolio's cash generation and dividend cover can be found on page 35.

SEIT's investment strategy is specialised and fundamentally distinct, focused on energy efficiency projects that not only improve energy productivity but also often deliver energy solutions that are cheaper, cleaner and more reliable than conventional grid supply. These investments are all designed to achieve enduring competitive advantages, providing value throughout and beyond their contracted lifetimes by addressing traditional inefficiencies inherent in the supply and demand for energy.

Strong structural tailwinds continue to underscore the robustness of the strategy, despite current pressure from tariffs or negative sentiment surrounding clean energy. Persistently high energy prices and increasingly unstable grids, combined with decarbonisation efforts and heightened concerns over energy security, substantially reinforce the value proposition of SEIT's decentralised energy generation projects. Although high interest rates have exerted a temporary downward pressure on valuations, the fundamental drivers—cost savings, reduced energy losses and sustainable income generation—remain stronger than ever. SEIT's portfolio is well positioned to capitalise on these dynamics.

However, current market dynamics continue to suppress shareholder returns. The market environment is characterised by elevated interest rates, reduced liquidity and a lack of active buyers. This has significantly impacted the infrastructure and renewable energy investment trust sector, including SEIT. Traditional discount mitigation strategies, including share buybacks, asset disposals and enhanced investor engagement, have not delivered a sustained re-rating.

Since the disposal of UU Solar for a small premium early in the year, the Company has been unable to complete disposals in the intended time frame, not due to a lack of effort or asset quality, but because of a challenging market backdrop. Investment trusts are often viewed as forced sellers, which depresses achievable valuations. This is particularly true for US renewables, where uncertainty around potential tariff escalations and shifting policy has further dampened buyer appetite in an already cautious market. This has made it extremely difficult to secure acceptable valuations or complete disposals within a reasonable time frame.

Having initiated a formal sales process of Onyx, led by a leading M&A adviser in 2024, the Company received a good number of initial bids in January 2025. Selected bidders were then taken through to the second round for management presentations and due diligence. The process was nearing a conclusion with final bids expected in April 2025, when market uncertainty driven by the prospect of US tariff conflicts reached heightened levels. As a result, these parties were unable to make final bids in line with our timetable.

The sales process has since been modified to include alternative options that are designed to release cash and reduce debt from Onyx and its operational assets. We hope to update shareholders in the coming months.

During 2024 the management team of the EVN Group, of which SEIT is a minority shareholder, commenced a process to raise equity capital. This also included the possibility of purchasing Zood, a portfolio of 29 operational, ultra-fast electric vehicle charging sites, managed by EVN and owned in their entirety by SEIT. This process was delayed by the EVN Group for strategic reasons. The Investment Manager is now exploring options to release cash from the Zood portfolio.

Notable Drivers of Operational Portfolio Performance

Operational performance supports SEIT's dividend, with the portfolio diversified by industry, technology and geography.

The five largest investments make up 81% of the portfolio by portfolio value and 82% of EBITDA APM. Understanding key trends that impact these investments can help predict broader portfolio performance.

US domestic steel manufacturing: This sector is the main driver for Primary Energy. Having traditionally operated within a complex, cyclical environment over recent decades, it has transitioned from facing significant challenges to cautious growth, supported by protective measures, infrastructure programmes and demand from the automotive and construction sectors. Technological advancements and government policies are expected to drive steady growth.

US industrial economic growth: This is crucial for RED-Rochester, particularly non-durable manufacturing and retail distributors. Strong US consumer demand driving industrial economic growth would likely lead to operational growth should business development on the park bring new tenants on site, meaning new utility customers for RED-Rochester.

AI and power grids: The impact of AI on power grids is significant for Onyx and Driva. AI workloads in data centres cause unpredictable spikes in electricity demand, challenging grid stability. The escalating energy needs of AI-optimised data centres increases power prices, making on-site generation and storage more appealing as it offers cheaper, more reliable services.


Sparkfund

Strategy Investment Manager: Markets and Outlook continued

Addressing the Share Price Discount to NAV APM

The Company has previously reported on a six-point plan to address the discount to NAV APM. This remains a key focus for all stakeholders; opposite, the Investment Manager answers some key questions about their ongoing work on this.

A Q&A with the Investment Manager

Q. What is the Investment Manager doing to address the share price discount to NAV APM?

A: As set out in previous reports, we have adopted a six-point plan to address the share price discount to NAV APM. This plan was designed to balance pulling every lever available to us, whilst protecting long-term shareholder value. Efforts to position the investments for NAV APM growth have been intensified while working hard on both sides of the Atlantic to create liquidity events from the investments. Portfolio-level leverage has been renegotiated and refinanced to optimise the balance sheet, while a clear plan to reduce short-term Company-level debt has been identified, despite allocating capital to support the value of the growth investments. All the while, investor relations and communications have been ramped up to support the marketability and liquidity of the shares, bringing in new investors both in the UK and the United States.

Q: How has SEIT's investment approach adapted to current market conditions?

A: This is a relatively young portfolio that was designed with strong, long-term growth prospects, primarily acquired during a very different market environment. To protect the value of these investments without continued equity raises, we needed to find ways to support their growth. Careful use of debt has been a part of that, as has a renewed focus on value creation strategies that are not dependent on high levels of CapEx.

We have adapted to current market conditions by setting out to deliver more with less, transitioning from a portfolio designed primarily for steady and growing dividend income with an opportunity for growth, to one that places a stronger emphasis on growth without compromising its income-generating capacity. This has involved careful use of both short-term gearing APM at the Company level, and longer-term project debt.

Q: Short-term debt has gone up since September 2024, are you still committed to reducing it?

A: Absolutely. In a challenging environment of higher interest rates and global economic uncertainty, we have been unable to fund growth with equity, so we have used the Revolving Credit Facility ("RCF") to continue funding Onyx's growth in the short term. We will use any future disposal proceeds to pay down the RCF, but we've also been carefully managing the balance sheet to create opportunities to move debt down to the portfolio level, where duration can be better matched to the underlying assets, and where it amortises down, gradually reducing over time. As an example, at or around the date of publication, we expect to have reduced the RCF—from approximately £234 million to around £216 million—by introducing optimal long-term debt at Zood.

Additionally, we refinanced our RCF in March, securing a competitive margin with rolling interest rate caps, mitigating interest rate risk and reinforces a more proactive capital allocation strategy.

Q: What actions have you taken to recycle capital and support share price valuations?

A: We continue to pursue multiple opportunities to recycle capital through both disposals and the introduction of co-investors. These processes will not only serve to reduce our RCF, but also validate our asset valuations. In May 2024, we disposed of a major asset, UU Solar, at a price above its net asset value. Additionally, we have run a formal process to potentially sell or partially sell Onyx and supported the formal process to bring in an equity investor for EVN. As noted by the Chair, we don't believe it's the right thing to sell when the value is hampered by macro, and hopefully temporary, factors. We are progressing opportunities to release liquidity, reduce gearing APM and recycle capital. This remains a key priority as we seek to protect and crystallise shareholder value.

Strategy

Investment Manager: Markets and Outlook continued

A Q&A with the Investment Manager continued

Q In the current environment, is it possible to get a good price for shareholders in a disposal process?

A: At the moment, achieving a good price in a disposal process is challenging, though not impossible. Investment trusts are increasingly perceived by the market as motivated or even forced sellers—regardless of whether that's actually the case.

With SEIT's shares trading at a significant discount, potential buyers may expect that any offer made at a modest premium to the current market price will be well received. With such a gap between the true value and SEIT's market price, that doesn't represent a good deal.

This could get worse; while private markets have so far continued to value infrastructure assets closer to their fundamental worth, this divergence from public market pricing is unlikely to persist indefinitely. Historically, private market valuations tend to follow trends in public markets, albeit with a delay. During periods of market stress or uncertainty, private valuations may temporarily appear more stable, but they typically adjust over time to reflect broader economic fundamentals and investor sentiment.

Q: How does project-level financing factor into your strategy?

A: Project-level debt is an important mechanism for us to reduce interest rate risk and in time lower overall debt levels.

Our structural gearing APM is amortising, shorter than the lives of the assets and typically includes long-term protection through swaps, minimising interest rate risk. During the year, 64% of our portfolio debt was amortising, with £15.7 million of capital repaid, a weighted average remaining life of 3.4 years, and an average interest rate of 5.7%. While transitioning from short-term, Company-level debt to project-level debt does not immediately reduce total gearing APM, the nature of these amortising facilities allows us to significantly reduce overall gearing APM in the medium term without needing further equity.

As noted above, we expect to have closed an additional project-level financing facility for Zood, the portfolio of operational electric vehicle charging sites, managed by EVN, the proceeds from this will be used in full to pay down the Company's RCF. We are continuing conversations to complete similar financing facilities elsewhere in the portfolio.

Q What role does your Capital Allocation Policy play in this transition?

A: Our Capital Allocation Policy is central to our strategy. It applies a significant mid-teens return threshold (based on the then-prevailing share price) to all new investments, ensuring we remain selective and disciplined in our approach. We are pleased that many organic opportunities within the pipeline not only meet but exceed this threshold.

Over the period, we invested a total of c.£172 million into our existing portfolio, much of this was to address Onyx's pipeline of commercial solar projects that deliver low-cost, more reliable energy to customers across the US.

Q: What steps have been taken to support the liquidity and market visibility of the Company's shares?

A: Understanding that some shareholders require an exit, we have sought to support the liquidity of SEIT's shares. We recognised early the importance of marketing in this environment and have bolstered our senior investor relations and communications capabilities to raise the Company's profile. This initiative has attracted new retail and institutional investors, increasing the demand for shares. Demand doesn't match supply, but it is stronger than it would otherwise have been. In the year from June 2024, one month average daily trading volumes ("ADTV") have increased 4x and three month ADTV by 3x.

Bio town

Strategy Valuations Case Study

Valuation Approach for RED-Rochester

The purpose of this section is to provide greater insight into the Manager's approach to valuing the investment portfolio, enhancing transparency around how individual assets contribute to the Company's NAV [APM].

The following case study on RED-Rochester offers a clear example of our approach in action. It illustrates how detailed forecasting, careful judgement and structured probability frameworks are applied to inform asset-level valuations. This deep dive aims to demonstrate the robustness and repeatability of our process across the wider portfolio.

Background

Acquired by SEIT in April 2021, RED-Rochester is a private utility company based in Rochester, New York. RED-Rochester serves the c.1,200-acre Eastman Business Park, which is home to over 120 companies. It provides a full range of 17 utility services including electricity, steam, chilled water, compressed air, various water types, natural gas and industrial wastewater treatment.

A Structured and Judgement-Based Process

The valuation process for RED-Rochester integrates detailed forecasting, rigorous risk assessment and a transparent judgement framework. Three primary areas of judgement are applied: customer load forecasts, efficiency project development and business development activity.

a) Customer load forecasting

Customer load at RED-Rochester refers to the expected usage of utility services by customers – these are forecast using a structured, multi-step approach that draws on over a decade of operational data. This includes usage patterns since acquisition, as well as historic data provided by the on-site management team.

Two key components of the methodology are weather normalisation and direct customer engagement:

- **Weather normalisation**: Forecasts are adjusted for climatic variability using heating and cooling degree days, calculated over a ten-year average. Heating and cooling degree days are standard industry measures used to estimate energy demand for temperature control. A heating degree day is recorded when the average daily temperature falls below a set threshold - indicating a need for heating - while a cooling degree day occurs when temperatures rise above a threshold, requiring cooling. By averaging these figures over a decade, we create a weather-normalised base case that reflects typical annual conditions and forms the foundation of the budget forecast.
- **Direct customer engagement:** Direct discussions with key customers provide insight into both short and long-term production plans. This forward-looking information is used to refine the base forecast, incorporating any expected changes in load profiles.

Though long-term changes to load forecasts shape the valuation model assumptions, short-term effects are also considered. The long-term assumptions are only adjusted when there is clear evidence of a sustained change in customer behaviour. For example, uncertainty surrounding the Li-Cycle project at RED-Rochester meant that future load expectations were heavily reduced by probability weighting a number of different outcomes. Construction was paused due to cost escalation and liquidity constraints of Li-Cycle, which has subsequently filed for bankruptcy. There is (at the time of writing) interest in acquiring the project from Glencore, their largest secured creditor who has made a stalking horse bid, and who may ultimately restart construction. Alternatively, new customers can be found to lease this prime site within a reasonable timeframe. However, until some degree of certainty can be gained, the Investment Manager has probability weighted projected cash flows accordingly. Please also refer to page 42 in the Financial Review and Valuation Update.

Though long-term changes to load forecasts shape the model assumptions, short-term effects are also considered. Annual budgets are updated to reflect short-term expectations, particularly in the first year or two post valuation, but the long-term trajectory remains consistent unless a material, lasting shift is observed.

Strategy

Valuations Case Study continued

b) Efficiency project development

Efficiency initiatives at RED-Rochester – capital projects aimed at increasing revenue and/or reducing costs - are valued using a structured probability-weighted framework that reflects each project's stage of development and possible outcomes. This approach ensures that the valuation appropriately balances potential upside with execution risk, applying higher probabilities to projects that are more advanced and thus more certain.

Valuation framework: Each project is assessed against a development-stage matrix, with probability weightings applied accordingly. Early-stage concepts receive zero to low probability weightings due to greater uncertainty, while projects that are fully contracted or operational are given higher weightings to reflect increased confidence in delivery and impact.

Cogen project: A recent example is the successful delivery of the Cogen (combined heat and power) project. This initiative has now been given a probability weighting of 100% (an increase of 20% over the year), reflecting its full integration into the operating asset. While it has a 100% probability, the full value uplift will only be realised once the customer demand reaches full capacity. Designed to generate power more efficiently and reduce steam venting, the project improves overall system performance and environmental metrics, directly enhancing the asset's value.

Project evaluation: The evaluation process considers estimated energy and water savings, as well as anticipated changes to operating and maintenance costs. These inputs are reviewed and modelled in line with the probability-weighted framework, ensuring that only the most likely and credible performance outcomes are reflected in the final valuation.

Impact on valuation: Initially disclosed as a potential upside, the Cogen project has now been incorporated into the core valuation of the RED-Rochester asset following its completion. This marks a transition from a scenario-based benefit to a realised operational enhancement, demonstrating how successful execution of efficiency projects can materially improve asset value.

c) Business development activity

At RED-Rochester, business development ("BD") opportunities, whereby new customers are signed up, are valued using a structured, probability-weighted framework designed to reflect the maturity and likelihood of converting potential customer leads into revenue generating agreements. Given RED-Rochester's large and diverse customer base, this framework has been particularly instrumental in ensuring that potential upside is accounted for consistently within the valuation process.

Valuation framework: Opportunities are assessed against clearly defined development stages, from initial inquiries to full commercial operation. Each stage is assigned a probability weighting, with only those at a sufficiently advanced stage contributing to the asset's valuation, the rest remaining as untaken potential upside. This method ensures rigour and avoids overstating value from early-stage leads. There are currently a total of eleven live opportunities, nine of which are actively assessing, surveying, negotiating or carrying out construction on site. These nine represent a potential incremental EBITDA to RED-Rochester of over $11 million.

Application at RED-Rochester: Early-stage leads, such as preliminary inquiries, internal assessments or early engineering reviews, are monitored but assigned a 0% probability, meaning they do not contribute to the valuation. Advanced engagements, where verbal commitments have been received or detailed studies are underway, are weighted at 30%. Pre-construction activity, including the drafting of term sheets or PSAs, is assigned a 50% probability. Where contracts are in place or construction is underway, the weighting increases to 75%. Once operational, new customer revenue is reflected at 100% probability and removed from the BD pipeline. Five of the current pipeline are assigned a probability weighting above 0%, all of which are weighted at 50% or below.

Why it matters at RED-Rochester: The BD pipeline at RED-Rochester plays a significant role in the future growth of the asset. By applying this framework, we ensure that we have a high degree of confidence in delivering the probability-weighted pipeline that is incorporated into the valuation. This protects against over-optimism, particularly important at an asset like RED-Rochester where activity is ongoing and dynamic.

This methodology has enabled the accurate reflection of business development activity without compromising the integrity of the valuation. It has also helped to predict future load requirements to be able to manage capacity and prepare for incoming customers.

RED-Rochester's Other Considerations

Tariff negotiations

Ongoing tariff negotiations with Kodak are a source of valuation uncertainty. In line with our conservative philosophy, we have adopted a cautious stance applying only a small probability to success in our valuation, until the negotiations are concluded.

Strategy Business Model

What We Do

SEIT'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.

SEIT achieves this through investing principally in a diversified portfolio of energy efficiency projects with high-quality counterparties.

The contracts governing these energy efficiency projects entitle SEIT to receive long-term cash flows once the energy efficiency projects are operational.

How We Do It

1 Identify/ Secure Investment

SEIT assesses investment opportunities based on defined characteristics:

1. Fit the definition of energy efficiency investments
2. Have a contractual structure with suitable counterparties
3. Potential to generate accretive returns

2 Develop/Construct/ Operate

- Heat, power and other energy delivery services
- Active asset management
- Cost reductions and efficiency improvements
- 22% of the portfolio is in construction and development phase

3 Improve

- Investment in higher-return projects
- Create and enhance revenue streams
- Reduce costs

4 Hold/Exit

- Crystallise value through selective disposals

Outcome

Attractive dividend

See Financial Review on pages 35 to 42 for further details.

c.£20m[1]

value increase recognised in NAV APM

See Portfolio Summary on page 18 for further details.

Selective asset disposals

to create liquidity, strengthen the balance sheet and reduce gearing APM

See Portfolio Summary on page 18 for further details.

Underpinned by:

SEIT's strong ESG credentials

Read more in the Environmental, Social and Governance section on pages 44 to 68.

Responsible risk management

Read more about our risks and mitigation in the Risk Management Framework section on pages 69 to 71.

Robust corporate governance

Read more in the Governance Report on pages 76 to 105.

1. In the year to 31 March 2025.

Performance Company Key Performance Indicators

In the section below, the Company sets out its financial and operational key performance indicators ("KPIs") used to track the performance of the Company over time against its objectives. The Board believes that the KPIs detailed below provide shareholders with sufficient information to assess how effectively the Company is meeting its objectives.

Financial KPIs

2025	90.6p
2024	90.5p

Net asset value ("NAV") per share APM (pence)

NAV APM divided by number of shares outstanding as at 31 March

NAV APM has remained stable despite downward pressures from the macroeconomic environment during the period.

2025	48.2p
2024	59.1p

Share price (pence)

Closing share price as at 31 March

The share price has decreased predominantly due to market volatility and the thematic adverse impact on alternative investments focused on UK investment trusts.

2025	6.32p
2024	6.24p

Dividends per share (pence)

Aggregate dividends APM declared per share in respect of the financial year

The dividend increased year on year due to predictability of near-term cash generation from the portfolio, plus new investments. The Company met its stated dividend targets for the years ended 31 March 2024 and 31 March 2025.

2025	1.0x
2024	1.1x

Dividend cash cover APM (x)

Operational cash flow APM divided by dividends paid to shareholders during the year

While a decrease on the prior year, the Company met its target of net operational cash inflow to fully cover dividends paid for the years ended 31 March 2024 and 31 March 2025.

2025	7.1%
2024	(4.7)%

Total return on NAV basis APM in the year (%)

NAV growth and dividends paid per share in the year

The payment of interim dividends contributed to a positive NAV APM return in the year.

2025	1.16%
2024	1.02%

Ongoing charges ratio APM (%)

Annualised ongoing charges (i.e. excluding investment costs and other irregular costs) divided by the average published undiluted NAV APM in the period, calculated in accordance with AIC guidelines

Ongoing charges remained in line with 2024; the ratio increase is reflective of the reduction in average published NAV, given decrease from 2023. See the Financial Review and Valuation Update.

Operational KPIs

2025	16.0
2024	16.4

Weighted average contracted investment life (years)

Weighted average number of years of contracted revenue remaining in investment contracts (excludes all re-contracting assumptions)

Decrease was in line with expectations.

2025	49%
2024	52%

Largest five investments as a % of gross asset value ("GAV APM") (%)

Total value of five largest individual investments divided by the sum of all investments held in the portfolio plus cash, calculated at year end

Target is to maintain good portfolio diversification, this was achieved in both financial years.

Performance

Portfolio: Key Updates

Portfolio Performance

SEIT's investment objective is to deliver an attractive total return for investors, comprising stable dividend income, capital preservation and the potential for capital growth. SEIT's portfolio generates predictable, long-duration cash flows that supports SEIT's dividend distributions. The following pages highlight the operational performance and active management that underpin these consistent returns.

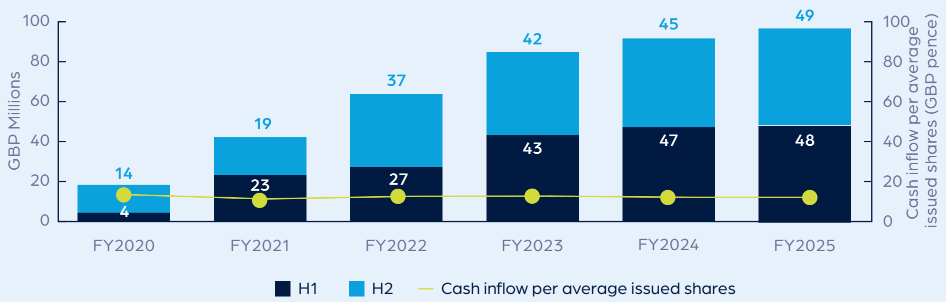
During the year, the portfolio delivered:

c.£86m
2024 Aggregate portfolio EBITDA[1]

c.£97m
Distributed, financial year 2025

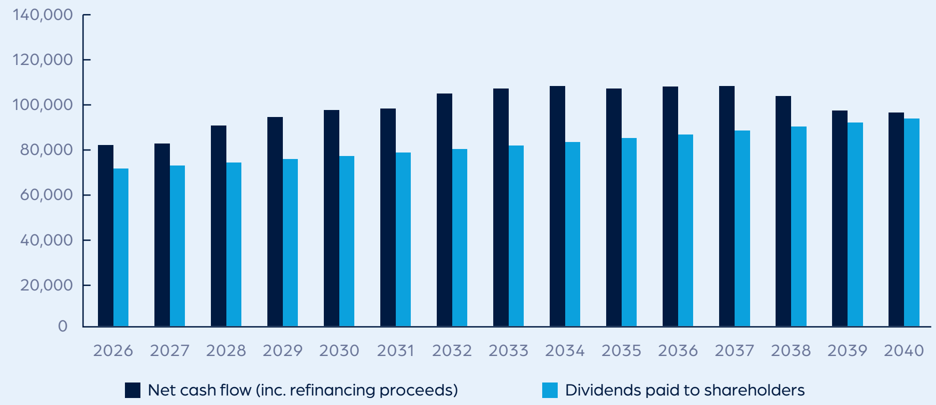
SEIT's portfolio has a track record of delivering a steady stream of distributions that have enabled the Company to fully cover a progressive dividend paid to shareholders since IPO, as demonstrated in the chart below. SEIT expects to continue a progressive dividend policy for the foreseeable future.

Portfolio Cash Inflows per Share (GBP Millions)



SEIT has several larger portfolio companies, which form a foundation for overall portfolio cash flows as well as providing established platforms to generate growth opportunities. Of the c.£97 million distributed in the year, 74% was from these five portfolio companies. Underlying diversification ensures revenue growth, despite recent volatility. Using conservative estimates of gearing and largely excluding any expectations for accretive projects, the following chart demonstrates the long-term cash flow expectations of the portfolio, mostly driven by the five largest portfolio companies. This demonstrates the long-term security of the dividend as well as the long-term nature of base case assumptions.

Net Cash Inflow and Dividends - Next 15 yrs (£'000)



The revenues referred to in this section describe the revenues that are assumed in the March 2025 Portfolio Valuation APM and therefore include both contracted and uncontracted revenues. This is explained further in the Financial Review and Valuation Update.

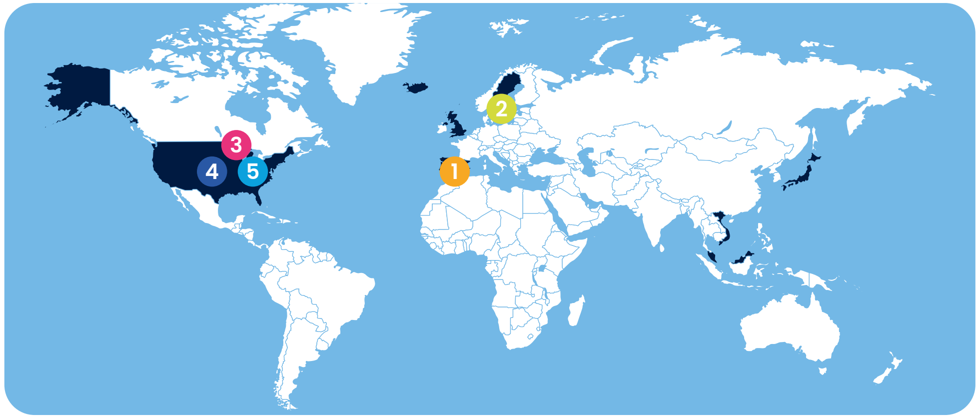
Investing for Total Return

The March 2024 Annual Report reconfirmed the Investment Manager's commitment not to invest into any new inorganic investments and to remain completely aligned with the Company's Capital Allocation Policy. Within this framework, during the 2025 financial year the Company has continued to invest only in the organic growth of the portfolio. Investments have met or exceeded the hurdle implied by the alternative of buying back shares at the time of investment, as set out in the Capital Allocation Policy. SEIT has invested £172 million during the period, mostly into Onyx's growth pipeline.

1. Based on calendar year to 31 December 2024, using audited numbers for all largest assets and a combination of audited numbers and management calculations for entities that have fiscal year ends not falling on 31 December

Performance Portfolio: Key Updates continued

Further upside opportunities remain, a number of which would require further upfront investment, however many would not. As guided in the last annual results, there has been positive progress on many of these value accretive opportunities, with some delivering a net uplift of c.£20 million to the March 2025 Portfolio Valuation APM, while others are well advanced with good prospects of adding further valuation uplift. These opportunities could potentially add over £150 million to the NAV APM over the coming years, incremental to any associated capital invested, although there can be no guarantee that this will be realised. We continue to focus and prioritise the workstreams associated with these opportunities and expect them to continue to develop.



Cash Flows Have Been Underpinned By Operational Performance

The diversified nature of the portfolio (e.g. by geography, technology, industry and customers) ensures that it continues to deliver operational performance to cover the dividend. Headwinds that may be encountered from time to time at one asset can generally be offset by tailwinds at another.

The projects in the table below delivered a combined EBITDA of £70 million, generally in line with like-for-like budgets of £71 million for the period[1]

	Project equity value at 31 March 2025	Project-level debt at 31 March 2025	Technical KPI 2024	EBITDA 2024 (local currency, millions)	Δ from budget EBITDA (%) 2024
1 Oliva Spanish Cogeneration	c.€125m	c.€0	782,938MWh produced	EUR 13.8	2%
2 Driva	c.SEK 1,054m	c.SEK 682m	92% green gas	SEK 73.3	1%
3 Primary Energy	c.$288m	c.$155m	183MW average net production	USD 38.9	0%
4 Onyx Renewable Partners	c.$419m	c.$50m (excluding RCF)	132,901MWh produced	USD 12.4[2]	-2%
5 RED-Rochester	c.$299m	c.$101m	6.6m MMBtus delivered	USD 15.4	-11%

1. These figures use the FX rate as at 31 December 2024.
2. Onyx EBITDA APM is for the fully operational portfolios of assets (total of four) and does not include portfolios still partly under construction (total of two).

During the year, performance was largely in line with expectations, despite some underperformance at RED-Rochester. Since the end of the year, operational performance at RED-Rochester has been strong.

To build on the project-level KPI disclosures provided in previous financial reports, and to better understand the operational performance of the portfolio, the Manager's expectations for EBITDA APM during the period as well as the actual EBITDA APM have been provided. Please note, as in previous reports, the operational measures and management budgets are produced and monitored in line with the calendar year.

The summaries in this section describe the five largest portfolio companies that are diversified across North America and Europe, consisting of 23 individual investments making up c.81% of SEIT's total portfolio by value. A detailed summary of these investments and their performance during the year is outlined in the following pages.

For a more comprehensive understanding of these investments, please see the following sections: Financial Review and Valuation Movements, the Principal Risks, Risk Management Framework and Note 3 in the financial statements.

Data shown above in the Portfolio Summary is as at 31 March 2025 unless otherwise stated.

Performance

Portfolio: Key Updates continued

RED-Rochester

One of the largest commercial district energy systems in North America

15,353
EBITDA ($'000)
Y/E December 2024[1]

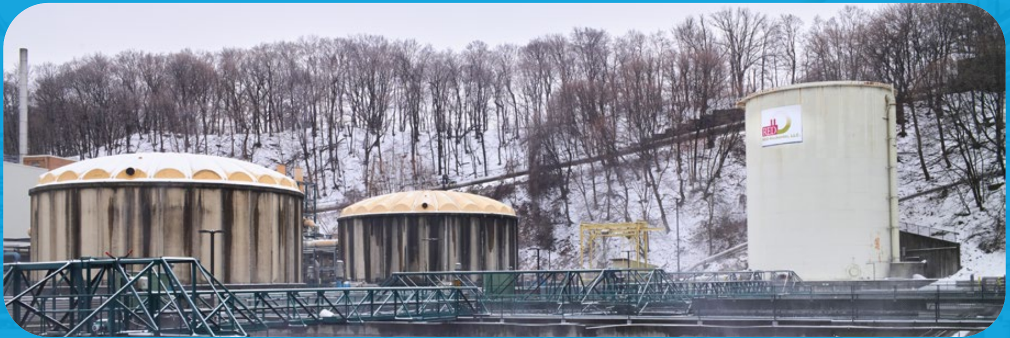
Y/E December 2023[1]: 15,903

6,580,000
MMBtus[2] delivered to customers
Y/E December 2024[1]

Y/E December 2023[1]: 6,494,000

Investment Highlights

Investment type	Direct equity (100%)
Acquisition date	May 2021
Asset location	Rochester, NY USA
No. of projects	1
Project equity value and as a percentage of SEIT's GAV APM	c.$299 million (c.£232 million) (c.19%)
Project-level debt	c.$101 million at 31 March 2025
Capacity	155MW
Technology	16 on-site services, primarily process/heating steam, electricity and process/space-conditioning cooling
Forecast project life remaining	c.40 years
Lifecycle stage	Operational
Counterparties/offtakers	Over 120, including Eastman Kodak, Ortho, LiDestri and Amazon
Operations & Maintenance ("O&M")	RED-Rochester staff
Fuel supply	Natural gas and purchased electricity supplied from Rochester Gas and Energy Corporation



1. Unaudited figures (MMBtus - Million British Thermal Units)
2. Million British thermal units.

Investment Overview

RED-Rochester operates one of the largest commercial district energy systems in North America, providing regulated utility services to over 120 customers within Eastman Business Park ("EBP") in Rochester, New York. The company supplies critical services such as steam, chilled water, electricity and industrial wastewater treatment under long-term agreements with diversified industrial clients.

The portfolio company's revenues remain underpinned by inflation-linked contracts with stable, creditworthy customers, including Eastman Kodak, LiDestri and Amazon. RED-Rochester is a cornerstone of SEIT's North American portfolio, offering a combination of contracted cash flows and long-term growth potential through active asset optimisation and business development.

RED-Rochester Revenues and Cost Model

The investment into RED-Rochester is underpinned by predominantly long-term contracted cash flows with positive inflation correlation. RED-Rochester has contracts with commercial and industrial customers on fixed terms under an approved tariff structure as follows:

- customers typically sign a 20-year contract with no break clauses. Contract extensions are assumed in the March 2025 Portfolio Valuation APM;
- revenues are split:
  - fixed charge: c.46% of revenues are generated from fixed fees paid, unrelated to demand or services procured;
  - capacity-based charge: c.46% of revenues are from a pre-determined tariff, based on the cost of delivery of each service used and the customer's associated demand; and
  - overheads: c.8% of revenues are from a fixed mark-up for each customer on the total utility bill.

Probability-weighted future cash flows are also assumed from growth opportunities, including accretive capital enhancements, such as the cogeneration ("Cogen") plant described on the next page, that is expected to increase future revenues.

Performance

Portfolio: Key Updates Red-Rochester continued

Value Creation Through Active Management

Active management at RED-Rochester in 2024 was characterised by a concerted effort to strengthen operational control, improve performance delivery and build internal capability. This proactive approach supported measurable gains across safety, project delivery and leadership stability.

Strengthening health and safety culture

A new health and safety management system was implemented during the year, marking a critical milestone in RED-Rochester's journey to further embed a culture of accountability and risk prevention. Regular audits and contractor engagement led to a tangible reduction in incidents on site. This outcome reflects not only improved systems but also the growing maturity of the safety culture across the workforce.

Transitioning to in-house management

At the end of 2024, the Investment Manager and the CEO of RED-Rochester initiated a major organisational change, bringing operations management fully in-house for the first time. Previously outsourced, operational leadership was transitioned to a newly formed internal team comprising a Chief Financial Officer, Director of Operations and Maintenance and Director of Business Development. This shift was designed to drive cost benefits, improve accountability, accelerate responsiveness to asset needs and align day-to-day management more closely with SEIT's long-term value strategy.

Enhancing customer engagement and forecast accuracy

Another important area of focus in 2024 was improving customer engagement, particularly around load forecasting and operational planning. A key learning from the past year was the need for greater visibility into customer-side changes. Kodak, RED-Rochester's largest customer, reduced loads during the year without advance notice—contributing towards a negative EBITDA variance to budget.

In response, management implemented closer, more proactive communication with key customers to ensure future changes in demand are better anticipated and factored into operational forecasts. These improvements are showing early positive results. In Q1 2025, colder-than-average winter conditions combined with as forecasted underlying demand resulted in performance well ahead of budget—demonstrating the value of these measures.

This renewed focus on customer alignment, paired with operational and structural improvements, reflects the Company's commitment to managing RED-Rochester as a dynamic and resilient platform.

Value Creation Through Accretive Projects

RED-Rochester's accretive investment programme delivered tangible progress during the year, focused on driving efficiency, reducing costs and futureproofing the investment for long-term growth.

Cogen plant commissioning

Construction of the new Cogen plant reached critical delivery milestones in early 2025, including successful first fire and grid synchronisation. The project became commercially operational on time and on budget, in May 2025.

The plant is more efficiently generating electricity, reducing overall costs and carbon. While the full value uplift will be realised once new high-load customers are secured, the project already enhances resilience and unlocks new optionality, including the ability to produce electricity without generating steam, drastically reducing steam venting. This positions RED-Rochester to benefit from both operational gains and broader generation flexibility.

Additional efficiency upgrades

Alongside the Cogen plant, the team advanced several smaller-scale but strategically important upgrades. Chiller and cooling tower modernisations were completed, improving system reliability and reducing operational and maintenance ("O&M") costs. These works form part of a broader strategy to incrementally uplift asset value by targeting areas of improved performance and efficiency gains.

Taken together, these projects illustrate RED-Rochester's ability to execute complex capital initiatives while maintaining focus on long-term performance delivery and investor value.

Outlook for 2025

RED-Rochester is well positioned for continued active management and value growth into 2025. Key priorities include:

- finalising tariff negotiations with key customers;
- enhancing customer engagement to improve forecasting accuracy and mitigate unexpected demand variances;
- progressing the business development pipeline to attract new customers to EBP, strengthening long-term revenue resilience; and
- assessing the potential of a refinancing workstream in 2025 to optimise capital structure (subject to market conditions).

While external uncertainties such as Li-Cycle's future at EBP remain (see valuation case study on pages 13 and 14), proactive management actions have strengthened the company's resilience and upside potential.

Performance

Portfolio: Key Updates Red-Rochester continued

Investment Risks and Mitigants

Risk type and description	Mitigation
Operational: Demand risk resulting in lower-than-expected variable revenues.	Historically, demand from customers at RED-Rochester is relatively stable, as diversification across 120 customers mitigates against individual customer demand volatility. However, lower weather-related demand at EBP businesses has been observed in the last couple of years. Expected demand from Li-Cycle, a material potential customer at EBP, has been adjusted downwards significantly in light of filing for bankruptcy and the ongoing uncertainty of the future of the hub they were constructing. The Investment Manager and RED-Rochester are advancing options to renegotiate the tariff structure to mitigate this risk and are also improving the marketing of available sites in order to bring more customers into the park.
Development: Construction delays of accretive capital projects, including the Cogen plant.	Where appropriate, project contracts include liquidated damages for contractor delays should they cause overruns in the construction schedule. The schedules also assume a buffer for delays. Each project is probability weighted based on the development stage, with some very early development projects not yet included for tracking purposes. The Cogen plant has been delivered on programme.
Development: Challenges in attracting new businesses to locate within the EBP.	RED-Rochester management has been working closely with Kodak and other EBP property owners to make land and buildings more attractive to potential tenants. This includes making unoccupied lots "shovel ready", reducing development time and costs. Eastman Kodak and RED-Rochester are now working with a commercial real estate brokerage to improve marketing of available sites. All new tenant prospects are probability weighted based on progress to agree to come to EBP.
Credit: Default of counterparties.	By providing services to over 120 customers across the EBP, the credit risk is diversified. The Investment Manager works with other stakeholders, such as landowners, seeking to ensure the creditworthiness of new customers does not degrade the overall credit profile. In addition, the fixed charge component of the tariff is joint and several between customers, thus limiting the impact of any potential default.
Regulatory: New York State is developing the New York Carbon Cap and Investment programme ("NYCI") to reduce greenhouse gas emissions in the industrial, commercial building and transportation business sectors. Subject to the final details of the programme, this could introduce significant costs to RED-Rochester.	Rulemaking is in progress by state regulators, with implementation delayed until at least 2026. RED-Rochester and Kodak are collaborating to lobby state regulators and legislators to ensure an appropriate business classification to minimise or eliminate the businesses' requirements to purchase emissions credits. RED-Rochester is also proposing tariff amendments to customers to accommodate potential incoming legislation.

Performance

Portfolio: Key Updates continued

Onyx Renewable Partners ("Onyx")

Commercial and industrial solar and storage platform in the USA

11,222[1,2,3]
EBITDA ($'000)
Y/E December 2024[1]
Y/E December 2023[1]: 13,621

30
New projects at COD (MW)
Y/E December 2024[1]
Y/E December 2023[1]: 22

132,901
MWh produced[3]
Y/E December 2024[1]
Y/E December 2023[1]: 107,908

92%
Performance ratio[3]
Y/E December 2024[1]
Y/E December 2023[1]: 95%

Investment Highlights

Investment type	Direct equity (100% of operational assets; 100% development platform)
Acquisition date	February 2021 original; June 2023 purchase of remaining 50% JV interest in development platform
Asset location	Currently operational in over 14 states in the USA
No. of projects	7
Project equity value and as a percentage of SEIT's GAV APM	c.$419 million (c.£325 million) SM III, Janus II, CTAZ and Obsidian I operational portfolios (c.6%) Obsidian II, GAF and Nova construction/late-stage development portfolios (c.15%) Onyx – Development platform (c.5%)
Project-level debt	c.$165 million at 31 March 2025
Capacity	114MW operational
Technology	Solar and battery storage
Forecast project life remaining	c.41 years
Lifecycle stage	Development, construction, operational
Counterparties/offtakers	Over 100 across operational and construction sites
O&M	Various
Fuel supply	N/A

Investment Overview

Onyx Renewables is a distributed solar and storage platform operating across the United States, delivering clean energy solutions for commercial, industrial and municipal customers. The platform focuses on behind-the-meter and on-site solar installations, supported by long-term power purchase agreements with high-quality counterparties. As one of SEIT's large US holdings and a high-growth business, Onyx plays, and will increasingly play, a key role in generating long-term, contracted cash flows in a market where demand for distributed energy is growing rapidly. While requiring significant investment over the year, it has also distributed significantly to SEIT both from operational revenue and capital release through tax equity investment.

Onyx Portfolio Revenues and Cost Model

The portfolios of assets consist of operational, construction and development assets that make up c.80% of the portfolio company's value. The portfolios of assets have the following revenue structure once they are operational:

Power purchase agreements ("PPAs"): c.91% of asset revenues are generated from the delivery of electrical power to contracted end users. PPAs have fixed indexation and are typically 20 years in length (the Onyx portfolio PPA duration has a weighted average of c.18 years).

Solar renewable energy credits ("SRECs"): c.9% of asset revenues are generated from SRECs that are awarded within state-specific regulatory structures that provide marketable credits for each MWh of renewable energy generated. The valuation assumes that the current construction and development-stage projects within this portfolio will become operational within a defined time frame.

1. Unaudited figures.
2. Reported EBITDA is that generated by the operational portfolios in Onyx.
3. Operational projects only.

Performance

Portfolio: Key Updates Onyx Renewable Partners ("Onyx") continued

Onyx Developer Revenues and Cost Model

The Onyx development platform makes up c.20% of the total Onyx value and has the following revenue structure:

- asset management fees: c.30%, generated from asset management fees charged by Onyx for managing operational portfolios; and
- construction revenues: c.70%, fees and charges related to the construction of development assets.

Value creation through active management

SEIT's active engagement with Onyx in 2024 supported a significant increase in delivery across the platform. Project development, procurement, contracting and delivery activity were all scaled and streamlined under Onyx's management team. This included regular governance sessions to assess capital deployment and ensure supply chain readiness amid a volatile market backdrop.

The results were evident:

- 85MW of power purchase agreements were signed, securing strong revenue visibility from new offtake contracts – a company record for the number of PPAs signed in one year;
- 95MW of projects achieved notice to proceed status, signalling readiness for construction and anchoring the pipeline for 2025 – also a company record for the number of projects achieving NTP in one year; and
- 67MW of projects reached mechanical completion – the final step before grid connection – representing the highest annual total since 2017.

These outcomes reflect a step-change in delivery and underline the value of proactive portfolio management. SEIT's continued support for Onyx included both operational co-ordination and strategic input on risk and growth planning.

During 2024, the operational portfolio generated a total of 132,901MWh of electrical production. The performance ratio ("PR") achieved 92%, which was below expectation due to a combination of environmental factors (snow and soiling) in specific regions and component failures (invertors). The Investment Manager continues to work closely with Onyx to address site issues and ensure the right remediation processes are pursued to cover costs (i.e. insurance claims, EPC defects or warranty claims), whilst maximising output for each system.

