

SDCL Energy Efficiency Income Trust plc

Annual Results Presentation

Year to 31 March 2024

27 June 2024

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Investment Manager Presentation Team

Jonathan Maxwell



Chief Executive Officer

- Established SDCL in 2007
- Over 25 years' experience in international financial markets, with more than 10 years focused on energy efficiency
- Overall responsibility for SDCL's investment activities. Chair of the Investment Committee for SEEIT

Purvi Sapre



Chief Investment Officer

- Over 20 years' experience investing on behalf of debt, equity and impact investment funds, including in energy efficiency and renewable energy projects
- Over 8 years with SDCL and Fund Manager for SEEIT since IPO in 2018

Eugene Kinghorn



Chief Financial Officer

- Chartered accountant with over 15 years' experience in financial services with a focus on portfolio management and financial control
- Experience in both listed and unlisted funds focusing on social, renewable and energy efficiency infrastructure
- Joined SDCL in 2019 as Group CFO following the IPO of SEEIT

Ben Griffiths



Managing Director

- Over 14 years' experience in investment and renewable energy industries
- Responsible for SEEIT Asset Management
- Responsible for the technical, financial and operational performance of investments
- Joined SDCL in 2021

1. Overview and Highlights



Highlights for the year ended 31 March 2024

£1.5b¹ portfolio enterprise value, with over £90m p.a. cash flow generation



Performance

- Investment cash inflow increased to £92m (March 2023: £85m), providing full cash cover for dividends paid
- Solid operational performance from the portfolio during financial year, with an aggregated EBITDA in line with budget



Investment Activity

- c.£161m invested during the period, majority in organic investments
- Further c.£30m deployed after year end
- £20m SEEIT shares bought back at a discount to NAV



Capital Strength

- Low levels of total gearing relative to wider peer group (49%² of NAV)
- Current leverage substantially below gearing limits
- Disposal proceeds of £90m after year end used to reduce short term debt



Market Background

- Prolonged period of high inflation & interest rates weighed on the sector.
- Fundamental drivers of policy tailwinds for energy efficiency remain
- Higher energy prices increase the relative value of SEEIT's energy services



Impact of Rate Rises

- Weighted average discount rate applied to SEEIT's valuation was increased by 90 basis points to 9.4% levered (March 2023: 8.5% & Sep 2023: 9.4%)
- Impact of rate rises reflected in half year results – minimal movement since
- NAV per share of 90.5p as at 31 March 2024 (March 2023: 101.5p & Sep 2023: 90.6p), the reduction mainly from unrealised impact of increase in discount rates

1. Enterprise Value consists of c.£1.1bn NAV and c.£0.4bn debt

2. As at 31 March 2024

Focus on addressing share price discount

Manager focused on taking action

1	Selective disposals to reduce gearing and substantiate valuations	<ul style="list-style-type: none"> Sold UU Solar in May 2024 Targeting further selective disposals and/or bringing in funding partners to source cash for reinvestment at more attractive rates of return and repayment of RCF
2	Reducing short-term borrowings	<ul style="list-style-type: none"> Net reduction in short term borrowings since year end to £98 million at 31 May 2024 from £155 million at 31 March 2024
3	Application of Capital Allocations Policy	<ul style="list-style-type: none"> Aimed at ensuring that returns on any new investment compare favourably to opportunity cost, e.g. share buybacks / reducing short term debt
4	Increasing positive inflation correlation	<ul style="list-style-type: none"> Re-contracting provided opportunity to improve inflation linkage at portfolio projects
5	Positioning the Company's portfolio for growth	<ul style="list-style-type: none"> Investment in Onyx, EVN and FES, increasing rate of deployment and proving platform value Progressing construction of accretive investment opportunities (e.g. RED-Rochester's cogeneration plant)
6	Supporting liquidity and marketability of Company's shares	<ul style="list-style-type: none"> Attracting significant new investment, particularly from top tier US investors Further raising the company's media profile Reacting to investor feedback, e.g. through disclosure improvements and proving valuations through selective disposals

Portfolio characteristics

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



1 ENERGY GENERATORS

4,979,953 MWh energy generated in the year ended 31 March 2024

Problem: Energy is lost during generation, transmission and distribution to the point of use

Solution: More efficient energy generators, bringing energy generation closer to or at the point of use

Example within portfolio:



2 ENERGY SAVERS

379,589 MWh energy saved in the year ended 31 March 2024

Problem: Energy is lost at the point of use due to inefficient equipment

Solution: Replace equipment with more efficient solutions that use less energy to do the same job

Example within portfolio:

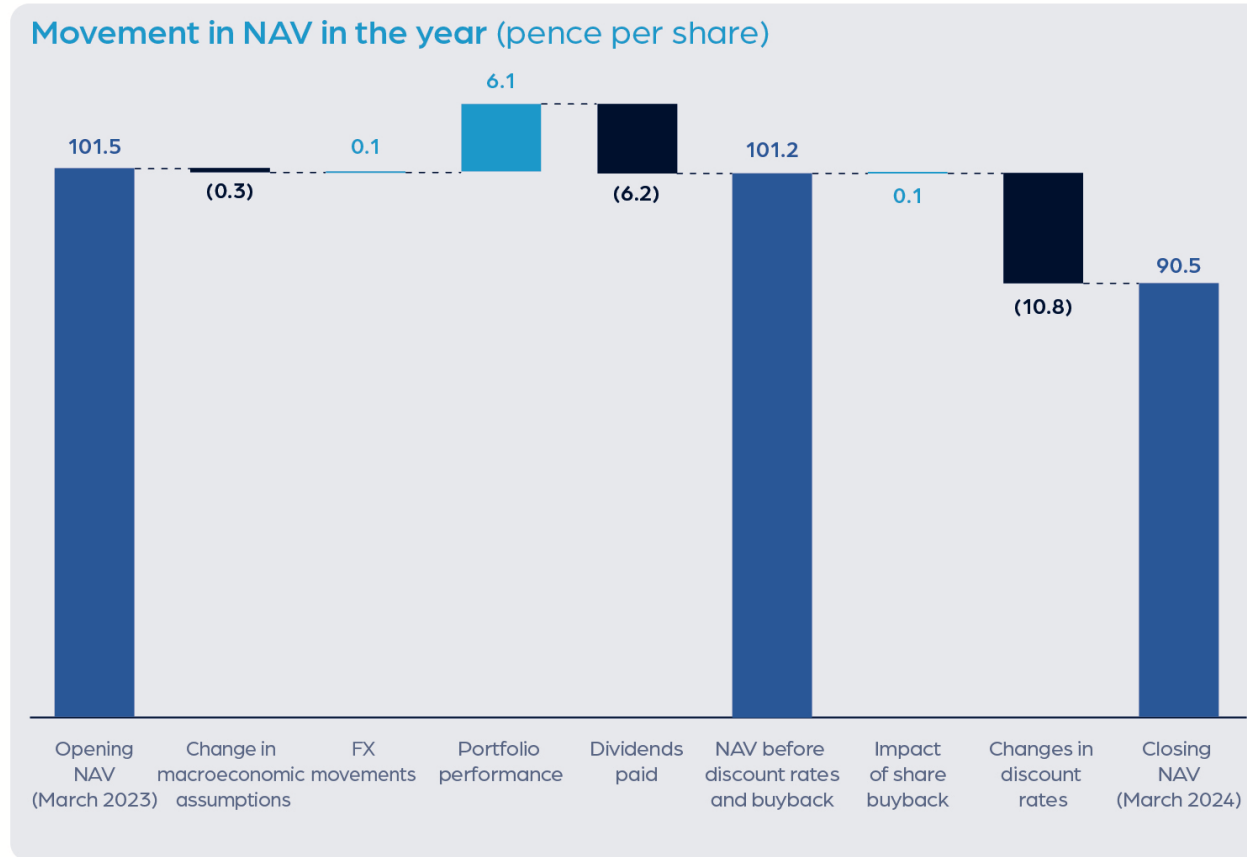


2. Financial Performance



NAV per share movement in year to March 2024

NAV stable, *excluding impact of change in discount rates reflected in first half of the year*



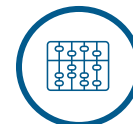
Discount rate increase of 0.9%, mainly driven by rising interest rates, reducing NAV by 10.8p per share



Portfolio performance of 6.1p per share broadly in line with expectations



Aggregate dividends of 6.24p per share declared for FY24
New target for FY25 of 6.32p per share



£20 million buybacks completed during the year

Summary financials¹

Earnings in line with expectations

Income Statement	Year to 31 March 2024 (£m)	Year to 31 March 2023 (£m)
Total income (excluding discount rate movements)	85.3	79.4
Impact of discount rate movements (unrealised)	(118.2)	(81.2)
Fund expenses & finance costs	(22.7)	(16.7)
Loss after tax⁴	(56.2)	(18.6)
Loss per share (p)^{2,4}	(5.2)	(1.8)
Ongoing charges³	1.02%	1.02%

Balance Sheet	31 March 2024	31 March 2023
Investments at fair value	1,117.4	1,099.6
Cash	3.9	65.6
Debt	(155.0)	(0)
Working capital	15.5	(39.9)
Net assets	981.9	1,125.4
NAV per share (p)²	90.5p	101.5p

1. Presented on a Portfolio Basis. See 31 March 2024 Annual Report for further details on the reconciliation between Portfolio Basis and IFRS