Value creation through accretive projects

With construction advancing at pace, the platform is entering a phase of material revenue generation. While the current contribution to group-level earnings remains limited, the foundations laid in 2023 and 2024 are expected to yield significant uplift as assets become operational. This transition from growth to income is a key inflection point in the portfolio, marking the shift from development-stage activity to recurring cash flows.

Responding to policy and supply chain risk

Ongoing uncertainty around US import tariffs presents a potential challenge for the sector. Onyx has implemented a structured Risk Management Framework, including a focus on domestic procurement wherever possible. Materials required for 2025 projects have already been sourced and/or delivered, limiting near-term exposure.

Tax equity investors currently form part of the financing structure for Onyx's projects; investors provide capital in exchange for a portion of future revenue and Investment Tax Credits ("ITCs"). Should ITCs be repealed, alternative financing will be needed to replace them. The economics of the projects offer sufficient headroom for alternative financing and the 2025 pipeline already has tax equity agreements secured.

SEIT continues to monitor developments closely, including the potential longer-term impacts of international trade policies. Further engagement with the Onyx team is planned to assess resilience beyond the current build cycle and ensure the platform remains adaptive to future regulatory changes.

Update on sales process

Earlier in the reporting period, in response to the capital-intensive growth of the platform and broader strategic considerations, SEIT commenced a process to explore the potential full or partial sale of Onyx. Subsequently, amidst considerable market uncertainty, the sale process has been modified to include a number of alternative options to release liquidity from Onyx. SEIT remains focused on supporting the platform's strong operational momentum and continues to evaluate long-term options to maximise value.

Outlook for 2025

Onyx is expected to maintain strong momentum through 2025, with a large pipeline of projects progressing through the delivery cycle and aims to achieve higher targets than 2024. SEIT's focus will remain on supporting revenue conversion, managing supply chain exposure and identifying further opportunities for value creation through strategic capital deployment and partnership development.

- Target of 100MW of signed power purchase agreements, securing long-term offtake with high-quality counterparties.
- Target of 100MW reaching notice to proceed, demonstrating continued progress through engineering, procurement and permitting.
- Target of 100MW achieving mechanical completion, demonstrating robust construction management and translating pipeline growth into near-term operational assets.

Please also refer to page 42 in the Financial Review and Valuation Update for further details.

Performance

Portfolio: Key Updates Onyx Renewable Partners ("Onyx") continued

Investment Risks and Mitigants

Risk type and description	Mitigation
Operational: Near-term delays in development pipeline to achieve expected commercial operations dates ("COD") reduces revenue and cash flow, as valuation assumes quicker transition of pipeline projects from development to operational status.	The Investment Manager and Onyx have focused on accelerating the conversion of the development pipeline. Key Onyx leadership positions are now filled with individuals who are streamlining and accelerating development activities. These include strategic marketing and communications plans, expanded origination and lead generation processes, improved project management, derisked supply chain requirements and incorporation of quality management principles. The development pipeline is more robust, with more initial customer leads resulting in exclusivity, customer contract execution and construction commencement. The larger pipeline helps to mitigate the risk of execution delays.
Operational: Underperformance of operational projects.	Onyx has implemented a company-wide quality programme to reduce operational underperformance. This includes quality controls and inspections during project construction, installing tier 1 equipment with market-based warranties and using OEM repair parts, best-in-class procedures and preferred contractors to perform O&M at project sites.
Operational: Supply chain, interconnection issues and cost increases.	During project development, PPA pricing includes construction and operational costs with appropriate contingencies based on Onyx's experience and project requirements identified at the time of signing. As part of the focus on quality, Onyx is selecting standard components across multiple projects to buy in bulk wherever possible to minimise costs as well as streamlining maintenance and spares requirements during operations. Onyx continues to proactively manage the interconnection and permitting approval process. High demand for electrical components globally, especially equipment such as switchgear and transformers, is being mitigated by Onyx using standard components across projects, ordering in bulk in advance of expected requirements and pushing design decisions earlier to get ahead of these delays. As well as this, Onyx's new project management system has seen a 40% reduction in project delivery time (between signing a PPA to achieving mechanical completion) between 2023 and 2024.
Regulatory: Repealing investment tax credits for renewables in the United States	Onyx currently benefits from tax equity investors as part of its financing structure. While in the long run there would be some impact from ITCs being repealed on the cost of financing, it is expected that there is sufficient headroom in the project economics to absorb this if needed. In the shorter-term, there is sufficient tax equity capacity for 2025 and beyond, having secured two new facilities in March and April of this year.

Risk type and description	Mitigation
US tariffs: Supply chain cost increases.	With the recent increase in tariffs on imports into the US, there is risk of increasing supply chain costs for components sourced outside the US. This could result in EPC contractors with higher costs, therefore impacting future project PPA discussions. Due to Onyx's process, the majority of 2025 sites that are expected to achieve mechanical completion ("MC") have all components and contracts secured. The impact beyond 2025 has been considered in the Portfolio Valuation [APM]. Onyx is also in a good position to continue providing cost-reduction solutions to businesses that will be impacted by tariffs, presenting a stronger case for C&I solar installation as part of cost-reduction schemes. The Investment Manager and Onyx continue to monitor the US tariffs and any changes that might take place during 2025.
Development: Pipeline development projects.	Due to Onyx's continued growth in the development pipeline (from PPA signing to MC), and further targets in 2025, Onyx requires significant capital to develop the pipeline of C&I solar projects. The Investment Manager and Onyx have been working closely on options, which include a possible partial sale of Onyx, bringing in a co-investor and external financing options.

Performance

Portfolio: Key Updates continued

Primary Energy

Portfolio of on-site energy recycling, cogeneration and process efficiency projects, servicing the largest steel blast furnace in the USA

38,908

EBITDA ($'000)
Y/E December 2024[1]

Y/E December 2023[1]: 36,763

184

Average net production (MW)
Y/E December 2024[1]

Y/E December 2023[1]: 182

Investment Highlights

Investment type	Direct equity (100% in four projects; 50% in PCI Associates)
Acquisition date	December 2019 (50%), December 2020 (15%), September 2021 (35%)
Asset location	Indiana, USA
No. of projects	5
Project equity value and as a percentage of SEIT's GAV APM	c.$285 million (c.£221 million) Consisting of: Primary – Cokenergy (c.9%) Primary – North Lake (c.5%) Primary – Portside (c.3%) Primary – PCI Associates (c.2%) Primary – Ironside (0%)
Project-level debt	c.$155 million at 31 March 2025
Capacity	298MW
Technology	On-site cogeneration, waste heat recovery process efficiency
Forecast project life remaining	c.30 years
Lifecycle stage	Operational
Counterparties/offtakers	Cleveland-Cliffs ("CC"), US Steel ("USS")
O&M	Primary Energy, CC, USS
Fuel supply	Waste gases from CC; natural gas supplied via CC and USS

Investment Overview

Primary Energy continues to serve as a core, long-term holding for SEIT, delivering positive financial returns while supporting decarbonisation within a hard to abate industry. Primary Energy provides energy efficiency solutions to two US steel mills through three[2] energy recycling projects, one natural gas-fired CHP and a 50% interest in an industrial process efficiency project. These projects have long-term contracts with the two steel mills, owned by Cleveland-Cliffs ("CC") and the United States Steel Corporation ("USS"), providing stable offtake and a diversified suite of heat recovery and power generation solutions. Primary Energy delivers positive financial returns while supporting the decarbonisation of the steel industry.

Primary Energy Revenues and Cost Model

Approximately 82% of Primary Energy's revenues are derived from energy services to CC's Blast Furnace ("BF") #7 at Indiana Harbor Works ("IH"), the largest and most economically competitive furnace facility of its kind in North America. Remaining revenues are derived from the Portside Project, which services USS BF #14.

1. Unaudited figures.
2. As a result of the idling of IH BF #4, Ironside is currently operating as a CHP project.

Performance

Portfolio: Key Updates Primary Energy continued

Primary Energy Revenues and Cost Model continued

Primary Energy's revenues are split in the following way between the five different projects:

- Cokenergy (c.53% of revenues): the project receives waste gas and converts it to power and steam to sell to CC's BF #7 through a long-term PPA that is index linked. The revenues are protected from demand fluctuations through a true-up mechanism;
- North Lake (c.17% of revenues): the project receives waste gas and converts it into power and steam and sells it back to BF #7 through a long-term PPA, which is index linked. The revenues are protected from demand fluctuations through a true-up mechanism;
- PCI (c.7% of revenues): the project is 50% owned with CC; the asset pulverises metallurgical coal injected into IH BF #7 for steel production. Revenues are demand-based;
- Portside (c.16% of revenues): the project's revenues generated through the sale of heat, power and softened water through a long-term PPA with USS. Revenues are capacity-based;
- Renewable Energy Certificates ("RECs") (c.5% of revenues): the RECs are generated by Cokenergy and North Lake and are sold in the open market; and
- Ironside (c.1% of revenues): the project receives revenues under an interim agreement with CC to provide operational services following the idling of BF #4 in 2022.

Value Creation Through Active Management In 2024

Operational efficiency and resilience

Primary Energy achieved EBITDA expectations in 2024, a result that reflects proactive asset oversight by the Investment Manager and management team. While production at Cokenergy was lower than forecast due to production delays at the SunCoke generation kilns, the remaining four projects—Ironside, North Lake, Portside and PCI—performed strongly and exceeded budget. Notably, Ironside outperformed despite the continued idling of BF #4 by the customer, with boiler and steam turbine capacity successfully redeployed to maximise output.

Throughout the year, the Investment Manager worked closely with Primary Energy's management team to drive performance and maintain financial flexibility. A key milestone was the successful refinancing with a new five-year term loan and revolving credit facility to 2029, reducing the cost of capital and reinforcing the platform's long-term resilience.

These actions have underpinned the Company's ability to sustain an attractive dividend yield for shareholders, while positioning the asset for further value creation.

Value Creation Through Accretive Projects

Renewable Energy Certificates

Historically, 15MW of North Lake's capacity (out of 90MW) was certified as an eligible renewable energy resource as part of the waste energy recovery system. This recognised North Lake as a project that will reduce emissions and generate additional environmental attributes in the form of Renewable Energy Certificates ("RECs"). During 2025, Primary Energy has been granted approval by the Public Utilities Commission of Ohio to expand North Lake's eligibility for RECs, from 15MW to 90MW, positioning the site to capture additional revenue.

Additional revenues and contracts from existing assets

The Investment Manager has been working closely with the Primary Energy management team on the contract renewal for PCI, which provides pulverised metallurgical coal for the steelmaking process in BF #7 with CC. Discussions started in 2025, with expectations of renewing the contract by Q3 2025.

MISO capacity

Primary Energy continues to pursue the Midcontinent Independent System Operator ("MISO") capacity market through discussions with the local distribution network ("NIPSCO") and CC. Agreement of a technical solution with NIPSCO and CC is required to be able to qualify for the capacity market and hence benefit from the additional revenue stream.

Operational energy efficiency projects

The project that involves installation of a variable frequency drives ("VFD"), and will allow for more efficient operation and reduced parasitic load, is on track for completion in 2026. The installation of another project (bag filters) that had reached 50% completion in 2024 is on track to complete the last two phases by 2026. The third project (boiler feedwater heating) is on track and expected to be completed during late 2025.

BF #4 at Cleveland-Cliffs

BF #4 remains idle with no commitments from CC to restart, although significant demand increases could bring that into question.

Outlook for 2025

The focus for the coming year will be on executing approved upgrades, progressing the pipeline of small energy efficiency projects and focusing on executing workstreams to secure additional revenue (contract extensions and new revenue streams), which would further lock in value and derisk revenues.

Performance

Portfolio: Key Updates Primary Energy continued

Investment Risks and Mitigants

Risk type and description	Mitigation
Operational: Recontracting of existing contracts is assumed in the forecasts as well as risk of recontracting terms being below forecasts.	Primary Energy assets play a critical role in the operations of two of the most profitable and critical blast furnaces in North America, providing significant cost savings and emissions reduction. Given our incumbent occupancy at the sites, alternative energy sources would not be able to compete on the same terms and associated benefits. The successful renegotiation of the Cokenergy contract during 2024 provides a reference point for the assumption in the valuation that Portside will be successfully renewed in the future at a higher level than the current contract. With the PCI contract due for renewal by Q3 2025 (calendar year), discussions have started, and there have been positive discussions with CC on extending the existing terms.
Credit: Offtaker is currently sub-investment grade.	Primary Energy counterparties CC and USS are sub-investment grade. The CC blast furnaces associated with the Primary Energy assets are some of the largest in the USA and are highly profitable. Given their importance to the North American steel market, the likelihood of not finding a buyer, in the event of a credit default by CC, is considered low.
Climate: Development of new technologies to lower carbon emissions may displace or make obsolete existing pulverised coal injection ("PCI") technology, leading to reduction in revenues.	The Investment Manager and Primary Energy are in discussions with CC and USS to assess options for employing best available technologies across the five projects and will deploy, and/or replace, them in existing assets if necessary.

Performance **Portfolio:** Key Updates continued

Oliva Spanish Cogeneration ("Oliva")

Portfolio of on-site waste recycling, on-site generation and process efficiency projects supporting the olive oil industry in Spain

Investment Highlights

Investment type	Direct equity (100% owned, apart from Celvi which is 90% owned with 10% owned by the offtaker)
Acquisition date	November 2019
Asset location	Andalucía, Spain
No. of projects	9
Project equity value and as a percentage of SEIT's GAV APM	c.€125 million (c.£105 million) Consisting of: Oliva – Celinares (c.2%) Oliva – Colinares (c.1%) Oliva – Cepuente (c.2%) Oliva – Cepalo (c.1%) Oliva – Sedebisa (c.1%) Oliva – Bipuge (c.1%) Oliva – La Roda (c.1%) Oliva – Celvi (c.1%) Oliva – Biolinares (c.<1%)
Project-level debt	£nil at 31 March 2025
Capacity	125MW
Technology	On-site cogeneration, biomass, oil extraction
Forecast project life remaining	Various, up to c.15 years
Lifecycle stage	Operational
Counterparties/offtakers	Olive oil co-operatives, San Miguel Arcángel, Acesur, Spanish Government
O&M	Sacyr
Fuel supply	Natural gas, biomass, waste olive cake

1. Unaudited figures.

13,800
EBITDA ($'000)
Y/E December 2024[1]

Y/E December 2023[1]: 68,827

1,176,664
MWh produced[1]
Y/E December 2024[1]

Y/E December 2023[1]: 1,129,183

Investment Overview

Based in Spain, Oliva is a portfolio of five operational sites, including five natural gas combined heat and power ("CHP") plants and two biomass plants that convert olive production waste into electricity and heat, as well as two olive oil plants that produce Orujo olive oil and stones. It is strategically co-located within a major olive-growing region and sells power to the grid, alongside diversified revenue streams from olive derivatives.

Oliva's exposure to European and global commodity pricing for gas, electricity and olive oil requires agile and proactive management.

Oliva Revenues and Cost Model

Oliva's revenues are split in the following way:

The Return on Operations / Return on Investment ("RoRi"): c.47% of revenues on average. The RoRi is a regulatory payment from the government paid to CHP and biomass assets and adjusted to account for changes in revenues received by the assets (from electricity generation), and operating costs (from natural gas and EU Allowance emission certificates for the cogeneration). This results in stabilised cash flows and EBITDA, normalised over the long term. The assets receive the RoRi for the remainder of their asset life.

Electricity sales: on average c.36% of revenue comes from electricity sales produced by the biomass and CHP plants, which is predominantly sold to the grid, as the heat is used on site. While the revenues are linked to market pricing, this is effectively hedged through the RoRi and the management team's hedging policy.

Oil sales: c.13% of revenues on average come from the product of the pomace processing, namely the production of Orujo oil, which Oliva sells through short-term contracts in the market. The price of the oil is inherently linked to the cost of the olive biomass, providing a partial hedge against this fuel supply cost.

Please also refer to page 42 in the Financial Review and Valuation Update for how Oliva's valuation has moved during the period.

Performance Portfolio: Key Updates Oliva Spanish Cogeneration ("Oliva") continued

Value Creation Through Active Management In 2024

Operational flexibility and gas hedging

Volatility in gas and electricity prices continued through 2024, particularly in response to disruptions to global gas supply. SEEIT Gas[1], the entity responsible for procurement, continued to mitigate this volatility through effective hedging and operational planning. The team also deployed strategic production stoppages, pausing operations when margins between gas input and electricity sale prices were unfavourable, safeguarding returns in a challenging environment.

Electricity market access and revenue diversification

In a key strategic move, Oliva changed its electricity market agent, switching to a counterparty offering weekly settlement and access to ancillary services. This change is expected to support cash flow and open new revenue streams from Q3 2025 (calendar year), thus strengthening resilience to price fluctuations in the wholesale electricity market.

Feedstock dynamics and supply chain tension

The 2024/2025 season saw a strong olive harvest and a steep fall in olive oil prices; whilst feedstock (pomace) prices fell they didn't fall to the same extent. There has been a surge in local biogas development, driven by large, well-capitalised energy players, which is expected to increase competition for feedstock. Although this remains a relatively small portion of total revenue, the team is actively monitoring these dynamics and exploring alternative sourcing arrangements. This has been significantly helped by in-housing pomace procurement last year, which improves the capabilities of the management team to best manage this part of the supply chain.

Health and safety governance

SEIT has commissioned a third-party auditor to conduct monthly inspections and increase accountability among operational contractors in response to a couple of serious health and safety events in previous years. Health and safety standards have improved on site, and this sustained governance drive reflects SEIT's longer-term commitment to raising standards across all investments.

Regulatory compliance and product viability

From 1 January 2026, a new Spanish regulation is expected to cap hydrocarbon levels in olive oil (MOSH/MOAH). The cap will start at 10mg/kg from 2026-2028 and is expected to decrease every two years to 2030. Oliva's management team is confident it can comply with initial limits, working with the supply chain, preserving access to high-value food-grade markets. The management team is engaged in product testing and is reviewing any operational changes needed to ensure long-term compliance.

1. SEEIT Gas is the name of the Oliva gas procurement company.

Legal claim for infrastructure damage

The portfolio company has submitted a €7 million claim against the party that previously damaged one of the sites' electricity export cables. Active discussions are ongoing with management and progress has been made to find an out-of-court settlement.

Green gas procurement

The team has signed an MOU relating to a biogas purchase agreement, with delivery to commence from January 2026. While modest in volume, this represents an important first step in Oliva's decarbonisation journey.

Value Creation Through Accretive Projects

- RoRi scheme stability: Following a revision to the RoRi in mid-2024, the scheme has operated in line with the published guidance, with all tariff updates released on time. This consistency has materially reduced regulatory uncertainty and provided greater visibility over long-term revenues.
- Debt structuring initiative: In summer 2025, Oliva is progressing a project-level financing process to raise new long-term debt. The primary objective is to replace a portion of SEIT's corporate-level RCF with more efficient, asset-level borrowing, optimising the company's broader capital although not reducing the overall gearing APM level. The business is well positioned for this refinancing due to its consistent cash flows and the improved stability of the RoRi. Adding project-level gearing has the additional benefit of potentially increasing SEIT's returns from its investment in Oliva.
- Carbon certificate optimisation: As a result of improved stability in the RoRi and broader market conditions, Oliva reduced its strategic reserve of carbon certificates from six months to three. This released surplus certificates, which were sold at a profit. While a one-off event, the transaction reflects a more stable operating environment.
- Strategic plan for post-RoRi era: The current subsidy scheme begins to wind down in the early 2030s (with some sites having a longer subsidy life). The business has commenced a full strategic review to optimise its long-term outlook past the current remaining life. This includes evaluation of a range of diversification options and scenario planning.

Outlook for 2025

The year ahead will focus on execution of the debt financing, delivery of the biogas purchase agreement and continuing to build out the strategic roadmap for the post-RoRi period. In parallel, the team will continue to navigate commodity pricing risk, optimise ancillary market participation and deepen supplier relationships to manage evolving feedstock dynamics.

Performance

Portfolio: Key Updates Oliva Spanish Cogeneration ("Oliva") continued

Investment Risks and Mitigants

Risk type and description	Mitigation
Regulatory: Increase of EU Emissions Trading System ("ETS") costs.	The cost of EU ETS certificates was steady in 2024, relative to the volatility seen in previous years. The costs of the EU ETS are reimbursed over the medium term through the RoRi mechanism, which has seen positive structural updates during the reporting period. Control of the EU ETS costs is also subject to Oliva's management team's hedging policy, which is constructed to reduce the impact of the market volatility.
Regulatory: Update of RoRi mechanism: previous timing delays by the Spanish Government have improved, but delayed payments remain an issue, creating short-term cash impacts on the business as well as general uncertainty in the market.	Significant updates were received during the reporting period that have seen an improvement to the structure of the RoRi. This has resulted in more frequent updates, creating a more stable market and providing more consistency with energy market pricing, resulting in stable cash flows.
Regulatory: Potential new regulations on specification of olive oil – potentially impacting the processing requirements and/or impacting the demand for olive oil.	Management is collaborating with industry associations and other producers to inform the regulators about what an appropriate specification would include. Management expects to be able to meet the initial requirements under the draft specification and continues to explore alternative uses and markets for the olive oil.
Climate: Extreme weather conditions (particularly drought) continue to have the potential to impact the olive harvest in Andalucía. This would not only impact the biomass assets within Oliva, but also the operations of the offtakers.	The Investment Manager has brought olive feedstock procurement expertise into the Oliva management team in order to more closely manage the activity and to strengthen relationships with the local supply chain. This is allowing Oliva to maximise procurement opportunities and hence minimise the impact in the short term.
Health and safety: Health and safety management resulting in poor practices and increased risk of health and safety incidents.	The Investment Manager, along with the Oliva management team, has increased the level of monitoring, reviews and auditing of the O&M contractor to ensure contractual and regulatory compliance and best practice is delivered across the operations.

Performance

Portfolio: Key Updates continued

Driva (previously Värtan Gas)

Active management driving strategic diversification and infrastructure resilience

Green gas distribution and supply for the city of Stockholm

73.3
EBITDA (SEK million)
Y/E December 2024[1]
Y/E December 2023[1]: 58.9

92%
% of green gas
Y/E December 2024[1]
Y/E December 2023[1]: 91%

Investment Highlights

Investment type	Direct equity (100% owned)
Acquisition date	October 2020
Asset location	Stockholm, Sweden
No. of projects	1
Project equity value and as a percentage of SEIT's GAV APM	c.SEK 1,054 million (c.£81 million) (c.7%)
Project-level debt	c.SEK 682 million at 31 March 2025
Capacity	Distributing approximately 220GW h/year of gas
Technology	Green gas distribution
Forecast project life remaining	c.20 years and terminal value
Lifecycle stage	Operational
Counterparties/offtakers	Various, including c.49,000 residential customers and c.800 commercial and industrial customers
O&M	Driva
Fuel supply	Biokraft, Gasum, Others

Investment Overview

Driva (formerly Värtan Gas) operates Stockholm's gas distribution network – believed to be a unique urban biogas grid. Serving c.50,000 residential and commercial customers, it plays a critical role in the city's low-carbon energy mix. Most of the biogas supplied through the network is sourced from municipal waste streams, creating a model for local circular economy infrastructure. Driva's customer base includes residential users connected to the city's biogas grid, as well as commercial clients such as restaurants and industrial facilities that use biogas for heating and process energy. During 2024, Driva's EBITDA of 73 MSEK achieved budget and improved year on year from 58 MSEK in 2023.

Driva Revenues and Cost Model

The investment's revenues consist of:

- fixed tariff (c.38% of revenues): annual fixed fee to the regulated grid from end users, which is not related to consumption and is generally reviewed annually; and
- variable fee (c.62% of revenues): fees paid for the supply of gas which are related to consumption. Tariffs and prices are generally reviewed annually, or more frequently if required, and are predominantly based on gas costs and a margin.

Value Creation Through Active Management in 2024

In 2024 the business underwent a comprehensive rebrand, emerging as "Driva", which is Swedish for "drive", "power" and "operate" – a name that reflects momentum, proactivity and the energy required to lead Stockholm's energy future. This marked the beginning of a strategic pivot towards integrated, diversified energy services beyond traditional gas supply.

With strategic oversight, the Investment Manager has worked closely with the management team to reposition Driva, incorporating a multi-service energy platform to the existing gas utility business; further diversifying Driva's service offerings and revenues streams. This transformation has been shaped and supported through quarterly board engagement, an internal reorganisation and regular dialogue on both operational and ESG performance.

1. Unaudited figures.

Performance

Portfolio: Key Updates Driva continued

Value Creation Through Accretive Projects

A central pillar of Driva's repositioning has been the creation and commercialisation of new energy-as-a-service ("EaaS") solutions - an initiative that the Investment Manager initiated with the CEO when they joined in 2023, and has actively supported throughout 2024. Recognising shifts in the energy market, the management team has worked to identify and pursue new avenues for growth and impact, one of which is the growing opportunity of Stockholm's fleet of electric public transport, as well as increasing market demand and opportunity for on-site solar generation. During 2024, five EaaS contracts were entered into, comprising of charging-as-a-service, solar-as-a-service and biogas-as-a-service projects.

Key Developments Include:

– **EV charging-as-a-service ("CaaS"):** Driva signed a major contract with Connect Bus, one of Stockholm's largest electric bus operators, to provide dedicated EV charging infrastructure at strategic depot locations. This marks the company's first major venture into e-mobility infrastructure, backed by a long-term service agreement.
– **Solar-as-a-service ("SaaS"):** Driva launched a new commercial solar offer, focused on providing rooftop C&I (commercial and industrial) solar installations to local businesses. These are structured as service-based contracts, reducing upfront investment barriers for customers while generating stable, recurring revenues for Driva (much in a similar way as Onyx structures their projects).
– **Heating-as-a-service ("HaaS") and biogas-as-a-service ("BaaS"):** The company continued to grow its HaaS model, supplying efficient outdoor heating systems to hospitality venues and public spaces. In parallel, it maintained and expanded off-grid biogas supply contracts with industrial customers outside the city's physical network, ensuring productive use of biogas.

The Investment Manager has been instrumental in shaping this multi-pronged service model – working directly with the management team to test commercial models, define product-market fit and support engagement with customers and municipal stakeholders. These EaaS initiatives are early stage but already gaining traction, demonstrating Driva's ability to adapt and generate long-term value.

Operational Efficiency Through Innovation

As part of the Investment Manager's focus on sustainability and cost-effective stewardship, 2024 saw Driva pilot a leakage reduction programme across sections of the ageing network. By adjusting operating pressures across different zones, Driva was able to reduce methane leakage without the need for infrastructure replacement. This innovative process not only improved environmental performance but also reduced energy loss, which benefits the bottom line. The approach is now being refined for wider deployment across the network.

Other innovative projects underway at Driva include:

– **biogas tax exemption upheld:** In 2024, the Swedish tax authority confirmed it would uphold the long-standing tax exemption for biogas, following a period of review in which removal of the relief had been under consideration. This shows the key role biogas will play as part of the low-carbon energy solution in Sweden;
– **liquefaction connection project:** Construction started during the reporting period, with approximately 50% of the pipeline completed so far. Some cost overrun is forecast in 2025 due to unforeseen challenges and complexity during excavation works. However, the Investment Manager and the management team are working to minimise any variance against original expectations; and
– **customer retention:** The Investment Manager continues to take a measured approach to the value potential in this area, with continued efforts to reduce churn and the number of unpaid delivery points.

Outlook for 2025

Driva enters 2025 with strong starting momentum behind its EaaS growth. The company will continue expanding its CaaS, SaaS, HaaS and BaaS services, while exploring digital tools to monitor grid performance and identify further efficiencies. With the Investment Manager's continued oversight and support, the asset is positioned to deliver resilient, diversified returns while supporting Stockholm's broader energy transition goals.

Performance

Portfolio: Key Updates Driva continued

Investment Risks and Mitigants

Risk type and description	Mitigation
Operational: Churn rate (reduction) of customers higher than expected, resulting in fewer customers and lower revenues.	Management continues to improve customer experience through a strategy focusing on customer retention. Churn has reduced during the reporting period but remains a risk to the business. New strategies, such as EaaS, are being developed to diversify the customer base and offerings of Driva to mitigate both the cause and effect of churn.
Operational: Transport and restaurant revenues lower than targeted, resulting in lower revenues.	Electrification of Stockholm buses continues and therefore the management team is focusing on expanding into new transport products and segments such as EV CaaS and biogas supply to ferries/marine transport. New offerings and sales resources continue to be implemented to increase sales opportunities to restaurants.
Regulatory: Periodic regulatory updates causing revenues to be less than expected.	This presents a cyclical risk that the business mitigates by active engagement with the regulator including directly lobbying alongside other transmission system operators ("TSOs"). The most recent risk was mitigated through the successful appeal of the regulators' previous decision.
Commodity: Volatility in biogas costs, resulting in higher gas procurement costs.	Implementation of Driva's hedging strategy continues to derisk the volatility of the energy markets, hence enabling Driva to effectively pass on these costs to the customers.

Risk type and description	Mitigation
Biogas tax ruling: Challenges to the application of tax exemption to biogas, increasing the cost of biogas.	Towards the end of 2024, the Swedish Tax authority reinstated the tax exemption for biogas. With the reinstatement of the tax exemption, business customers will be able to apply for backdated tax refunds and direct deductions going forwards. Reinstatement of the biogas tax exemption brings opportunities to re-engage with customers to strengthen market position through emphasis of the benefits of transitioning to biogas.
Regulatory/ESG: EU regulations on reducing methane emissions were published in Sweden in 2024, which requires obligations to reduce methane emissions.	Driva currently operates within existing appliable regulations. Whilst the new regulations are subject to ongoing detailed review, they are not currently considered to present a potential material risk to Driva.

Performance

Additional Portfolio Investment Updates

The following section provides an update on matters occurring during the year, in relation to other select investments from around the portfolio. The investment updates covered are based on materiality of the investment and/or the matter being reported.

FES – £42 Million Equity Value at 31 March 2025

In 2024, the Investment Manager continued to work closely with the management team at FES to implement and enhance the growth strategy introduced in the previous year. The business plan remains focused on delivering long-term value through the LED lighting-as-a-service("LaaS") model.

The business development strategy was revised in 2023, with senior hires brought in to target larger, multi-site enterprise clients with longer sales cycles but significantly higher revenue potential. This strategy has begun to yield results, with installed sales reaching $21.2 million in 2024 – a 40% increase on the previous year.

FES continues to generate stable income through its operational service contracts. The business has also revised its procurement strategy to remain competitive amid a high-tariff environment.

During the year, FES secured a $12 million financing facility to support its expansion. This facility is largely drawn, with the lender a private vehicle managed by SDCL. SDCL has put in place information barriers and clear governance processes to ensure any potential conflicts of interest arising from these investments are appropriately managed and flagged to the independent SEIT Board. In addition, FES has approached the market to raise an additional facility, further strengthening its capital structure and supporting continued growth.

Get Solutions – £6 Million Equity Value at 31 March 2025

During 2024 the Investment Manager has continued to employ its updated hedging policy, protecting the asset from the volatility seen across the gas markets. The year also saw the guarantor of the Management Services Agreement ("MSA") and former gas procurement agent enter liquidation, materially reducing the likelihood of recovering c.£2 million in outstanding receivables from this counterparty. The Investment Manager remains in contact with the appointed liquidators, and the debt is listed as part of the liquidation process, although chances of recovery are minimal.

In response to the disruption, and to ensure operational continuity, the Investment Manager took proactive steps to safeguard the assets and service supply to the customers. These included securing ongoing MSA coverage and maintaining O&M services, ensuring uninterrupted support throughout the year and into 2025.

Huntsman Energy Centre – £13 Million Equity Value at 31 March 2025

Following the commencement of operations in June 2023, the Huntsman Energy Centre has continued to provide steam services to its customer, Huntsman Polyurethanes.

However, there have been continued technical and contractual challenges with the operations and maintenance of the water treatment plant, part of the energy centre. The Investment Manager remains focused on performance optimisation, resolution of some equipment defects and achieving steady state operations.

Remedial work on the water treatment plant is ongoing, with completion expected during Q3 2025 (calendar year). In parallel, rectifications and further enhancements are being implemented on the steam compressors, which have suffered from reliability and availability issues through the year.

The Investment Manager remains closely engaged with the contractor to ensure timely and effective delivery of the rectification works across both plant components.

Capshare – £35 Million Equity Value at 31 March 2025

Capshare delivered strong operational performance in 2024, achieving 99% availability and supplying approximately 277MWh of heat offtake to its customer for use in their wood-based product manufacturing. Heat is generated on site via a biomass boiler, supporting the customer's sustainable production process.

During the year, higher-than-anticipated biomass costs impacted operating margins. In response, the Investment Manager has worked closely with the O&M provider to source more cost-effective biomass supply options. Early results from this initiative are encouraging and expected to improve cost efficiency in 2025.

Zood – £43 Million Equity Value at 31 March 2025[1]

By the end of 2024, twelve additional ultra-fast electric vehicle ("EV") charging sites reached operational status, bringing the total up to 29 sites and 127 ultra-fast chargers in the UK. The Investment Manager has maintained active engagement with EV Network ("EVN"), the EV charging site developer, to advance the pipeline. This includes securing agreements with charge point operators ("CPOs") and finalising lease arrangements to support the development of further sites.

During calendar year 2025, the Manager is seeking to introduce debt financing with the objective to fund future pipeline and improve the capital structure of the existing portfolio of operational sites.

Portfolio Exits

UU Solar

In May 2024, the Investment Manager successfully sold the investment in UU Solar to UK Power Networks Services Holdings Limited. The agreed price represented a 4.5% premium to the Company's 30 September 2023 valuation.

1. Includes group relief amounting to £10.6 million attributable to SEIT Holdco.

Performance

Financial Review and Valuation Update

The Company generated resilient and growing revenue to cover the dividend, as well as NAV growth.

Key Information as at 31 March 2025

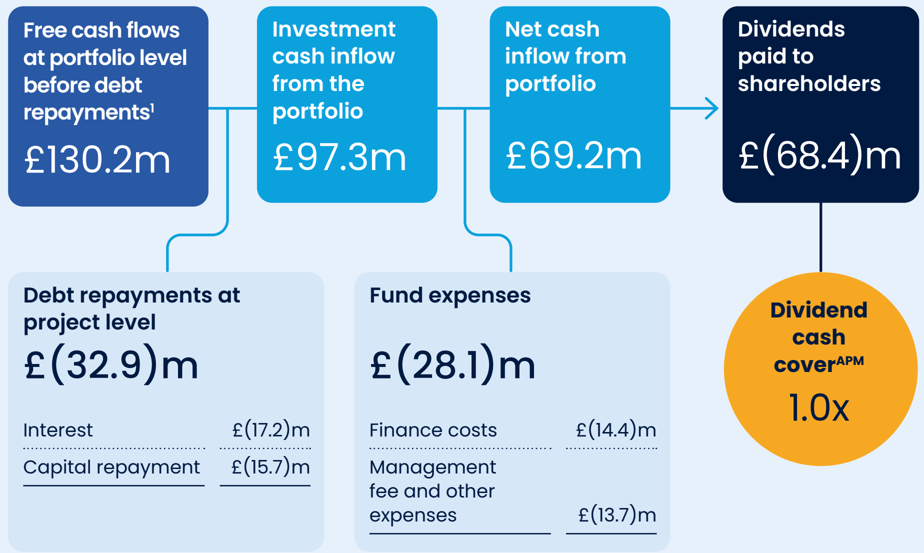
£97m Investment cash inflow	£70m Profit before tax
6.4p EPS	£1,197m Portfolio value

Portfolio Cash Generation to Cover Dividends

The Company's investments generated free cash flows APM of £130 million in the period. After allowing for debt repayments, the cash inflow from the portfolio was £97 million, an increase of c.5% from the comparative period (March 2024: £92 million). After allowing for Fund-Level costs of £28 million (March 2024: £20 million), this enabled the Company to cover its cash dividends paid in the year of 1.0x. On a free cash flow basis the cover was 1.9x.

The Company has delivered the cash to fully cover the target aggregate dividend APM of 6.32 pence per share for the year ended March 2025.

Dividend cash cover APM twelve-month period to March 2025



1. After cash retained at project level for working capital requirements.

Performance Financial Review and Valuation Update continued

Consolidated Gearing APM Position

The structural gearing APM target is measured across the portfolio, enabling the Company to optimise for efficiency and risk, utilise debt where it can be most efficiently sourced and enable a significant part of the portfolio to operate on an unlevered basis. A large portion of the structural gearing APM amortises from free cash flow generated by the relevant investment, so while SEIT's structural gearing APM currently sits above target levels, this can naturally reduce over time. The Investment Manager has a strategy to incrementally manage gearing APM on the balance sheet by moving debt from the short-term RCF to amortising structural gearing APM. At 31 March 2025, the weighted average life remaining on structural gearing APM is 3.4 years, demonstrating that in a "do nothing" scenario, overall gearing APM would reduce significantly in the medium term.

While no project-level financing is due to expire in the next two years, the Investment Manager may seek to optimise through opportunistic refinancing where possible. For example, the Cokenergy recontracting substantially improves finance capacity and reduced risk, from the perspective of a lender.

From this, the Investment Manager anticipates improvement of terms in the Primary Energy financing whilst retaining benefit from the long-term interest rate swaps currently in place.

The Company, via Holdco, also has a £240 million RCF in place until March 2028, having recently refinanced and extended the expiry date by three years. The Company intends for this to be short-term finance, repayable through surplus distributions from the portfolio, refinancing proceeds at project level and investment disposals. At 31 May 2024, the Company's RCF had reduced to £98 million after a partial repayment following the disposal of UU Solar in May 2024. As at 31 March 2025, £234 million of the Company's RCF was drawn. The increase was used to fund investments, primarily the growth pipeline at Onyx. At the time of publishing (June 2025), the Onyx pipeline is no longer being funded through the Company's RCF. The RCF is expected to be reduced to c.£216 million through new investment-level debt financing facilities at Zood at or around the date of publication. The Investment Manager is committed to reducing the RCF further during 2025 and continues to work towards this goal.

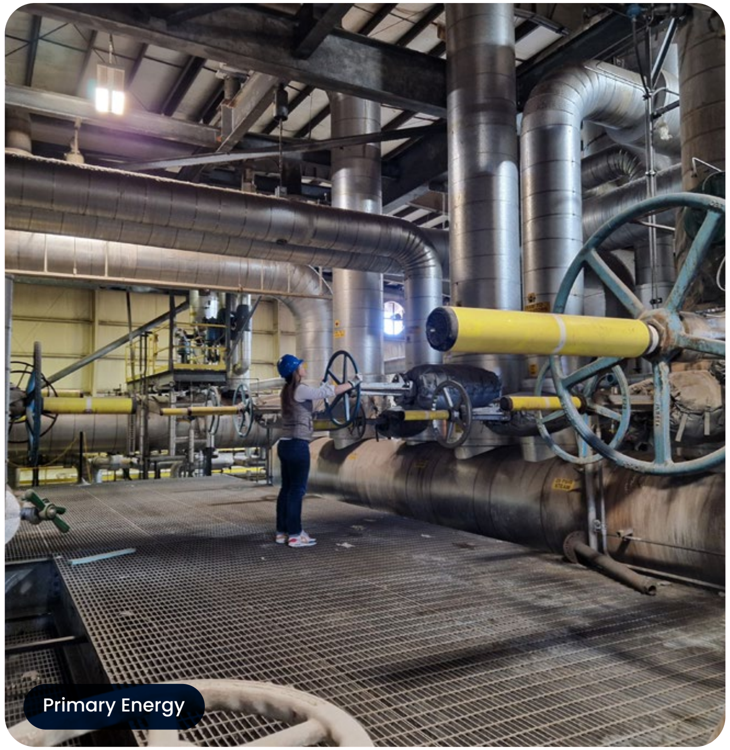
	% of GAV APM, [1]	Debt at 31 Mar 25 (GBP)	Debt as a % of EV[2]	Debt as a % of NAV APM
Primary Energy (USA)	9.9%	121m	6.6%	
RED-Rochester (USA)	6.4%	78m	4.3%	
Onyx (USA)	10.5%	128m	7.0%	
Värtan Gas (Sweden)	4.3%	53m	2.9%	
Capshare (Portugal)	0.9%	11m	0.6%	
Citi Riverdale (UK)	0.1%	1m	0.1%	
Structural gearing		392m	21.5%	39.9%
Aggregate gearing		626m	34.4%	63.6%
Revolving Credit Facility		234m	12.8%	23.7%

At the time of publication, overall gearing APM levels remain largely unchanged from 31 March 2025.

1. GAV consists of Portfolio Valuation and other assets, cash includes net working capital.
2. Enterprise Value consists of c.£1.2 billon of portfolio value and c.£0.6 billion debt.

Performance Financial Review and Valuation Update continued

5.7%	**Weighted average interest rate of portfolio debt** 2024: 6.0%
67% is fixed[1]	**Interest rate exposure of portfolio debt** 2024: 80%
3.4 years	**Weighted average life remaining on debt** 2024: 3.7 years
USA: 84% Europe: 16% UK: <1%	**Portfolio-level debt by geography** 2024: USA: 80%, Europe: 19%, UK: <1%
£33m	**Portfolio debt repaid in the year[2]** 2024: £26m


Primary Energy

1. % of total debt that is fixed or has long term interest swaps in place to mitigate interest rate exposure.
2. Incremental to the associated capital, where applicable.

Performance Financial Review and Valuation Update continued

Analysis of Movement in NAV APM

As of 31 March 2025, the NAV per share APM is 90.6 pence. We assess the impact of the following components on valuations since 31 March 2024:

- Earnings per share in the year were 6.4 pence, which was made up of Portfolio Valuation APM movements of: 9.2p (consisting of 0.5 pence of macro changes and 8.7 pence of portfolio movements), net FX reduction of 0.1 pence and company expenses of 2.7 pence
- Dividends paid during the year were 6.3 pence

Opening NAV	EPS	Dividends paid	Closing NAV
90.5p	6.4p	(6.3)p	90.6p

Portfolio Valuation movements

9.2p

Macro changes (inflation and tax)	0.5
Valuation – portfolio movements	8.7
Portfolio Valuation movement	**9.2**

Net FX movement

(0.1)p

Portfolio Valuation losses	(1.1)
Hedging gains	1.0
NET FX movements	**(0.1)**

Company expenses

(2.7)p

Management fees	(0.9)
RCF interest	(1.4)
Other expenses	(0.4)
Company expenses	**(2.7)**

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 APM arising from movements in foreign exchange rates, and the approach to achieving this objective remains unchanged from previous periods.

In line with the policy, the Investment Manager maintained hedging levels of between 75-90% of its non-GBP investment. The negative impact of FX movements reported in the interim results has been offset during the second half of the year, which meant the impact to NAV APM due to currency movements in the period was limited to £0.75 million, which is less than 1% of NAV APM.

Company expenses

Company expenses are primarily comprised of finance and interest costs relating to the RCF (c.£14.6 million) and management fees (c.£8.7 million). RCF costs have increased along with its size but are expected to reduce as portfolio gearing APM is managed across the balance sheet and the RCF reduces. The Board and the Investment Manager are both committed to bringing down short-term borrowing as a matter of priority.

Dividends paid

The Company paid a total of £68 million in dividends to shareholders in the year. This included the last quarterly interim dividend for the year ended 31 March 2024 and the first three quarterly interim dividends for the year ended 31 March 2025. The Company has declared the fourth quarterly interim dividend for the year ended 31 March 2025, this is payable at the end of June 2025, delivering the targeted 6.32 pence per share for the year ended 31 March 2025.

Based on the projected investment cash flows from the current portfolio prepared by the Investment Manager, the Company has announced new dividend guidance of 6.36 pence per share for the year to 31 March 2026 and, as before, will target progressive dividend growth thereafter. The Company has increased its annual dividend each year since its IPO in 2018. The Company intends to continue to pay interim dividends on a quarterly basis through four broadly equal instalments (in pence per share).

Further detail on dividend cash cover APM can be found on page 35.

Performance Financial Review and Valuation Update continued

Portfolio Basis NAV APM

Portfolio Valuation [APM]	→	Working capital	→	RCF	→	Cash	→	NAV [APM]
£1,197m		£13m		£(234)m		£8m		£984m

Gearing APM summary as at 31 March 2025

March 2025: Portfolio Valuation APM

Movements in Portfolio Valuation APM

The Portfolio Valuation[APM] as at 31 March 2025 is £1,197 million, compared with £1,117 million as at 31 March 2024.

After allowing for investments made of £172 million and cash receipts from investments of £184 million (including proceeds from the disposal of UU Solar), the Rebased Portfolio Valuation [APM] is £1,105 million. Adjusting for changes in macroeconomic assumptions, foreign exchange movements (excluding the effect of hedging) and changes in discount rates, this resulted in a portfolio movement of £98 million.

Further information on key investments and potential future valuation movements can be found in Note 3.

Approach

The Investment Manager is responsible for carrying out the fair market valuation of SEIT's portfolio of investments (the "Portfolio Valuation [APM]"), which is presented to the Directors for their consideration and approval. Portfolio Valuations [APM] are carried out on a six-monthly basis, at 31 March and 30 September each year. The Portfolio Valuation [APM] is the key component in determining the Company's NAV [APM].

The Company has a single investment in a directly and wholly owned holding company, SEEIT Holdco. It recognises this investment at fair value. To derive the fair value of SEEIT Holdco, the Company determines the fair value of investments held directly or indirectly by Holdco (the "Portfolio Valuation [APM]") and adjusts for any other assets and liabilities. The valuation methodology applied by Holdco to determine the fair value of its investments is materially unchanged from the Company's IPO and has been applied consistently in each subsequent valuation. See Note 4 for further details on the valuation methodology and approach. A reconciliation between the Portfolio Valuation [APM] at 31 March 2025 and investment at fair value shown in the financial statements is given in Note 11.

For the Portfolio Valuation [APM] at 31 March 2025, the Directors commissioned a third-party valuation expert to provide a valuation report for the portfolio of investments in addition to the assessment of the appropriate discount rate range for each investment (excluding small investments with an aggregate value of less than 22% of the Portfolio Valuation [APM] at 31 March 2025) in order to support the valuation prepared by the Investment Manager. The valuation of each investment was within the ranges advised by the third-party valuation expert.

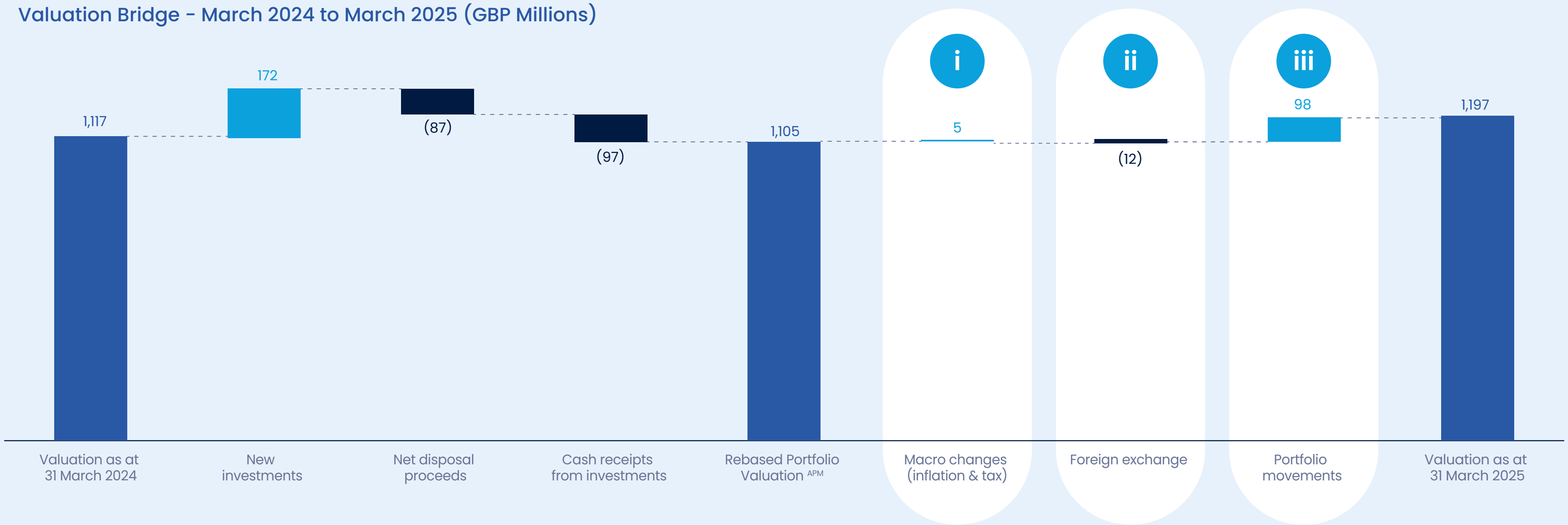
Please refer to pages 13 and 14 where the approach to valuation is described in detail using RED-Rochester as a case study.

Performance

Financial Review and Valuation Update continued

Valuation Movements

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



i **Changes in macroeconomic assumptions**

£5m

Read more on page 41

ii **Changes in foreign exchange rates**

£(12)m

Read more on page 41

iii **Portfolio movements**

£98m

Read more on pages 41 and 42

Performance — Financial Review and Valuation Update continued

Valuation Movements continued

i Changes in macroeconomic assumptions – impact of £5 million:

- Inflation assumptions:
  - consistent with previous years. The approach to all geographies is to apply three-year near-term bridge to the relevant long-term inflation assumption;
  - 2025 expectations are marginally increased in both US and UK, based on latest inflation curves; and
  - 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 £(12) million (before hedging):

- Investment portfolio decreased by £12 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 2025 or since new investments were made in the year.
- This reflects only the movement in underlying investment values and does not account for the offsetting effect of foreign exchange hedging that SEEIT Holdco applies outside of the Portfolio Valuation APM.
- SEEIT Holdco experienced an aggregate gain of £11 million due to foreign exchange hedging.
- Overall foreign exchange movements did not have a significant impact on NAV APM during the year, resulting in a net loss of c.£1 million from foreign exchange movement, staying within expected outcomes of the existing hedging strategy.

iii Portfolio movements - impact of £98 million:

- Portfolio weighted average discount rate ("WADR") of 9.6% levered (March 2024: 9.4%).
- 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 31 March 2025 (compared to 31 March 2024)

Levered/unlevered	UK	US	Europe/Asia	Combined
Levered				
2025	**9.1%**	**9.9%**	**8.8%**	**9.6%**
2024	8.1%	9.6%	9.1%	9.4%
Unlevered				
2025	**9.1%**	**8.7%**	**7.8%**	**8.5%**
2024	8.1%	8.8%	8.2%	8.6%

Breakdown of discount rate (unlevered) at 31 March 2025 (compared to 31 March 2024)

	UK	US	Europe	Combined
Weighted average risk-free rate				
2025	**5.0%**	**4.4%**	**3.2%**	**4.2%**
2024	4.3%	4.4%	3.0%	4.0%
Risk premium				
2025	**4.1%**	**4.2%**	**4.7%**	**4.3%**
2024	3.8%	4.4%	5.2%	4.6%
Weighted average discount rate (unlevered)				
2025	**9.1%**	**8.7%**	**7.8%**	**8.5%**
2024	8.1%	8.8%	8.2%	8.6%

- This refers to the balance of valuation movements in the period, excluding (i) to (iii) above, which provided an uplift of £98 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,Onyx, RED and Primary);
- 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.

Performance

Financial Review and Valuation Update continued

iii Portfolio movements continued

- The Portfolio Valuation APM as at 31 March 2025, 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. In addition, specific adjustments to future cash flows were required for events during the period that affected the actual outcome from certain investments.
- The key factors that have had a material impact on the 31 March 2025 Portfolio Valuation APM are listed below; these have had a value impact of 1% or higher on the Company's NAV APM:

Additional information and sensitivities are disclosed in the critical estimates and judgements section of Note 3.

Oliva Spanish Cogeneration

- The Spanish Government published regulatory updates in the period to the RoRi, a local incentive scheme to provide a return on operations and investments, that did not include the positive updates for compensation of distribution costs that the market was expecting.
- As a result, a one-off adverse impact on Portfolio Valuation APM of £15 million – in line with the estimated impact of this valuation assumption included in Note 3 in the March 2024 Annual Report.
- Industry is expecting to appeal against the omission of compensation for distribution costs from this periodic regulatory update.

Onyx

- The Onyx team delivered strongly on their pipeline targets for 2024, and in addition, have made very good progress on securing PPAs for 2025. This gives the Investment Manager confidence in the near-term pipeline and the valuation overall.
- The US administration's recent tariff announcements have resulted in uncertainty around the potential impact of tariffs on Onyx. Scenarios analysis has been performed and has been a key consideration when arriving at the valuation. Note 3 provides a sensitivity to slower deployment which may come as a result of regulatory uncertainty or increased supply costs that are not possible to fully mitigate against by passing it on to customers.
- A measured view was taken for the overall valuation of Onyx at March 2025, including the operational, construction and development components. Adjusting for new investments, distributions and the valuation impact of construction assets becoming operational, the valuation was broadly flat on a like-for-like basis compared to March 2024, partially reversing positive movements in the first half of the year.

RED-Rochester

- During the second half of the financial year, there has been an increased level of uncertainty regarding the planned Li-Cycle facility. This has been reflected in a reduction in likely revenue forecast from the LiCycle facility which has resulted in an adverse impact on Portfolio Valuation APM of £17 million. The Valuation Case Study presented earlier provides further insight into the use of probability outcomes to assess and value different outcomes in relation to the dynamic situation for Li-Cycle.
- The Cogen project has now achieved COD and is due to come online fully as scheduled in Q2 2025. As such, the probability applied to future cash flows has increased from 80% to 100%, and this has produced an uplift to Portfolio Valuation APM of £16 million.

Primary Energy

- The Public Utilities Commission of Ohio ("PUCO") has reviewed North Lake's request to increase REC-eligible capacity from 15MW to 90MW, and as at 31 March 2025 a conditional approval was received. Primary Energy's management viewed the likelihood of final approval as near certain, and in recognition of this positive momentum, have included the expanded capacity was included in the valuation at 80% probability. This resulted in Portfolio Valuation APM uplift of £15 million. Full approval has since been received and the full value will be included in the next valuation.
- In the 2025 Budget, Primary Energy's management significantly reduced previously forecasted cost savings from FY2025. The majority of these relate to ongoing maintenance of roadways, buildings and fire safety systems and resulted in an adverse impact to Portfolio Valuation APM of £12 million.

Ongoing Charges APM

The portfolio's ongoing charges ratio APM, in accordance with AIC guidance, is 1.16% (March 2024: 1.07%). Overall operating costs have remained in line with 2024, the increase is reflective of the reduction in average published NAV. The ongoing charges percentage has been calculated on a Company basis to take into consideration the expenses of the Company and Holdco.

	March 2025	March 2024
Expenses – Management fees	£8.7 million	£9.2 million
Expenses – Other	£2.7 million	£2.0 million
Average NAV	£983.0 million	£1,094.0 million
Ongoing charges %	1.16%	1.02%

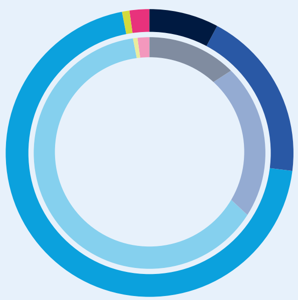
Portfolio Diversification

The information presented below summarises the portfolio of the Company across different metrics, using the Company's gross asset value APM as at 31 March 2025 (and using 31 March 2024 for comparison).

Portfolio By…

Geography

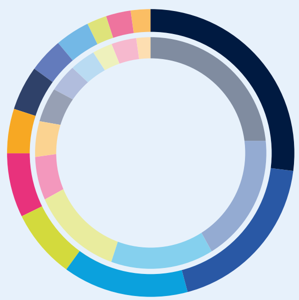
as at March 2025 | 2024



- UK **8%** | 16%
- Europe **19%** | 21%
- US **70%** | 60%
- Asia Pacific **1%** | 1%
- Cash **2%** | 2%

Portfolio company

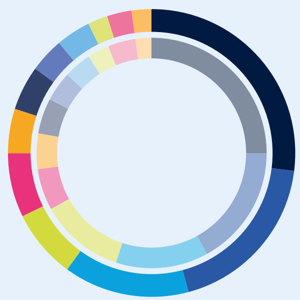
as at March 2025 | 2024



- Onyx – Obsidian I **25%** | 18%
- RED-Rochester **19%** | 17%
- Primary – Cokenergy **18%** | 17%
- Oliva – Core **9%** | 9%
- Sol – **9%** | 8%
- Driva – Core **7%** | 6%
- EVN – North Lake **5%** | 5%
- FES - R1 **2%** | 4%
- Capshare **3%** | 3%
- Sparkfund – Portside **2%** | 2%
- Remainder of portfolio **6%** | 26%
- Cash **2%** | 2%

Technology

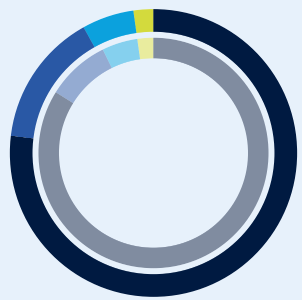
as at March 2025 | 2024



- Solar & storage **27%** | 25%
- District Energy **19%** | 17%
- CHP (Waste gases/other) **14%** | 13%
- CHP (Natural Gas) **8%** | 12%
- Gas distribution networks **7%** | 6%
- Biomass **5%** | 5%
- EV charging **5%** | 5%
- Industrial process efficiency solutions **4%** | 4%
- Lighting **4%** | 4%
- Bundled energy efficiency **2%** | 3%
- Other technologies **3%** | 4%
- Cash **2%** | 2%

Investment stage

as at March 2025 | 2024



- Operating **77%** | 84%
- Construction[1] **15%** | 9%
- Development **6%** | 5%
- Cash **2%** | 2%

1. Construction stage represent investments where construction work has commenced or there's high degree of confidence in it commencing.

Environmental, Social and Governance ("ESG") Update

What is in this section?

1,000,791 tCO_2e

Scope 4 emissions[1,2]
Y/E 2024

avoiding the equivalent amount of carbon generated by 901,621 average cars annually[5]

Y/E 2023: 841,687 tCO_2e

364,495 MWh

Energy saved[2,3]
Y/E 2024

Reducing the equivalent amount of average energy demanded by 25,593 houses annually[4]

Y/E 2023: 296,128MWh

Onyx

1. Scope 4 emissions refer to the reduction in GHG emissions achieved by a project compared to a relevant counterfactual, i.e. how the customer would receive the energy services in the absence of said project.
2. Based on an analysis of 99% of the portfolio by value as at 31 March 2025.
3. Energy savings refer to the electrical and thermal energy not consumed at the point of use due to a SEIT investment.
4. Calculated by comparing the energy savings of the portfolio by the average annual energy usage of a house in the UK based on Ofgem's 2023 statistic.
5. Calculated by comparing the carbon savings of the portfolio with the average annual emissions of a car in the UK. The average emissions of a UK car is based on Statistica average CO_2 emissions for new cars and the average number of km driven by those cars.

Performance

Environmental, Social and Governance ("ESG") Update continued

"As SEIT and its investments continue to deliver energy efficiency services and products, the Board and Investment Manager will strive to implement best practice, learning from experience and refining the portfolio's sustainability strategies, initiatives and processes."

Helen Clarkson OBE
Chair of ESG Committee

ESG Committee Chair's Introduction

Throughout the period, SEIT maintained its focus on energy efficiency and the energy transition during a pivotal and uncertain phase in the global journey to net zero. The Company invested further into its existing portfolio, continuing to advance its sustainable investment objective of climate change mitigation by growing its energy efficiency portfolio.

In last year's ESG Update, the Board and Investment Manager showcased the Company's key ESG commitments and values with the launch of SEIT's Sustainability Framework (the "Framework"). In doing so, the Company formally articulated its approach to investing sustainably, to identifying sustainability-related risks and priorities and to fulfilling its regulatory and voluntary commitments.

In the last year, the EU Sustainable Financial Disclosure Regulation ("SFDR") and Task Force on Climate-related Financial Disclosures ("TCFD") remained prominent sustainability-related reporting guideposts for SEIT as significant ESG-related regulatory changes occurred in most of the jurisdictions the Company invests into. Specifically:

- in the United States, uncertainty around the political viability of climate risk disclosure requirements from the Securities and Exchange Commission ("SEC") further underscored the importance of internally monitored and enforced sustainability standards;
- the EU introduced two regulations this year, one aiming to increase sustainability-related requirements for funds, and one proposing to reduce them. The European Securities and Markets Authority ("ESMA") placed additional restrictions on the use of certain sustainability-related terms in fund names, prompting many funds to change their names[1]. The European Commission ("EC") also released its Omnibus Simplification Package, proposing a smaller scope of sustainability-related reporting;
- in the United Kingdom, the new Sustainability Disclosure Requirements ("SDR") came into force, providing specific anti-greenwashing guidance and new labelling options for funds with sustainability characteristics; and
- finally, ongoing activity from the International Sustainability Standards Board ("ISSB") and SFDR suggests that additional guidance and changes are in store.

Amid this dynamic regulatory environment, the Company's Framework and commitment to delivering energy efficiency has informed how it engages with portfolio companies and identify sustainability-related priorities.

1. SEIT changed its name to comply with ESMA's fund-name criteria. See page 55 for more information.

Performance

Environmental, Social and Governance ("ESG") Update continued

In addition to these regulatory fluctuations, towards the end of the period, political tailwinds supporting the energy transition began to slow in some of the jurisdictions the Company invests into, notably North America. The Investment Manager worked closely with the Company's portfolio companies to understand if and how this shift would impact their operations, informing a section in SEIT's Climate Report and leading to the publication of a short analysis on SDCL's website. These political and regulatory changes highlight that while the race to net zero will not be linear, energy efficiency remains a cornerstone of global efforts to reach climate targets.

> **As Chair of the SEIT ESG Committee, and in collaboration with the Investment Manager, I am pleased to present the key sustainability-related milestones, initiatives and KPIs of the financial year ended 31 March 2025. In the following update, as in our FY2024 report, we classify KPIs and notable initiatives using the five Principles of the Framework (see page 55).**

Implementing SEIT's Sustainability Framework

During the period ended 31 March 2025, the Investment Manager engaged more regularly with SEIT's portfolio companies to communicate the Sustainability Framework and set sustainability-related priorities. Specifically, the Investment Manager sought to:

Communicate	Communicate the Framework to its portfolio companies;
Advise	Advise SEIT's largest portfolio companies on their respective sustainability priorities based on the Framework and responses to asset management questionnaires;
Identify	Identify and mitigate climate-related risks (see details in the Climate Report); and
Review	Review environmental data calculation inputs and methodologies to standardise reporting.

Monitoring sustainability performance → **Managing outcomes**

The Company is now working collaboratively with portfolio companies to shift from monitoring sustainability performance to helping to manage outcomes. As you will see within the ESG Update, this has also led to more comprehensive reporting and standardised environmental data metrics, which are now reported on a calendar year basis as opposed to financial year.

In line with the introduction of the Framework, the Investment Manager sought to better champion sustainability knowledge-sharing internally and externally. To that end, the Company has remained a leading voice making the investment and environmental case for energy efficiency. At conferences, in dialogue with investors, in the media and beyond, the Company and its Investment Manager championed decarbonised, decentralised, efficient energy generation and consumption as a global imperative. Internally, the Investment Manager also made strides to expand the sustainability function's share of voice throughout all steps of the investment process, including via deeper integration of the ESG team into SEIT portfolio management and in expanding the ESG function's headcount.

As SEIT and its investments continue to deliver energy efficiency services and products, the Board and Investment Manager will strive to implement best practice, learning from experience and refining the portfolio's sustainability strategies, initiatives and processes.

Key initiatives

Goals from last ESG Report	Achievements during the year	Goals for the next year
1. Continue the implementation of the Sustainability Framework at portfolio companies	1. Communication of Sustainability Framework and related priorities for portfolio companies	1. Continued development of decarbonisation initiatives
2. Further enhance climate change risk work, with a focus on mitigation and adaptation	2. Enhanced climate scenario risk review by expanding portfolio coverage and financial analysis	2. Completion of key sustainability priorities at portfolio companies
	3. Review and standardise environmental performance data	

Performance

Environmental, Social and Governance (“ESG”) Update continued

SEIT Sustainability Framework[1]

Investment strategy

Invest in energy efficiency solutions that reduce emissions, reduce waste and improve reliability.

Principle 1
Champion Energy Efficiency

Link to UN SDGs

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

Read more on page 48

Principle 2
Deliver Net-Zero Energy

Link to UN SDGs

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

Read more on page 50

ESG management

Manage general ESG factors that impact the Company’s portfolio companies and their operations

Principle 3
Promote Sustainable Supply Chains

Link to UN SDGs

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Read more on page 52

Principle 4
Support Our Communities

Link to UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES

Read more on page 53

Principle 5
Match Best Practice

As set out in SEIT’s mandatory and voluntary commitments

Read more on page 54

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
PRI Principles for Responsible Investment
GFANZ
SFDR

1. Further details of the SEIT Sustainability Framework is outlined in SEIT’s Responsible Investment Policy, which can be found on SEIT’s website.

Performance

Environmental, Social and Governance ("ESG") Update continued

Principle 1:
Champion Energy Efficiency

Total energy generated Y/E 2024

5,339,972MWh[1,2]

Y/E 2023: 4,774,504MWh

Definition: Energy generation refers to the amount of decentralised energy produced by an energy efficient investment. Progress towards this KPI is achieved through investments that generate energy behind the meter.

Energy efficiency impact: Reduced waste associated with centralised energy generation, such as transmission and distribution losses. These investments also shift the customer's demand from the electrical grid to on-site energy generation, therefore decreasing pressure on the centralised system and promoting energy system resiliency.

Energy saved Y/E 2024

364,495MWh[1,2]

Y/E 2023: 296,128MWh

Definition: Energy savings refers to the estimated reduction in customer energy demand due to a SEIT investment. These savings are normally achieved through investments in appliances, such as LED lighting or HVAC systems, which require less energy to achieve the same result.

Energy efficiency impact: Reduced energy waste at the point of use. These investments decrease the energy customers need, without changing their operations, which in turn lowers energy consumption and carbon emissions.

Scope 4 emissions Y/E 2024

1,000,791 tCO_2e[1,2]

Y/E 2023: 841,687 tCO_2e

Definition: Scope 4 emissions refer to the avoidance of GHG emissions achieved by a particular project when compared to a relevant counterfactual.

Energy efficiency impact: Scope 4 emissions quantify the benefit arising from energy saving and energy generating investments.

During the year ended 31 March 2025, SEIT remained dedicated to the first ESG Principle in the Framework, "Champion Energy Efficiency". Principle 1 highlights the energy impact of the Company's portfolio companies and commits to advocating for the role of energy efficiency in the energy transition.

The Company continues to invest in operational energy efficiency projects and improve the efficiency of the portfolio's existing energy generation mechanisms. Between 2023 and 2024, Scope 4 increased by 19% and energy savings increased by 23%, both driven by a combination of growth of existing portfolio companies and implementation of energy efficiency investments for key investments.

Additionally, during the period, the Company monitored three KPIs to demonstrate its portfolio companies' performance: energy generation, energy savings and Scope 4 emissions (also called carbon savings).

To develop those KPIs, the Investment Manager hosted energy efficiency workshops with asset management and third-party consultants to identify universal metrics for SEIT portfolio companies to identify efficiency opportunities and track progress. That workstream included a significant engagement with a third party to review the existing energy efficiency and generation data calculated and reported by portfolio companies. Over the next period, the Company will continue engaging with specific portfolio companies to better quantify efficiency-related performance.

1. Following the review of environmental performance data by a third party, data methodology issues have been identified, resolved and standardised. Additionally, data has been recalculated to match the calendar year as opposed to the financial year. Both of these changes have resulted in variations from previously reported environmental performance data. Further information is detailed in the SEIT Climate Report.
2. Based on an analysis of 99% of the portfolio by value as at 31 March 2025.

Performance

Environmental, Social and Governance ("ESG") Update continued

Energy Efficiency & Net Zero Data Review

During the period, the Company engaged with a third-party consultant to complete a full review of the environmental performance data it reports. The environmental performance data review encompassed the following metrics:

- Scope 4 emissions/ carbon savings
- Energy savings
- Renewable and non-renewable electricity and heat generation
- Scope 1, 2 and 3 emissions
- Carbon intensity figures

Though the Investment Manager goes through a substantial verification exercise annually as part of its reporting process, further standardisation of calculation methodologies and inputs was desired in order to have a consistent, historical database of all impact and emissions figures of all portfolio companies.

The third-party consultant engaged with each of SEIT's portfolio companies during the period to assess data quality, inputs and methodologies, identifying incongruities and areas for improvement. As part of this process, the Investment Manager refined carbon savings calculation methodologies across the portfolio and aimed to foster in each management team a deeper understanding of reporting processes, key performance metrics and GHG emissions.

By adding more structure and integrity to data calculation processes, SEIT enhanced the consistency, reliability and comparability of its portfolio's data. This, in turn, supported the Company's compliance with relevant regulations and will form a strong foundation for the Investment Manager's ongoing engagement with portfolio companies on sustainability-related improvements and decarbonisation.


Onyx

Performance

Environmental, Social and Governance ("ESG") Update continued

Principle 2:

Deliver Net-Zero Energy

810,274MWh[1]
Renewable heat and electricity generated Y/E 2024
Y/E 2023: 545,531MWh

735,167 tCO_2e[1]
Total Scope 1 & 2 emissions Y/E 2024
Y/E 2023: 699,796 tCO_2e

SEIT remains committed to providing customers with affordable, scalable, low-carbon energy sources and decarbonising existing energy sources. This year, the Investment Manager's sustainability team and portfolio management team engaged with portfolio companies to highlight the importance of decarbonisation and formalised net-zero targets, linking it to Principle 2 of the Framework.

The Company has always sought to engage with portfolio companies to identify, develop and eventually fund accretive projects which can decarbonise their operations while increasing value. The initiatives that advance SEIT's commitment to delivering net-zero energy currently fall into three main categories:

1. **Energy Efficiency Retrofit: an initiative which increases energy efficiency of the portfolio company, resulting in energy savings and therefore carbon savings.**
2. **Low-Carbon Energy Generation: an initiative which results in the generation of low-carbon energy from either renewable or waste sources.**
3. **Fuel Supply Decarbonisation: an initiative which decreases the carbon intensity of the fuel used to produce energy.**

On Energy

1. Based on an analysis of 99% of the portfolio by value as at 31 March 2025.

Performance Environmental, Social and Governance ("ESG") Update continued

Principle 2:
Deliver Net-Zero Energy continued

Examples of these initiatives at portfolio companies are set out in the table below:

Portfolio company	Initiative	Description	Impact	Delivery
RED-Rochester	**Energy Efficiency Retrofit:** Installation of new combined heat and power unit ("Cogen")	RED-Rochester has installed a Cogen which will augment the asset's existing steam boilers, improving energy efficiency and increasing energy generation capacity. Before the Cogen, steam boilers were used to generate electricity, resulting in steam venting at times of low heat demand. The Cogen will allow RED-Rochester to generate electricity without generating steam, therefore reducing heat waste and improving thermal efficiency.	Improvement of thermal efficiency by c.12%	Operational as of April 2025
	Energy Efficiency Retrofit: High efficiency chiller and cooling tower upgrades	RED-Rochester has installed a high-efficiency magnetic bearing electric chiller which is both more efficient than their current chiller fleet and allows them to use low-cost power generated from the Cogen to make chilled water. As part of that installation, RED-Rochester worked on various cooling tower upgrades including the addition of variable speed drives and the capability to isolate tower cells to the electric chillers. These initiatives contributed to additional operational chiller efficiencies.	Projected $3,063,000 of cost savings (Requires Cogen to be operational to realise full savings)	Operational as of September 2024
Primary Energy	**Energy Efficiency Retrofit:** Variable frequency drive upgrade	Within the current system, there is exhaust from generation processes, which requires simultaneous operation of two induced draft ("ID") fans. These two fans result in additional parasitic electrical load, meaning continuous and unnecessary power consumption. This project proposes to reduce the parasitic load by installing variable frequency drives ("VFD") and new fan motors.	Reduction of energy waste equivalent to 2.5MW, saving $1,000,000 per year	Targeting completion in 2026
	Energy Efficiency Retrofit: Boiler feedwater heating	Primary Energy is looking to install a control valve on the steam turbine extraction line which provides steam to the boiler feedwater heater. Installing the control valve will reduce the amount of steam used, which is currently resulting in unnecessary excess feedwater heating. By reducing that steam used by the boiler feedwater heater, Primary Energy will reduce energy waste and can use the steam to generate increased electrical power.	Increases electrical generation by 0.7MW, with revenues of approximately $400k/year	Targeting completion in late 2025
Driva	**Low-Carbon Energy Generation:** Expansion of Energy-as-a-service ("EaaS") offerings	Driva has expanded their EV charging-as-a-service, solar-as-a-service and heating-as-a-service project offerings, creating additional company verticals to deliver customers services aligned to net zero.	Five EaaS contracts signed in 2024	Ongoing
Oliva	**Fuel Supply Decarbonisation:** Biogas power purchase agreement ("PPA")	During the period, Oliva signed an MOU relating to a biogas PPA, committing to begin purchasing biogas to partially replace its use of natural gas. Oliva will begin by purchasing small amounts of biogas in 2026, representing an important step in the portfolio company's decarbonisation journey.	Initially will have a modest impact with exact volumes dependent on pricing and availability	MOU signed in 2025 with delivery of initial biogas commencing in January 2026

Between 2023 and 2024, renewable electricity generation rose by 28% and renewable heat generation rose by 74%, driven by the further development of Onyx's portfolio, increased electricity and heat demand at Capshare and the inclusion of CPP1.

At the same time, total GHG emissions increased by 18% between 2023 and 2024, predominately as a result of increased Scope 3 emissions due to better data gathering processes.

In the coming year, the Investment Manager plans to engage with its highest-emitting portfolio companies to further develop decarbonisation plans, projects and targets.

Performance

Environmental, Social and Governance ("ESG") Update continued

Principle 3:

Promote Sustainable Supply Chains

96%

portfolio covered by supplier codes of conduct Y/E 2024

Y/E 2023: 81%

Over the 2024 financial year, the Company also invested significant time on refining and expanding supply chain standards across the portfolio and at the firm level, starting with the creation of SDCL's human rights policy and due diligence process.

Investment Manager's Policymaking

SDCL released its formal human rights policy, which includes the SDCL's Modern Slavery Statement, Supplier Code of Conduct, Workers Rights statement and alignment with regulations and voluntary frameworks. The policy commits the Investment Manager to:

– monitoring the sustainability of entities operating in the Company's value chain;
– implementing due diligence processes to avoid human rights abuses; and
– sourcing materials, goods and services responsibly.

ESG Survey and Supplier Alignment

With an eye on specific KPIs and degrees of materiality, the Company distributed detailed ESG surveys to both the portfolio companies and their largest suppliers. 97% of the portfolio by value as at 31 March 2025 completed the ESG survey and 44% of the portfolio by value submitted surveys completed key third parties (compared to 95% and 32%, respectively, from last year). With the results of those questionnaires in hand, the Company has begun collaborating with each asset to address any lingering supply chain sustainability risks and formalising their supplier due diligence processes and controls, where appropriate.

Olivia

Performance

Environmental, Social and Governance ("ESG") Update continued

Principle 4:

Support Our Communities

Minimum Standard Policies

Central to SEIT's stakeholder stewardship strategies is the recognition that clearly defined policies are an essential lever to build safe and sustainable workplaces and communities. SEIT engaged often in FY2024 to help ensure that portfolio companies had stringent and comprehensive minimum standard policies, including:

KPI	Y/E 2023 response[1]	Y/E 2024 response[2]
% of companies with D&I policies	92%	96%
Number of incidents of discrimination reported in investee companies	2	0
% of portfolio companies covered by a health & safety policy	100%	100%
% of portfolio by value with violations of UN Global Compact principles and Organisation for Economic Co-operation and Development ("OECD") guidelines for multinational enterprises	0%	0%
% of the portfolio covered by codes of conduct relating to anti-bribery and corruption	92%	96%
% of portfolio covered by a grievance/complaints handling mechanism/process	89%	96%
% of companies covered by a policy to protect whistleblowers	92%	95%

During the year, alongside SEIT's efforts to deliver efficient, low-carbon energy, the Company continued to engage with its portfolio companies to monitor their initiatives to support their employees and the communities around them. Most of the companies in SEIT's portfolio reported that they have pre-existing community-focused policies and initiatives, and SEIT plans to continue building on this momentum and programme maturity in the coming financial year.

Below are some examples of the employee wellbeing and community engagement initiatives SEIT's portfolio companies continued or launched during the period:

Portfolio company	Initiative	Impact
Driva	Establishment of employee wellness programmes including yoga classes, wellness walks, health examinations, an annual wellness allowance and more	c.5-15 employees have taken part of various initiatives during the period
Onyx	Employee participation in Cycle for Survival in March 2025 to raise awareness and funds for Memorial Sloan Kettering's rare cancer research	Eleven employees participated as riders and raised over $2,500
	2024 summer internship programme to introduce students to careers in clean energy development	Four summer interns gained experience in engineering, origination, finance, marketing and legal work in the clean energy sector
	Donation drive to support communities impacted by hurricanes Milton and Helene	34 employees participated and raised over $2,700 for the Red Cross and other charities
Primary Energy	Establishment of internship programme to provide early-stage professionals with employment experience	One summer intern hired at Cokenergy plant
	Annual steps challenge and health screening	92% participation rate in employee health and wellness initiatives

Policies and Governance Structures

This year, 96% of SEIT's portfolio was covered by diversity and inclusion policies, and there were no reported incidents of discrimination at investee companies. There were no violations of UN Global Compact principles and Organisation for Economic Co-operation and Development ("OECD") guidelines for multinational enterprises.

1. Based on an analysis of 95% of the portfolio by value as at 31 March 2024.
2. Based on an analysis of 97% of the portfolio by value as at 31 March 2025.

Performance

Environmental, Social and Governance ("ESG") Update continued

Principle 5:

Match Best Practice

The first four Principles of the Framework focus on the Company's particular ESG-related goals. The fifth Principle acknowledges that there are several frameworks and standards that the Company aims to align with, including:

1. EU Sustainable Finance Disclosures Regulation ("SFDR")
2. Task Force on Climate-related Financial Disclosures ("TCFD")
3. Streamlined Energy and Carbon Reporting ("SECR")
4. Glasgow Financial Alliance for Net Zero ("GFANZ") – SDCL Commitment
5. United Nations' Principles for Responsible Investment ("UN PRI") – SDCL Commitment
6. UK Sustainable Disclosure Regulation ("UK SDR") – New
7. ESMA Fund Naming Guidelines – New

The standards included in Principle 5 of the Framework have commitments that span from minimum standard policies to disclosure requirements to monitoring of specific KPIs. During the period, the Investment Manager engaged with the Board to implement compliance strategies for new regulations and guidelines, specifically UK SDR and the ESMA fund naming guidelines.


Olivia

Complying with UK Sustainable Disclosure Regulation ("UK SDR")

In November 2023, the FCA published the Sustainability Disclosure Requirements ("UK SDR") which applies to SEIT and is comprised of two main elements: an anti-greenwashing rule and a labelling and marketing scheme.

Anti-greenwashing rule	Labelling and marketing scheme
Mandates that all materials relating to ESG and sustainability must be fair, clear, not misleading and able to be evidenced.	Mandates that funds using sustainability-related terms in their name or marketing materials must either adopt one of four labels or disclose as a "non-labelled" fund.
Compliance strategy: In advance of the anti-greenwashing rule coming into force in May 2024, the Investment Manager: – conducted a greenwashing analysis of all external materials; – presented greenwashing analysis and risk score to relevant governance bodies; and – communicated greenwashing regulation requirements to all employees. The Investment Manager is also engaging with a third party to perform final communication reviews on marketing materials.	**Compliance strategy:** The Investment Manager engaged with a third-party consultant and the SEIT Board to review labelling options for the Company, deciding that the Company would disclose as an unlabelled fund to comply with the December 2024 deadline. The Investment Manager and Board have continued to monitor the market response to the regulation and discuss the option of adopting a SDR label. If the Investment Manager and Board agree that label adoption makes sense for the Company given its investment focus, that decision will be communicated to shareholders and the public as appropriate.

Performance

Environmental, Social and Governance ("ESG") Update continued

Principle 5:

Match Best Practice continued

Complying with ESMA fund naming guidelines

In May 2024, EU's European Securities and Markets Authority finalised fund naming guidelines ("ESMA fund naming guidelines") that set criteria for funds using sustainability-related terms in their names, including SEIT. The guidelines set an 80% portfolio threshold for sustainable investment and a requirement for 100% of the portfolio to follow exclusions criteria. Due to its name, the Company had originally needed to follow with the Paris Aligned Benchmark Exclusions Criteria ("PAB Exclusions").

Though the Company aligned to the portfolio threshold requirement as an Article 9 Fund, a review the PAB Exclusions found that 100% of the portfolio may not meet those criteria.

For example, one of the Company's portfolio companies distributes c.92% biogas to the city of Stockholm. The PAB exclusions do not clearly differentiate between natural gas and biogas, meaning that portfolio company would fall into the category of deriving "at least half of their revenues from the…distribution of gaseous fuels." The Company does not consider natural gas, a fossil fuel, and biogas, a renewable energy source, to have the same sustainability characteristics. The biogas that the portfolio company uses is produced from organic waste, recycling existing carbon and capturing methane that would have otherwise escaped into the atmosphere. In addition to that portfolio company, the Investment Manager found that others in the Company's portfolio could fall afoul of the PAB exclusions depending on calculation methodologies and interpretations of the guidelines.

Therefore, the Investment Manager engaged with the SEIT Board on potential compliance strategies and agreed to change the Company's name from SDCL Energy Efficiency Income Trust plc ("SEEIT") to SDCL Efficiency Income Trust plc ("SEIT") to minimise regulatory risk. The Investment Manager believes this name change continues to emphasise the Company's commitment to efficiency.

ESG Asset Management KPI 2025 Score Card

Sustainability Framework	KPI	2023 response	2024 response
Principle 1 – Champion Energy Efficiency	Energy saved	296,128 MWh	364,495 MWh
	Scope 4 emissions (carbon saved)	841,687 MWh	1,000,791 MWh
	Total energy generated	4,774,504 tCO_2e	5,339,972 tCO_2e
Principle 2 – Deliver Net-Zero Energy	Renewable electricity generated	301,998 MWh	387,366 MWh
	Renewable heat generated	243,533 MWh	422,908 MWh
	Total Scope 1 & 2 emissions	699,796 tCO_2e	735,167 tCO_2e
Principle 3 - Promote Sustainable Supply Chains	% portfolio companies with a supplier code of conduct against unsafe working conditions, precarious work, child labour and forced labour	81%	96%
Principle 4 - Support Our Communities	% of companies with D&I policies	92%	96%
	Number of incidents of discrimination reported in investee companies	1 incident[1]	0 incidents
Principle 5 - Match Best Practice	% of portfolio companies covered by a health & safety policy	100%	100%
	% of portfolio by value with violations of UN Global Compact principles and Organisation for Economic Co-operation and Development ("OECD") guidelines for multinational enterprises	0%	0%
	% of the portfolio covered by codes of conduct relating to anti-bribery and corruption	92%	96%
	% of portfolio covered by a grievance/complaints handling mechanism/process	89%	96%
	% of companies covered by a policy to protect whistleblowers	92%	95%

1. The incident was raised and settled using an external agency. The incident occurred at a portfolio company that SEIT holds a minority investment in. The Investment Manager investigated the incident and found that appropriate remediation efforts occurred following the incident. As part of the review of the third parties engaged with SEIT's portfolio companies, one incidence of discrimination was reported by a third party that manages a SEIT investment. The incident was not at a SEIT portfolio company. The Investment Manager reviewed the incident and confirmed that the incident was resolved and that appropriate mitigation actions are in place.