2. Loss per share and NAV per share are the same under Portfolio Basis and IFRS

3. Ongoing charges as calculated in accordance with the Association of Investment Companies ("AIC") guidance

4. Including unrealised losses

Summary financials (cont'd)¹

Dividends fully covered by cash

Cashflow Statement	Year to 31 March 2024 (£'m)	Year to 31 March 2023 (£'m)	Commentary
Cash from investments ²	92.5	85.1	Cash from investments up by 9%
Operating and finance costs	(20.0)	(13.5)	Costs increased due to RCF borrowing cost
Net cash from operations	72.5	72.0	Net cash fully covers dividends paid
Equity issuance / share buybacks (net of costs)	(20.1)	132.6	Share buyback programme completed in first half of year
New investments (including costs)	(163.7)	(240.2)	Majority organic investments
Movement in borrowings & working capital	120.8	29.6	RCF utilised to fund organic investments
Movement in capitalised debt costs and FX hedging	(4.1)	(37.3)	Hedging strategy minimises NAV impact
Dividends paid	(67.2)	(62.0)	Target dividends achieved in FY24
Cash movement in period	(61.8)	(105.3)	
Opening cash balance	65.6	170.9	
Cash at end of period	3.9	65.6	

1. Presented on a Portfolio Basis. See 31 March 2024 Annual Report for further details on the reconciliation between Portfolio Basis and IFRS

2. Includes interest income from cash on deposit for the Company and Holdco


Weighted average discount rate movements

Impact of 90bps increase 9.4% levered mostly reflected in H1

	Whole portfolio (unlevered)	
	Change from March 23	March 24
Risk free rate	+0.4%	4.0%
Premium	+0.5%	4.6%
Total	+0.9%	8.6%


- **No material movement overall since September 2023**
- **9.4% levered rate includes amortising debt and limited refinancing in future years**
- **Implied levered rate of return is estimated at 11%¹ if gearing levels are maintained**
- **Risk free rates increased by 0.9% to September 2023 but subsequently reduced by 0.5%.**
- **Reductions since September 2023 offset by increase to risk premium**

Share of Portfolio




	US (unlevered)	
	Change from March 23	March 24
Risk free rate	+0.7%	4.4%
Premium	+0.3%	4.4%
Total	+1.0%	8.8%

Share of Portfolio



	Europe (unlevered)	
	Change from March 23	March 24
Risk free rate	+0.0%	3.0%
Premium	+0.9%	5.2%
Total	+0.9%	8.2%

Share of Portfolio



	UK (unlevered)	
	Change from March 23	March 24
Risk free rate	+0.6%	4.3%
Premium	+0.3%	3.8%
Total	+0.9%	8.1%

¹ The Investment Manager's estimated weighted average levered discount rate is around 11% if structural gearing is maintained at around 35% of NAV over the long term

Total gearing at 31 March 2024

Structural gearing remains in line with medium-term target

- Total gearing includes Company's RCF and project level debt
- Net reduction in RCF since 31 March 2024, following further investment in Onyx which was more than offset by sale proceeds from UU Solar
- Total gearing post disposal at 32% of EV and 43% of NAV
- c. £200m headroom in gearing capacity

	% of GAV ¹	Debt at 31 March 24	Debt as a % of EV ²	Debt as a % of NAV
Primary Energy (US)	17%	£126m	40%	n/a
Red Rochester (US)	17%	£59m	24%	
Onyx (US)	17%	£81m	30%	
Vartan Gas (Sweden)	6%	£51m	46%	
Capshare (Portugal)	3%	£14m	30%	
Citi Riverdale (UK)	<1%	£1m	34%	
Structural gearing (medium term target = 35% NAV)		£330m	21%	34% (33% at March 2023)
Total gearing including RCF³ (cap = 65% NAV)		£485m	30%	49% (33% at March 2023)

- Weighted average interest rate of portfolio debt is 6.0%
- Weighted average life remaining on debt is 3.7 years
- Fixed interest rate exposure of drawn portfolio debt⁴ of 80%

1. Project value as percentage of gross asset value (GAV) basis as at 31 March 2024, consisting of Portfolio Valuation and other assets