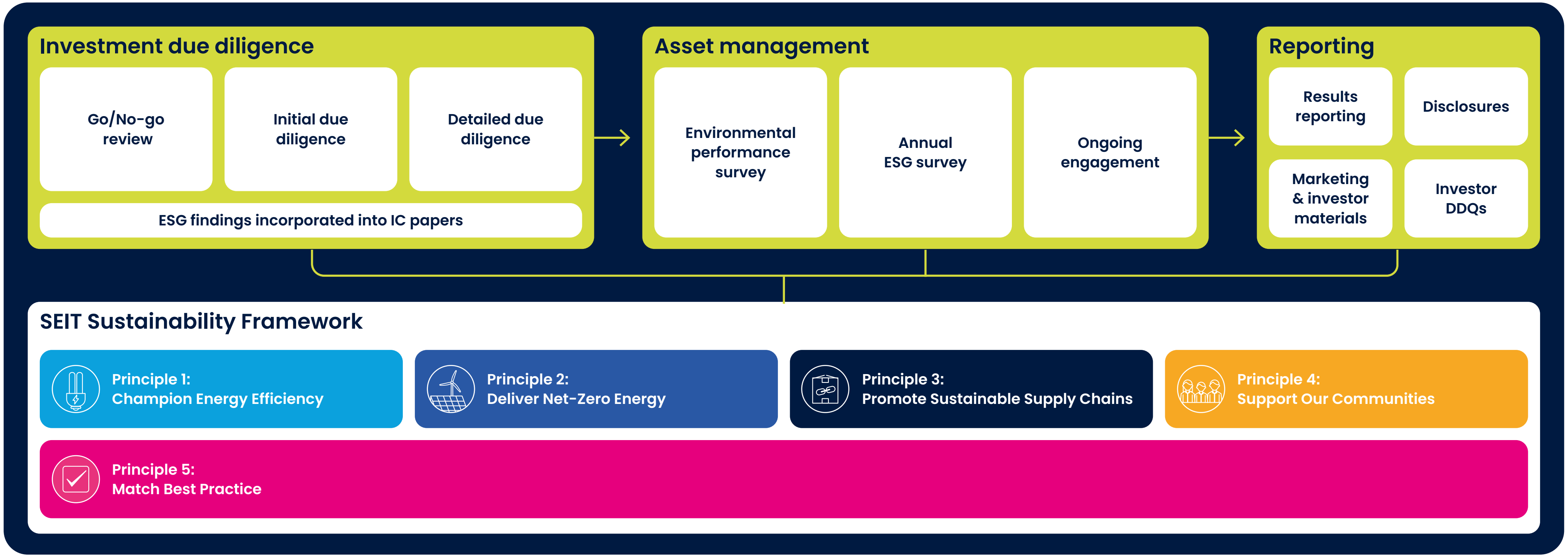
Performance

Environmental, Social and Governance ("ESG") Update continued

SEIT's ESG Management Process

The Investment Manager's ESG Management Process for the Company refers to the integration of sustainability considerations into due diligence, asset management and reporting. The Investment Manager is responsible for the day-to-day activities relating to the ESG Management Process. SEIT's ESG Committee oversees the overall effectiveness of and material outcomes or findings relating to the process.

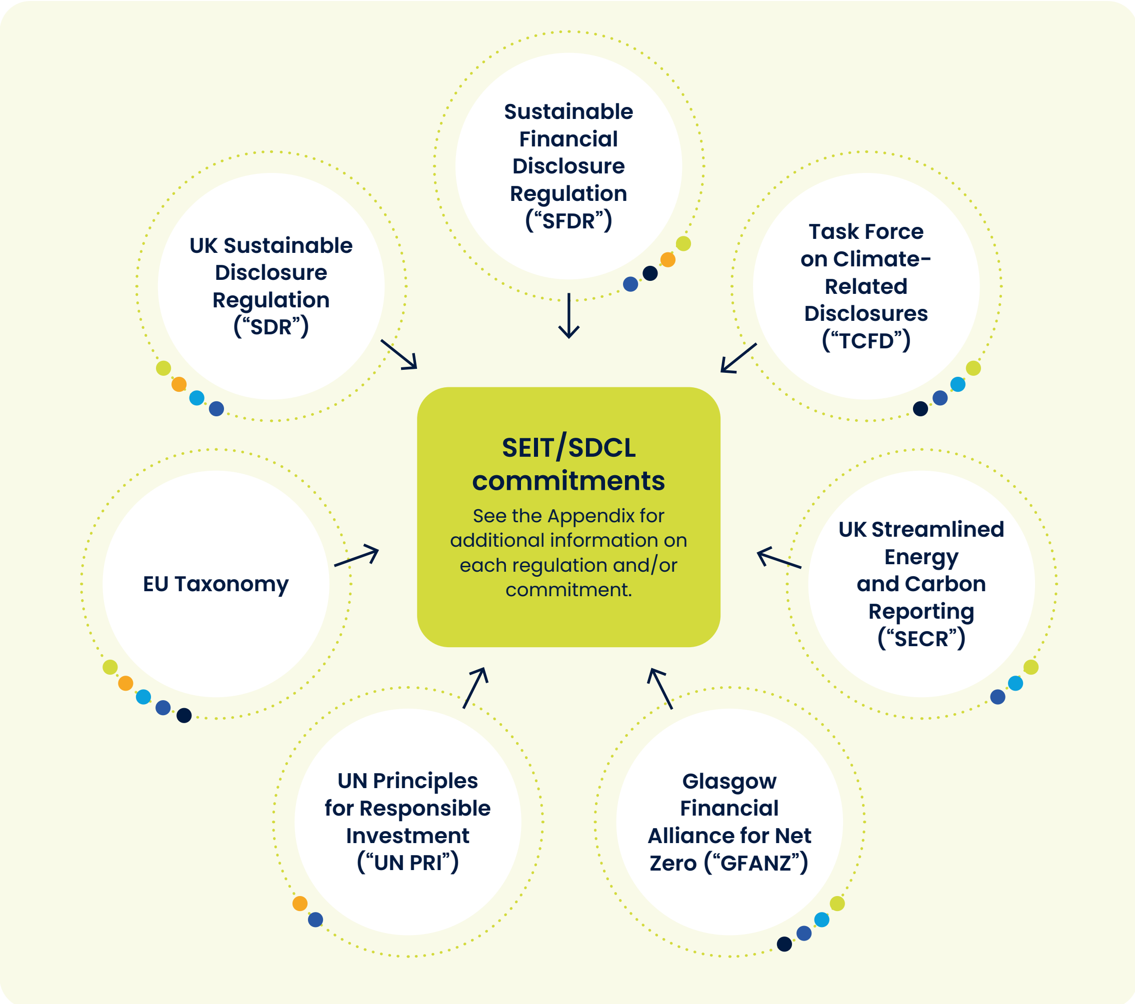
The ESG investment due diligence process entails initial identification of ESG red flags, followed by preliminary and detailed assessments for alignment with the Framework. Post-investment, the Investment Manager interacts with investments through regular meetings, bi-annual environmental performance reporting and annual ESG surveys, enabling ongoing monitoring and management as necessary.



Performance Environmental, Social and Governance ("ESG") Update continued

During the year, the Investment Manager implemented the refreshed Framework-aligned ESG Management Process, with a specific focus on engagement with existing portfolio companies to ensure regulatory compliance and alignment with best practice.

Engagements included environmental performance questionnaires, ongoing monitoring, risk management and other recurring meetings. Key performance indicators reflecting portfolio companies' ESG performance are reported in the annual SEIT ESG Update, as shown in the Sustainability Framework section on pages 47 to 55.



Workstream	Description	Associated reporting framework
Environmental data requests (Ongoing)	Engaged third party data service providers to procure energy savings, carbon emissions and other pertinent data	SFDR, TCFD, SECR, GFANZ, SDR, EU Taxonomy
Annual ESG survey (Ongoing)	Distributed questionnaires to all portfolio companies to measure and track performance on environmental, social and governance risk factors	SFDR, SDR, UN PRI, EU Taxonomy
Environmental data validation exercise (New)	Retained external consultants to review and verify energy savings, carbon emissions and other pertinent data	SFDR, TCFD, SECR, GFANZ, SDR, EU Taxonomy
Asset action plan (New)	Developed and communicated asset-specific plans based on surveys and engagement to address risks and gaps in sustainability best practices	SFDR, TCFD, SECR, GFANZ, SDR, EU Taxonomy, UN PRI
Climate risk workshop (New)	Developed asset-specific physical and transition risk registers to identify core challenges in RCP 2.6 and 8.5 scenarios, informing the SEIT Climate Report	TCFD, EU Taxonomy, GFANZ

Performance

Environmental, Social and Governance ("ESG") Update continued

"Reflecting SEIT's first year implementing the Sustainability Framework, this Climate Report captures our increased focus on identifying, measuring and mitigating climate-related risks and opportunities through expanded portfolio engagement.

Anjali Berdia
SDCL Sustainability Manager

SEIT 2025 Climate Change Report

Introduction

The SEIT 2025 Climate Change Report ("Climate Report") provides an update on the steps that the Company is taking to address the risks and opportunities arising from climate change.

Both SEIT and SDCL are voluntary supporters of TCFD. Although SEIT is not legally in scope of the UK FCA's mandatory TCFD rule, the Investment Manager finds that the TCFD's recommendations on governance, strategy, risk management and metrics provide a useful framework for monitoring, managing and increasing transparency around climate-related risks and opportunities.

During the period, the Investment Manager continued to integrate climate-related factors into SEIT's operations, building on the progress disclosed in the SEIT 2024 Climate Report. The Investment Manager formed a dedicated Climate Risk Working Group, expanded the scope of portfolio company engagement and conducted enhanced scenario-based portfolio stress tests.

This report is structured around the four pillars of the TCFD recommendations (Governance, Strategy, Risk Management and Metrics & Targets) and follows the same fundamental narrative flow used in 2024, with improvements in key areas. To provide further clarity, references to ongoing enhancements in data collection and methodological refinements are included.

Performance

Environmental, Social and Governance (“ESG”) Update continued

SEIT 2025 Climate Change Report

1. Governance

Board Oversight of Climate-Related Risks and Opportunities

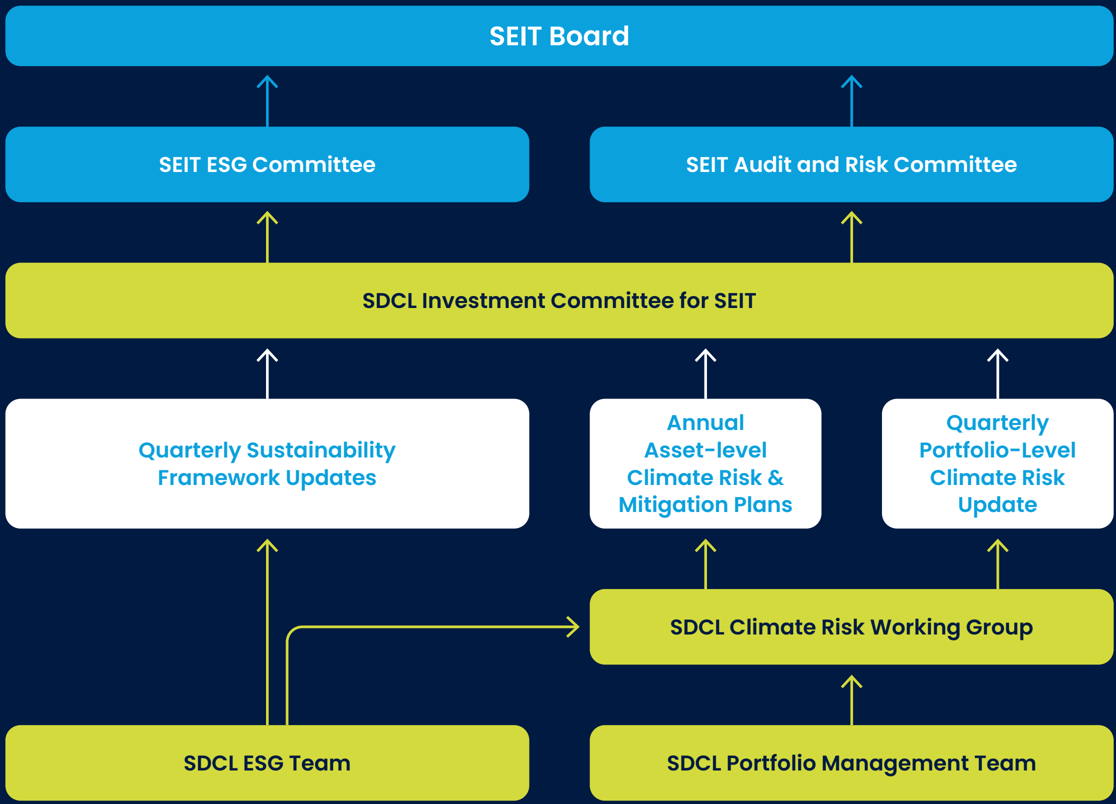
Board and committee roles

Oversight and management of climate-related issues are incorporated into the Company’s existing governance structure and Risk Management Framework. As in prior years, the Board remains responsible for the Company’s overall strategic direction, including the oversight of climate-related risks and opportunities. Additionally, two Board-level Committees—the Audit and Risk Committee (“ARC”) and the ESG Committee—have been delegated responsibilities from the SEIT Board relating to climate matters.

- SEIT ESG Committee: Oversees the implementation of the ESG Management Process and Sustainability Framework. The ESG Committee considers climate-related risks and opportunities as they overlap with implementation of the ESG Management Process and Sustainability Framework.
- SEIT ARC: Evaluates how identified climate risks and opportunities integrate into SEIT’s broader risk and control frameworks. The ARC reviews climate-related risk at a portfolio level quarterly as part of its risk review and, on an annual basis, receives an in-depth climate risk review at the asset level. The asset-level risk review forms the basis of this report.

Both the ESG Committee and ARC report into the Board.

Figure 1: Climate Governance Structure



Performance

Environmental, Social and Governance ("ESG") Update continued

SEIT 2025 Climate Change Report

1. Governance continued

SDCL's Role in Climate Risks Assessment and Mitigation

SDCL's climate risk management processes

Under the direction of the Board and its respective Committees, the Investment Manager is responsible for the day-to-day management of climate-related risks and opportunities impacting the Company. The Investment Manager integrates the identification and monitoring of climate-related risks and opportunities into the ESG Management Process outlined in the ESG Update. Incorporation of climate risk identification and management includes:

- Integration with investment due diligence: Each new investment undergoes a climate risk review through specific questions in the ESG detailed due diligence questionnaire.
- Integration with asset management: Post-investment, the Investment Manager monitors and manages material climate-related risks through regular discussions with investments, the ESG asset management questionnaires and the annual asset-level climate risk review.

During the period, the Investment Manager set up a Climate Risk Working Group made up of members of the Sustainability Team and Portfolio Management team. The Climate Risk Working group met regularly in advance of the annual, asset-level climate-risk report and was responsible for:

- identifying climate-related risks for SEIT's portfolio companies;
- reviewing climate-related risk management strategies;
- engaging with portfolio companies on climate-related risks and mitigation strategies (see below);
- developing two climate-related risk scenarios to stress test; and
- reporting climate-related risk findings to the SEIT ARC.

New engagement practices

Targeted portfolio company workshops

In FY2024/2025 the Climate Risk Working Group ran structured workshops with SEIT's five largest portfolio companies (representing ~80 % of NAV[APM]). Each session:

- explained TCFD requirements and regulatory trajectory;
- set out SDCL's risk-identification and materiality methodology;
- walked through every pre-identified acute, chronic and transition risk, stress testing proposed mitigations; and
- captured management feedback in real time and agreed follow-up actions (documented in asset-level risk registers).

Outcome tracking

As part of this increased engagement, SEIT also tracks outcomes through regular asset management processes — such as new policy adoption, capital reallocation or asset-level risk register updates — and incorporates them into its risk framework and portfolio company engagement. Key highlights from this year's engagements are shown below:

- Supply chain flexibility: Biomass asset appointed specialist feedstock managers to support identification of alternative feedstock suppliers.
- Methane management: Biogas distribution asset is reviewing its methane leakage reduction plan and monitoring emerging policies regarding methane reduction.
- Supply chain management: US Solar developer implemented a structured risk management framework and is prioritising domestic procurement of materials where possible.
- Decarbonisation road maps: Industrial energy assets engaged on development of decarbonisation strategies and monitoring of policy shifts relating to carbon.

SDCL's climate risk governance

SDCL's climate risk management processes are overseen by two committees:

- SDCL's Investment Committee for SEIT ("IC"): The IC is responsible for reviewing all new investments and the climate risk reports delivered to the ARC. Ultimate responsibility and oversight of climate risk identification and mitigation at SEIT portfolio companies sits at the SEIT IC in advance of the ARC and Board.
- Sustainability Subcommittee of SDCL's Management Committee: The Investment Manager's Sustainability Sub-Committee oversees the Investment Manager's ESG Management Process, which incorporates identification and mitigation of climate-related risks.

Performance

Environmental, Social and Governance ("ESG") Update continued

SEIT 2025 Climate Change Report

2. Strategy

Identifying Climate-related Opportunities

The assessment of climate-related opportunities is fundamental to the Company's investment strategy, as the Company supports the global transition to a low-carbon future through energy efficiency investments. The opportunities for the Company to invest in energy efficiency projects that support the energy transition increases in scenarios with stronger government policies and public support for those investments.

The Investment Manager monitors the emergence of government policies that impact the success of the Company to assess climate-related opportunities.

Identifying Climate-related Risks

The assessment of both physical and transition climate-related risks is carried out by the Investment Manager once per material investment and then reviewed on an annual basis for changes occurring during the year. During 2024, 91.2% of the portfolio (by value) underwent comprehensive climate risk reviews, including new assets such as Zood, Capshare and FES.

Physical climate risks

Physical climate risks assessed fall into two categories:

Acute	Event-driven risks that pose immediate, urgent threats (e.g. rainfall flooding and typhoons)
Chronic	Risks resulting from longer-term shifts in climate patterns such as rising temperatures and sea level rise

To assess physical climate risks, the Investment Manager conducts scenario analysis through a specialist third-party provider, analysing the impact under Representative Concentration Pathways ("RCP") two scenarios (RCP 8.5 and RCP 2.6) over two forward-looking time periods (2021-40 and 2041-60). Both time periods are compared to a baseline period (2006 or 2014-2020). Further details are provided below.

RCP	Range of global mean temperature increase by 2100 (from pre-industrial baseline) (Celsius)
8.5	3.2-5.4 degrees (Business-as-usual scenario without additional efforts to constrain emissions, resulting in warming of **more than 4 degrees)**
2.6	0.9-2.3 degrees (Net-zero pathway that aims to keep warming **below 2 degrees)**

Time horizon	Period covered
2020	Historical data (2006 or 2014-2020), baseline period
2030	2021-2030
2050	2031-2050

Physical risk climate modelling approach

The Investment Manager conducts its analysis on the impacts from chronic and acute physical risks through a third-party provider and uses its climate hazard score to assess potential physical risks facing the Company's portfolio companies.

Performance

Environmental, Social and Governance ("ESG") Update continued

SEIT 2025 Climate Change Report

2. Strategy continued

Identifying Climate-related Risks continued

Transition climate risks

Transition climate risks assessed can be split into four categories:

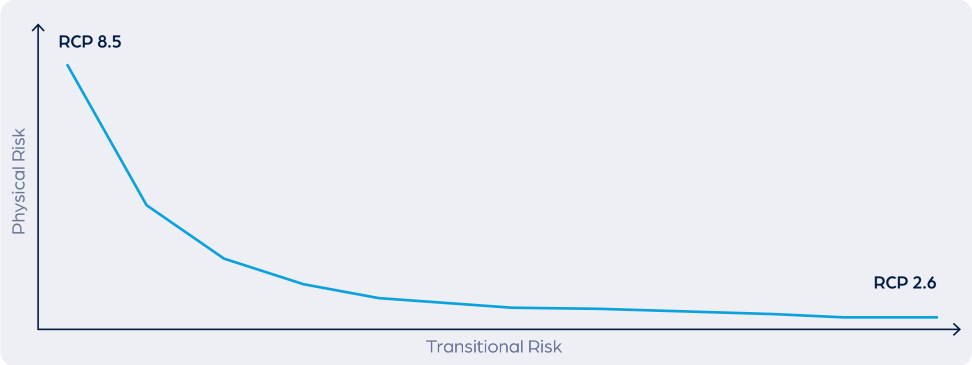
Policy and legal risk	New or changing climate-related regulations, laws or litigation negatively impact a company's value or ability to operate. Examples: emissions limits, climate disclosure mandates, carbon pricing.
Technological risk	Emerging low-carbon technologies disrupt existing business models or mandate expensive changes. Examples: rapid adoption of electric vehicles, innovation in energy storage.
Market risk	Changes in supply, demand or consumer preferences due to the transition to a greener economy could affect business performance. Examples: Declining demand for coal, rising demand for sustainable products or shifts in commodity prices linked to climate policy.
Reputational risk	A company's brand or public perception is damaged due to its environmental practices or failure to align with climate expectations. Examples: Public backlash over greenwashing, investor divestment campaigns or criticism from NGOs for unsustainable practices.

To assess transition risks, the Investment Manager regularly engages with its portfolio companies to remain up to date on policy changes, new technologies, market movements and changing customer demands in the relevant region.

The Company also receives a report from a third-party provider on a quarterly basis assessing its carbon financial risk exposure to the EU ETS within EU markets.

Transition-physical risk: Conceptual overview

Typically, at RCP 8.5, a "Business-as-usual" scenario, the Company would face higher threat from physical risks, as emissions are expected to continue rising at current rates, increasing global temperatures to >4 degrees Celsius. However, at RCP 2.6, an "Aggressive" mitigation scenario, the Company would face higher threat from transition risks, as emissions are expected to halve by 2050, limiting temperature increases to below 2 degrees Celsius. This dynamic is outlined in the diagram below and informed the two climate scenarios that the Investment Manager stress tested, as set out on page 61.



Transition-Physical Risk: Company overview

The tables overleaf provide both a high-level summary and granular breakdown of the top physical and transition risks that could impact the Company under different climate scenarios and timelines. Mitigation actions, both current and proposed, have also been outlined.

Performance

Environmental, Social and Governance ("ESG") Update continued

SEIT 2025 Climate Change Report

2. Strategy continued

Transition-Physical Risk: Company overview continued

Climate risks by technology

Portfolio company classification	Risk description	Risk mitigation	Relevant RCP scenario
Top physical climate-related risks			
Olive biomass projects 9[2]% of NAV	**Extreme weather impact on olive harvest[1]** Drought, extreme heat and rainfall floods all could impact olive harvests in Oliva and therefore reduce feedstock availability	– Increasing proportion of alternative feedstock into the biomass boiler – Hiring of an in-house feedstock procurement specialist (complete) – Reviewing opportunities to source olive pomace from alternative regions	RCP 2.6 RCP 8.5
District energy projects 19% of NAV	**Milder temperatures reducing demand** Lower heat demand and a decline in customer demand for both heat and chilled water	– Continued monitoring of operations and customer engagement to determine impact of changing weather patterns – Potential to consider amendments to tariff structure in the future to reflect changing demand (if relevant)	RCP 8.5
Top transition climate-related risks			
Gas Distribution projects 7% of NAV	**Decreased demand for gas due to electrification** Higher decarbonisation pressures from customers and governments and consequently stronger pushes for electrification could continue to see a decline in demand	– Strengthening communication campaign to retain customers and reduce churn – Expanding product offerings to identify new sources of revenue or uses for biogas	RCP 2.6
	Increased costs related to methane leakage policies EU's new regulatory policies on methane leakage could increase costs, incentivising methane reduction	– Verifying GHG inventory and revising methane leakage strategy to focus on materiality and resource efficiency. SDCL's ESG and AM team have been having regular meetings to oversee this process – Monitoring regulation updates and engage with policy officials to understand the impact of the emerging EU regulation on the business	RCP 2.6

1. This risk has been reflected into the portfolio company's valuation through incorporation of a risk premium.
2. This represents the NAV of the entire portfolio company, which is made up of more than just biomass assets, as the risk to the biomass assets could have implications for the entire portfolio company.

Performance

Environmental, Social and Governance (“ESG”) Update continued

SEIT 2025 Climate Change Report

2. Strategy continued

Transition-Physical Risk: Company overview continued

Climate risks by region

UK/EU

27% NAV

Physical hotspots: Southern Europe heat-/drought-driven biomass stress, Northern Europe flood/heavy rain risk.

Transition hotspots: RoRi reform, EU methane leakage rules, SFDR Art. 9 scrutiny and rising carbon price pass-through.

North America

70% NAV

Physical hotspots: Midwest flooding and Great Lakes extreme weather, Northeast milder winters cutting steam demand, Southwest extreme heat.

Transition hotspots: IRA/ITC change risk, New York “cap-and-invest” carbon scheme, low-carbon fuel standards pushing gas and REC economics.

Climate Risk Modeling: Portfolio Resilience and Stress Tests

Building on the 2024 scenario analysis, the Climate Risk Working Group conducted portfolio-wide stress tests to assess the portfolio’s resilience to risks identified under two scenarios: RCP 2.6 and RCP 8.5.

In the RCP 2.6 scenario, the team modeled a more “aggressive decarbonisation pathway” with stronger transition pressures and less extreme weather risks. In the RCP 8.5 scenario, the team modeled reduced transition pressures and more extreme weather risks.

Methodology

The Investment Manager mapped asset-level risk factors from RCP 2.6 (accelerated transition) and RCP 8.5 (high physical risk) into the valuation models and assessed their impacts on portfolio-level cashflow, CapEx, discount rate and covenant inputs.

Each portfolio company had different risks stressed under RCP 2.6 and RCP 8.5 depending on their operations and the risks identified by the Climate Risk Working Group. This exercise granted insight into the climate risk profile of the portfolio in multiple environmental scenarios and was presented to the ARC as part of the annual asset-level climate risk review.

Impact on Businesses, Strategy, and Financial Planning

The Company’s strategic focus remains on enabling the low-carbon transition through energy efficiency and decentralised energy. However, SEIT recognises that certain assets face heightened climate risks – both physical and transition—that could alter operational and financial trajectories.

Performance

Environmental, Social and Governance ("ESG") Update continued

SEIT 2025 Climate Change Report

2. Strategy continued

US Climate Policy Shift Impact on SEIT Portfolio

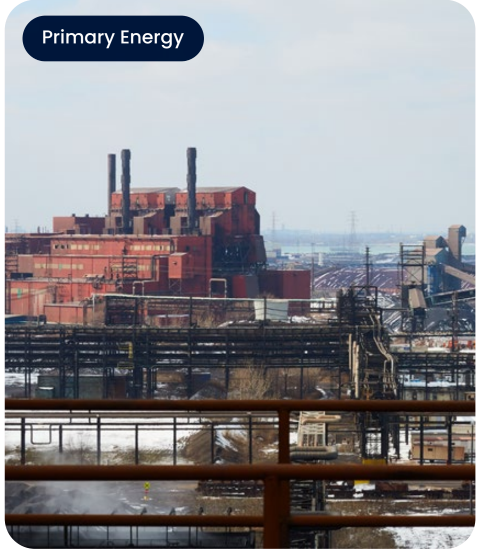
As part of the Company's ongoing mitigation of climate-related risks, including ones relating to policy and transition, the Investment Manager engaged with SEIT's portfolio companies to monitor and analyse changes in US federal policy. North American assets account for approximately 70% of SEIT NAV[APM], meaning that changes in US Federal Policy with respect to climate change and energy which impact US assets could have ramifications for the portfolio.

Recent policy changes introduced by the US administration, including a 90-day pause on Inflation Reduction Act ("IRA") funding, rollbacks on climate-focused regulations, tariffs on steel and aluminium imports and a renewed emphasis on domestic energy security, present new dynamics in the energy market. Below are examples of how these new dynamics could impact key SEIT portfolio companies:

- **In heavy industry**, Primary Energy, serves the US steel industry by recycling waste gas and heat to generate onsite energy. Given the administration's imposition of tariffs on steel imports, intended to bolster domestic steel production, Primary Energy may experience positive impacts from increased domestic steel mill activity. Furthermore, Primary Energy's revenue from Renewable Energy Certificates ("RECs") operates within Ohio's state-level market, insulating it from direct federal policy exposure. Nonetheless, broader sentiment shifts could indirectly influence future expansions of this market.
- **District energy solutions,** such as RED-Rochester, which serves Eastman Business Park in New York, could also face impacts from US policy changes. RED-Rochester's revenues are derived from long-term commercial agreements independent of direct federal funding. That said, new policies or tariffs could pose challenges for RED-Rochester's current or prospective customers, which may in turn have an indirect effect on the portfolio company.
- **In the commercial sector,** Onyx Renewables, a significant provider of onsite solar and battery storage solutions, relies partly on federal Investment Tax Credits ("ITCs"), historically crucial to US solar deployment. While no immediate changes to ITCs have been enacted at the time of printing, the Investment Manager remains vigilant regarding potential policy developments. Onyx has secured tax equity agreements for most 2025 projects and proactively sources materials domestically where possible to mitigate tariff-related supply chain risks, thus minimising vulnerability to policy shifts.

As part of its ongoing evaluation of climate-related risks, the Company is committed to analysing how potential policy shifts under a range of climate scenarios could affect the portfolio's performance and resilience, as demonstrated through the above examples.

The importance of this approach is exemplified by the dynamic policy environment in the United States, where energy-related regulations are evolving rapidly. By integrating scenario analysis and risk identification into portfolio management, the Company aims to enhance long-term portfolio resilience, capture emerging opportunities and safeguard against material climate-related risks.


Primary Energy


Onyx

Performance

Environmental, Social and Governance ("ESG") Update continued

SEIT 2025 Climate Change Report

3. Risk Management

Impacts of Climate Risks on Portfolio Valuation[APM]

As discussed throughout the Climate Report, identification and analysis of climate risks facing the portfolio is critical both to appropriately determining the financial impacts of said risks and then to mitigating them. Select climate risks have been reflected in SEIT's valuation through adjustments to discount rates and, if appropriate, cash flows. For two of SEIT's investments, a specific risk premium has been applied to their valuation to account for climate-related risks. For one, the risk premium has been applied to account for the impact of extreme weather on feedstock supply. For the second, the risk premium has been applied to account for the transition risk associated with an asset extending its contract despite its technology relying on fossil fuels.

Although not all climate risks identified in the scenario analysis have been directly reflected in the portfolio valuation[APM], the Investment Manager will continue to monitor these risks as they emerge and provide guidance on which ones should be incorporated when relevant.

Integration into Overall Risk Framework

Climate-related risks and opportunities are integrated across all components of the Company's Risk Management Framework and thus follow the same monitoring, managing and governance structure as other types of risk. The Company's broader Risk Management Framework is detailed in the Risk Management section of this report, on pages 69 to 71.

Climate-specific risks have also been integrated into the risk registers of portfolio companies which are reviewed on a quarterly basis by the portfolio company's board.

Enterprise-wide coverage

Climate risks feed into SEIT's consolidated risk universe and are rated using the same probability-impact matrix as financial, operational and ESG risks.

Escalation and capital linkage

Any climate risk rated "high" or above must be reviewed at the next ARC meeting. If relevant, materialised climate-related risks will be raised to the Board off-cycle.

Risk appetite

Within climate change risk, the Company has a low appetite for physical risks and a medium appetite for transition risk, as the Company is looking to benefit from the transition to a low-carbon economy and take advantage of new technologies and policies to enhance investment returns.

Risk management policies

The Company documents its procedures relating to climate issues in its Responsible Investment Policy and in its Risk Management Policy.

4. Metrics & Targets

Metrics: Climate-Related Environmental Performance Data

The Company reports on a variety of metrics related to carbon and energy savings, energy generation and GHG emissions (Scopes 1, 2 and 3), which are calculated by monitoring environmental performance data of all investments quarterly. The climate-related metrics are calculated using guidance from the Greenhouse Gas Protocol and the UK SECR legislation. The data is collected individually from the portfolio companies and collated by an external consultant based on actual energy usage and generation. The data is then reviewed by the external consultant and the Investment Manager. The energy performance data disclosed is for the period 1 January 2024 to 31 December 2024.

Note: Change in reporting period

The 2025 Climate Change Report has moved to a calendar year reporting basis instead of the financial year basis used in previous reports. This change has been made in order to align with the Company's overall asset management data gathering. For this reason, the prior years' emissions data is restated to ensure a fair year-on-year comparison. Further, starting this year, the Company is reporting on environmental data on a portfolio-wide basis as opposed to regional.

The emissions data covers most of the projects in SEIT's portfolio for the period, making up 99% of the portfolio by value in scope of the analysis.

The Company monitors its energy performance data to track progress against its sustainability indicators, namely Scope 4 emissions (carbon savings) and energy savings. Furthermore, the Company tracks the relevant GHG emissions of assets to monitor its environmental impact and will inform the degree of risk associated with an accelerated net-zero transition on a project-by-project basis.

The calculation approach in each case follows several key principles to maintain a consistent approach. The principles are:

- where possible, to capture fundamental data regarding project performance. Examples of this data include energy generated (kWh) and fuel consumed (kWh);
- use publicly available emissions factors from government sources specific to the project location;
- where a project was commissioned or purchased by the Company midway through the reporting period, only the portion of the period after commissioning or purchase date should be recognised; and
- where the Company owns less than 100% of a project, the total project savings should be reduced pro-rata with the ownership percentage.

Performance

Environmental, Social and Governance ("ESG") Update continued

SEIT 2025 Climate Change Report

4. Metrics & Targets continued

Metrics: Climate-Related Environmental Performance Data continued

The data-gathering process is predominantly manual and therefore dependent on accurate reporting from the management teams and other sources at the asset level. Market practice and processes keep improving and the Investment Manager is actively engaged in seeking the most up-to-date and accurate data for each of the investments.

Principal environmental performance data of the Company's portfolio is set out in the tables below.

Data quality improvements compared to last year

In last years' report, the Investment Manager found that two portfolio companies were reporting on energy savings and Scope 4 emissions with calculation methodologies that were inconsistent with those used for the rest of the portfolio. Both companies have now aligned their calculation methods with SEIT's standard approach. Additionally, as part of the data review performed during the period by a third party, calculation methodologies across the portfolio have been standardised, quality of data inputs has improved and historical data has been recalculated to show comparable figures from last period.

The Company's environmental performance data may fluctuate from period to period given it is calculated based on relevant counterfactual scenarios, such as the carbon intensities of local electrical grids, and those calculation methodologies are consistently being reviewed and improved.

Portfolio Scope 4 emissions and energy savings

	Scope 4 emissions[1,2]/ carbon savings (tCO_2e)		Energy savings[2,3] (MWh)	
	1 Jan 24 to 31 Dec 24	1 Jan 23 to 31 Dec 23	1 Jan 24 to 31 Dec 4	1 Jan 23 to 31 Dec 23
Total portfolio	1,000,791	841,687	364,495	296,128

Portfolio energy generation

Total energy generated as of calendar year ended 31 December 2024: 5,339,972 MWh
Total energy generated as of calendar year ended 31 December 2023: 4,774,504 MWh

	Renewable electricity generated[2] (MWh)		Renewable heat generated[2] (MWh)		Non-renewable electricity generated[2] (MWh)		Non-renewable heat generated[2] (MWh)	
	1 Jan 24 to 31 Dec 24	1 Jan 23 to 31 Dec 23	1 Jan 24 to 31 Dec 24	1 Jan 23 to 31 Dec 23	1 Jan 24 to 31 Dec 24	1 Jan 23 to 31 Dec 23	1 Jan 24 to 31 Dec 24	1 Jan 23 to 31 Dec 23
Total portfolio	387,366	301,998	422,908	243,533	2,513,164	2,450,243	2,016,533	1,778,730

1. Scope 4 emissions refer to the reduction in GHG emissions achieved by a project compared to a relevant counterfactual, i.e. how the customer would receive the energy services in the absence of said project.
2. Based on an analysis of 99% of the portfolio by value as at 31 March 2025.
3. Energy savings refer to the electrical and thermal energy not consumed at the point of use due to a SEIT investment.

Performance

Environmental, Social and Governance ("ESG") Update continued

SEIT 2025 Climate Change Report

4. Metrics & Targets continued

Portfolio GHG emissions

Scope 1 and 2 emissions as at calendar year ended 31 December 2024: 735,167 tCO_2e.
Scope 1 and 2 emissions as at calendar year ended 31 December 2023: 699,796 tCO_2e

	Scope 1 (tCO_2e)[1,6]		Scope 2 (tCO_2e)[1,7]		Scope 3 (tCO_2e)[1,8]	
	1 Jan 24 to 31 Dec 24	1 Jan 23 to 31 Dec 23	1 Jan 24 to 31 Dec 24	1 Jan 23 to 31 Dec 23	1 Jan 24 to 31 Dec 24	1 Jan 23 to 31 Dec 23
Total Portfolio	724,458	689,023	10,708	10,773	316,280	160,520

Portfolio carbon intensity indicators

	Weighted Average Carbon Intensity[1,2] tCO_2e/£m Value		Carbon footprint[1,3] tCO_2e/£m value		Carbon intensity[1,4] tCO_2e/£m revenue		Exposure to assets active in the fossil fuel sector %[5]	
	2024	2023	2024	2023	2024	2023	2024	2023
Total portfolio	6,488	6,175	667	651	1,129	1,980	7.0%	6.2%

1. Based on an analysis of 99% of the portfolio by value as at 31 March 2025.
2. Weighted Average Carbon Intensity: The portfolio's exposure to carbon-intensive companies, expressed in tCO_2e/£m value. The KPI compares an investment's Scope 1 and 2 emissions, normalised by ownership, with its portfolio value.
3. Carbon footprint by value: Total carbon emissions for the portfolio normalised by the ownership of the asset, expressed in tCO_2e/£m value. The KPI compares the investment's Scope 1 and 2 emissions, normalised by ownership, with the entire portfolio value.
4. Carbon intensity by revenue: The volume of carbon emissions per million dollars of revenue, expressed in tCO_2e/£m revenue. The KPI compares the investment's Scope 1 and 2 emissions with its revenue, both normalised by ownership. The KPI is recalculated at the regional and total portfolio level based on overall Scope 1 and 2 emissions and revenue of the majority of the portfolio.
5. Exposure to assets active in the fossil fuel sector: The percentage of assets active in the fossil fuel sector in the portfolio, expressed as a percentage of the current portfolio value. Active in the fossil fuel sector is defined as "companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade of fossil fuels. The 7% represents one asset, Driva, which has limited exposure to fossil fuels as most of the fuel it distributes is biogas (c.92% in the year ended 31 March 2025).
6. Direct emissions from owned or controlled sources. Mainly fuel usage for energy generation.
7. Indirect emissions arising from the purchase of electricity, steam, heating and cooling for its own use, often generated off site.
8. All other indirect emissions that occur in a company's value chain. Different categories of Scope 3 are collected, but the material emissions for the SEIT portfolio are the energy-related emissions (fuel usage where the Investment has no control or ownership over the fuel purchase).

Climate-Related Targets

In 2024, the Investment Manager committed to GFANZ's Net Zero Asset Managers initiative ("NZAM"). The Investment Manager is also committed to the following targets as set by the Net Zero Investment Framework ("NZIF") which may be outlined as follows:

Portfolio coverage targets:

Aims for 100% of the Company's financed emissions in material sectors to be considered net zero, aligned to net zero or aligning to net zero by 2030.

Aims for 100% of the Company's financed emissions in material sectors to be considered net zero or aligned to net zero by 2040.

Engagement threshold target:

Aims for 100% of the Company's financed emissions in material sectors to be subject to direct or collective engagement and stewardship actions by 2030.

Performance

Risk Management Framework

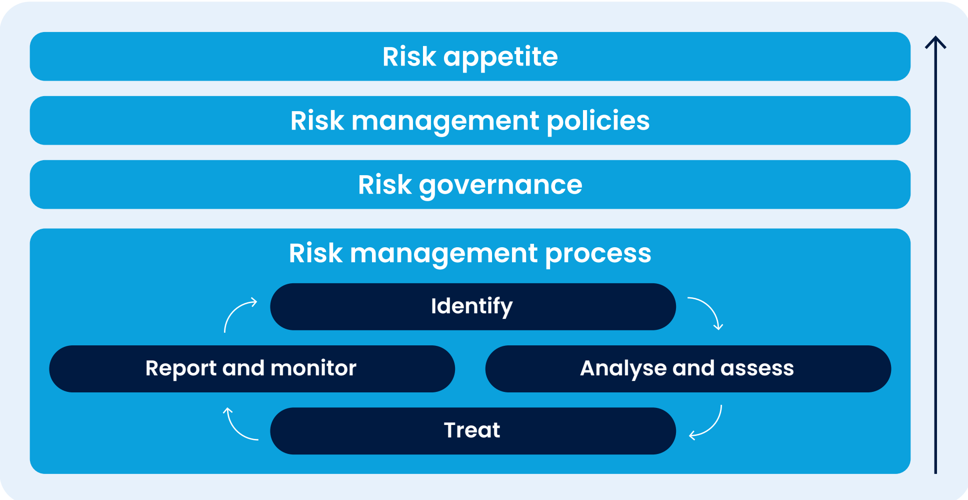
Risk Management Framework

The Company operates under a robust Risk Management Framework designed to address all aspects of its operations. This framework incorporates structured systems and processes for the identification, monitoring and mitigation of risks across the Company's activities and investment portfolio.

Responsibility for the day-to-day implementation and maintenance of this framework rests with the Investment Manager, acting as a key service provider. The Board defines the Company's overall risk appetite, seeking an appropriate balance between prudent risk management and the delivery of long-term shareholder value. Oversight of the Risk Management Framework, including risk tolerances, is delegated to the ARC, which meets at least quarterly. The Committee is tasked with evaluating risks relative to pre-established tolerance thresholds and with reviewing the adequacy and effectiveness of the Company's internal controls, financial system and overall risk management arrangements.

To support this oversight, the Investment Manager provides the Committee with regular risk management reports. These include updates to the Company's risk register, in which each identified risk is assessed and rated, accompanied by descriptions of key mitigants and associated controls. The ARC and the Investment Manager maintain ongoing dialogue around emerging risks and appropriate response strategies. The Company also engages external advisers for specialist input where required.

The framework further encompasses the oversight of key service providers, including the Investment Manager. The Investment Manager maintains its own dedicated risk management function, supported by appropriate systems and internal controls, which the Company relies upon as part of its overall risk oversight approach.



Risk strategy

The risk strategy of the Company is set by the Board, with the input from the Investment Manager. In determining the identity of the risks to the Company, how these risks should be managed, implementing appropriate controls and setting appropriate risk appetites, the Company demonstrates how the principal risks to the business have been mitigated.

Risk appetite

Each risk within the Company's Risk Management Framework is set a risk appetite, the level of risk that the Company is willing and able to tolerate. These risks are managed against predetermined thresholds in order to ensure the appropriate level of risks is maintained throughout the firm and aligns to the firm's strategy.

Risk management policies

The Company's risk management policies outline the procedures that effectively identify, monitor and manage all applicable risks.

Risk governance

The Company's risk management strategy permeates through the Company and effective corporate governance structure. The ARC is accountable for the oversight of the Company's risk profile and receives quarterly reports pertaining to the top risks, associated controls and agreed risk appetites.

Risk management process

The Company's risk management process is continuous and central to the framework. It includes:

1. **Risk identification**
2. **Risk analysis and assessment**
3. **Risk treatment**
4. **Risk monitoring and reporting**

Principal Risks

The Company has identified a set of principal risks that impact its operations and investment portfolio, as detailed in the accompanying risk table. These risks are subject to continuous monitoring by the Investment Manager and are regularly reviewed by the Board and the ARC to ensure appropriate oversight and response.

While the nature of these risks has remained consistent with the prior year, new risks may have materialised in response to changing external and internal conditions. The Company recognises that these principal risks may have either a direct effect on its operations or an indirect effect through their impact on the underlying portfolio of investments.

Performance Risk Management Framework continued

It is expected that the core risk categories identified will remain relevant over the reporting period. However, the Investment Manager and the ARC maintain a proactive approach to identifying and evaluating emerging risks to ensure the Company develops timely and appropriate mitigation strategies.

The table below sets out the Company's principal risks, including a description of the nature of each risk, the potential impact and the key controls and mitigation measures in place.

Risk type	Risk description	Mitigation
Operational risk Risk Change Same	Risk of failure in operational processes, systems or controls that may disrupt Company operations and adversely affect financial performance and investor returns. **Potential Impact** – Loss of key personnel, affecting investment decision making. – Cybersecurity incidents at the AIFM or Investment Manager, impairing operations.	– Ongoing Board oversight of SDCL's performance and resources. – Long-term incentive schemes and adequate team depth at the Investment Manager to ensure succession planning. – Annual testing of the Investment Manager's business continuity plans to minimise disruption.
Share price discount risk Risk Change Increase	Risk of the Company's shares trading at a persistent discount to NAV per share[APM]. **Potential Impact** – Diminished shareholder returns. – Challenges in raising new equity capital.	– The Board actively monitors the share price discount and may implement share buybacks. – The Investment Manager engages with new and existing investors to improve market liquidity. – Six-point strategy that is detailed in the Investment Manager's report on page 11.
Financial risk Risk Change Same	The risk of being unable to manage portfolio debt, SEIT's debt and/or fulfil the Company's financial obligations. **Potential Impact** – High cost of borrowing undermining return targets. – Inability to renew revolving credit facilities.	– Maintenance of leverage within approved limits, with continuous monitoring. – Regular financial forecasting and reporting from the Investment Manager to ensure financial commitments are met.
FX risk Risk Change Same	The risk of exchange rate fluctuations impacting the value of NAV[APM]. **Potential Impact** – Decline in asset value and associated revenues. – Increased costs of FX hedging.	– FX hedging arrangements in place to shield NAV[APM] from adverse currency movements. – Defined target for unhedged non-GBP exposures to manage residual risk.

Risk type	Risk description	Mitigation
Liquidity risk Risk Change Increase	Risk of insufficient liquidity to meet the Company's financial obligations as they fall due. **Potential Impact** – Inability to make dividend payments. – Inability to fund operating expenses or fund commitments.	– A comprehensive Treasury Policy managed by the Investment Manager. – Regular cash flow forecasting and stress testing. – Careful gearing management to release liquidity from the portfolio. – Strategic asset disposals being pursued where value can be optimised.
Macroeconomic Risk Change Same	**Interest Rate Risk** Risk of asset devaluation due to rising interest rates. **Potential Impact** – Increased discount rates lowering asset values. – Higher debt servicing costs.	– Use of fixed-rate debt instruments and hedging. – Stress testing to assess sensitivity to rate changes. – Interest rate caps in credit facility.
Same	**Inflation Risk** Risk that elevated inflation may reduce asset returns or market demand. **Potential Impact** – Rising operating costs. – Reduced demand as prices rise.	– Portfolio construction considers inflation correlation, minimising the risk of inflation mismatch and ensures the Company has a positive correlation to inflation. – Inflation sensitivity stress testing performed by the Investment Manager.

Same	**Energy and Gas Price**
	Risk of changes in portfolio valuations[APM] due to energy and gas price volatility.
	Potential Impact
	– Lower profitability of certain assets.
	– Increased competition among energy providers.
		– The Investment Manager reduces the risks by:
		  – Short-term hedging of exposure.
		  – Long-term contractual risk-sharing with counterparties.

Reputational, regulatory and governance risk Risk Change Same	Risk of non-compliance with regulatory, governance or investment policy standards. **Potential Impact** – Loss of investor confidence. – Increased operational costs.	– The Investment Manager maintains a dedicated compliance function independent from operations. – Horizon scanning for regulatory changes. – External advisory support as needed.

Performance

Risk Management Framework continued

Risk type	Risk description	Mitigation
Climate risk Risk Change Same	Risk of adverse impacts from climate change on operations and asset valuations. **Potential Impact** – Physical risks: Damage to assets or supply chain disruption. – Transition risks: Policy, technology and behavioural shifts.	– Climate risk analysis integrated within the Risk Management Framework. – Further details available in the annual Climate Change Report on pages 58 to 68.
Investment risk Risk Change Same	Risk of underperformance at the asset level affecting overall portfolio value. **Potential Impact** – Material issue at an asset impacting operations. – Miscalculation of investment's risk/return profile.	– Robust due diligence pre-investment. – Active portfolio management and operational engagement. – Alignment of asset management teams through performance incentives.
Performance risk Risk Change Same	The risk that SEIT fails to meet financial objectives and investment returns. **Potential Impact** – Company fails to deliver on target returns and dividends. – Shareholder dissatisfaction and reduced market confidence.	– Engagement of a specialist Investment Manager with strong sector experience and track record. – Robust governance including Investment Committee oversight and risk controls. – Limits imposed on asset concentration.
Market regulatory risk Risk Change Increase	Risk that evolving laws and regulations affects asset viability and Fund performance. **Potential Impact** – Increased operational costs. – Reduced customer demand due to new regulation.	– Increased and continuous regulatory impact assessment. – Collaborative engagement with asset operators to meet regulatory standards efficiently.
Counterparty risk Risk Change Same	**Offtaker Credit Risk** Risk that a contracted counterparty fails to meet payment obligations. **Potential Impact** – Loss of asset revenue. – Poor contract renewals affecting future earnings.	The Investment Manager minimises credit risk via: – detailed due diligence on counterparties; – ongoing monitoring of credit ratings; and – contractual protections and diversification strategies.
Same	**Contractor Risk (O&M providers)** Risk of underperformance or non-delivery by operational contractors. **Potential Impact** – Delays in asset commissioning. – Increased costs to restore operational status.	– Due diligence on all contractors. – Contractual flexibility to substitute underperforming parties.

Climate-related Risks

The SEIT Climate report on pages 58-68 details climate-related risks, including how the Company integrates climate change considerations into its broader Risk Management Framework. This includes the assessment, analysis and management of climate-related factors throughout the investment lifecycle — from initial appraisal and due diligence through to ongoing asset management.

Performance

Viability Statement

Viability Assessment Period

Company's Board of Directors have assessed the prospects of the Company over a five-year period to 31 March 2030. Consistent with prior years, the Directors have determined that five years is an appropriate period over which to provide this viability statement, as this period accords with the Company's business planning exercises and is appropriate for the investments owned by the Company and the nature of the Company.

Assessment process

In making this statement, the Directors have considered the resilience of the Company, accounting for:

– its current financial position;
– the principal risks, including those relating to climate, regulatory and refinancing aspects;
– the effectiveness of any mitigating actions, particularly in relation to severe but plausible downside scenarios.

The Company benefits from a diversified portfolio of investments, of which the majority have a high degree of contracted long-term cash flows and a set of risks that can be identified and assessed and would not be expected to change materially from one period to the next.

The individual investments are each supported by detailed financial models, and those investments that have financing in place have done so on a non-recourse basis to the Company. The Directors believe that the diversification within the portfolio, of predominantly operational investments, helps to withstand and mitigate the identified risks the Company may face.

The Investment Manager prepared, and the Directors reviewed, five-year cash flow projections as part of business planning – including as part of the approval process of the Company's budget and business plan – and approved dividends on a quarterly basis after reviewing medium-term cash flow projections. The projections consider cash flows, dividend cover, investment policy compliance and other key financial indicators over the period. These projections are based on the Investment Manager's expectations of future asset performance, income and costs and are consistent with the methodology applied to provide the valuation of the investments during the year.

The Investment Manager provided analysis on these projections at various points through the year, considering the potential impact of the Company's principal risks actually occurring in severe but plausible downside scenarios.

The ARC had the opportunity to review and challenge the scenario analysis, which included the potential adverse impact of the scenarios detailed below on the Company's projected near-term, medium and long-term cash flows, and the associated effect on the ability to pay dividends, ability to settle ordinary liabilities and on earnings and the NAV APM.

Scenarios reviewed and their impact

The Investment Manager selected these scenarios on the basis that each could reasonably be assumed, before mitigants, to have a plausible but severe impact affecting the Company directly or indirectly, caused by market factors such as a high-interest and high-inflation environment and a global recession, or investment-specific factors that are unique to an individual or group of investments in the SEIT portfolio:

– in the Primary Energy assets, unsuccessful negotiations to increase the recontracting rate at Portside in 2028 coupled with no contract renewal at PCI in 2025 leading to nil RECs revenue at Cokenergy from 2026. Overall cash cover APM is under pressure in specifically identified years in turn potentially affecting the Company's ability to pay distributions to shareholders.
– a permanent cancellation of construction by a key customer (Li-Cycle) at RED-Rochester that materially reduces revenues generated at the investment. Overall cash cover APM is under pressure in specifically identified future years due to potential covenant breaches, in turn potentially affecting the Company's ability to pay distributions to shareholders.
– increased costs to customers at RED-Rochester resulting in unsuccessful implementation of the currently proposed tariff amendments and no further new customers join the park. Overall cash cover APM is under pressure in specifically identified future years due to potential covenant breaches, in turn potentially affecting the Company's ability to pay distributions to shareholders.

The Audit and Risk Committee reviewed and challenged the Investment Manager on each of the scenarios presented. This included reviewing the likelihood of the risks of the scenarios materialising and considering the potential mitigants that the Investment Manager could apply to reduce any potential downside risk. The Audit and Risk Committee concluded that the scenarios, each prepared individually, demonstrated good resilience of the Company against adverse factors impacting its portfolio.

Confirmation of viability

Based on the reviews conducted throughout the year, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 March 2030.

On behalf of the Board

Tony Roper
Chair

Performance

Stakeholders and Section 172

Section 172: Promoting the Success of the Company

The Directors consider, both individually and together, that they have fulfilled their duties under Section 172 of the Companies Act 2006 to act in good faith and to promote the success of the Company for the benefit of shareholders and stakeholders as a whole, having regard to the stakeholders and matters set out in Section 172 of the UK Companies Act 2006 ("Companies Act") in the decisions taken during the year, as set out below:

Section 172(1)	Description
(a) the likely consequences of any decision in the long term	During the year under review, the Board believes it acted in good faith, with a view to promoting the Company's long-term sustainable success and to achieving its wider objectives for the benefit of its shareholders as a whole, having had regard to wider stakeholders and the other matters set out in Section 172 of the Companies Act. See the rest of this section for the Board's decisions on approving dividends, and the oversight and monitoring of the Investment Manager's activities in relation to risk and portfolio management for the Company.
(b) the interests of the Company's employees	As a closed-ended investment company, the Company does not have any direct employees. During the year, the interests of employees in portfolio companies were considered by the Investment Manager when making decisions for the Company's benefit, such as promoting positive health and safety cultures and other ESG initiatives (further details can be found in the ESG Update on pages 44 to 68).
(c) the need to foster the Company's business relationships with suppliers, customers and others	The Company's approach is described under "Stakeholders" below.
(d) the impact of the Company's operations on the community and the environment	The Board places a high value on the monitoring of ESG issues and sets the overall strategy for ESG matters related to the Company. The Board provides oversight for the managing of climate-related risks for the portfolio by the Investment Manager, including transparent disclosure of these risks, and reviews mitigating actions taken by the Investment Manager to reduce or eliminate them where possible. A description of the Company's Responsible Investment Policy is available on the Company's website and further detail on climate-related risks is set out in the ESG Update on pages 44 to 68 and the Risk Management Framework on pages 69 to 71. Further details of matters discussed and agreed by Directors during the year are described in the ESG Update on pages 44 to 68.
(e) the desirability of the Company maintaining a reputation for high standards of business conduct	The Board's approach is described under "Culture and Values" below. For further information please also see the ESG Update on pages 44 to 68.
(f) the need to act fairly between members of the Company	The Board's approach is described under "Stakeholders" below. For further information please also see the Corporate Governance Statement on pages 79 to 87.

The issues, factors and stakeholders the Directors consider relevant in complying with Section 172(1) (a) to (f) are described in detail below. The Investment Manager provides updates to the Board at quarterly meetings on the above items, including the rationale behind investment decisions, its relationships with the Company's shareholders and key stakeholders and the Company's reputation in the broader market. This is further supported by reports from several advisers such as the Company's broker and financial PR consultant.

Further, the Companies (Miscellaneous Reporting) Regulations 2018 require Directors to explain how they have discharged their duties under Section 172(1) of the Companies Act 2006 in promoting the success of their companies for the benefit of "members as a whole". The Board's approach is described under "Stakeholders" below.

Stakeholders

The Board challenges the Investment Manager to balance the interests and concerns of all stakeholders effectively to ensure continuing positive stakeholder engagement. The Company is committed to maintaining good and regular communications and building positive relationships with all stakeholders. To achieve this, the Company, either directly or via the Investment Manager, interacts with a variety of stakeholders relevant to its success. The Company seeks to achieve the correct balance between engagement and communication, whilst working within the limitations of what can be disclosed to the various stakeholders, maintaining confidentiality of market and/or commercially sensitive information.

The Company has identified the following key stakeholders:

- shareholders;
- the Investment Manager;
- the Company's key service providers;
- the Company's investment business partners (including host counterparties); and
- lenders at project level and corporate level.

Performance Stakeholders and Section 172 continued

Stakeholders	Why they are important	Engagement
Shareholders	As the Company is an investment trust listed on the London Stock Exchange and a constituent of the FTSE 250 index, its shareholders are also its main stakeholders. Continued shareholder support and engagement are critical to the existence of the Company and to the delivery of the long-term strategy.	The Company currently has over 350 shareholders. Through the Company's engagement activities, it strives to obtain investor endorsement for the Company's strategic objectives and how they are executed. The Company continued to engage, directly or via the Investment Manager, with shareholders in the year through an increased number of shareholder meetings, market announcements, presentations and various written materials, available on the Company's website. At every Board meeting, the Directors received updates on share trading activity, share price performance, shareholder feedback and any mention of the Company in the press. Through a combination of the above engagement activities, clear reporting and shareholder support, the Board has been able to ensure the Investment Manager's alignment with the investment strategy appropriate for the continued tough market conditions. The Company will continue to engage actively with shareholders.
The Investment Manager	The Investment Manager's performance is critical for the Company to deliver its investment strategy and meet its objectives.	Constructive and ongoing engagement with the Investment Manager is important to ensure that the expectations of shareholders are being met and that the Board is aware of any challenges to the investment strategy or management of the Company's portfolio of investments. The Board conducts both an ongoing and an annual review of the Investment Manager's performance and terms of engagement, and provides feedback after such reviews. The most recent annual review took place in March 2025 and written feedback was given to the Investment Manager. The Board and the Investment Manager maintain an open and ongoing dialogue on key issues facing the Company with a view to ensuring that key decisions relating to, inter alia, potential investments, portfolio performance and the Company's investment strategy are aligned with achieving long-term value for shareholders. This open dialogue takes the form of at least quarterly scheduled Board meetings and frequent informal contact, as appropriate to the subject matter.

Stakeholders	Why they are important	Engagement
Key service providers	The Company has a number of other key service providers, each of which provides a vital service to the Company and ultimately to its shareholders. The Company's key service providers are the Administrator and Company Secretary, Auditor, Corporate Broker, Depositary and Registrar.	During the year, the Company conducted a review of the terms of all key service provider engagements along with their fee levels to ensure an appropriate level of support was being provided to the Company. The Directors provided specific feedback to key service providers with the aim of ensuring the Company receives an appropriate service. The Company seeks to ensure a two-way engagement between the Board and key service providers on service delivery expectations and feedback on important issues experienced by service providers.
Investment business partners (including host counterparties)	The Company has various business partners including, crucially, via Holdco the counterparty hosts to whom the Company's investments are providing critical energy services, as well as subcontractors who provide key services to individual or groups of portfolio companies. Such services include operations and maintenance, technical asset management and EPC construction that are considered vital to the success of the investments.	At investment, the Investment Manager undertakes a review of the contracting terms of all counterparties to ensure they are fair and appropriate. The Directors received an update on actions during the year for the Investment Manager to seek to maintain long-term collaborative partnerships with these counterparties to ensure relationship stability and that the Company's investment return targets are achieved. During the year, the Investment Manager has expanded reporting to the Directors in relation to the engagement and management of the business partners, in order to demonstrate activities completed. Management of these partners is completed through a combination of direct engagement with the Investment Manager, portfolio company management teams and/or outsourced asset managers. The Investment Manager has established processes to ensure that engagement with these partners occurs on a quarterly basis, if not more frequently.
Lenders at project level and corporate level	The availability of funding and liquidity are crucial elements in ensuring the Company's ability to execute against attractive investment opportunities as they arise.	Considering the importance of available funding, the Company aims to demonstrate to its lenders, through regular reporting and dialogue, that it is a well-managed business and, in particular, that the Investment Manager is focused on providing regular and careful management of risk within the investment portfolio and the Company as a whole. During the year, the Directors received and reviewed the Investment Manager's recommendation to refinance the RCF held by the Company's only direct subsidiary, SEEIT Holdco, thereby ensuring that the Company had access to liquidity to make further investments.

Performance Stakeholders and Section 172 continued

The Directors' overarching duty is to promote the success of the Company for the benefit of shareholders, with due consideration of other stakeholders' interests. The Company seeks to maintain high standards of business conduct and corporate governance and to ensure via the Investment Manager that appropriate oversight, control and suitable policies are in place to guarantee stakeholders are treated fairly.

The Board seeks to ensure the alignment of its purpose, values and strategy with this culture of openness, debate and integrity through ongoing dialogue and engagement with its key stakeholders. The Board seeks to align its purpose, values and strategy with this culture of openness, debate and integrity through ongoing dialogue and engagement with its key stakeholders. The Board aims to achieve a supportive business culture combined with constructive challenge, and to provide a regular flow of information to shareholders and relevant information as required to other key stakeholders. Both the Board, which comprises 50% male and 50% female members, and the Investment Manager support equal opportunities for recruitment and when managing existing employees – regardless of age, race, gender, disability or personal beliefs and preferences.

Although the Company has no employees, it is committed to respecting human rights in its broader relationships. The Company does not tolerate corruption, fraud, bribes, human rights violations or environmental misuse. The Company aims to maintain standards of business integrity, a commitment to truth and fair dealing, and a commitment to complying with all applicable laws and regulations.

The Company has several policies and procedures in place to assist with maintaining a culture of good governance, including those relating to diversity, anti-bribery – including the acceptance of gifts and hospitality – tax evasion, conflicts of interest, whistleblowing and Directors' dealings in the Company's shares. The Board assesses and monitors compliance with these policies regularly through Board meetings and the annual evaluation process.

The Board seeks to appoint the most appropriate service providers for the Company's needs and evaluates their services on a regular basis. The Board considers the culture of the Investment Manager and other service providers through regular reporting and by receiving regular presentations, as well as through ad hoc interactions.

The Strategic Report has been approved by the board of directors.

On behalf of the Board

Tony Roper
Chair

Governance

What is in this section?

Onyx

Investment Policy and Approach

Investment Objective

The Company'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.

Summary of the Investment Policy

- The Company seeks to achieve its investment objective by investing principally in a diversified portfolio of investments with high-quality, private and public sector counterparties. The contracts governing these investments typically entitle the Company, on the whole, to receive stable and predictable cash flows. The Company's returns are derived from contractual payments by counterparties in respect of each relevant investment.
- Whilst the Company invests predominantly in operational investments, the Company may, under certain circumstances, invest while such investments are in a construction or development phase. In addition, the Company may, to a limited extent, invest in developers, operators or managers of energy efficiency infrastructure investments.
- In respect of the investment portfolio, the Company seeks to diversify its subcontracting exposure by contracting, where commercially practicable, with a range of different engineers, manufacturers or other service providers.
- Investments may be acquired individually or as a portfolio. The Company may also invest jointly with a co-investor. The Company aims to achieve diversification by investing in a range of different energy efficiency technologies and contracting with a wide range of counterparties.
- Though the Company initially focused its attention on investing in the UK, over time the Company has expanded to invest in projects in Europe, North America and the Asia-Pacific region.
- In pursuing its investment policy, the Company will seek to target sustainable investments, for example by making investments that contribute to GHG emission reductions.

Gearing APM

The Company maintains a conservative level of aggregate gearing APM in the interests of capital efficiency, to enhance income returns, long-term capital growth and capital flexibility. The Company's target medium-term gearing APM is 35% of net asset value ("NAV") APM, calculated at the time of borrowing ("structural gearing APM").

The Company may also enter borrowing facilities on a short-term basis to finance acquisitions ("acquisition finance"), provided that the aggregate consolidated borrowing of the Company and the investment portfolio, including any structural gearing APM, shall not exceed 65% of NAV APM, calculated at the time of borrowing.

The Company intends to repay any acquisition finance with the proceeds from capital raisings and/or capital recycling in the short to medium term.

Structural gearing APM and acquisition finance are employed either at the level of the Company, at the level of the relevant investment or at the level of any intermediate wholly owned subsidiary of the Company. Structural gearing APM and acquisition finance primarily comprise bank borrowings, though small overdraft facilities may be used for flexibility in corporate transactions.

Use of Derivatives

The Company may use derivatives for efficient portfolio management but not for investment purposes. In particular, the Company may engage in full or partial interest rate hedging or otherwise seek to mitigate the risk of interest rate increases and full or partial foreign exchange hedging to mitigate the risk of currency inflation.

The Company does not typically enter into hedging contracts and other derivative contracts directly but may do so via its subsidiaries when they are available in a timely manner and on terms acceptable to it. The Company reserves the right to terminate any hedging arrangement in its absolute discretion.

Cash Management

Whilst it is the intention of the Company to be fully or near fully invested in normal market conditions, the Company may hold cash on deposit and invest in cash-equivalent investments, which could include short-term investments in money market type funds and tradeable debt securities. For further details please see the Company website: **https://www.seitplc.com/**.

Board of Directors

As at the date of this Annual Report, the Board consists of four Directors who have complementary and relevant skills and backgrounds. The Directors are of the opinion that the Board as a whole has an appropriate balance of skills, experience and diversity.

N

Anthony (Tony) Roper

Independent Non-Executive Chair

Appointed: 12 October 2018

Tony started his career as a structural engineer with Ove Arup and Partners in 1983. In 1994 he joined John Laing plc to review and make equity investments in infrastructure projects both in the UK and abroad and then in 2006 he joined HSBC Specialist Investments to be the fund manager for HSBC Infrastructure Company Limited (now HICL Infrastructure plc). In 2011, Tony was part of the senior management team that bought HSBC Specialist Investments from HSBC, renaming it InfraRed Capital Partners.

Tony was a managing partner and a senior member of the infrastructure management team at InfraRed Capital Partners until June 2018, during which time he oversaw the successful launch of The Renewables Infrastructure Group on the London Stock Exchange.

Tony is the chair of abrdn European Logistics Income plc and a non-executive director of Foresight Solar Fund Limited.

Tony has a master's degree in Engineering from the University of Cambridge and is an Associate Chartered Management Accountant ("ACMA").

E
M

Helen Clarkson OBE

Independent Non-Executive Director

Appointed: 12 October 2018

Helen joined Climate Group in March 2017 as Chief Executive Officer. Climate Group is an international non-profit organisation with a mission to drive climate action, fast. Climate Group builds networks of leading governments and businesses working on issues such as renewable electricity and zero carbon steel, to shape markets and policy. Helen also sits on the board of the We Mean Business Coalition.

Prior to joining the Climate Group, Helen worked at Forum for the Future where she founded the organisation's US office. At Forum, Helen led work with large US corporations such as Target, Walmart, Nike, Gap and Levi Strauss & Co. to solve complex sustainability challenges. Helen joined Forum from Médecins Sans Frontières where she worked on humanitarian missions across a number of conflict zones.

Helen qualified as a Chartered Accountant with Deloitte and has an undergraduate degree from the University of Cambridge, and a master's degree from the University of London. In 2022 Helen was awarded an OBE for services to the climate.

R

Christopher (Chris) Knowles

Senior Independent Non-Executive Director

Appointed: 12 October 2018

Chris has over 40 years' experience in projects, infrastructure and environmental finance and economics. He has spent the majority of his career to date at the European Investment Bank ("EIB"), heading its infrastructure and environmental investment funds business from 2005 to 2017. In this capacity, he had pan-European responsibility for a diverse portfolio of activities, including equity funds for infrastructure and clean energy, energy efficiency, carbon finance, natural capital and structured finance.

Chris also serves as a NED on a number of private equity and debt funds pursuing ESG and impact strategies in Europe, Latin America, Africa and Asia. He is a member of various advisory committees, including that for the Climate Bond Initiative and the Organisation for Economic Co-operation and Development ("OECD") Centre for Green Finance & Investment.

Chris holds degrees in Economics and Management from the University of Durham.

A

Sarika Patel

Independent Non-Executive Director

Appointed: 1 January 2022

Sarika is an experienced business leader in a mixture of public and private organisations and has worked as a senior corporate finance professional at Zeus Caps (a principal investment and advisory platform focused on infrastructure and related sectors operating in India, Europe and the Middle East). She was the National Head of Technology at Grant Thornton. She was the director of Innovation and all business sectors at the London Development Agency attracting and supporting businesses in London.

Sarika is the chair of abrdn Equity Investment Trust plc and is a non-executive director of Templeton Emerging Markets Investment Trust PLC. Sarika is the Chair of Action for Children. She has held various board positions at Foresight Forestry Fund, Sequoia Economic Infrastructure Fund, The Office for Nuclear Regulation, The Gambling Commission, Imperial Healthcare NHS Trust, University of Greenwich, etc

Sarika is a Chartered Accountant, a Chartered Marketer and a double graduate in Law and Commerce.

Key to committees: A Audit and Risk Committee Chair M Management Engagement Committee Chair N Nomination Committee Chair R Remuneration Committee Chair E ESG Committee Chair

Corporate Governance Statement

This Corporate Governance Statement forms part of the Directors' Report

The Company is a member of the Association of Investment Companies (the "AIC") and the Board recognises the importance of a sound corporate governance culture that meets the requirements of the Financial Conduct Authority (the "FCA") and the 2019 AIC Code of Corporate Governance (the "AIC Code"). The Board of Directors has considered the Principles and Provisions of the AIC Code which addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to shareholders. The AIC Code can be found at www.theaic.co.uk and the UK Code can be found at www.frc.org.uk.

The Company has complied with the Principles and Provisions of the AIC Code with the exception that it does not have a Chief Executive Officer ("CEO"). Given the nature and circumstance of the Company as an investment company managed by the Investment Manager, the Company does not consider it necessary to have a CEO.

The AIC Code includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

Set out below are the full details of how the Company has applied the Principles of the AIC Code:

AIC Code	Principle	Compliance statement
A	A successful company is led by an effective board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.	In managing the Company, the aim of the Board and of the Investment Manager is always to ensure the long-term sustainable success of the Company and, therefore, the likely long-term consequences of any decision are a key consideration. The Board is subject to an annual evaluation, the results of which indicate that the Board performs effectively as a whole. As part of the evaluation process, the Board identifies areas in which they could further improve, and performance in these areas is monitored throughout the year and at the point of the next annual evaluation. Further information on the Board evaluation process can be found in the Nomination Committee Report on pages 88 and 89.
B	The Board should establish the Company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example and promote the desired culture.	The Company'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. The Board seeks to ensure the alignment of its purpose, values and strategy with a culture of openness, debate and integrity through ongoing dialogue and engagement with its stakeholders. The Directors aim to achieve a supportive business culture combined with constructive challenge and to provide a regular flow of information to shareholders and other stakeholders.
C	The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	The Directors regularly consider the Company's financial position in the context of its business model, the balance sheet, cash flow projections, availability of funding and the Company's contractual commitments. The Company is subject to various risks in pursuing its objectives and, in order to effectively assess and manage risk, appropriate controls and policies are in place, which are regularly reviewed and assessed by the Audit and Risk Committee. These are detailed in the Risk Management Framework on pages 69 to 71, in the Audit and Risk Committee Report on pages 90 to 94 and in Note 13 to the financial statements on pages 129 to 131. The Directors confirm they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. See the Risk Management Framework on pages 69 to 71 for further details. The Directors have assessed the prospects of the Company over a five-year period to 31 March 2030. The Directors have determined that a viability statement for a five-year period is appropriate as this period accords with the Company's business planning exercises and is appropriate for the investments owned by the Company and the nature of the Company. See page 72 for further details on the Viability Statement.
D	In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.	The Company describes its key stakeholders, the reason they are important, how it seeks to gain an understanding of their interests and how the Board engages with them, whether directly or via the Investment Manager, on pages 73 to 75 Stakeholders and Section 172.

Corporate Governance Statement continued

AIC Code	Principle	Compliance statement
F	The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the Chair facilitates constructive board relations and the effective contribution of all Non-Executive Directors, and ensures that Directors receive accurate, timely and clear information.	The role and responsibilities of the Chair are described in the Corporate Governance Statement on pages 79 to 87. The Company recognises that the Chair leads the Board and is responsible for its overall effectiveness in directing the affairs of the Company. The annual evaluation of the Board's effectiveness always considers the performance of the Chair, and whether they have performed their role effectively. The Directors have concluded that the Chair has fulfilled his role and performed well to support effective functioning of the Board as evidenced in the internal Board evaluation that took place during the latter part of the financial year.
G	The Board should consist of an appropriate combination of Directors (and, in particular, independent Non-Executive Directors) such that no one individual or small group of individuals dominates the Board's decision making.	During the year under review, the Board consisted only of Non-Executive Directors and all of the Directors are deemed to be independent of the Investment Manager. In the Board's opinion, each Director continues to provide constructive challenge and robust scrutiny of matters that come before the Board. The Board also considers the composition of the Board as well as longer-term succession plans. The Board is satisfied that the Board's current composition is adequate to appropriately discharge its duties and currently has no intentions to alter its composition.
H	Non-Executive Directors should have sufficient time to meet their Board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third-party service providers to account.	The Board considers the required time commitment annually and, during the year under review, the Board concluded that all Directors continued to devote sufficient time to the business of the Company. Through their contributions in meetings, as well as outside of the usual meeting cycle, the Directors share their experience and guidance with, as well as constructively challenge, the Investment Manager. The Management Engagement Committee annually assesses the performance of all material third-party service providers.
I	The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	The Board's responsibilities are set out in the schedule of matters reserved for the Board and certain responsibilities are delegated to its Committees, so that it can operate effectively and efficiently. All Board policies were reviewed and, where appropriate, updated during the year. They continue to be reviewed on a regular basis. Directors are also provided with any relevant information and have access to the Company Secretary and independent advisers, if required.

AIC Code	Principle	Compliance statement
J	Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	The Company is committed to ensuring that any vacancies arising are filled by suitably qualified candidates. The Board has adopted a Diversity Policy, which acknowledges the benefits of greater diversity, and remains committed to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives to the Board. Appointments of new Directors to the Board follow a structured and transparent process as described further below. The Company's policy on the tenure of Directors also helps guide long-term succession plans and recognises the need and value of progressive refreshing of the Board. Both policies are described in more detail below.
K	The Board and its Committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.	The Nomination Committee, which comprises the whole Board, is responsible for identifying and recommending to the Board the appointment of new Directors. The Nomination Committee reviews, at least annually, the key skills and experience of each Director and the skills matrix is reviewed at least once per year to ensure that the Board has an appropriate mix of skills and experience, particularly when considering longer-term succession plans.
L	Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each Director continues to contribute effectively.	The Directors are aware that they need to monitor and improve Board performance continuously and recognise that this can be achieved through regular Board evaluation, which provides a valuable feedback mechanism for improving Board effectiveness. In line with the AIC Code, the Board has agreed that an external Board evaluation will be carried out every three years and, in the intervening years, evaluations will be carried out by means of questionnaires and interviews. For the year ended 31 March 2025, the Company engaged Trust Associates 2022 LLP ("Trust Associates") to undertake an external Board evaluation. Each Director engaged with the external Board evaluation process and Trust Associates was satisfied that the Board, Chair and Directors were suitably qualified to perform their duties. Further details of the results of the Board evaluation process can be found in the Nomination Committee Report on pages 88 and 89.
M	The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Audit and Risk Committee supports the Board in fulfilling its oversight responsibilities by reviewing the performance of the independent auditor, audit quality and the auditor's objectivity and independence. The Audit and Risk Committee also reviews the integrity and content of the financial statements, including the ongoing viability of the Company. More details can be found in the Audit and Risk Committee Report on pages 90 to 94.

Corporate Governance Statement continued

AIC Code	Principle	Compliance statement
N	The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.	The Audit and Risk Committee supports the Board in assessing that the Company's Annual Report presents a fair, balanced and understandable assessment of the Company's position and prospects. Please refer to the Audit and Risk Committee Report on pages 90 to 94 for further information.
O	The Board should establish procedures to manage risk, oversee the internal control framework and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.	The work of the Audit and Risk Committee supports the Board through its independent oversight of the financial reporting process – including the financial statements, the system of internal control and management of risk, the appointment and ongoing review of the quality of the work and independence of the Company's external auditor – is described in the Audit and Risk Committee Report on pages 90 to 94.
P	Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	The Directors are all non-executive and independent of the Investment Manager. They receive fees and no component of any Director's remuneration is subject to performance factors. Whilst there is no requirement under the Company's Articles of Association or letters of appointment for Directors to hold shares in the Company, all Directors do hold shares in the Company and the details of their shareholdings are set out in the Directors' Remuneration Report on pages 95 to 100.
Q	A formal and transparent procedure for developing a policy for remuneration should be established. No Director should be involved in deciding their own remuneration outcome.	The Board has established a separate Remuneration Committee, which, as the Company has no employees and the Board is comprised wholly of Non-Executive Directors, is comprised of all the Directors. Directors' remuneration is determined by the Committee, at its discretion within an aggregate ceiling as set out in the Company's Articles of Association. Each Director abstains from voting on their own individual remuneration. The details of the Remuneration Policy and Directors' fees can be found in the Directors' Remuneration Report on pages 95 to 100. The terms and conditions of the Directors' appointments are set out in their letters of appointment, which are available for inspection on request at the registered office of the Company.
R	Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances.	The process of reviewing the Directors' fees is described in the Directors' Remuneration Report on pages 95 to 100, although because there are no performance-related elements of the remuneration, there is very little scope for the exercise of discretion or judgement.

Principle E of the UK Code relates to the treatment of employees and so is generally not applicable to companies under the AIC Code if, as in the case of the Company, there are no employees.

The Board of Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed in the Board of Directors' section on page 78.

Board Independence

The Board consists of four independent Non-Executive Directors, who were considered independent of the Investment Manager at the time of their appointment. The independence of the Directors is reviewed as part of the annual evaluation process and, in line with the guidelines of the AIC Code, the Directors continue to be considered independent in character and judgement. All the Directors are entirely independent of the Investment Manager.

Appointment of New Directors

Any appointments to the Board are subject to a formal, rigorous and transparent process. Responsibilities of the Nomination Committee include satisfying itself that there is succession planning in place for Directors to ensure continued refreshment of the Board and its Committees; determining membership of the Board's Committees in conjunction with the respective Committee Chairs for approval by the Board; and identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.

As part of the appointment process, the Nomination Committee will:

– evaluate the current balance of skills, knowledge and experience on the Board;
– draw up a description of the role, including the capabilities required, and use an external search consultancy, if considered necessary and appropriate, in the search for candidates;
– ensure that appointments are made based on merit and after assessing candidates by means of objective criteria, including, but not limited to, the Board's Diversity Policy; and
– determine the terms and conditions of the appointment of Non-Executive Directors, including setting out clearly what is expected of them in terms of time, commitment, committee service and involvement outside of Board meetings.

Corporate Governance Statement continued

Induction Process

New appointees to the Board are provided with a full induction programme.

The programme is based on the Corporate Governance Institute UK & Ireland's "Induction of Directors" guidance note, adapted to the requirements of the Company. It is designed to:

(i) build an understanding of the nature of the Company, its business and its markets;
(ii) build a link with the Board;
(iii) build an understanding of the Company's main relationships; and
(iv) ensure an understanding of the framework within which the Board operates.

The programme covers the Company's investment strategy, policies and practices. The Directors are also given key information on the Company's regulatory and statutory requirements as they arise; information on the role of the Board, including matters reserved for its decision and the terms of reference for the Board Committees; the Company's corporate governance practices and procedures; and the latest financial information.

Incoming Directors are also afforded the opportunity to meet early on with the current Non-Executive Directors, key personnel from the Investment Manager and other key service providers, including the independent auditor, the Company Secretary and Administrator, and the Corporate Broker.

Terms of Appointment

The terms of appointment of the Directors are formalised in letters of appointment, copies of which are available for inspection at the Company's registered office. None of the Directors have a contract of service with the Company nor has there been any other contract or arrangement between the Company and any Director at any time during the year.

Re-Election

The Articles of Association provide that each of the Directors shall retire at each AGM. All Directors intend to retire at the forthcoming AGM and will offer themselves for re-election.

As set out further below, the Board carries out an annual review of each Director individually and the Board as a whole. The Board believes that the balance of skills, gender, experience and knowledge of the current Board provides for a sound base from which the interests of investors will be served to a high standard.

The Board recommends the re-election of all Directors at the forthcoming AGM.

Board Responsibilities

Under the leadership of the Chair, the Board is responsible for the effective stewardship of the Company's affairs, including strategy, corporate governance, risk assessment and overall investment policy.

Role and Responsibilities of the Chair

The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. Key aspects of the Chair's role and responsibilities include:

- demonstrating objective judgement throughout their tenure;
- promoting a culture of openness and debate;
- facilitating constructive Board relations and the effective contribution of all Non-Executive Directors;
- working with the Company Secretary to ensure that all Directors receive accurate and timely information so that they can discharge their duties;
- ensuring that the Board as a whole has a clear understanding of the views of shareholders; and
- acting on the results of the annual evaluation of the performance of the Board, its Committees and individual Directors by recognising the strengths and addressing any weaknesses of the Board.

The Chair, Tony Roper, met the independence criteria upon appointment and has continued to meet this condition throughout his term of service.

Role and Responsibilities of the Senior Independent Director

The key elements of the Senior Independent Director's role include:

- acting as a sounding board for the Chair of the Board, providing the Chair with support in the delivery of their objectives;
- leading the evaluation of the Chair on behalf of the other Directors as part of the annual evaluation process;
- in the event of any major difference of opinion on the direction of the Company, act as an intermediary between the Chair, other Directors and the Investment Manager; and
- acting as a conduit for views of shareholders in the event that the usual channels are not available or not suitable in the circumstances.

Chris Knowles was appointed as Senior Independent Director at IPO.

The responsibilities of the Chair and Senior Independent Director are available on the Company's website.

Corporate Governance Statement continued

Delegation of Responsibilities

The Board has delegated the following areas of responsibility to a number of service providers, each engaged under separate contracts:

Company Secretary and Administrator

JTC (UK) Limited is the appointed Company Secretary and Administrator to the Company, providing company secretarial, fund accounting and administration services. Day-to-day administration has been delegated to JTC (UK) Limited as the Company Secretary and Administrator.

The Board has access to the Company Secretary to advise on all governance and day-to-day administrative matters. The Company Secretary is also responsible to the Board for ensuring that all the Company's continued statutory obligations are met.

Investment Manager

The management of the Company's portfolio is delegated to the Investment Manager, Sustainable Development Capital LLP.

The Investment Manager has full discretion, within agreed parameters, to make investments in accordance with the Company's investment policy and has responsibility for financial administration and investor relations. In addition, they advise the Board in relation to further capital raisings and the payment of dividends amongst other matters, subject to the overall supervision and oversight of the Board.

Among the specific tasks of the Investment Manager are the overall financial management of the Company and existing portfolio as a whole, including the deployment of capital; management of the SEIT Group's debt facilities and hedging arrangements; the sourcing of new investments; operating the Risk Management Framework, preparing the semi-annual valuations, the statutory accounts, the management accounts and business plans; presenting results and information to shareholders; co-ordinating the activities of all corporate service providers to the Company; and providing general advice to the Board.

Members of the Investment Manager are also appointed as Directors of SEIT's project companies and/or intermediate holding companies. As part of their role in managing the portfolio, those Directors attend board meetings of these companies and make appropriate decisions. Material decisions are referred back to the Investment Manager's Investment Committee for consideration. The Company's Board is consulted on key matters relevant to the Company's strategy, policies or overall performance, both on an ad hoc basis, where required, and during formal reporting sessions, including all matters outside of the Investment Manager's delegated authority.

Share Premium Account

At the Company's 2023 AGM, shareholders voted in favour of the special resolution authorising the Company to cancel £300 million of the amounts standing to the credit of its share premium account. On 21 November 2023, following approval by the Court, the Company cancelled £300 million of its share premium account, creating distributable reserves which may be used by the Board to deliver returns to shareholders in the future, should they consider it appropriate to do so.

Board Tenure Policy

The Board's policy regarding tenure of service of the Directors, including its Chair, is that any decisions regarding tenure should balance the benefits of continuity and knowledge and the orderly transition of responsibilities through succession plans for the retirement and appointment of Directors against the need to periodically refresh the Board's composition to maintain an appropriate mix of the required skills, experience, diversity and length of service. Annually, as part of the Board's self-evaluation and succession planning process, the Board carefully considers the independence of each Director.

It is not envisaged that any Board members will continue on the Board past nine years, except where required by Company circumstances at that time – and then only for a limited period, to be agreed by the Board as a whole, taking into account their independence and the need to balance this against the benefits of maintaining continuity, knowledge and experience.

Culture

The culture of the Board is considered as part of the annual performance evaluation process that is undertaken by each Director. The culture of the Company's service providers, including their policies, practices and behaviour, is considered by the Board as a whole during the annual review of the performance and continuing appointment of all service providers. Further information on the Company's culture and values and engagement with its service providers and other stakeholders is set out in Stakeholders and Section 172 on pages 73 to 75.

Diversity

Diversity, including, but not limited to, gender, ethnicity, professional and industry-specific knowledge is an important consideration in ensuring that the Board and its Committees have the right balance of skills, experience, independence and knowledge necessary to discharge their responsibilities. The right blend of perspectives is critical to ensuring an effective Board and a successful Company.

The Board has adopted a Diversity Policy and considers that its composition, with respect to the balance of skills, ethnicity and cultural diversity, gender, experience and knowledge, coupled with a mixed length of service, provides for a sound base from which the interests of shareholders will be served to a high standard.

As at the date of this report, the Board of Directors comprised four independent Non-Executive Directors, two male and two female (being 50% female representation).

Corporate Governance Statement continued

Diversity continued

The Company supports the recommendations of the FTSE Women Leaders Review, which has set a voluntary target of 40% for women to be represented on boards and in leadership of FTSE 350 companies. The Company also supports the Parker Review's recommendations to increase ethnic and cultural diversity on boards, including its target for FTSE 250 boards to have at least one director from an ethnic minority background by December 2024; develop a pipeline of candidates planning for succession through mentoring and sponsoring, and enhancing transparency and disclosure to record and track progress against the objectives. The Company meets the recommendations and targets of these reviews as at 31 March 2025.

In accordance with UK Listing Rule 6.6.6R(9), the Company is required to include a statement in its annual financial report setting out whether it has met the following targets on Board diversity as at 31 March 2025:

a) at least 40% of individuals on the Board are women;
b) at least one of the senior Board positions (defined by the FCA as either the Chair, SID, CEO or CFO) is held by a woman; and
c) at least one individual on the Board is from a minority ethnic background.

The following tables set out the composition of the Board as at 31 March 2025 which remains the same at the date of this report. This information is based on voluntary self-declaration made by the Directors.

Table for reporting on gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (SID and Chair)
Men	2	50%	2
Women	2	50%	–
Not specified	–	–	–

Table for reporting on ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (SID and Chair)
White British or other White (including minority-white groups)	3	75%	2
Mixed/Multiple ethnic groups	–	–	–
Asian/Asian British	1	25%	–

As at 31 March 2025, the Board meets the criteria of target a) as 50% of the Board are women, and target c) as one Board member is from a minority ethnic background.

With regard to target b) the Company does not have Executive Directors and therefore does not have a CEO or CFO, and therefore none of the senior Board positions, as defined by the FCA, are held by a woman. However, the Board considers the role of the Audit and Risk Committee Chair to be a senior Board position given the nature of the Company as an investment trust. That role is the second highest remunerated position on the Board, reflecting the importance of the position and the time commitments it commands and is held by a woman. Therefore, under this interpretation, the Board considers that at least one of the senior Board positions is held by a woman.

Matters Reserved for the Board

The Directors have adopted a formal schedule of matters specifically reserved for their approval. The Directors have overall responsibility for the Company's business activities in accordance with the Company's Articles of Association and investment policy. The Board has delegated certain functions to its Committees as described further below, and retains the right to vary the delegation from time to time.

Reserved matters for the Board's approval include:

- capital raising activities;
- declaring interim dividends and recommending final dividends to shareholders;
- reviewing the performance and appointments of key service providers;
- setting terms of reference for the Board and relevant Board Committees; and
- monitoring the constitution and efficiency of the Board and its Committees and key governance aspects such as general meetings and shareholder circulars.

Committees of the Board

The Board has five Committees to assist with its operations: the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee, the Management Engagement Committee and the ESG Committee. The delegated responsibilities of each Board Committee are clearly defined in formal terms of reference, which are available on the Company's website.

The Company Secretary acts as secretary to each Committee. No persons other than the Committee members are entitled to attend Committee meetings unless formally invited by the respective Committee.

Corporate Governance Statement continued

Committees of the Board continued

Memberships of the Board Committees as at 31 March 2025 are as follows:

	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee	ESG Committee
Chair	Sarika Patel	Chris Knowles	Tony Roper	Helen Clarkson	Helen Clarkson
Members	Helen Clarkson	Helen Clarkson	Helen Clarkson	Chris Knowles	Chris Knowles
	Chris Knowles	Sarika Patel	Chris Knowles	Sarika Patel	
	Tony Roper	Tony Roper	Sarika Patel	Tony Roper	

Audit and Risk Committee

The Board considers that the members of the Audit and Risk Committee have the requisite skills and experience to fulfil the responsibilities of the Committee. The Chair of the Audit and Risk Committee is a chartered accountant and has significant recent and relevant financial experience. The Audit and Risk Committee has direct access to the Company's independent auditor and provides a forum through which the independent auditor reports to the Board. Representatives of the independent auditor attend meetings of the Audit and Risk Committee at least twice per year.

Further details about the Audit and Risk Committee and its activities during the year under review are set out in the Audit and Risk Committee Report on pages 90 to 94.

Remuneration Committee

The Remuneration Committee meets at least once per year and deals with matters of Directors' remuneration. In particular, the Remuneration Committee reviews and makes recommendations to the Board regarding the ongoing appropriateness and relevance of the Remuneration Policy, Directors' annual fee levels and also considers the need to appoint independent professional external remuneration consultants.

Further details about the Remuneration Committee and remuneration matters are set out in the Directors' Remuneration Report on pages 95 to 100.

Nomination Committee

The Nomination Committee meets at least once per year to consider Board succession planning and recruitment and to conduct the annual Board evaluation exercise.

Further details about the Nomination Committee and its activities during the year under review are set out in the Nomination Committee Report on pages 88 and 89.

Management Engagement Committee

The Management Engagement Committee meets at least once per year to assess the performance of the Investment Manager and the Company's other key third-party service providers. This annual review process includes two-way feedback, which provides the Board with an opportunity to understand the views, experiences and any issues encountered by service providers during the year. In addition, the Management Engagement Committee is actively involved in reviewing the contractual relationships of the Investment Manager and the Company's other key third-party service providers and ensuring the contractual terms remain aligned with the objectives of the Company and the interests of shareholders.

Following the Committee's assessment of the Investment Manager, and based on its performance, the continued appointment of the Investment Manager is considered to be in the interests of shareholders as a whole, and it was recommended that SDCL continue as Investment Manager.

Corporate Governance Statement continued

Committees of the Board continued

ESG Committee

The ESG Committee meets at least twice a year to discuss the Company's approach to ESG. Further details about the ESG Committee and its activities during the year under review are set out in the ESG Committee Report on pages 45 and 46. Further details on the Company's approach to ESG can be found in the ESG Update on pages 44 to 68.

Meetings

The Board is scheduled to meet at least four times per year and between these formal meetings there is regular contact with the Investment Manager, the Administrator, the Company Secretary and the Corporate Broker. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company that should be brought to the attention of the Directors.

The agenda for all Board meetings are circulated to the Board in advance of the meeting as part of the Board papers. The Directors consider agenda items and may request any agenda items to be added that they consider appropriate for Board discussion. Each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussions. Board meetings include a review of investment performance and associated matters such as health and safety, marketing, investor relations, risk management, gearing [APM], general administration and compliance, peer group information and industry issues.

The number of scheduled Board and Board Committee meetings held during the year and the attendance of the individual Directors is shown below:

	Scheduled Board meetings	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee	ESG Committee
No. of meetings held	**4**	**4**	**1**	**1**	**1**	**1**
Tony Roper[1]	4	4	1	1	1	N/A
Helen Clarkson	4	4	1	1	1	1
Chris Knowles	4	4	1	1	1	1
Emma Griffin[2]	1	1	0	0	0	N/A
Sarika Patel[1]	4	4	1	1	1	N/A

1. Tony Roper, Emma Griffin and Sarika Patel are not members of the ESG Committee and therefore are not required to attend meetings.
2. Emma Griffin resigned from the Board with effect from the 2024 AGM. Prior to her resignation she attended all scheduled meetings of which she was a member.

During the year ended 31 March 2025, the following ad hoc meetings, dealing with administrative matters, were held:

	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Management Engagement Committee	ESG Committee
No. of meetings held	**9**	**3**	**0**	**1**	**0**	**2**

These meetings were attended by those Directors available.

Corporate Governance Statement continued

Insurance and Indemnity Provisions

Directors' and Officers' liability insurance cover is in place in respect of the Directors. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted, or judgement is given in their favour by the Court.

Except for such indemnity provisions in the Company's Articles of Association and in the Directors' letters of appointment, there are no qualifying third-party indemnity provisions in force.

The Board has agreed arrangements whereby Directors may take independent professional advice in the furtherance of their duties.

Conflicts of Interests

It is the responsibility of each individual Director to avoid an unauthorised conflict of interest situation arising. All Directors must inform the Board as soon as they become aware of the possibility of an interest that conflicts, or might possibly conflict, with the interests of the Company.

A register of conflicts is maintained by the Company Secretary and regularly reviewed by the Board to ensure that any authorised conflicts remain appropriate. The Directors are required to confirm at Board meetings whether there has been any change to their position.

The Board has adopted a policy that records all gifts and hospitality in excess of £50 accepted by the Directors from the Company's service providers and other relevant third parties.

Reporting on Stakeholder Engagement

The Company sets out how it interacts and engages with its stakeholders on pages 73 to 75, Stakeholders and Section 172. The stakeholder relationships identified provide the foundation for the Company's sustainability, which in return provides benefits to all parties. Both the Board and the Investment Manager value the importance of maintaining a high standard of business conduct and stakeholder engagement in order to ensure a positive impact on the environment in which the Company operates.

Relations with Shareholders

The Company welcomes the views of its shareholders, placing great importance on communication with them. Senior members of the Investment Manager make themselves available to meet with shareholders and key sector analysts, and feedback from these meetings is provided to the Board. The Directors also make themselves available to engage with shareholders and offer meetings annually as part of good governance to those shareholders who wish to meet them.

The Board is kept fully informed of all relevant market commentary on the Company by the Company's Financial PR consultant, and also receives relevant updates from the Investment Manager and the Corporate Broker.

The Company reports formally to shareholders twice per year through its interim and annual financial statements. Further details on shareholder engagement are included on pages 73 to 75, Stakeholders and Section 172.

The results of the AGM are announced by the Company promptly after the meeting and are also published on the Company's website. Additionally, in line with the Company's commitment to shareholder communication, notices and information is disseminated to shareholders through the Company's website.

The Registrar and Company Secretary are responsible for monitoring shareholder votes at all general meetings.

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. In the event that there are substantial votes against any resolution at an AGM, the Company will consider what, if any, actions it intends to take going forward.

2024 AGM

The 2024 AGM of the Company was held on 4 September 2024. Resolutions 1 to 10 were proposed as ordinary resolutions. Resolutions 11 to 13 were proposed as special resolutions as follows:

- to approve the purchase of the Company's own shares;
- to authorise the disapplication of statutory pre-emption rights; and
- to approve that a general meeting may be convened on not less than 14 clear days' notice.

Each of the resolutions proposed at the AGM were passed by way of a poll with a significant majority.

2025 AGM

The next AGM of the Company is currently scheduled to be held on 3 September 2025.

A separate notice convening the AGM will be sent to shareholders and expected to be published on the Company's website in July 2025 and will include an explanation of the items of business to be considered at the AGM.

Nomination Committee Report

Tony Roper

| Chair of the Nomination Committee

Nomination Committee

The Nomination Committee is chaired by Tony Roper and the membership of the Nomination Committee comprises all Directors of the Company, given that they are all independent and non-executive. Tony Roper as Chair of the Board will not Chair the Committee in the event that it is dealing with his successor.

During the year, the Nomination Committee held two meetings. The Nomination Committee operates within clearly defined terms of reference, which are available on the Company's website.

Function of the Nomination Committee

The principal duties of the Nomination Committee are to:

- regularly review the structure, size and composition required of the Board and make recommendations to the Board with regard to any changes (including skills, knowledge and experience in accordance with Principle K of the AIC Code);
- give full consideration to succession planning for Directors, taking into account the challenges and opportunities facing the Company, and to oversee the development of a diverse pipeline for succession;
- be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise; and
- oversee a formal and rigorous annual evaluation of the performance of the Board, its Committees, the Chair and individual Directors.

Matters Reviewed in the Year

Succession planning

The Nomination Committee annually reviews its effectiveness, composition and long-term succession planning. This process takes into consideration the balance of skills, knowledge, experience, independence and diversity of the Board, to ensure any new appointments complement or address any gaps in these areas.

The Nomination Committee has no immediate concerns regarding the independence or tenure of the Board as the longest-serving Directors have been in office for less than seven years, having been appointed in October 2018, which is less than the nine years that could, as noted in the AIC Code, impair a non-executive director's independence. Notwithstanding this, the Nomination Committee has a plan, in case either the Board Chair or the Audit and Risk Committee Chair are unable to perform their duties, which is reviewed annually.

Nomination Committee Report continued

Matters Reviewed in the Year continued

Succession planning continued

Following the resignation of Emma Griffin at the 2024 AGM, the Nomination Committee reviewed the composition of the Board and, although it was satisfied that the Board's composition remained appropriate to properly discharge its duties, recommended to the Board that, in order to support the Company's succession plans, at least one additional Non-Executive Director should be appointed. The Board agreed with the recommendation and the Nomination Committee carried out a competitive tender process to engage an executive search consultant to assist with this recruitment. As a result of that process, the Committee recommended the engagement of Cornforth Consulting Ltd ("Cornforth Consulting"), which was subsequently approved by the Board. The recruitment process is ongoing and neither the Directors nor the Company are connected with Cornforth Consulting.

Board performance evaluation

The Board recognises the importance of the AIC Code's recommendation in respect of evaluating the performance of the Board as a whole, the Committees of the Board and individual Directors. The Board appointed Trust Associates 2022 LLP ("Trust Associates") to undertake an external Board evaluation with respect to the year ended 31 March 2025.

In carrying out the evaluation, Trust Associates followed a number of stages as outlined below:

- a briefing was held with the Chair to understand the scope of the evaluation;
- a review of the relevant Board and Committee documents was carried out;
- interviews were held with individual Directors, the Investment Manager and the Company Secretary; and
- Board and Committee meetings were observed.

Following completion of these steps and further analysis, Trust Associates provided their final evaluation report. This report addressed all areas relating to the Board, its Committees, the Chair, the individual Directors and their respective performances. The scope of the evaluation included, but was not limited to: Board and Committee relationships, composition, effectiveness, leadership, roles, activities, development and engagement with and impact on various stakeholder groups. The evaluation also explored other items including culture and the Board processes for developing strategy, dealing with investments and managing risk.

Overall, the evaluation was positive and indicated a high level of satisfaction with the operation of the Board. It also demonstrated that the Board and Investment Manager were operating effectively and showed the necessary commitment to the effective fulfilment of their duties. A number of areas were highlighted as strengths, including:

- calibre of depth and experience;
- leadership of the Board and of each Committee;
- Board dynamics and communication;
- sufficient opportunity to challenge and support the Investment Manager;
- clear consensus around strategy; and
- good oversight of the Company's performance.

The evaluation also highlighted a number of opportunities for improvement, including: identifying further training and development opportunities to assist the Board and each individual Director to continue their professional development, and continuing to improve the presentation and challenge of risk management key performance indicators.

Terms of reference

The Nomination Committee reviewed its terms of reference in March 2025 to ensure that it was still operating effectively and in line with its delegated duties and responsibilities.

Tony Roper

Chair of the Nomination Committee

Audit and Risk Committee Report

Sarika Patel

| Chair of the Audit and Risk Committee

The Audit and Risk Committee is chaired by Sarika Patel and the membership of the Audit and Risk Committee comprises all Directors of the Company, all of whom are independent and non-executive.

The Board is satisfied that the Audit and Risk Committee is properly constituted. Tony Roper is a member of the Audit and Risk Committee, notwithstanding his appointment as Chair of the Board, given his independence at the time of his appointment and throughout his service. The Board believes that his extensive experience in dealing with matters such as valuation and risk management is relevant to the Audit and Risk Committee.

The Audit and Risk Committee operates within clearly defined terms of reference, which are available on the Company's website. It is also the formal forum through which the independent auditor reports to the Board of Directors. The Committee met seven[1] times during the year.

The terms of reference are reviewed annually. The Audit and Risk Committee last reviewed its terms of reference in March 2025 and is satisfied that it is still operating effectively.

The main functions of the Audit and Risk Committee are:

- considering and understanding the key risks of misstatement of the financial statements and formulating an appropriate plan to review and address these and agreeing with the Investment Manager its processes to manage these risk areas;
- reviewing the appropriateness of the Company's accounting policies;
- reviewing the valuation of the Company's investment portfolio prepared by the Investment Manager, supported by the independent valuation agent and making a recommendation to the Board on the valuation;
- making recommendations to the Board, for approval at the Company's Annual General Meeting, relating to the appointment, reappointment and removal of the Company's independent auditor;
- agreeing with the independent auditor the external audit plan, including discussing with the independent auditor the key risk areas within the financial statements;
- reviewing and recommending to the Board, for approval, the audit, audit-related and non-audit fees payable to the independent auditor or their affiliated firms overseas and the terms of their engagement;
- reviewing the scope, results, cost-effectiveness, independence and objectivity of the independent auditor, as well as reviewing the effectiveness of the external audit process and making any recommendations to the Board for improvement of the audit process;
- reviewing and recommending for approval the viability and going concern statements and reviewing the work prepared by the Investment Manager in support of these statements;
- monitoring the current and emerging risk exposures on behalf of the Board and challenging the actions taken to mitigate against such risks, taking into account scenario analysis;
- ensuring the adequacy and effectiveness of the internal control and risk management systems;

1. The Audit and Risk Committee had four scheduled meetings during the reporting period and received three valuation updates from the Investment Manager.

Audit and Risk Committee Report continued

- assessing, and recommending to the Board for approval, the contents of the half-year and annual financial statements and reviewing the independent auditor's report on these, including consideration as to whether the financial statements are overall fair, balanced and understandable;
- reviewing the appropriateness of the Company's accounting policies;
- ensuring the adequacy and effectiveness of the internal control and risk management systems;
- reviewing the effectiveness of controls of subcontractors and suppliers;
- considering, and recommending to the Board for approval, recommendations to changes in the Company's Risk Management Policy and Treasury Policy;
- reviewing the Company's risk framework, appetite and overall risk management approach;
- considering any report or information received in respect of whistleblowing;
- reviewing the adequacy of arrangements for its contractors and external third parties to raise concerns about possible wrongdoing;
- reviewing the Company's procedures for detecting fraud and the systems and controls for the prevention of bribery; and
- reporting to the Board on how it has discharged its duties.

The Committee is responsible for monitoring the integrity of the financial statements of the Company.

The Committee oversaw actions to ensure compliance with the audit. The Committee has also overseen actions taken to ensure compliance with the "Audit Committees and the External Audit: Minimum Standard".

The Audit and Risk Committee meets the independent auditor regularly and as required. It discusses the scope of annual audit work and audit findings with the independent auditor. The independent auditor attends the Audit and Risk Committee meetings at which the annual and interim financial statements are considered. The Audit and Risk Committee also meets with the independent auditor without representatives of the Investment Manager and Administrator being present. The Audit and Risk Committee has direct access to the independent auditor and to key senior staff of the Investment Manager. It reports its findings and recommendations to the Board, which retains the ultimate responsibility for the financial statements of the Company.

Significant Activities in the Year

During the year, the Audit and Risk Committee's discussions have been broad, ranging and focused on, but not limited to:

- agreeing the audit plan and fees with the independent auditor in respect of the review of the half-yearly report for the six months ended 30 September 2024 and the statutory audit of the Annual Report for the year ended 31 March 2025, including the principal areas of focus;
- receiving and discussing with the independent auditor their report on the results of the review of the half-yearly financial statements and the year-end audit;
- meeting independently with the external auditor;
- reviewing and challenging information received from the Investment Manager recommending the rationale for preparing the financial statements on a going concern basis, including a viability statement. This was discussed with the independent auditor prior to concluding that the recommendation be made by the Audit and Risk Committee that the Board approve the adoption of the financial statements on a going concern basis and their approval of the viability statement;
- reviewing and challenging the valuation and its valuation process, together with the independent auditor;
- reviewing and recommending to the Board the continued application of IFRS 10 investment entity, which is considered a key judgement for the Company's accounting policies;
- reviewing the Company's annual and half-yearly financial statements and recommending these to the Board for approval;
- reviewing climate change risks and discussing with the Investment Manager their current actions outlined to mitigate future climate change risk impact;
- conducting a review of the risk management systems of the Company and its third-party service providers, and introducing further enhancement to the system;
- reviewing the Investment Manager's ongoing programme of stress scenarios aimed at understanding the impact on the Company of plausible downside scenarios;
- reviewing the Company's Risk Management Policy and Treasury Policy; and
- reviewing reports of internal controls of key advisers and gaining assurance from the Investment Manager and Administrator on these.

In addition to formal Audit and Risk Committee meetings during the year, the Audit and Risk Committee has had regular contact and meetings with the Investment Manager, the Administrator and the independent auditor.

Key Issues Considered for Financial Statements

After discussion with the Investment Manager and the independent auditor, the Audit and Risk Committee determined that the key risks of misstatement of the Company's financial statements related to the valuation of the Company's investment in SEEIT Holdco and in turn the valuation of the underlying investments held via SEIT Holdco.

Audit and Risk Committee Report continued

Valuation of Investments

As outlined in Note 11 to the financial statements, the total carrying value of the investment portfolio at fair value at 31 March 2025 was £1,197 million (31 March 2024: £1,117.4 million).

Market quotations are not available for these financial assets, and therefore their valuation is undertaken using predominantly a discounted cash flow methodology, or a similar method to determine the fair value of an investment. This requires a number of material estimates to be made, as further explained in Note 3 to the financial statements.

The valuation process and methodology was discussed by the Audit and Risk Committee with the Investment Manager at the time of the interim review, in March 2025, prior to the year-end valuation process, and again post year end in May 2025 and June 2025 as part of the year-end sign-off process. The Investment Manager carries out a valuation semi-annually and provides a detailed valuation report to the Company.

The Audit and Risk Committee reported to the Board on the challenges it made to the valuation and the outcome of discussions with the Investment Manager and independent auditor on the valuation, particularly in relation to key judgements. The Audit and Risk Committee met with the independent auditor when it reviewed and agreed the independent auditor's Group audit plan, and also at the conclusion of the audit of the financial statements, focusing much of its discussion on the valuation process and the outcome of the audit of the valuation.

The Company engaged independent valuation experts to provide a valuation report for the portfolio of investments in addition to an assessment of a reasonable range of discount rates in order to support the valuation prepared by the Investment Manager as at 31 March 2025. The Audit and Risk Committee received a presentation from the independent valuation expert and challenged the assumptions and conclusions as needed. The Audit and Risk Committee was satisfied that this report supported the valuation prepared by Investment Manager of the portfolio as at 31 March 2025.

Valuation of investments – key forecast assumptions

The Audit and Risk Committee considered in detail those assumptions that are subject to judgement and may have a material impact on the valuation. The key assumptions are:

Valuation discount rates

The vast majority of the underlying investments are valued using a discounted cash flow valuation. A small selection of investments were valued using other forms of fair value calculations, such as earnings multiples, and certain investments were held at cost as the most accurate reflection of their fair value.

The discount rates adopted to determine the valuation are selected by the Investment Manager and recommended to the Audit and Risk Committee. These discount rates are applied to the expected future cash flows for each investment's financial forecasts to arrive at a discounted cash flow valuation which is, in turn, sensitive to the discount rate selected. The Investment Manager is experienced and active in the valuation of these investments and adopts discount rates which reflect their understanding of the current market. It is noted, however, that the judgement required is subjective and there are a range of discount rates which could be applied. The discount rate assumptions and the sensitivity of the valuation of the investments to this discount rate are set out in the Financial Review and Valuation Update on pages 35 to 42 and Note 4 on pages 122 and 123.

The Audit and Risk Committee discussed with the Investment Manager the process adopted to arrive at the selected valuation discount rates, which includes comparison with other market transactions. These discount rates were cross checked against an independent review of valuation discount rates by the independent valuation expert, and the Audit and Risk Committee satisfied itself that the rates applied were appropriate. The independent auditor discussed with the Audit and Risk Committee the results of its review and audit of the valuation, including its consideration of the Company's underlying cash flow projections, the economic assumptions and discount rates.

Macroeconomic assumptions

Macroeconomic assumptions include inflation, foreign exchange and tax rate assumptions. The Investment Manager's assumptions in this area are set out and explained in the Financial Review and Valuation Update on pages 35 to 42. The Audit and Risk Committee reviewed and discussed the methodology by which the Investment Manager derived the assumptions and agreed its appropriateness.

Other key assumptions

The Investment Manager has discussed and agreed the key valuation assumptions with the Audit and Risk Committee. These included critical estimates and judgements regarding future cash flow assumptions, predominantly for investments in Primary Energy, Onyx, RED-Rochester, Oliva Spanish Cogeneration and Värtan Gas. In relation to certain key judgements underpinning the valuation, the Investment Manager has provided sensitivities showing the impact of changing economic assumptions, further described in Note 4 on page 122 and 123. These have been reviewed by the Investment Manager and the Audit and Risk Committee to assist in forming an opinion on the fairness and balance of the Annual Report, together with their conclusion on the overall valuation.

Audit and Risk Committee Report continued

Key Risks Considered

The Company's key risks are set out in more detail in the Risk Management Framework on pages 69 to 71.

The Audit and Risk Committee actively provides risk management oversight, and reviews and challenges on a regular basis the risk updates provided by the Investment Manager.

These risks and reviews included:

Counterparty and credit risk

- reviewing the dynamic levels of risk associated with the counterparties associated with the Company's investments;
- reviewing stress tests assessing the impact of material counterparty defaults;
- assessing the Investment Manager's feedback on mitigants available to the Company; and
- monitoring compliance with the Company's Treasury Policy in relation to exposures to deposit takers.

Operations and business interruption risk

- receiving updates from the Investment Manager on the risks specific to each asset and the potential impact of these risks on the valuation of the Company's portfolio as a whole; and
- receiving and challenging regular formal and informal updates from the Investment Manager on the level of business interruption or potential for business interruption at the operational level of the investments, particularly focusing on identifiable event risks.

Macroeconomic and market risk

- reviewing the impact of global volatility in inflation, including the sensitivity of the valuations of the Company's underlying investments to changes in inflation in the near, medium and long term;
- reviewing the impact of the Ukraine and Middle East conflicts and the emerging risk of larger-scale conflict as well as seeking assurance on compliance with sanctions;
- reviewing the impact of potential global rises in corporation taxes, including the sensitivity of the valuations of the Company's underlying investments to potential changes not yet enacted, discussing potential mitigants available to the Company and agreeing reviews to be undertaken by the Investment Manager; and
- reviewing the impact on the portfolio of a period of recessionary environment in the key jurisdictions in which the Company operates.

Internal Controls and Risk Management

The Audit and Risk Committee is responsible for reviewing and monitoring the effectiveness of the Company's internal control systems and risk management systems on which it is reliant.

The Board has considered the need for an internal audit function, and it has decided that the systems and procedures employed by the Investment Manager and the Administrator, including their own internal review processes and processes in place in relation to the Company, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary at this time; however, the Board is keeping this under regular review and focuses on identifying any areas where internal control improvements can be made.

The Audit and Risk Committee recognises that these control systems can only be designed to manage rather than eliminate the risk of failure to achieve business objectives. It is understood that they provide reasonable, but not absolute, assurance against material misstatement or loss, and rely on the operating controls established by the Company's Administrator and the Investment Manager.

The Audit and Risk Committee assesses the effectiveness of the internal controls, internal financial controls and risk management systems on a continuing basis and receives regular reports on these systems. The Audit and Risk Committee believes that the Company's internal controls and processes are satisfactory, and that appropriate systems are in place.

Appointment of the Independent Auditor

PricewaterhouseCoopers LLP ("PwC") was appointed as independent auditor for the SEIT Group at the IPO of the Company in December 2018.

The objectivity of the independent auditor is reviewed by the Audit and Risk Committee, which also reviews the terms under which the independent auditor may be appointed to perform non-audit services. The Audit and Risk Committee reviews the scope and results of the audit, its cost-effectiveness and the independence and objectivity of the independent auditor, with particular regard to any non-audit work that the independent auditor may undertake and the level of non-audit fees. In order to safeguard auditor independence and objectivity, the Audit and Risk Committee ensures that any other advisory and/or consulting services provided by the independent auditor do not conflict with its statutory audit responsibilities. The Committee has implemented a non-audit services policy that is reviewed annually by the Committee and is consistent with the FRC Revised Ethical Standards published in 2024.

Non-audit services generally only cover reviews of interim financial statements and capital raising work. The independent auditor may not undertake any work for the Company in respect of the preparation of the financial statements, preparation of valuations used in financial statements, provision of investment advice, taking management decisions or advocacy work in adversarial situations.

Audit and Risk Committee Report continued

Appointment of the Independent Auditor continued

The total proposed fees for audit services amounted to £0.6 million for the year ended 31 March 2025, and £0.2 million related to the audit of its direct subsidiary, SEEIT Holdco, and some of the SEIT Group's intermediate and project subsidiaries. Non-audit fees amounted to £84,000 for the year ended 31 March 2025 due to the interim review of the Company's half-yearly financial statements.] Having reviewed the key non-audit engagements with assurance firms, including the timeline of committed schemes of work, the Audit and Risk Committee is comfortable that the Company is operating in accordance with the FRC Standard.

Notwithstanding such non-audit services, the Audit and Risk Committee considers PwC to be independent of the Company and that the provision of such non-audit services is not a threat to the objectivity and independence of the conduct of the audit.

To fulfil its responsibility regarding the independence of the independent auditor, the Audit and Risk Committee considered:

– a report from the independent auditor describing their arrangements to identify, report and manage any potential independence threats; and
– the extent of non-audit services provided by the independent auditor.

To assess the effectiveness of the external audit process, the Audit and Risk Committee reviewed:

– the independent auditor's fulfilment of the agreed audit plan and variations from it;
– the evaluations from the Investment Manager and Administrator on the performance of the independent auditor's team; and
– all reports highlighting any significant issues that arose during the course of the audit.

The Audit and Risk Committee is satisfied with PwC's effectiveness and independence as auditor, having considered the degree of diligence and professional scepticism demonstrated by the firm. As such, the Audit and Risk Committee has not considered it necessary during this period to conduct a tender process for the appointment of its independent auditor for the year ended 31 March 2025. Resolutions to reappoint PwC and authorise the Board to determine the Auditor's remuneration will be proposed at the forthcoming Annual General Meeting.

This is the seventh audit conducted by PwC and the sixth full year of operation of the Company and, in accordance with the FRC's guidance, the audit will be tendered within ten years of the auditor's initial appointment. During the year ended 31 March 2025, Richard French replaced Miles Saunders as the lead audit partner.

As part of the annual report process, the Audit and Risk Committee conducted a formal review of the effectiveness of PwC. This included obtaining feedback from the Investment Manager, the Company Secretary and Administrator, without the Auditor present, as well as from the auditors themselves. Following this review, the Audit and Risk Committee concluded they were comfortable with the performance of the auditors and recommended their continued appointment to the Board.

Whistleblowing

The Company has a Whistleblowing Policy which details how the Board, staff of the Company's key advisers and project companies may, in confidence, raise any concerns. The Whistleblowing Policy is reviewed annually.

Sarika Patel
Chair of the Audit and Risk Committee

Directors' Remuneration Report

Christopher Knowles

| Chair of the Remuneration Committee

Chris Knowles was appointed as Chair of the Remuneration Committee following Emma Griffin's resignation with effect from the 2024 AGM held on 4 September 2024. The membership of the Remuneration Committee comprises all Directors of the Company, all of whom are independent and non-executive.

The Board is satisfied that the Committee is properly constituted. Tony Roper, the Company's Chair, is a member of the Remuneration Committee given his independence at the time of his appointment and throughout his service.

The Board presents the Directors' Remuneration Report for the year ended 31 March 2025, which is made up of two sections: the Annual Report on Remuneration and the Directors' Remuneration Policy report.

Annual Report on Remuneration

The Remuneration Committee's main functions include:

- agreeing the policy for the remuneration of the Directors and reviewing and proposing changes to the Company's Remuneration Policy;
- reviewing and considering ad hoc fees to the Directors in relation to duties undertaken over and above routine business; and
- appointing independent professional external remuneration consultants, as may be required from time to time.

The Remuneration Committee met once during the year and operates within clearly defined terms of reference, which are available on the Company's website. The Committee reviewed its terms of reference in March 2025 to ensure that it remained appropriate.

The key activities during the year included:

- reviewing and discussing the advice received from an independent external remuneration consultant, Trust Associates 2022 LLP ("Trust Associates") on remuneration for the current financial year; and
- discussing and agreeing the level of Directors' annual remuneration to be recommended to the Board for the next financial year.

These activities are described further below.

Regulation requires the Company's independent auditor to audit certain disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in their report on pages 107 to 112.

Directors' Remuneration Report continued

Statement of the Chair of the Remuneration Committee

The Committee assists the Board in developing a fair and transparent framework for setting the levels of Directors' remuneration while having regard to the Company's financial position and performance, remuneration in other companies of comparable scale and complexity and market statistics generally. It also reviews the ongoing appropriateness and relevance of the Directors' Remuneration Policy. No Director is involved in determining their own remuneration.

The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company. Where the Company requires the Directors to work on specific corporate actions, such as the raising of further equity, an additional fee will be determined, on each occasion, by the Committee and recommended to the Board.

Directors' Remuneration Review and Review of Directors' Fees for the Year to 31 March 2026

During the year, the Committee undertook an analysis on Directors' remuneration including using the advice received from Trust Associates, who had carried out a review of the Directors' remuneration during the previous financial year, and giving consideration to the expectations on the time commitment of the Directors.

The recommendations of the Remuneration Committee, in relation to the fees of the Directors for the year to 31 March 2026, which were considered carefully, are set out below. This includes, with effect from 1 April 2024, the removal of the annual supplement paid to the committee chairs and the Senior Independent Director as well as the implementation of the fee increase recommended by Trust Associates for the Board Chair and the Audit and Risk Committee Chair as follows:

- the annual fee paid to the Company's Chair be increased to £82,500 in the financial year ending 31 March 2026 (2025: £76,000);
- the annual fee paid to the Company's Audit and Risk Committee Chair will be increased to £66,000 in the financial year ending 31 March 2026 (2025: £61,000);
- the annual fee paid to the Senior Independent Director and Chair of the Management Engagement Committee respectively, remained unchanged at £55,000;
- additional fees, up to a limit of £10,000 per Director, can be paid for specific corporate work that may be undertaken during the year. There were no additional fees recommended for the year ended 31 March 2025; and
- the cap on the aggregate annual Directors' base remuneration remains at £400,000 (2025: £400,000).

Directors' Remuneration for the Year Ended 31 March 2025 (audited)

The table below sets out the Directors' remuneration for the year ended 31 March 2025 or if earlier, the date of cessation:

		Fees for the year ended 31 March 2025 Total £'000[1]	Fees for the year ended 31 March 2024 Total £'000
Tony Roper	Chair	**76.0**	69.5
Helen Clarkson	Management Engagement Committee Chair	**55.0**	51.5[2]
Emma Griffin	Remuneration Committee Chair	**23.7**[3]	51.5[2]
Chris Knowles	Senior Independent Director and Remuneration Committee Chair	**55.0**[4]	51.5[2]
Sarika Patel	Audit and Risk Committee Chair	**61.0**	54.5[5]
Total		**270.7**	278.5

1. With effect from 1 April 2024, the annual supplement was removed for all roles and Directors are paid a base fee.
2. These figures include an annual supplement of £2,000 paid to Helen Clarkson, Emma Griffin and Chris Knowles for their respective roles as Chair of the Management Engagement Committee, Chair of the Remuneration Committee and Senior Independent Director.
3. Emma Griffin stepped down from the Board at the 2024 AGM held on 4 September 2024.
4. Chris Knowles was appointed as Remuneration Committee Chair with effect from 4 September 2024.
5. This figure includes an annual supplement of £5,000 paid to Sarika Patel for her role as Chair of the Audit and Risk Committee.

The Directors' remuneration for the year ended 31 March 2025, detailed in the table above, is inclusive of the increases in the Directors' fees noted in the Directors' Remuneration Report approved by the shareholders at the AGM held on 4 September 2024.

The Directors are also entitled to be paid all reasonable expenses properly incurred by them in connection with the performance of their duties. These expenses include those associated with AGMs, Board or Committee meetings and legal fees. During the year, such expenses were de minimis and were in line with the Directors' Expenses Policy.

There are no other taxable benefits payable by the Company other than certain expenses which may be deemed to be taxable. None of the above fees were paid to third parties.

Directors' Remuneration Report continued

Annual Percentage Change in the Directors' Remuneration

The annual percentage change in remuneration in respect of the financial years prior to the current year in respect of each Director's role is detailed in the table below. The annual percentage change is calculated based on the aggregate annual base Directors' remuneration plus any additional fees, where applicable, for additional corporate work or acting in the role as either Chair of the Company, Senior Independent Director or as the Chair of a Board Committee.

Director	Role	Date appointed	2020-2021	2021-2022	2022-2023	2023-2024	**2024-2025**
Tony Roper	Chair	12 October 2018	11.1%	30.0%	3.1%	–	9.35%
Helen Clarkson	Management Engagement Committee Chair	12 October 2018	14.2%	25.0%	(6.0)%[1]	4.0%	6.80%
Emma Griffin	Remuneration Committee Chair	21 October 2020	–	17.5%	4.3%	–	(54.98)%[2]
Chris Knowles	Senior Independent Director	12 October 2018	14.2%	17.5%	4.3%	–	6.80%
Sarika Patel	Audit and Risk Committee Chair	1 January 2022	N/A	N/A	–[3]	–	11.93%

1. Helen Clarkson was the Audit and Risk Committee Chair for the period from 1 April 2021 to 1 January 2022, although received fees consistent with remuneration of the Audit and Risk Committee Chair up to 31 March 2022 to ensure an orderly handover to Sarika Patel.
2. Emma Griffin stepped down from the Board at the 2024 AGM held on 4 September 2024 and her fees were paid pro-rata to reflect this.
3. Sarika Patel was appointed as a Non-Executive Director and Audit and Risk Committee Chair on 1 January 2022, and fees were paid pro-rata for the year ended 31 March 2022 accordingly. If Sarika had been a Non-Executive Director and the Audit and Risk Committee Chair for the full year to 31 March 2022, the annual percentage change in her remuneration for the year to 31 March 2023 would be 4.0%.

Relative Importance of Spend on Pay

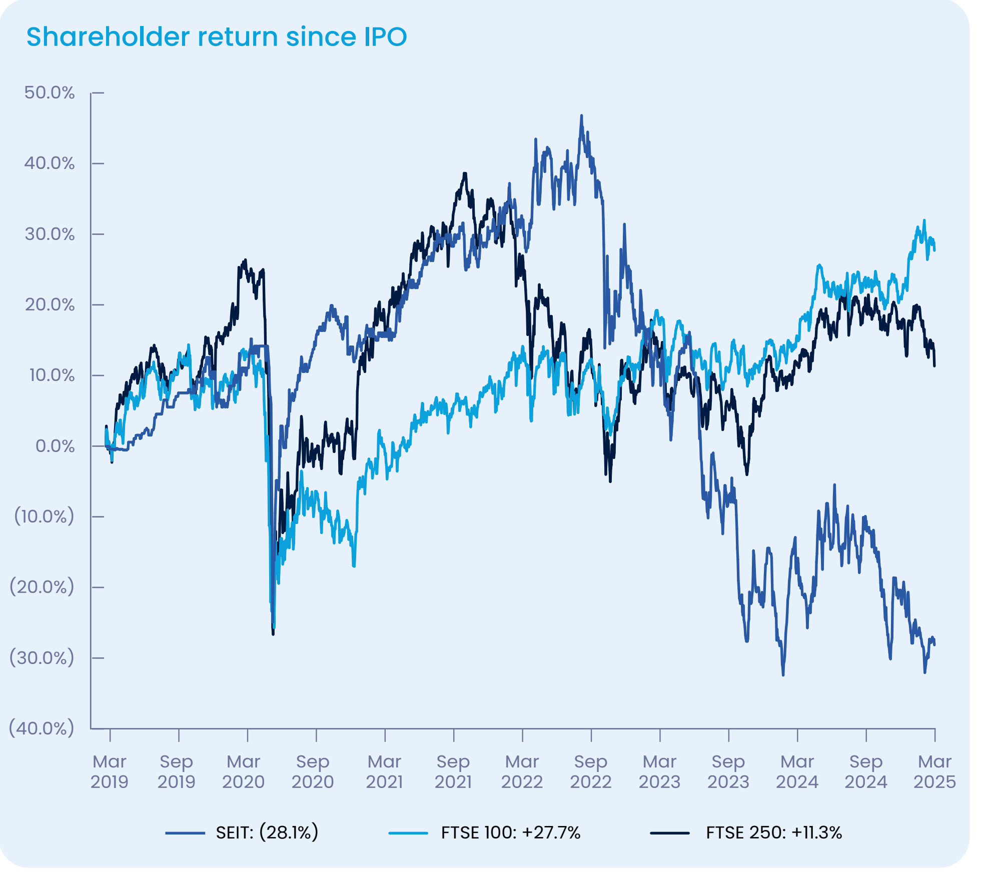
The table below sets out the total remuneration paid to the Directors in comparison to total aggregate amount of dividends paid to the Company's shareholders for the year ended 31 March 2025:

	Year to 31 March 2025 £'000	Year to 31 March 2024 £'000	% change
Directors' remuneration	270.7[1]	278.5	(2.80)
Dividends paid to shareholders	68,381	67,199	1.76

1. Emma Griffin stepped down from the Board on 4 September 2024 and this figure includes her pro-rata fees.

Directors' Remuneration Report continued

Company Performance



The graph above highlights the comparative total shareholder return ("TSR") for an investment in the Company from inception to 31 March 2025 compared with an investment in the FTSE 250 index over the same period. The Company is a member of the FTSE 250 and All-Share Index, hence they have been selected for this graph.

The Board is responsible for the Company's investment strategy and performance, although day-to-day management of the Company's affairs, including the management of the Company's portfolio, has been delegated to the Investment Manager. An explanation of the performance of the Company is given in the Financial Review and Valuation Update on pages 35 to 42.

Directors' Interests in the Company (audited)

As at 31 March 2025 or date of cessation, the interests of the Directors and any Persons Closely Associated ("PCAs"), as defined in Article 3(1)(26) of the UK Market Abuse Regulation ("MAR"), in the ordinary shares of the Company are set out in the table below:

	Ordinary shares of £0.01 each held at 31 March 2025	Ordinary shares of £0.01 each held at 31 March 2024
Tony Roper	**198,500**	198,500
Helen Clarkson	**20,000**	20,000
Emma Griffin[1]	**20,509**	20,509
Chris Knowles[2]	**126,000**	126,000
Sarika Patel	**30,000**	30,000
Total	**395,009**	395,009

1. Emma Griffin stepped down from the Board at the 2024 AGM held on 4 September 2024.
2. Chris Knowles' spouse, whom under MAR is his PCA, holds 49,000 ordinary shares in the Company and these are included in the figure shown in the above table.

There have been no changes to any of the above holdings between 31 March 2025 and the date of this report.

None of the Directors or any of their PCAs had a material interest in the Company's transactions, arrangements or agreements during the year.

As at the date of this report, Jonathan Maxwell, CEO and Founder of the Investment Manager, holds 240,000 ordinary shares. Jonathan Maxwell is considered to be a Person Discharging Managerial Responsibilities ("PDMR") by both the Board of Directors and Investment Manager.

There have been no changes in the year in respect of each of the Directors as notifiable to the Company in accordance with DTR 3.1.2.

Directors' Remuneration Report continued

Statement of Voting at AGM on the Annual Report

An advisory vote adopting the Directors' Remuneration Report for the year ended 31 March 2024 was approved by shareholders at the AGM held on 4 September 2024.

The votes cast were as follows:

	Directors' Remuneration Report (AGM 2024)	Remuneration Policy (AGM 2023)
Votes for	874,058,619	832,588,649
%	99.94	94.22
Votes against	563,996	51,039,516
%	0.06	5.78
Total votes cast	874,622,615	883,628,165
Votes withheld	78.89	45,696

A resolution to approve this Directors' Remuneration Report in respect of the year ended 31 March 2025 will be proposed at the forthcoming AGM. The Directors' Remuneration Policy is required to be presented to shareholders for approval every three years and is due to be next presented at the forthcoming AGM.

Remuneration Policy

This Remuneration Policy provides details of the Remuneration Policy for the Directors of the Company. All Directors are independent and non-executive, appointed under the terms of letters of appointment, and none of the Directors has a service contract. The Company has no employees.

This Remuneration Policy was approved by shareholders at the AGM of the Company held on 12 September 2022 and is also available on request at the Company's registered office. The Remuneration Policy will be put to shareholders for approval at the Company's forthcoming AGM.

The Company follows the recommendation of the AIC Code that Non-Executive Directors' remuneration should reflect the time commitment and responsibilities of the role.

The Board's policy is that the remuneration of Non-Executive Directors should reflect the experience of the Board as a whole and be determined with reference to comparable organisations and appointments.

The fees of the Non-Executive Directors are determined within the limits set out in the Company's Articles of Association and Directors' remuneration is determined by the Remuneration Committee, at its discretion within the current aggregate limit of £400,000, as set out in the Company's Articles of Association.

There are no performance conditions attached to the remuneration of the Directors as the Board does not consider such arrangements or benefits necessary or appropriate for Non-Executive Directors.

The Company is committed to ongoing shareholder dialogue and any views expressed by shareholders on the fees being paid to Directors would be taken into consideration by the Board when reviewing the Directors' Remuneration Policy and in the annual review of Directors' fees.

Under the Directors' letters of appointment, there is no notice period. All Directors of the Company receive an annual fee appropriate for their responsibilities and time commitment but no other incentive programme or performance-related emoluments. As such, there are:

- no service contracts with the Company;
- no long-term incentive schemes;
- no options or similar performance incentives; and
- no payments for loss of office unless approved by shareholder resolution.

The Directors' remuneration shall:

- reflect the responsibility, experience, time commitment and position of each Director on the Board;
- allow the Chair and the Audit and Risk Committee Chair to be remunerated in excess of any potential remaining Board members to reflect their increased roles of responsibility and accountability;
- be paid quarterly in arrears;
- include remuneration for additional, specific corporate work, which shall be carefully considered and only become due and payable on completion of that work; and
- be reviewed annually and, at least every three years, by an independent professional external remuneration consultant with experience of investment companies and their fee structures.

Directors' Remuneration Report continued

Remuneration Policy continued

The table below sets out the Directors base level remuneration for year ending 31 March 2026, proposed via Remuneration Committee recommendation and accepted by the Board.

Proposed Base Directors' Fees to be Paid for the Year Ending 31 March 2026:

		Proposed base fees to be paid for the year ending 31 March 2026 Total £'000	Base fees paid for the year ended 31 March 2025 Total £'000
Tony Roper	Chair	**82.5**	76.0
Helen Clarkson	Management Engagement Committee Chair	**55.0**	55.0
Emma Griffin	Remuneration Committee Chair until 4 September 2024	—[1]	23.7
Chris Knowles	Senior Independent Director and Remuneration Committee Chair with effect from 4 September 2024	**55.0**	55.0
Sarika Patel	Audit and Risk Committee Chair	**66.0**	61.0
Total		**258.5**	**270.7**

1. Emma Griffin stepped down from the Board at the 2024 AGM held on 4 September 2024.

The Board also considered the availability of each Director, taking into account their other commitments, and concluded that each Director made adequate time available for the appropriate discharge of the Company's affairs. Each Director abstains from voting on their own individual remuneration.

The Directors' Remuneration Report was approved by the Board on 20 June 2025 and signed on its behalf by:

Christopher Knowles

Chair of the Remuneration Committee

Report of the Directors

The Directors are pleased to present the Annual Report of the Company for the year ended 31 March 2025. In accordance with the Companies Act 2006 (as amended), the UK Listing Rules and the Disclosure Guidance and Transparency Rules, the Corporate Governance Statement, the Directors' Remuneration Report, the Audit and Risk Committee Report, the Nomination Committee Report and the Statement of Directors' Responsibilities should be read in conjunction with one another and the Strategic Report. As permitted by legislation, some of the matters normally included in the Directors' Report have instead been included in the Strategic Report, as the Board considers them to be of strategic importance. Therefore, a review of the business of the Company, recent events and outlook can be found in the Strategic Report: The Company and Portfolio Review on pages 8 to 43. Information regarding Environmental, Social and Governance matters can be found in the Strategic Report: ESG and Risk on pages 44 to 71.

Name Change

On 21 May 2025, the Company changed its name from SDCL Energy Efficiency Income Trust plc to SDCL Efficiency Income Trust plc.

Corporate Governance

The Company's Corporate Governance Statement is set out in the Corporate Governance Statement on pages 79 to 87 and forms part of this report.

Details regarding independent professional advice and insurance are set out in the Corporate Governance Statement on pages 79 to 87.

Principal Activity

The Company is a closed-ended UK investment trust that invests in energy efficiency infrastructure projects. Further details can be found in the Strategic Report on pages 8 to 75. The Directors do not anticipate any change in the principal activity of the Company in the foreseeable future.

Investment Trust Company Status

The Company has been approved as an investment trust under Sections 1158/1159 of the Corporation Tax Act 2010. The Company has continued to meet relevant eligibility conditions and ongoing requirements as an investment trust, in particular that the Company must not retain more than 15% of its eligible investment income. The Directors are of the opinion that the Company continues to conduct its affairs as an Approved Investment Trust under the Investment Trust (Approved Company) (Tax) Regulations 2011.

Non-Mainstream Pooled Investments

As a UK investment trust, the Company's shares are excluded from the restrictions in the FCA Rules on the marketing of non-mainstream pooled investments ("NMPIs") to "ordinary retail clients" and the Company is accordingly not considered to be a NMPI. The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, in order that its shares can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA Rules on NMPIs.

As an equity security admitted to listing on the premium listing segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange, the ordinary shares of the Company are expected to qualify as a readily realisable security.

Accordingly, it will not be either a (i) speculative illiquid security; (ii) a non-mass market investment; or (iii) a restricted mass market investment.

Directors

The Directors in office at the date of this report and their biographical details are shown in the Board of Directors on page 78.

Details of the Directors' terms of appointment can be found in the Corporate Governance Statement on pages 79 to 87. The beneficial interest of the Directors and their connected persons in the ordinary shares of the Company are set out in the Directors' Remuneration Report on pages 95 to 100.

The Investment Manager

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

The Investment Manager is authorised and regulated as an alternative investment fund manager ("AIFM") by the FCA and, as such, is subject to the FCA rules in the conduct of its investment business.

As the entity appointed and responsible for risk management and portfolio management, the Investment Manager is the Company's AIFM. The Investment Manager has full discretion under the Investment Management Agreement to make investments in accordance with the Company's investment policy. This discretion is, however, subject to:

(i) the Board's ability to give instructions to the Investment Manager from time to time; and
(ii) the requirement of the Board to approve certain investments where the Investment Manager has a conflict of interest in accordance with the terms of the Investment Management Agreement.

The Investment Manager also has responsibility for financial administration and investor relations, advising the Company and its Group in relation to the strategic management of the investment portfolio, advising the Company in relation to any significant investments and monitoring the Company's funding requirements.

The Board keeps the performance of the Investment Manager under continual review. The Directors believe that the continuing appointment of the Investment Manager, on the agreed terms, is in the best interest of the Company and its shareholders as a whole.

Further information on the SDCL Group can be found on the website: **https://www.sdclgroup.com/**.

Report of the Directors continued

Articles of Association

The Company's Articles of Association set out its internal regulations and cover the rights of the shareholders, the appointment of Directors and the conduct of the Board and general meetings.

The Articles of Association may be amended by the shareholders of the Company by special resolution (requiring a majority of at least 75% of the persons voting on the relevant resolution).

AIFM Requirements

AIFM Directive ("AIFMD") requirements have continued to apply since 1 January 2021, through existing transposed rules replicating EU AIFM Directive (2011/611/EU), within the rules of the UK's FCA. AIFMD requirements impose detailed and prescriptive obligations on fund managers, including prescriptive rules on measuring and capping leverage, the treatment of investors, liquidity management, the use of depositaries and cover for professional liability risks. The AIFMD requirements further impose conditions on the marketing of entities such as the Company to investors in the UK.

Independent Auditor and Disclosure of Information

PricewaterhouseCoopers LLP has expressed its willingness to continue in office as independent auditor of the Company, and resolutions for its reappointment and to authorise the Audit and Risk Committee to determine its remuneration will be proposed at the forthcoming AGM.

Further information about the Company's independent auditor, including tenure, can be found in the Audit and Risk Committee Report on page 90 to 94.

Financial Risk Management

The principal risks and uncertainties facing the Company are set out in the Risk Management Framework. Information about the Company's financial risks and policies for managing these risks are set out in Note 13 to the financial statements on pages 129 to 131.

Foreign Account Tax Compliance Act ("FATCA") and the OECD Common Reporting Standards ("CRS")

The Board, in conjunction with the Company's service providers and advisers, will ensure the Company's compliance with FATCA and CRS requirements are to the extent relevant to the Company.

Share Capital

As at 31 March 2025 and 20 June 2025, being the last practicable date prior to the publication of this Annual Report, the issued share capital of the Company was 1,108,709,053 ordinary shares, with 23,289,495 shares held in treasury, thereby leaving a total voting rights figure of 1,085,419,558.

Details of movements in share capital during the year are shown in Note 12 to the financial statements.

The Company has one class of ordinary shares which carry no rights to fixed income and have no restrictions attached to them. Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the shareholders are entitled to all of the surplus assets of the Company.

Shareholders are entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each ordinary share held.

Treasury Shares

The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This gives the Company the ability to re-issue ordinary shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. Ordinary shares will not be sold from treasury at a price less than the (cum income) NAV APM per existing ordinary share at the time of their sale. As at 31 March 2025, the Company held 23,289,495 ordinary shares in treasury which is unchanged as at the date of this Annual Report.

Share Repurchases and Discount Management

The Company may seek to address any significant discount to NAV APM at which its ordinary shares may be trading by purchasing its own ordinary shares in the market on an ad hoc basis. During the year, the Company did not purchase any shares.

At the AGM held on 11 September 2023, the Company was granted the authority to purchase up to 14.99% of the Company's ordinary share capital in issue at the date that the AGM notice was published, amounting to 163,871,572 ordinary shares.

The maximum price (exclusive of expenses) which may be paid for an ordinary share must not be more than the higher of:

- 5% above the average of the mid-market values of the ordinary shares for the five business days before the purchase is made; or
- the higher of the price of the last independent trade and the highest current independent bid for the ordinary shares.

Ordinary shares will be repurchased only at prices below the prevailing NAV APM per ordinary share, which should have the effect of increasing the NAV APM per ordinary share for remaining shareholders.

It is intended that a renewal of the authority to make market purchases will be sought from shareholders at each AGM of the Company and authority for the Company to purchase up to 166,195,487 ordinary shares (subject to a maximum of 14.99% of the ordinary shares in issue, excluding those shares held in treasury, at the date of the AGM) will be sought at the forthcoming AGM.

Report of the Directors continued

Share Repurchases and Discount Management continued

Purchases of ordinary shares will be made within guidelines established from time to time by the Board. Any purchase of ordinary shares would be made only out of the available cash resources of the Company. Ordinary shares purchased by the Company may be held in treasury or cancelled.

Purchases of ordinary shares may be made only in accordance with the Companies Act, the UK Listing Rules and the Disclosure Guidance and Transparency Rules.

Investors should note that the repurchase of ordinary shares is entirely at the discretion of the Board and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of ordinary shares that may be repurchased.

Share Premium Account

At the Company's 2023 AGM, shareholders voted in favour of the special resolution authorising the Company to cancel £300 million of the amounts standing to the credit of its share premium account. On 21 November 2023, following approval by the Court, the Company cancelled £300 million of its share premium account, creating distributable reserves which may be used by the Board to deliver returns to shareholders in the future, should they consider it appropriate to do so.

Significant Voting Rights

As at 31 March 2025, the Company is aware or had been informed of the following notifiable interests in the voting rights of the Company, in accordance with Disclosure Guidance and Transparency Rule 5.1.2:

	Number of ordinary shares held	% of voting rights
General Atlantic Partners	175,266,055	16.15
Investec Wealth & Investment Limited	106,555,444	9.82
BlackRock, Inc.	106,201,743	9.78
M&G plc	55,584,522	5.12
Evelyn Partners	53,283,050	4.91
CCLA Investment Management	44,181,486	4.07
Hargreaves Lansdown	38,654,610	3.56

The Company has been informed of the following changes to notifiable interests between 31 March 2025 and 20 June 2025, being the last practicable date prior to the publication of this Annual Report:

	Number of ordinary shares held	% of voting rights
BlackRock, Inc.	Below 5%	Below 5%

Dividends to Shareholders

The Company's policy is to pay interim dividends on a quarterly basis, so typically there is no final dividend payable.

The total aggregate interim dividends attributable to shareholders for the year amounted to £68.4 million (2024: £67.2 million).

Details of the interim dividends paid during the year under review are noted in the table below:

Dividend	Year ended	Dividend per share	Aggregate dividend paid £m
Fourth interim dividend	31 March 2024	1.56p	16.9
First interim dividend	31 March 2025	1.58p	17.2
Second interim dividend	31 March 2025	1.58p	17.2
Third interim dividend	31 March 2025	1.58p	17.1

On 5 June 2025, the Board declared a fourth interim dividend of 1.58 pence per share in respect of the year ended 31 March 2025, payable on 30 June 2025.

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:

The Board and the Investment Manager have performed an assessment of the current exposure to global government policies and regulations, and the impact to cash flow forecasts.

Also considered were 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 Investment Manager nor the Company's investments conducts business and operations in the regions; therefore the Company is not subject to any direct impact by this event.

Report of the Directors continued

Going Concern continued

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

In assessing whether the Company is a going concern for a period of at least twelve months from the approval of the Annual Report, the Directors have reviewed a cash flow forecast to 30 September 2026, 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.

As at 31 March 2025, the Company's net assets were £983.6 million (31 March 2024: £981.9 million), including cash balances of £0.9 million (31 March 2023: £0.5 million).

Further amounts of cash are held by the Company's direct and indirect subsidiaries (including Holdco which has c.£7.0 million (31 March 2024: c.£3.3 million) at the year 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, of which the vast majority are discretionary.

The Company's sole direct subsidiary, Holdco, has £240 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 31 March 2025, £234 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.

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.

Directors' Responsibilities Pursuant to Section 172 of the Companies Act 2006

The Directors fulfilled their duties under Section 172 of the Companies Act 2006 to act in good faith and to promote the success of the Company for the benefit of shareholders as a whole. See pages 73 to 75 Stakeholders and Section 172 for further details.

Employees and Officers of the Company

The Company does not have any employees and therefore employee policies are not required. The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed in the Board of Directors on page 78.

Greenhouse Gas Emissions

Information about the Company's greenhouse gas emissions are set out in the SEIT 2025 Climate Change Report on pages 58 to 68.

Political Donations

The Company made no political donations during the year (2024: nil).

Anti-Bribery and Tax Evasion

The Company is committed to ensuring that the Company, its subsidiaries, partners, agents and anyone contracted to it, including the Company's Investment Manager and key service providers, complies with the requirements of the UK Bribery Act 2010 or equivalent legislation in other jurisdictions.

The Company does not tolerate tax evasion in any of its forms in its Group or the project companies in which it invests. The Company complies with the relevant UK law and regulation in relation to the prevention of facilitation of tax evasion and supports efforts to eliminate the facilitation of tax evasion worldwide. It also works to make sure its business partners share this commitment.

The Company's Anti-Bribery and Criminal Finances Policy is published on the Company's website. These statements are reviewed annually by the Board.

Requirements of the UK Listing Rules

UK Listing Rule 14.3.24 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross-reference table indicating where the information is set out. The Directors confirm that there are no matters requiring disclosure in relation to UK Listing Rule 14.3.24.

The Report was approved by the Board on 20 June 2025 and signed on its behalf by:

Tony Roper
Chair

Statement of Directors' Responsibilities

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with UK-adopted International Accounting Standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements accounts;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Confirmations

The Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Board of Directors on page 78, confirm that, to the best of their knowledge:

- the Company financial statements, which have been prepared in accordance with UK-adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and result of the Company; and
- the Strategic Report: Portfolio Review includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Annual Report and financial statements were approved by the Board on 20 June 2025 and the above responsibility statement was signed on its behalf by:

Tony Roper
Chair

Financial Statements

What is in this section?

Additional Information

Onyx

Independent Auditors' Report

to the members of SDCL Efficiency Income Trust plc (formerly SDCL Energy Efficiency Income Trust plc)

Report on the audit of the financial statements

Opinion

In our opinion, SDCL Efficiency Income Trust plc (formerly SDCL Energy Efficiency Income Trust plc)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2025; the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in the notes to the financial statements, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The company invests in a diversified portfolio of efficiency projects through an intermediate holding company named SEEIT Holdco Limited. We performed an audit of the company including its investment in SEEIT Holdco Limited.
- All of our audit work was conducted in the UK by the company audit team.

Key audit matters

- Valuation of Investments at fair value through profit or loss.

Materiality

- Overall materiality: £9.8m (2024: £9.8m) based on approximately 1% of total assets.
- Performance materiality: £7.4m (2024: £7.4m).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Independent Auditors' Report continued

to the members of SDCL Efficiency Income Trust plc

Our audit approach continued

Key audit matters continued

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Valuation of Investments at fair value through profit or loss The company has £984 million of investments recorded at fair value and these are significant in the context of the overall balance sheet of the company. See note 11 for details. The company invests through a holding company which in turn holds debt and equity interests in project companies (the "underlying investment portfolio") which are not listed and therefore are not actively traded. The fair value of the underlying investment portfolio has principally been valued on a discounted cash flow basis, which necessitates significant estimates in respect of the forecasted cash flows and discount rates applied. The directors also engaged external valuations experts to support them with determining the fair value of some investments. The directors' assessment of those fair values involves estimates about the future results of the underlying businesses, in particular around future revenues and discount rates applied to future cash flow forecasts. Based on the historical performance of investments and best estimates of future assumptions, the directors believe that these fair values are reasonable.	We planned our audit to critically assess management's assumptions and the investment valuation model in which they are applied; We have evaluated the design and implementation of relevant controls over the preparation of the portfolio valuation. However, we have not relied on controls as substantive procedures are determined to be more effective for this audit; We assessed the reasonableness of material assumptions made by management in the applicable valuation models; We tested the mathematical accuracy of a sample of the valuation models; We performed detailed testing over the significant inputs in a sample of investment valuation models. The testing entailed obtaining appropriate supporting audit evidence over the significant inputs and challenging management to justify the estimates made;

Key audit matter	How our audit addressed the key audit matter
Determining the valuation methodology and the inputs and assumptions within the valuation is subjective and complex particularly given the current macroeconomic conditions and the ongoing discount in the Company's share price compared to its net assets value. There is also growing scrutiny in relation to the consideration of potential impact of climate change in valuation of investments. This, combined with the significance of the unlisted investments balance in the statement of financial position, meant that this was a key audit matter for our current year audit.	We specifically considered management's assessment of the impact of climate change on the fair valuation of investments and tailored our audit approach to respond to the audit risks identified. In particular, we: – challenged management on how the impact of climate commitments made by the company would impact the assumptions within the discounted cash flows prepared by management that are used in the valuation of investment at fair value through profit or loss; – evaluated whether the impact of both physical and transition risks arising due to climate risk had been appropriately considered and included in the valuation; and – with assistance from our valuation experts for certain assets, evaluated the appropriateness of the key assumptions used by management to model the impact of climate risk, including the reasonableness of adjustments to the future cash flows and the discount rates where applicable. We used our internal valuation specialists in the United Kingdom and Spain to provide audit support in reviewing and concluding on the fair valuation of certain investments in the underlying investment portfolio. They (a) assessed the appropriateness of the valuation methodology and approach and (b) assessed the appropriateness of the discounted cash flow valuation models, including comparing the discount rate and certain other key assumptions against those used by comparable market participants, where appropriate, and/or other macroeconomic data and (c) concluded that the overall valuation is reasonable; In addition, we have assessed the competence and objectivity of management's experts and engaged with our valuation specialists to read the independent third-party reports that management have obtained to support the valuation of certain assets within the portfolio. We confirmed that they have been prepared using an appropriate methodology and that the management's expert challenged key estimates and judgements; and considered the company's share price discount to its net assets value. As a result of our testing, we have obtained sufficient audit evidence to conclude that the overall valuation of the portfolio as a whole is materially reasonable.

Independent Auditors' Report continued

to the members of SDCL Efficiency Income Trust plc

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit approach, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the financial statements and the fair valuation of investments in particular. In addition to enquiries with management, we also understood the governance processes in place by the company to assess climate risk and read the additional reporting made by the entity within its Annual Report on climate, particularly focusing on the section where the company sets out its climate related risks.

We challenged the completeness of management's climate risk assessment by reading external reporting made by management. We challenged the consistency of management's assessment with internal climate plans and board minutes and considered the information published by the management on the entity's website and communications for details of climate related impacts. Management have made a commitment to the Glasgow Financial Alliance for Net Zero (GFANZ) which aligns them to accelerate the transition to a net zero economy. As part of its commitment to GFANZ, and specifically the Net Zero Asset Managers Initiative, management is developing a net zero strategy for the company. This commitment does not directly impact financial reporting, as management has not yet developed a pathway to deliver this commitment and will only be able to model the impact once the pathway is developed.

Using our knowledge of the business and with assistance from our internal valuation experts we evaluated management's risk assessment and adjustments to the financial statements and resulting disclosures, where significant. We considered the Valuation of investment at fair value through profit or loss to potentially be materially impacted by climate risk and consequently we focused our audit work in these areas. Where climate risk relates to a key audit matter our audit response is given in the key audit matters section of our audit report. We also considered the consistency of the disclosures in relation to climate change within the Annual Report with the financial statements and our knowledge obtained from our audit.

Our procedures did not identify any further material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended 31 March 2025.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£9.8m (2024: £9.8m).
How we determined it	Approximately 1% of total assets
Rationale for benchmark applied	We believe that total assets is the most appropriate benchmark because this is the key metric of interest to investors and is a generally accepted measure used for companies in this industry.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £7.4m (2024: £7.4m) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £0.5m (2024: £0.5m) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent Auditors' Report continued

to the members of SDCL Efficiency Income Trust plc

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Testing the mathematical integrity of the cash flow forecasts and the models and reconciled these to Board approved budgets;
- Challenging management on the appropriateness of key assumptions in particular whether all capital commitments to the investment companies had been appropriately reflected in management's models and considering their reasonableness in the context of other supporting evidence gained from our audit work;
- Reviewing the debt agreements to confirm the terms and conditions, including covenants. The covenants were consistent with those used in management's going concern assessment;
- Agreeing all cash balances as at 31 March 2025 to third-party evidence and considering the available financing. This supported the directors' conclusion that sufficient liquidity headroom remained throughout the assessment period;
- Testing the mathematical accuracy of the covenant calculations, and confirming based on management's calculations that covenant compliance remained throughout the assessment period; and
- Considering the severe downside scenario to assess the viability of the company in such circumstances. This included an assessment of the company's ability to meet its debt covenants and ability to repay its liabilities as they fall due.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the AIC Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 March 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Independent Auditors' Report continued

to the members of SDCL Efficiency Income Trust plc

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the AIC Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and
- The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the AIC Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to environmental regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK Tax legislation, including section 1158 of the Corporation Tax Act 2010 and the regulations made thereunder.

Independent Auditors' Report continued

to the members of SDCL Efficiency Income Trust plc

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the valuation of investment and posting inappropriate journal entries to achieve desired financial results. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of design and implementation of management's controls designed to prevent and detect irregularities. However, we have not relied on controls as substantive procedures are determined to be more effective for this audit;
- Reviewing the minutes of meetings of the Board and its committees;
- Challenging the assumptions and judgments made by management in their significant accounting estimates relating to the valuation of investments; and
- Identifying and testing journal entries, in particular certain journal entries posted with unusual account combinations impacting the income and investments at fair value through profit and loss accounts.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 10 December 2018 to audit the financial statements for the year ended 31 March 2019 and subsequent financial periods. The period of total uninterrupted engagement is seven years, covering the years ended 31 March 2019 to 31 March 2025.

Other matter

The company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Richard French (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Watford

20 June 2025

Statement of Comprehensive Income

For the year ended 31 March 2025

	Note	For the year ended 31 March 2025 £'millions	For the year ended 31 March 2024 £'millions
Investment income/(loss)	5	81.2	(44.7)
Total operating income/(loss)		81.2	(44.7)
Finance income		–	0.2
Fund expenses	6	(11.1)	(11.8)
Profit/(loss) for the year before tax		70.1	(56.3)
Tax on profit/(loss) on ordinary activities	7	–	–
Profit/(loss) for the year		70.1	(56.3)
Total comprehensive income/(loss) for the year		70.1	(56.3)
Attributable to:			
Equity holders of the Company		70.1	(56.3)
Earnings/(loss) per ordinary share (pence)	8	6.4	(5.2)

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

All items in the above statement derive from continuing operations.

Statement of Financial Position

As at 31 March 2025

	Note	31 March 2025 £'millions	31 March 2024 £'millions
Non-current assets			
Investment at fair value through profit or loss	11	984.2	983.8
		984.2	983.8
Current assets			
Trade and other receivables		0.3	0.2
Cash and cash equivalents		0.9	0.5
		1.2	0.7
Current liabilities			
Trade and other payables		(1.8)	(2.6)
Net current liabilities		(0.6)	(1.9)
Net assets		983.6	981.9
Capital and reserves			
Share capital	12	11.1	11.1
Share premium	12	756.8	756.8
Other distributable reserves	12	270.9	339.3
Accumulated losses		(55.2)	(125.3)
Total equity		983.6	981.9
Net assets per share APM (pence)	10	90.6	90.5

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

The financial statements on pages 113 to 134 were approved by the Board of Directors on 20 June 2025 and signed on its behalf by:

Sarika Patel
Director

Tony Roper
Director

Company number: 11620959

Statement of Changes in Shareholders' Equity

For the year ended 31 March 2025

	Note	Share capital £'millions	Share premium £'millions	Other distributable reserves £'millions	Accumulated losses £'millions	Total equity £'millions
Balance at 1 April 2024		11.1	756.8	339.3	(125.3)	981.9
Dividends paid	9	–	–	(68.4)	–	(68.4)
Total comprehensive income for the year		–	–	–	70.1	70.1
Balance at 31 March 2025		11.1	756.8	270.9	(55.2)	983.6

	Note	Share capital £'millions	Share premium £'millions	Other distributable reserves £'millions	Retained earnings/ (accumulated losses) £'millions	Total equity £'millions
Balance at 1 April 2023		11.1	1,056.8	39.3	18.2	1,125.4
Share buyback	12	–	–	–	(20.0)	(20.0)
Share transaction costs	12	–	–	–	(0.1)	(0.1)
Cancellation of share premium account		–	(300.0)	300.0	–	–
Dividends paid	9	–	–	–	(67.1)	(67.1)
Total comprehensive loss for the year		–	–	–	(56.3)	(56.3)
Balance at 31 March 2024		11.1	756.8	339.3	(125.3)	981.9

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

Statement of Cash Flows

For the year ended 31 March 2025

	Note	For the year ended 31 March 2025 £'millions	For the year ended 31 March 2024 £'millions
Cash flows from operating activities			
Profit/(loss) for the year before tax		70.1	(56.3)
Adjustments for:			
(Gain)/loss on investment at fair value through profit or loss	5	(7.3)	116.2
Loan interest income	5	(3.9)	(6.5)
Operating cash flows before movements in working capital		58.9	53.4
Changes in working capital			
(Increase)/decrease in trade and other receivables		(0.1)	0.4
Decrease in trade and other payables		(0.8)	(0.7)
Net cash generated from operating activities		58.0	53.1
Cash flows from investing activities			
Additional investment in Holdco	11	(7.0)	(38.4)
Loan principal repayment received	11	13.9	66.2
Loan interest income received		3.9	6.5
Net cash generated from investing activities		10.8	34.3
Cash flows from financing activities			
Share buyback payments	12	–	(20.0)
Payment of share buyback costs		–	(0.1)
Dividends paid	9	(68.4)	(67.1)
Net cash used in financing activities		(68.4)	(87.2)
Net movement during the year		0.4	0.2
Cash and cash equivalents at the beginning of the year	2	0.5	0.3
Cash and cash equivalents at the end of the year	2	0.9	0.5

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

Notes to the Financial Statements

For the year ended 31 March 2025

1. General Information

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

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.

The Company currently makes its investments through its principal holding company and sole direct subsidiary, SEIT Holdco Limited ("Holdco"), and intermediate holding companies (together referred to as the "Group"), which are directly owned by the Holdco. The Company controls the investment policy of each of the 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 Investment Manager (the "Investment Manager") pursuant to the Investment Management Agreement dated 22 November 2018. The Investment Manager is registered in England and Wales under number OC330266 pursuant to the Companies Act 2006. The Investment Manager is regulated by the FCA, number 471124.

The financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest million (£ million), except otherwise indicated.

2. Material accounting Policy Information

a) Basis of accounting

The financial statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006, as applicable to companies reporting under those standards. The financial statements are prepared under the historical cost convention, except for certain investments and financial instruments measured at fair value through profit or loss.

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The principal accounting policies adopted are set out below and consistently applied, subject to changes in accordance with any amendments in IFRS.

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

The following standard has been issued and are effective for annual periods beginning 1 April 2024:

– IAS 7 (amended) – Amendments regarding supplier finance arrangements – effective from 1 January 2024; and
– IAS 1 (amended) – Amendments regarding the classification of debt with covenants – effective from 1 January 2024.

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

(2) New standards, amendments and interpretations effective after 1 April 2025 and have not been early adopted

The following standards have been issued but are effective for annual periods beginning after 1 April 2025 and have not been adopted early:

– IFRS 18 Presentation and Disclosures in Financial Statements – effective from 1 January 2027. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss;
– IFRS 7 - Amendments regarding the classification and measurement of financial instruments – effective from 1 January 2026; and
– IFRS 9 - Amendments regarding the classification and measurement of financial instruments - effective from 1 January 2026.

None of the above are expected to have a material effect on the financial statements of the Company.

Notes to the Financial Statements continued

For the year ended 31 March 2025

2. Material accounting Policy Information continued

b) IFRS 10 – basis of consolidation and investment entities exemption

The Company applies IFRS 10 Consolidated Financial Statements. As in the previous year, the Directors have concluded that in accordance with IFRS 10, the Company has re-evaluated the below criteria and continues to meet the definition of an investment entity. The financial statements therefore comprise the results of the Company only and no subsidiaries are consolidated on a line-by-line basis.

The Company invests its investable cash into SEIT Holdco when a targeted investment has been approved by the Investment Manager's Investment Committee. The sole objective of the Holdco is to enter into several energy efficiency projects, via individual corporate entities. The Holdco issues equity and loans to finance the projects. Holdco also incurs overheads and borrowings on behalf of the Group. Under IFRS 10, investment entities are required to hold subsidiaries at fair value through profit or loss rather than consolidate them. There are three key conditions to be met by the Company for it to meet the definition of an investment entity. For each reporting period, the Directors assess whether the Company continues to meet these conditions:

(i) the Company has obtained funds for the purpose of providing investors with investment management services;
(ii) the business purpose of the Company, which was communicated directly to investors, is investing solely for risk-adjusted returns (including having an exit strategy for investments); and
(iii) the performance of substantially all investments is measured and evaluated on a fair value basis.

The Company is an investment company, providing investors exposure to a diversified portfolio of energy efficiency infrastructure projects that are managed for investment purposes.

During the year ended 31 March 2025, the Company, via Holdco, made additional investments but primarily into existing investments. The Directors assessed that there was no fundamental change to the Company and its portfolio of investment that would cause the Company not to satisfy the conditions of an investment entity under IFRS 10. As a result, the Company continues to apply the investment entity conditions under IFRS 10 to its financial statements.

c) 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:

Macroeconomic uncertainty

The Board and the Investment Manager have performed an assessment of the current exposure to global government policies and regulations and the impact on operations and forecasted cash flows.

Also considered are the ongoing 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 Investment Manager nor the Company's investments conducts business and operations in the regions; therefore the Company is not subject to any direct impact by this event.

The Manager duly considered any restriction imposed by relevant sanctions, and its impact on the portfolio companies, and have 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 Annual Report, the Directors have reviewed a cash flow forecast to 30 September 2026, 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.

As at 31 March 2025, the Company's net assets were £983.6 million (31 March 2024: £981.9 million), including cash balances of £0.9 million (31 March 2023: £0.5 million).

Notes to the Financial Statements continued

For the year ended 31 March 2025

2. Material accounting Policy Information continued

c) Going concern continued

Regular cash flow and business activity continued

Further amounts of cash are held by the Company's direct and indirect subsidiaries (including Holdco which has c.£7.0 million (31 March 2024: c.£3.3 million) at the year 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 to further investment in assets, of which the vast majority are discretionary. The Company's sole direct subsidiary, Holdco, has £240 million RCF (with no committed repayments) that has adequate headroom in its covenants that have been tested for historic and forward interest cover and loan-to-value limits. Total portfolio gearing[APM] has been tested to ensure levels are within limits. As at 31 March 2025, £234 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 annual financial statements, and that it is appropriate to prepare the financial statements on a going concern basis.

d) Segmental reporting

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.

e) Foreign currency translation

Foreign currency and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates, the Company's functional currency. The financial statements are presented in pounds sterling which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into pounds sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

f) Income

Dividend income and investment income (including loan interest income) from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within investment income when the Company's right to receive payments is established.

Fair value gains on financial assets at fair value through profit or loss are recognised in the Statement of Comprehensive Income at each valuation point.

Finance income comprises interest earned on cash held on deposit. Finance income is recognised on an accruals basis. Loan interest income is accounted for on an accruals basis using the effective interest method.

g) Dividends payable

Dividends to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when they are paid. In the case of final dividends, this is when they are approved by the shareholders at the AGM.

h) Fund expenses

All expenses including investment management fees, transaction costs and Non-Executive Directors' fees are accounted for on an accruals basis.

i) Acquisition costs

Acquisition costs are expensed to the Statement of Comprehensive Income as they are incurred.

j) Taxation

The Company is approved as an Investment Trust Company ("ITC") under sections 1158 and 1159 of the Corporation Taxes Act 2010 and Part 2 Chapter 1 Statutory Instrument 2011/2999 for accounting periods commencing on or after 25 May 2018. The approval is subject to the Company continuing to meet the eligibility conditions of the Corporations Tax Act 2010 and the Statutory Instrument 2011/2999. The Company intends to ensure that it complies with the ITC regulations on an ongoing basis and regularly monitors the conditions required to maintain ITC status. The rate has increased from 19% to 25% from 1 April 2023. Current tax is the expected tax payable on any taxable income for the period, using tax rates that have been enacted or substantively enacted at the date of the Statement of Financial Position and end of the relevant period. The Company may use taxable losses from within the Group to relieve taxable profits in the Company and also income streams part of the dividends paid into interest payments to achieve tax efficiency for the Company. The increase in the headline rate of corporation tax does impact on the valuation of the Company's investments.

Notes to the Financial Statements continued

For the year ended 31 March 2025

2. Material accounting Policy Information continued

k) Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks and other short-term deposits with original maturities of three months or less. Cash is spread across two banks including a money market fund managed by JP Morgan. It is a highly liquid investment and readily convertible to a known amount of cash. There is no expected credit loss as the bank institutions have credit ratings of at least BBB+ and all cash is held at call from the banks.

l) Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IFRS 9 Financial Instruments.

Investments are recognised when the Company has control of the asset. Control is assessed considering the purpose and design of the investments including any options to acquire the investments where these options are substantive. The options are assessed for factors including the exercise price and the incentives for exercise.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss; and
- those to be measured at amortised cost.

At initial recognition, the Company measures all investments at its transaction price net of transaction costs that are directly attributable to the acquisition of the financial asset. The Company subsequently measures all investments at fair value and changes in the fair value are recognised as gains/(losses) on investments at fair value through profit or loss within investment income.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expired.

m) Trade and other receivables

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Those include VAT receivable and other receivables which are intercompany balances due from subsidiaries. Receivables are initially recognised at fair value. They are subsequently measured at amortised cost, less any expected credit loss.

The Company has assessed IFRS 9's expected credit loss model and does not consider that there is a material impact on these financial statements.

n) Trade and other payables

Trade and other payables include accruals and other payables and initially are recognised at fair value, and subsequently measured at amortised cost using the effective interest method.

o) Share capital and share premium

The Company's ordinary shares are not redeemable and are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, and share options are recognised as a deduction in equity and are charged from the share premium account. The costs incurred in relation to the IPO and subsequent fundraisings of the Company were charged from the share premium account.

p) Treasury shares

The Company recognises the purchase of its own equity instruments in treasury shares, which are deducted from retained earnings. No gain or loss is recognised in the Statement of Comprehensive Income on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to the Financial Statements continued

For the year ended 31 March 2025

3. 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 year. 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 disclosed in Note 2, 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 sole direct subsidiary, SEIT Holdco, which in turns holds investments in a portfolio that are held at fair value (the "Portfolio Valuation APM"). See Note 11 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 Investment Manager to produce the Portfolio Valuation APM at 31 March 2025, which includes estimates of future cash flows that have the potential to have a material effect on the measurement of fair value.

The key estimates made include:

Discount rate

The weighted average unlevered discount rate (post tax) applied in the 31 March 2025 valuation was 8.5% (31 March 2024: 8.6%) and 9.6% on a levered basis (31 March 2024: 9.4%). 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 4.

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 4.

Investment-specific cash flow assumptions and sensitivities

The below highlights several key investment-specific estimates made for the Portfolio Valuation APM at 31 March 2025:

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 31 March 2025 could be reduced between an estimated £5 million and £15 million, assuming no other mitigants are available.

As at 31 March 2025 the Public Utilities Commission of Ohio (PUCO) reviewed North Lake's request to increase REC-eligible capacity from 15 MW to 90 MW, and a conditional approval was received resulting in Portfolio Valuation APM uplift of £15 million. Since the year end the full approval was received securing RECs revenue to 2026 resulting in a further increase in the Investment at fair value through profit and loss in 31 March 2026 of between £1 million and £10 million. There is uncertainty that the RECs in their current form will continue beyond 2026. Should the REC revenue be discontinued beyond 2026 this would result in an estimated reduction of between £45 million to £55 million in Investment at fair value through profit and loss.

An estimate has been made for the Portside recontracting increase. The estimated increase in Portside's recontracting rate in 2028 has been retained at 17%. Should management be unsuccessful in negotiating an increase, the Investment at fair value through profit or loss at 31 March 2025 could be reduced between an estimated £1 million and £10 million.

Onyx – An estimate has been made for changes for deployment pipeline which may be caused by different factors, such as the impact of recent US administration's tariff announcement and other regulatory changes. If development pipeline deployment is reduced by 25% from 2026 to 2030, this would result in a reduction to the Investment at fair value through profit and loss between an estimated £5 million and £15 million assuming no other mitigants available.

A 5% increase or decrease in PPA pricing on portfolios constructed from 2026 onwards would give an increase or decrease of between an estimated £15 million and £25 million to the Investment at fair value through profit or loss at 31 March 2025

Notes to the Financial Statements continued

For the year ended 31 March 2025

3. Critical Accounting Estimates and Judgements continued

Estimates continued

Investment-specific cash flow assumptions and sensitivities continued

RED-Rochester – 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. Given the recent increased level of uncertainty over timing and level of future demand for energy services from the site partially constructed by Li-Cycle, management recognised a reduction in likely revenues resulting in between an estimated £12 million and £22 million reduction to the Investment at fair value through profit and loss at 31 March 2025. A permanent loss of the customer with no replacement, and no other mitigating factors would result in a further reduction to the Investment in fair value through profit and loss of between an estimated £25 million and £35 million as at 31 March 2025. The Portfolio Valuation was prepared using a series of scenarios with probability weighting applied to recognise potential adverse outcomes. Should a full replacement of the assumed Li-Cycle energy demand be secured by the end of calendar year 2026 would result in an estimated increase of between £17 million and £27 million on Investment at fair value through profit and loss. However, if the Li-Cycle loads are further delayed by 12 months then the decrease on Investments at fair value through profit and loss is estimated at between £1 million and £10 million.

An estimated increase from proposed tariff negotiations with the key customers in the calendar year 2025 would result in an estimated increase of between £15 million and £25 million on the Investment at fair value through profit and loss. Should the negotiations be unsuccessful this would result in an estimated reduction in Investment at fair value through profit and loss of between £15 million and £25 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 31 March 2025 would be reduced by between an estimated £10 million and £20 million, assuming no other mitigants are available.

Driva – 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 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 £1 million and £10 million, assuming no other mitigants are available.

4 Financial Instruments

Valuation methodology

The Company has a single investment wholly owned holding company (Holdco). It recognises this investment at fair value. To derive the fair value of Holdco, the Company determines the fair value of investment held directly or indirectly by Holdco and adjusts for any other assets and liabilities. See Note 11 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 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 IPEV ("International Private Equity and Venture Capital") 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 Investment 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 year-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.

Notes to the Financial Statements continued

For the year ended 31 March 2025

4. Financial Instruments continued

Valuation methodology continued

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 Investment 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
31 March 2025	**–**	**–**	**984.2**
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 SPV investments or debt schedules, 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 11.

Notes to the Financial Statements continued

For the year ended 31 March 2025

4. Financial Instruments continued

Valuation assumptions

		31 March 2025	31 March 2024
Inflation rates	UK (RPI)	3.3% declining to 3.1% by 2026, 3.0% p.a. long term	3.3% declining to 2.9% by 2026, 3.0% p.a. long term
	UK (CPI)	2.5% increasing to 2.7% by 2026, 2.0% p.a. long term	2.5% declining to 2.2% by 2026, 2.0% p.a. long term
	Spain (CPI)	2.2% 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
	Sweden (CPI)	1.7% increasing to 1.8% by 2026, 2.0% p.a. long term	2.9% declining to 2.0% by 2026, 2.0% p.a. long term
	Singapore (CPI)	2.1% declining to 1.9% by 2026, 2.0% p.a. long term	3.0% declining to 2.0% by 2026, 2.0% p.a. long term
	Ireland (CPI	1.8% increasing to 2.0% by 2026, 2.0% p.a. long term	2.3% declining 1.7% by 2026, 2.0% p.a. long term
	USA (CPI)	2.6% declining to 2.4% by 2026, 2.0% p.a. long term	2.6% declining to 2.2% by 2026, 2.0% p.a. long term
Tax rates	UK	25%	25%
	Spain	25%	25%
	Sweden	20.6%	20.6%
	Singapore	17%	17%
	Ireland	12.5%	12.5%
	USA	21% federal & 3% to 9% states rates	21% federal & 3% to 9% states rates
Foreign exchange rates	EUR/GBP	0.84	0.86
	SEK/GBP	0.08	0.07
	SGD/GBP	0.58	0.59
	USD/GBP	0.78	0.79

Discount rates

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

	31 March 2025	31 March 2024
Weighted average discount rate (on unlevered basis)	8.5%	8.6%
Weighted average discount rate (on levered basis)	9.6%	9.4%
Discount rates	5.15% to 11.40%	5.15% to 11.40%

Notes to the Financial Statements continued

For the year ended 31 March 2025

4. Financial Instruments continued

Sensitivities

The sensitivities below show the effect on net asset value 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 levered discount rate by plus or minus 0.5% has the following effect on the net assets.

Discount rate	NAV/share APM impact	-0.5% change	Net asset value APM	+0.5% change	NAV/share APM impact
31 March 2025	**6.3p**	**£68.4m**	**£983.6m**	**£(60.6)m**	**(5.6)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, Portugal and Sweden. A change in inflation rate by plus or minus 1.0%, when applied to unlevered cash flows, has the following effect on the net assets, with all other variables held constant.

Inflation rate	NAV/share APM impact	-1% change	Net asset value APM	+1% change	NAV/share APM impact
31 March 2025	**(4.6)p**	**£(50.0)m**	**£983.6m**	**£59.8m**	**5.5p**
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 jurisdiction. A change in the corporate tax rate by plus or minus 5%, when applied to the unlevered cash flows, has the following effect on the net assets, with all other variables held constant.

Corporation tax rate	NAV/share APM impact	-5% change	Net asset value APM	+5% change	NAV/share APM impact
31 March 2025	**3.0p**	**£32.2m**	**£983.6m**	**£(34.1)m**	**(3.1)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 APM, with all other variables held constant. The effect is shown after the effect of current level of hedging which reduces the impact of foreign exchange movements on the Company's net assets.

Foreign exchange rate	NAV/share APM impact	-10% change	Net asset value APM	+10% change	NAV/share APM impact
31 March 2025	**1.2p**	**£11.1m**	**£983.6m**	**£(10.9)m**	**(1.0)p**
31 March 2024	0.9p	£9.4m	£981.9m	£(9.4)m	(0.9)p

Notes to the Financial Statements continued

For the year ended 31 March 2025

5. Investment income/(loss)

	Year ended 31 March 2025 £'millions	Year ended 31 March 2024 £'millions
Dividend income	70.0	65.0
Gain/(loss) on investment at fair value through profit or loss (Note 11)	7.3	(116.2)
Loan interest income	3.9	6.5
Investment income/(loss)	**81.2**	**(44.7)**

Interest income is in respect of coupon bearing loan notes issued to the Company by Holdco (Note 15). The loan notes accrue interest at 6%, are unsecured and repayable in full on 18 April 2039. Loan Interest income is recognised in the Statement of Comprehensive Income on an accruals basis. The gain/(loss) on investment is unrealised.

6. Fund Expenses

	Year ended 31 March 2025 £'millions	Year ended 31 March 2024 £'millions
Investment management fees (Note 15)	8.7	9.2
Non-Executive Directors' fees (Note 16)	0.3	0.3
Other expenses	1.4	1.6
Fees to the Company's independent auditor		
– for the audit of the statutory financial statements	0.6	0.7
– for audit-related assurance services	0.1	0.1
Fund expenses	**11.1**	**11.8**

As at 31 March 2025, the Company had no employees (31 March 2024: nil) apart from Directors in office. The Company confirms that it has no key management personnel, apart from the Directors disclosed in Directors' Remuneration Report on pages 95 to 100 of the Annual Report. There is no other compensation apart from those disclosed.

7. Tax

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

	Year ended 31 March 2025 £'millions	Year ended 31 March 2024 £'millions
Profit/(loss) for the year before taxation	70.1	(56.3)
Tax on profit/(loss) on ordinary activities for the year multiplied by the standard rate of corporation tax of 25% (31 March 2024: 25%)	17.5	(14.1)
Fair value movements (not subject to taxation)	(1.8)	29.0
Dividends received (not subject to taxation)	(17.5)	(16.3)
Surrendering of tax losses to unconsolidated subsidiaries	1.8	1.4
Total tax charge	**–**	**–**

No deferred tax was recognised in the periods due to none arising.

8. Earnings per share

	Year ended 31 March 2025	Year ended 31 March 2024
Earnings/(loss) for the year (£'millions)	70.1	(56.3)
Weighted average number of ordinary shares ('000)	1,085,420	1,090,075
Earnings/(loss) per ordinary share (pence)	**6.4**	**(5.2)**

There is no dilutive element during the current or prior financial year, or subsequent to the financial year.

Notes to the Financial Statements continued

For the year ended 31 March 2025

9. Dividends

	Year ended 31 March 2025 £'millions	Year ended 31 March 2024 £'millions
Amounts recognised as distributions to equity holders during the year:		
Fourth quarterly interim dividend for the year ended 31 March 2023 of 1.5 pence per share	–	16.4
First quarterly interim dividend for the year ended 31 March 2024 of 1.56 pence per share	–	16.9
Second quarterly interim dividend for the year ended 31 March 2024 of 1.56 pence per share	–	16.9
Third 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 ended 31 March 2025 of 1.58 pence per share	17.2	–
Second quarterly interim dividend for the year ended 31 March 2025 of 1.58 pence per share	17.2	–
Third quarterly interim dividend for the year ended 31 March 2025 of 1.58 pence per share	17.1	–
Total dividends	**68.4**	**67.1**

All dividends have been paid out of distributable reserves. The Company declared a final dividend of 1.58 pence per share, totaling £17.2 million for the period ended 31 March 2025. The dividend will be paid on 30 June 2025. Further information on distributable reserves can be found in Note 12.

10. Net Assets per Share APM

	31 March 2025	31 March 2024
Shareholders' equity (£'millions)	983.6	981.9
Number of ordinary shares ('000)	1,085,420	1,085,420
Net assets per ordinary share (pence)	**90.6**	**90.5**

11. Investment at Fair Value through Profit or Loss

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

	31 March 2025 £'millions	31 March 2024 £'millions
Brought forward investment at fair value through profit or loss	983.8	1,127.8
Equity investments in the year	7.0	38.4
Loan principal repaid in the year	(13.9)	(66.2)
Movement in fair value	7.3	(116.2)
Closing investment at fair value through profit or loss	**984.2**	**983.8**

Notes to the Financial Statements continued

For the year ended 31 March 2025

11. Investment at Fair Value through Profit or Loss continued

Movement in fair value is recognised through investment income in the Statement of Comprehensive Income (see Note 5).

Of the closing investment at fair value through profit and loss balance, £51 million (31 March 2024: £65 million) relates to loan investment (also see Note 5) and £933 million (31 March 2024: £916 million) relates to equity investment.

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.

	31 March 2025 £'millions	31 March 2024 £'millions
Portfolio Valuation APM (see Financial Review and Valuation Update for details)	1,196.5	1,117.4
Holdco cash	7.0	3.4
Holdco intercompany debt	51.4	65.2
Holdco RCF	(233.6)	(155.0)
Holdco net working capital	(37.1)	(47.2)
Investment at fair value per Statement of Financial Position	**984.2**	**983.8**

Investments by the Company

During the year ended 31 March 2025, the Company invested £7 million (31 March 2024: £38.4 million) into Holdco for new portfolio investments and to fund acquisition costs. Acquisition costs are expensed to the income statement at Holdco as they occur.

Portfolio investments via Holdco

During the year ended 31 March 2025, Holdco invested £171.5 million (31 March 2024: £161 million) in portfolio investments.

Project	Investment date	Type	Location	Investment amount
Huntsman Energy Centres	June 2024	Organic	UK	£1.0m
RED-Rochester	Various in the period	Organic	USA	£1.5m
Onyx – HoldCo	Various in the period	Organic	USA	£153.5m
Driva Gas	Various in the period	Organic	Sweden	£2.6m
EV Networks	Various in the period	Organic	UK	£7.0m
FES	Various in the period	Organic	USA	£5.9m
				£171.5m

12. Share Capital and Share Premium

	31 March 2025 '000	31 March 2024 '000
Opening shares in issue	1,085,420	1,108,709
Share buyback during the year	–	(23,289)
Total shares in issue	1,085,420	**1,085,420**
Shares held in treasury	23,289	**23,289**
Total shares authorised	1,108,709	**1,108,709**

Notes to the Financial Statements continued

For the year ended 31 March 2025

12. Share Capital and Share Premium continued

Share capital	31 March 2025 £'millions	31 March 2024 £'millions
Balance at the beginning of the year	11.1	11.1
Balance at the end of the year	**11.1**	**11.1**

Share premium	31 March 2025 £'millions	31 March 2024 £'millions
Balance at the beginning of the year	756.8	1,056.8
Transfer to other distributable reserves	–	(300.0)
Balance at the end of the year	**756.8**	**756.8**

Other distributable reserves	31 March 2025 £'millions	31 March 2024 £'millions
Balance at the beginning of the year	339.3	39.3
Cancellation of share premium account	–	300.0
Dividends paid	(68.4)	–
Balance at the end of the year	**270.9**	**339.3**

On 3 April 2023, the Company announced the commencement of a share buyback programme. All repurchased shares are held in treasury. £20 million of the Company's available cash reserves was allocated to the share buyback programme and as at 31 March 2024, the full allocation has been utilised.

The Company currently has one class of ordinary share in issue. All the holders of the £0.01 ordinary shares, which total 1,085,419,558 (31 March 2024: 1,085,419,558) and are fully paid (31 March 2024: fully paid), 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 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 is capable of being applied in any manner in which the Company's profits available for distribution, as determined in accordance with the Companies Act 2006, are able to be applied.

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

13. Financial Risk Management

Financial risk management objectives

The objective of the Company's financial risk is to manage and control risk exposure of the underlying investment portfolio held by Holdco. The Board is responsible for overseeing the management of financial risks; however, the review and management of financial risks is delegated to the Investment Manager. The Investment Manager monitors and manages the financial risks relating to the operations of the Company through internal procedures and policies designed to identify, monitor and manage the financial risks to which the Company is exposed.

These risks include market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

Price risk

The value of the investments directly and indirectly held by the Company is affected by the discount rate applied to the expected future cash flows and as such may vary with movements in interest rates, inflation, power prices, market prices host demand for energy services and competition for these assets. The Company is exposed to inflation and energy and gas price risks which could raise costs and decrease profitability. This is managed through shorter-term hedging, long-term contractual risk sharing and stress testing.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company receives loan interest, loan principal and dividends from its single investment, Holdco, in sterling. However, the Company is indirectly exposed to currency risk through its Holdco as its investments include non-sterling investments held in euro, US dollar, Singapore dollar and Swedish krona.

The Company monitors its foreign exchange rate exposures using its near-term and long-term cash flow forecasts. Its policy is to use foreign exchange hedging (via Holdco) to provide protection to the level of sterling distributions that the Company aims to pay over the medium term, where considered appropriate. This may involve the use of forward exchange.

Notes to the Financial Statements continued

For the year ended 31 March 2025

13. Financial Risk Management continued

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company, via Holdco, invests indirectly in loans in project companies, usually with fixed interest rate coupons. Where floating rate debt is owned, the primary risk is that the portfolio's cash flow will be subject to variation depending on changes to base interest rates. The portfolio's cash flows are continually monitored and reforecasted to analyse the cash flow returns from investments.

The Company's policy is to ensure that interest rates are sufficiently hedged, when entering into material medium/long-term borrowings, to protect the Company and portfolio companies' net interest margins from significant fluctuations in interest rates. This may include engaging in interest rate swaps or other rate derivative contracts at the subsidiary level under direction of the Company.

The Company's financial assets and financial liabilities are at a predetermined interest rate; as a result, the Company is subject to limited exposure to risk due to fluctuations in the prevailing levels of market interest rates.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company through a reduction in future expected cash receipts.

The key counterparties are the project companies in which the Company makes indirect investments via Holdco. The projects companies' near-term cash flows forecasts are used to monitor the timing of cash receipts from project counterparties and are reviewed regularly to demonstrate the projects' ability to pay interest and dividends when they fall due.

The Company does not have any significant credit risk exposure to any single counterparty in relation to trade and other receivables. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

As at 31 March 2025, there were no receivables considered impaired (31 March 2024: £nil). At an investment level, the credit risk relating to significant counterparties is reviewed on a regular basis and potential adjustments to the discount rate are considered to recognise changes to these risks where applicable.

The Company maintains its cash and cash equivalents across various banks to diversify credit risk. These are subject to the Company's credit monitoring policies including the monitoring of the credit ratings issued by recognised credit rating agencies. The Company's cash and deposits are held with counterparties that meet strict investment rating criteria per the Company's Treasury Policy.

The Company is at risk of credit loss on its loans, receivables, cash and deposits. Underlying investments are held by Holdco at fair value using discounted cash flows. Receivables are primarily intercompany and taxation. While cash and cash equivalents are subject to the impairment requirements of IFRS 9, there was no identified credit loss.

The Company's maximum exposure to credit risk over financial assets is the carrying value of those assets in the Statement of Financial Position.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board of Directors has established an appropriate liquidity Risk Management Framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by monitoring forecast and actual cash flows and by matching the maturity profiles of assets and liabilities.

Risk is spread by holding cash at three separate banking institutions and the Company also ensures that Holdco has sufficient banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Unconsolidated project companies are subject to contractual agreements that may impose temporary restrictions on their ability to distribute cash. Such restrictions are not deemed significant in the context of the overall liquidity.

Notes to the Financial Statements continued

For the year ended 31 March 2025

13. Financial Risk Management continued

Liquidity risk continued

The table below shows the maturity of the Company's financial assets and liabilities. The amounts disclosed are contractual, undiscounted cash flows and may differ from the actual cash flows received or paid in the future as a result of early repayments. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

As at 31 March 2025	Up to 3 months £'millions	Between 3 and 12 months £'millions	Between 1 and 5 years £'millions	Total £'millions
Assets				
Cash and cash equivalents	0.9	–	–	0.9
Trade and other receivables	0.3	–	–	0.3
Liabilities				
Trade and other payables	(1.8)	–	–	(1.8)
Total	(0.6)	–	–	(0.6)

As at 31 March 2024	Up to 3 months £'millions	Between 3 and 12 months £'millions	Between 1 and 5 years £'millions	Total £'millions
Assets				
Cash and cash equivalents	0.5	–	–	0.5
Trade and other receivables	0.1	–	–	0.1
Liabilities				
Trade and other payables	(2.5)	–	–	(2.5)
Total	**(1.9)**	**–**	**–**	**(1.9)**

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. In accordance with the Company's investment policy, the Company's principal use of cash (including the proceeds of the IPO) has been to fund investments via Holdco as well as ongoing operational expenses.

The Board, with the assistance of the Investment Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. The capital structure of the Company consists entirely of equity (comprising issued capital, other distributable reserves and retained earnings).

The Company is not subject to any externally imposed capital requirements.

Notes to the Financial Statements continued

For the year ended 31 March 2025

14. Related Undertakings

The following table shows the Company's single direct subsidiary (SEIT Holdco Limited). Appendix A lists the Company's indirect subsidiaries through SEIT Holdco Limited.

Investment	Country of incorporation & place of business	**Shareholding at 31 March 2025**	Shareholding at 31 March 2024
SEIT Holdco Limited	United Kingdom	**100%**	100%

15. Related Parties

The Company and Sustainable Development Capital LLP (the "Investment Manager") have entered into the Investment Management Agreement pursuant to which the Investment 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 Investment Manager is the Company's AIFM. The Investment 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 Investment Manager from time to time; and (ii) the requirement of the Board to approve certain investments where the Investment Manager has a conflict of interest in accordance with the terms of the Investment Management Agreement. The Investment 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 acquisitions or investments and monitoring the Company's funding requirements.

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

– 0.9% per annum of the adjusted NAV [APM] in respect of the net asset value [APM] of up to, and including, £750 million; and
– 0.8% per annum of the adjusted NAV [APM] in respect of the net asset value [APM] in excess of £750 million.

The management fee is calculated using an adjusted NAV which is the latest published NAV [APM] at the relevant time, less uncommitted cash and adjusted on a daily basis for new acquisitions, new cash committed to investments, disposals and changes in amounts of debt drawn.

The management fee accrues monthly and is invoiced monthly in arrears. During the year ended 31 March 2025, management fees of £8.7 million (31 March 2024: £9.2 million) were incurred of which £0.7 million (31 March 2024: £1.4 million) was payable at the year end.

During the year ended 31 March 2025, £7.0 million (31 March 2024: £38.4 million) of funding was provided by the Company to the Holdco for investment acquisitions and the repayment of the RCF utilised by Holdco.

During the year ended 31 March 2025, coupon bearing loan notes of £nil (31 March 2024: £nil) were issued. During the year ended 31 March 2025, Holdco had settled coupon bearing loan notes of £13.9 million (31 March 2024: £66.2 million). In the year to 31 March 2025, £3.9 million interest had accrued on the loan notes (31 March 2024: £6.5 million) of which £nil is outstanding at the year end (31 March 2024: £nil).

16. Key Management Personnel Transactions

The Directors of the Company, who are considered to be key management, received fees for their services. Their fees were £0.3 million (disclosed as Non-Executive Directors' fees in Note 6) in the year (31 March 2024: £0.3 million), which included £215,571 for Director salaries (31 March 2024: £289,000), £24,276 for national insurance contributions (31 March 2024: £18,000) and £14,994 for the reimbursement of expenses (31 March 2024: £11,000).

17. Guarantees and Other Commitments

The Company is the guarantor of the RCF between Holdco and Investec Bank plc.

The Company's wholly owned subsidiary, SEIT Holdco, holds a revolving credit facility ("RCF") amounting to £240 million. During the year, the RCF was refinanced, from £180 million to £240 million, and extended to March 2028 with the option for two one-year extensions.

18. 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.

Between April and June 2025, the Company made the following investments, via SEIT Holdco:

– a further investment c.£4.5 million in Onyx; and
– a further investment c.£1.0 million in EVN.

Appendix A

List of SEIT plc's Indirect Subsidiaries

The following table shows the Company's indirect subsidiaries and related undertakings. As the Company applies IFRS 10 and investment entities (Amendments to IFRS 10) (see Note 2), these entities have not been consolidated in the preparation of these financial statements:

Investment	Country of incorporation & place of business	Shareholding at 31 March 2025
EECO Kingscourt Limited	United Kingdom	100%
EECO Biomass No. 1 Limited	United Kingdom	100%
EECO Data Centres No. 1 Limited	United Kingdom	100%
EECO Wilton No. 1 Limited	United Kingdom	100%
SEEIT UK 1 Limited	United Kingdom	100%
Combined Heat and Power Investments Limited	United Kingdom	100%
Energy Efficient Global UK Project Limited	United Kingdom	100%
SEEIT Asia Limited	United Kingdom	100%
EECO Smithfield Limited	United Kingdom	100%
SEEIT Europe 2 Limited	United Kingdom	100%
SDCL Solar Edge Limited	United Kingdom	100%
Zood Infrastructure Holdco Limited	United Kingdom	100%
Zood Infrastructure Limited	United Kingdom	100%
SEEIT Europe Limited	United Kingdom	100%
SEEIT US TWO Limited	United Kingdom	100%
SEEIT Magma Limited	United Kingdom	100%
SEEIT Bloc Limited	United Kingdom	100%
SEEIT CPP Limited	United Kingdom	100%
SIAF Energia S.A	United Kingdom	80%
Iceotope Technologies Limited	United Kingdom	3%
Iceotope Liquid Cooling Limited	United Kingdom	3%
KU:L Sistem Limited	United Kingdom	3%
SEEIT US Limited	USA	100%
SDCL TG COGEN LLC	USA	71%

Investment	Country of incorporation & place of business	Shareholding at 31 March 2025
COGEN ONE LLC	USA	71%
COGEN TWO LLC	USA	71%
SEEIT CAPITAL LLC	USA	100%
SEEIT CAPITAL II LLC	USA	100%
SEEIT PE 1 LLC	USA	100%
SEEIT PE 2 LLC	USA	100%
PERC Midco LLC	USA	100%
PERC Holdings 2 LLC	USA	100%
Primary Energy Recycling Corporation	USA	100%
Primary Energy Recycling Holdings LLC	USA	100%
Primary Energy Operations LLC	USA	100%
Cokenergy LLC	USA	100%
North Lake Energy LLC	USA	100%
Portside Energy LLC	USA	100%
Ironside Energy LLC	USA	100%
Harbor Coal LLC	USA	100%
PCI Associates	USA	50%
SEEIT Red Holdco LLC	USA	100%
SEEIT District Energy LLC	USA	100%
Recycled Energy Development LLC	USA	100%
RED-Rochester LLC	USA	100%
SEEIT Hemisphere Holdco LLC	USA	100%
SEEIT Hemisphere I LLC	USA	100%
SEEIT Hemisphere II LLC	USA	100%
SEEIT Hemisphere III LLC	USA	100%
Iceotope Technologies US Inc	USA	3%
SEEIT US Lighting Holdings LLC	USA	100%
SEEIT US Lighting LLC	USA	100%
SEEIT TT LLC	USA	100%

Appendix A continued

List of SEIT plc's Indirect Subsidiaries continued

Investment	Country of incorporation & place of business	Shareholding at 31 March 2025
Turntide Technologies Inc	USA	1%
SEEIT ON Holdco LLC	USA	100%
ON Energy Storage LLC	USA	100%
SEEIT BTB LLC	USA	100%
SEEIT Net Zero LLC	USA	100%
EE CO Ireland Hospitals TUH Limited	Ireland	100%
SEEIPL 4 Pte Ltd	Singapore	100%
SEEIPL 1 Pte Ltd	Singapore	100%
Shire Oak Green Asia Portfolio 2 Pte Ltd	Singapore	100%
Walworth Invest S.L.	Spain	100%
SEEIT Oliva, S.A.	Spain	100%
SEEIT GAS S.L	Spain	100%
Compañía Orujera de Linares, S.L	Spain	100%
Bioeléctrica de Linares, S.L.	Spain	100%
Compañía Energética de Linares S.L.	Spain	100%
Compañía Energética Pata de Mulo S.L.	Spain	100%
Compañía Energética Puente del Obispo	Spain	100%
Compañía Energética de La Roda, S.L.	Spain	100%
Biomasas de Puente Genil. S.L.	Spain	100%
Secaderos de Biomasa, S.L.	Spain	100%
Compañía Energética Las Villas, S.L.	Spain	90%
SEEIT EUROPE 2 SWEDEN Holding AB	Sweden	100%
Värtan Gas Stockholm AB	Sweden	100%
Driva Gas Swedan AB	Sweden	100%
Driva Energy AB (formerly Värtan Gas AB)	Sweden	100%
Driva Stockholm AB (formerly Gasnätet Stockholm AB)	Sweden	100%
Stockholm Gas AB	Sweden	100%
Baseload Capital Sweden AB	Sweden	100%
SOGA Uranus Company Limited	Vietnam	100%
SOGA Mercury Company Limited	Vietnam	100%
SOGA Triton Company Limited	Vietnam	100%

All related undertakings that have a place of business in the United Kingdom are registered in the United Kingdom and their principal place of business and registered office is The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF.

All related undertakings that have a place of business in the US are registered in Delaware, US, and their registered office is 1209 Orange Street, Wilmington, Delaware, US, with their principal place of business in 1120 Avenue of the Americas, New York, New York 10036, US.

All related undertakings that have a place of business in Spain have their principal place of business and registered office in Calle Príncipe de Vergara 112, Planta Cuarta, 28002 Madrid, Spain.

All related undertakings that have a place of business in Ireland have their principal place of business and registered office in 55 Merrion Square South, Dublin, DO2 YD65.

All related undertakings that have a place of business in Singapore have their principal place of business and registered office in 6 Eu Tong Sen Street #11-09, The Central, Singapore 059817.

All related undertakings that have a place of business in Sweden have their principal place of business and registered office in RÅSUNDAVÄGEN 12, 16967 Solna, Stockholm County, Sweden.

Company Information

Directors
Tony Roper (Chair)
Helen Clarkson
Christopher Knowles
Sarika Patel
Emma Griffin (Resigned: 4 September 2024)

Registered Office
The Scalpel, 18th Floor
52 Lime Street
London
EC3M 7AF

Company Secretary and Administrator
JTC (UK) Limited
The Scalpel, 18th Floor
52 Lime Street
London
EC3M 7AF

Sponsor, Broker and Placing Agent
Jefferies International Limited
100 Bishopsgate
London
EC2N 4JL

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

Depositary
Indos Financial
The Scalpel, 18th Floor
52 Lime Street
London
EC3M 7AF

Investment Manager
Sustainable Development Capital LLP
5th Floor
1 Vine Street
London
W1J 0AH

Independent Auditor
PricewaterhouseCoopers LLP
40 Clarendon Road
Watford
Hertfordshire
WD17 1JJ

Public Relations
TB Cardew
29 Lincoln's Inn Fields
London
WC2A 3EG

Registrar
Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS13 8AE

Bankers
RBS International
440 Strand
London
WC2R 0QS

Key Company Data (Unaudited)

Company name	SDCL EFFICIENCY INCOME TRUST PLC (formerly 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 31 March 2025 (31 March 2024: £1.0 billion)
Market capitalisation	£0.5 billion as at 31 March 2025 (31 March 2024: £0.6 billion)
Management fees	0.9% p.a. of NAV[APM] (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 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.seitplc.com**

Sustainable Finance Disclosure Regulation ("SFDR")

Periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: SDCL Efficiency Income Trust plc

Legal entity identifier: 213800ZPSC7XUVD3NL94

Sustainable investment objective

Did this financial product have a sustainable investment objective?

☒ Yes	☐ **No**
☒ It made **sustainable investments with an environmental objective:** 100% ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy ☐ with a social objective
☐ It made **sustainable investments with a social objective:** 0 %	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Sustainable Finance Disclosure Regulation ("SFDR") continued

To what extent was the sustainable investment objective of this financial product met?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

How did the sustainability indicators perform?

The sustainable investment objective of SEIT is climate change mitigation through investments in energy efficiency projects. The sustainability indicators used to measure attainment of the sustainable investment objective has historically been carbon saved (measured in tCO_2e) and amounts of electrical and thermal energy saved (measured in kWh) during the financial period.

During the period, the Investment Manager engaged with a third-party consultant to complete a review of the data methodologies and data input quality across the portfolio and has aligned the reporting of the sustainability impact indicators with the other asset management data. As such, the sustainability impact indicators will now be reported on a calendar year basis, instead of a financial year basis, and the energy savings will be reported on using MWh, as opposed to KWh. That said, the sustainability impact indicators for the period are as follows:

1,000,791 tCO_2e saved across the portfolio in the calendar year 2024.

364,495MWh electrical and thermal energy saved in the calendar year 2024.

A note on methodologies: as highlighted in the last SFDR disclosure, 100% of the Company's investments fall into its definition of an energy efficiency project, which is critical to the Company's definition of a sustainable investment. As part of the Investment Manager's engagement with the third-party consultant during the period, carbon saving and energy saving methodologies have been standardised across the portfolio, highlighting that a few investments do not currently contribute to the sustainability indicator of carbon savings due to those calculation methodologies and the reduction of local electrical grid carbon intensities overtime. Specifically, c.7% of the Company's portfolio by value does not contribute to carbon savings in comparison to the average carbon intensity of the local electrical grid and one investment, representing c.19% of the portfolio by value, does not contribute to carbon savings when compared to the local electrical grid, but does result in carbon and energy savings when considering the energy efficiency retrofits it has pursued over the past few years. Regardless of the specific calculation methodologies, the Company still considers all of the investments in its portfolio to be energy efficiency projects and has the intention to decarbonise these projects overtime in line with the Investment Manager's overall net-zero commitment.

...and compared to previous periods?

All sustainability indicators have increased during the calendar year 2024 compared to the calendar year 2023.

841,687 tCO_2e saved across the portfolio in the calendar year 2023.

296,128MWh electrical and thermal energy saved in the calendar year 2023.

Sustainable Finance Disclosure Regulation ("SFDR") continued

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments not cause significant harm to any sustainable investment objective?

The Company ensured that its sustainable investments do not cause significant harm to any sustainable investment objectives through its ESG Management Process, which incorporates ESG considerations into investment due diligence and asset management. Potential investments are carefully assessed during due diligence through multiple stages, including a go/no go review, initial due diligence review and detailed due diligence review. All mandatory and additional principle adverse impact indicators ("PAI indicators") are assessed as part of the completion of this process. Each PAI indicator has an associated risk threshold to determine next steps and confirm the investment does no significant harm.

Post-investment, SDCL's asset management and ESG teams monitor the operations, policies and business conduct of an investment through bi-annual and annual questionnaires to make sure it is not doing significant harm and is performing in line with the Company's ESG minimum standards.

How were the indicators for adverse impacts on sustainability factors taken into account?

The Investment Manager uses the PAI indicators to confirm that the Company's asset companies do no significant harm. When a potential investment opportunity is assessed, the ESG questionnaire has specific questions covering mandatory PAI indicators and the relevant climate and social indicators to uncover any potential red flags that would cause significant harm to any other sustainable investment objectives. The PAI indicators are then monitored annually through an ESG questionnaire that asks specific questions based around said indicators.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

The Company avoids investing in projects that are in breach of the ILO standards, UNGPs, UNGC or OECD Guidelines for Multinational Enterprises. The Investment Manager actively considers alignment of potential investments with the OECD Guidelines and UNGPs through the ESG due diligence process and investment decision and during the asset management phase. The Company is committed to aligning with its Sustainability Framework, as set out in the ESG Update section of its Annual Report.

How did this financial product consider principal adverse impacts on sustainability factors?

As disclosed above, the Fund takes indicators for principal adverse impacts into account as part of the do no significant harm process. However, as the Fund's AIFM does not consider principal adverse impacts at entity level under (Article 4 SFDR), the Fund does not consider principal adverse impacts at product level for the purposes of Article 7 SFDR.

Sustainable Finance Disclosure Regulation (“SFDR”) continued

What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is:

31 March 2024 – 31 March 2025

Large investments	Sector	% assets	Country
RED-Rochester	Energy	19	US
Primary Energy - Cokenergy	Energy	9	US
Onyx - Nova I	Energy	9	US
Driva	Energy	7	Sweden

What was the proportion of sustainability-related investments?

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?

100% of the Company’s assets are sustainable, with the environmental objective of climate change mitigation through investments in energy efficiency projects, as defined by the Company’s investment policy.

#1 Sustainable
covers sustainable investments with environmental or social objectives

#2 Not sustainable
includes investments which do not qualify as sustainable investments.

In which economic sectors were the investments made?

All of the Company’s investments fall into the “energy” sector.

Sustainable Finance Disclosure Regulation ("SFDR") continued

To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy?

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the "greenness" of investee companies today;
- **capital expenditure** ("CapEx") shows the green investments made by investee companies, relevant for a transition to a green economy; and
- **operational expenditure** ("OpEx") reflects the green operational activities of investee companies.

Currently, 0% of the Company's assets are EU Taxonomy aligned, which may change subject to ongoing assessment.

To comply with the EU Taxonomy, the criteria for fossil gas include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For nuclear energy, the criteria include comprehensive safety and waste management rules.

Did the financial product invest in fossil gas and/or nuclear energy-related activities that comply with the EU Taxonomy[1]?

☐ Yes

☐ in fossil gas ☐ in nuclear energy

☒ No

1. Fossil gas and/or nuclear-related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Sustainable Finance Disclosure Regulation ("SFDR") continued

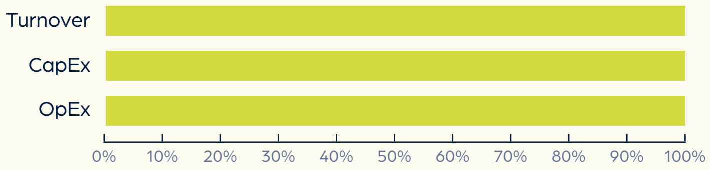
To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy? continued

Did the financial product invest in fossil gas and/or nuclear energy-related activities that comply with the EU Taxonomy[1]? continued

1. Fossil gas and/or nuclear-related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives – see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

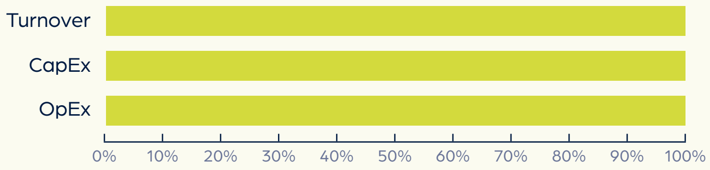
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy alignment of sovereign bonds[2] the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy alignment of investments including sovereign bonds[2]



2. For the purpose of these graphs, "sovereign bonds" consist of all sovereign exposures.

2. Taxonomy alignment of investments excluding sovereign bonds[2]



This graph represents 100% of the total investments.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What was the share of investments made in transitional and enabling activities?

0%

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

N/A

Sustainable Finance Disclosure Regulation ("SFDR") continued

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

These are sustainable investments with an environmental objective that **do not take into account** the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

100% - the sustainable investments made by the Fund all have an environmental objective and are reported as 0% Taxonomy aligned.

What was the share of socially sustainable investments?

0% - the Company does not make socially sustainable investments.

What investments were included under "#2 Not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

N/A – the Company allocated 100% of assets to sustainable investments. Other assets of the Company are limited to cash held on deposit and cash equivalent investments, which may include short-term investments in money market type funds and tradeable debt securities.

What actions have been taken to attain the sustainable investment objective during the reference period?

As laid out in its pre-contractual disclosure and pursuant to the Company's investment policy, save for any investment in cash and cash equivalents, the Company principally invests in energy efficiency projects, the objective of which are to achieve one or more of the following: a reduction in energy consumption, a reduction of greenhouse gas emissions or an increase in the supply of renewable energy. The sustainable objective achieved by the Company's investments is climate change mitigation, as all the investments must contribute to one or more of the above criteria. During the period, the Company attained its sustainable investment objective by growing its portfolio of energy efficiency projects, both by expanding upon its current projects and adding new projects that add further diversification through new technologies and companies.

During the period, SEIT invested £172 million into the organic opportunities within the portfolio. Most of this investment was into Onyx, which provides on-site solar and storage for commercial and industrial buildings across the US. The growth of the Onyx portfolio has led to increased carbon savings and renewable energy generation, strongly aligning to the sustainable investment objective of climate change mitigation.

More details of these investments and their sustainability characteristics are detailed in the Company's Annual Report, the Investment Manager's Report on pages 8 to 75.

Sustainable Finance Disclosure Regulation ("SFDR") continued

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

The Company does not use a reference benchmark to assess ESG performance.

How did the reference benchmark differ from a broad market index?

N/A

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

N/A

How did this financial product perform compared with the reference benchmark?

N/A

How did this financial product perform compared with the broad market index?

N/A

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 Efficiency Income Trust plc (formerly SDCL Energy Efficiency Income Trust plc) is 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 6th Floor, 125 London Wall, London, EC2Y 5AS

Company SPV
a Project SPV owned by the Company or one of its affiliates through which investments are made

Contractual Payment
the payments by the counterparty to the Company or relevant Project SPV under the contractual arrangements governing an energy efficiency project, whether such payments take the form of a service charge, a fee, a loan repayment or other forms of payments as may be appropriate from time to time

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 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 Investment 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

Energy Efficiency Technology
technologies deployed to achieve an improvement in energy efficiency

EPC
Engineering, procurement and construction

GHG
greenhouse gases

Holdco
is SEIT 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, SEIT Holdco Limited

Glossary continued

ISA
individual savings account

kWh
kilowatt hours used or generated per hour

Lighting Equipment
energy efficient lighting used in connection with an energy efficiency project, including, but not limited to, LEDs and associated fittings

MWh
megawatt hours used or generated per hour

NAV[APM]
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

O&M Contractors
operations and maintenance contractors, the contractor appointed by the Company or the relevant Project SPV to perform maintenance obligations in relation to the relevant energy efficiency projects

PEP
personal equity plan

Portfolio Valuation[APM]
the Investment 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 SEIT Holdco Limited, used by SEIT 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 Investment Manager and the SDCL Affiliates

SEIT
the Company

SEIT 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	31 March 2025	31 March 2024 (comparison)	Reconciliation/cross reference
Aggregate dividends	The sum of the dividend declared in the period: June 2024: 1.58p September 2024: 1.58p December 2024: 1.58p March 2025: 1.58p	Provides a useful metric to evaluate the investment performance year on year	**6.32p per share**	6.24p per share	Referred to in Highlights of the year to 31 March 2025 on page 3
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	**1.0x**	1.1x	Net cash inflow from portfolio (£69.2m) divided by dividends paid in the Statement of Changes in Equity (£68.4m)
EBITDA	Earnings before interest, taxes, depreciation and amortisation	Provides shareholders with a metric that reflects the performance of the business	**£70.1m**	£(56.3)m	Referred to in the Chair's Statement on pages 5 to 7
Free cashflows	Unencumbered cash at project level after operating costs but before debt.	Provides shareholders with useful insight into cash cover	**£130.2m**	*	Referred to in the Financial Review and Valuation Update on page 35 *This APM was not reported in the previous financial year, therefore no comparison shown
Gearing	Consolidated outstanding debt at Holdco (RCF: £234m) and Project level (structural gearing: £392m) totalling £626m, divided by NAV at the year end (£983.6m)	To indicate the Company's direct and indirect exposure to debt obligation	**64%**	49%	Referred to in the Chair's Statement on pages 5 to 7 and the Investment Manager's Report on pages 9 to 12
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	**£985.4m**	£984.5m	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 (after debt repayments at project level)	This provides shareholders with a metric that allows for tracking the Company's performance year on year	**£97.3m**	£92.5m	Referred to in the Financial Review and Valuation Update on pages 35 to 42

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

Measure	Calculation	Why the Company uses the APM	31 March 2025	31 March 2024 (comparison)	Reconciliation/cross reference
NAV per share	NAV (£983.6m) divided by total shares in issue, 1,085.4m, at the balance sheet date	This provides shareholders with a metric that allows for tracking the Company's performance year on year	90.6p	90.5p	NAV per share shown in the Statement of Financial Position on page 114
Net asset value ("NAV")	Net assets attributable to ordinary shares by deducting gross liabilities (£1.8m) from gross assets (£985.4m)	It provides a metric that allows for useful comparison to similar companies and that allows for useful year-on-year comparisons of the Company	£983.6m	£981.9m	NAV is shown in the Statement of Financial Position on page 114
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), £11.5m divided by the average published undiluted net asset value in the year of £982.6m	Used as a metric in the investment company industry to compare cost-effectiveness	1.16%	1.02%	Discussed in Financial Review and Valuation Update on pages 35 to 42 Reconciliation of expenses used in ongoing charges calculation £'m Fund expenses (income statement): 11.1 Less Company expenses excluded from definition of ongoing charges: (0.5) Add Holdco expenses included in definition of ongoing charges: 0.8 A Total annualised ongoing expenses: 11.4 B Average NAV (includes Sept 23, March 24 and Sept 24): 982.6 Ongoing charges (A/B): 1.16%
Net cash inflow from portfolio	Cash inflow from investments net of operating and finance costs	Used in dividend cash cover calculation	£69.2m	£72.5m	Referred to in the Financial Review and Valuation Update on pages 35 to 42
Portfolio basis	Portfolio basis includes Holdco (the Company's only direct subsidiary) if it were to be consolidated	To give transparency into the Company's capacity for investment, distributions and gearing levels	N/A	N/A	Referred to in the Highlights page 3 and in the Financial Review and Valuation Update on pages 35 and 39

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

Measure	Calculation	Why the Company uses the APM	31 March 2025	31 March 2024 (comparison)	Reconciliation/cross reference
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	**£1,197m**	£1,117m	Reconciliation provided in the Financial Review and Valuation Update on pages 35 to 42
Rebased 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	**£1,104.9m**	£1,168.8m	Referred to in the Financial Review and Valuation Update on pages 35 to 42
Total return on NAV basis	Interim dividends paid and movement in NAV per share over the course of the relevant period, divided by opening NAV Dividends paid in the yea: 6.3p NAV growth in the year: 0.1p Opening NAV: 90.5p	This provides shareholders with a metric that allows for tracking the Company's performance since IPO	**7.1%**	(4.7%)	Referred to in the Highlights section on page 3 and, the Financial Review and Valuation Update on pages 35 to 42

Designed and produced by **lyonsbennett.com**

This Report has been printed on Nautilus® SuperWhite. The forest based material in this product is 100% recycled. Printed by L&S using vegetable-based inks and is certified carbon neutral for scope 1&2 under the PAS 2060 standard, Compliant with ISO 9001, ISO 9706, ISO 14001.

SEIT

SDCL Efficiency Income Trust plc
The Scalpel, 18th Floor
52 Lime Street
London
EC3M 7AF

www.seitplc.com