2. EV = carrying asset value + the face value of debt

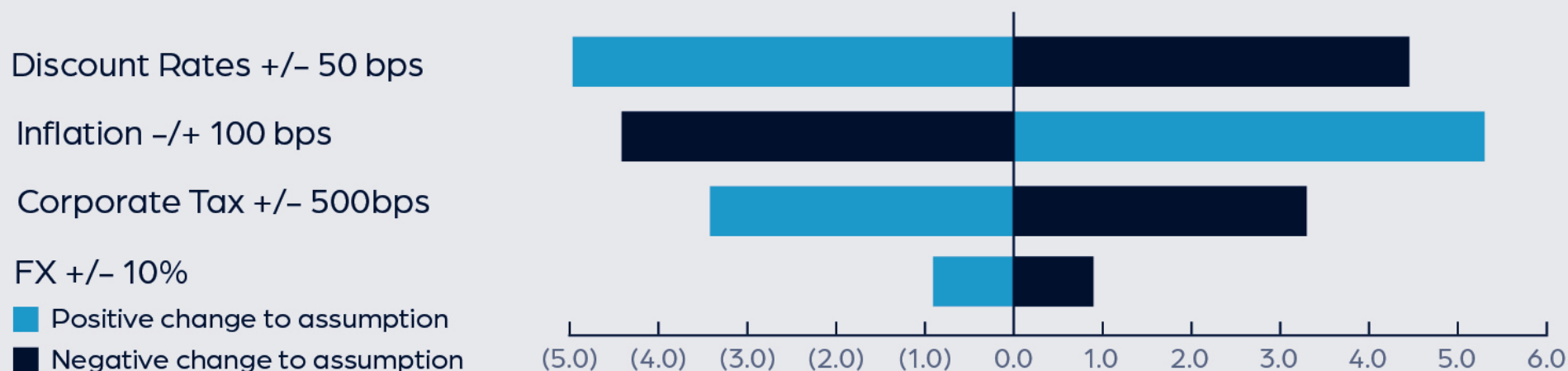
3. RCF at level of Company (via its sole subsidiary)

4. Nominal quantum of committed debt which is either fixed rate or subject to an interest rate swap divided by nominal quantum of total committed debt

SEEIT: Key NAV sensitivities

Based on investment portfolio at 31 March 2024 ¹

March 2024 SEEIT sensitivities (pence per share)



- **Positive inflation correlation has increased from 3.4p to 5.3p per +1.0% per annum uplift in inflation**
- **Driven by switch to inflation linked pricing on contract renewal, new assets with contractual inflation linkage and one asset disposal**
- **Increasing inflation correlation is a key consideration when making investments, agreeing new revenue contracts or re-contracting**

1. Excludes UU Solar.
 2. Discount rates shown on a levered basis.
 3. Inflation assumes a per annum change.
 4. FX is shown after effect of hedging.

3. Portfolio Performance



Project Key Performance Indicators (KPIs)

Robust combined performance across the portfolio, with accretive value delivered

Asset	Equity Value	% of SEEIT's GAV ³	KPI	March 2024 ¹	March 2023 ²
RED-Rochester	£200m	c.17%	EBITDA (\$m)	15.9	14.6
			Billed MMBtu (millions)	6.5	7.0
Onyx Renewables	£201m	c.17%	EBITDA	13.6	6.8
			New Projects ⁴ (MWs)	22	14
			Net Production (MWh)	107,908	64,942
Primary Energy	£190m	c.16%	EBITDA (\$m)	36.8	36.5
			Average Net Production (MW)	182	163
Oliva	£129m	c.12%	EBITDA (€m)	68.8	(8.0)
			MWh Produced ⁵	1,129,183	827,966
Värtan Gas	£70m	c.6%	EBITDA (MSEK)	58.9	40.2
			Green Gas in grid (%)	91%	78%

Portfolio Upside Opportunities

£38m

Value uplift⁶ delivered in the year

£145m+




Estimated potential future value uplift^{6,7}

1. Underlying investments report on calendar year basis, i.e. as at 31 December 2023
 2. 2023 KPI, as reported in 2023 Annual Report, i.e. KPI as at 31 December 2022
 3. Gross Asset Value
 4. At commercial operations date ("COD")

5. Combination of electrical and thermal energy
 6. Value uplift – expressed as the increase in NAV^{APM}, incremental to the associated capital
 7. Over the next two to five years

Portfolio performance and risk management



Trading and events during the year, mitigating actions and focus looking forward

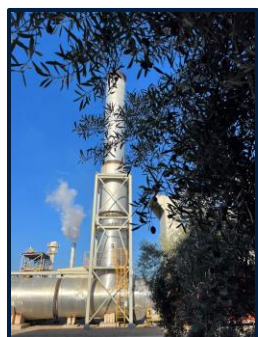
Project	Key Updates	Asset Management Focus
	<ul style="list-style-type: none"> ↓ Unusual weather and changes in large customer activity levels result in lower projected volumes and EBITDA for the full year ↔ Accretive projects on track ↑ Debt secured in period to fund remaining contracted cogen capex 	<ul style="list-style-type: none"> ▪ Negotiating amendments to the current tariff structure to mitigate the risk of recurrence ▪ Delivery of accretive projects as well as management of risk and uncertainty around a significant customer, Li-Cycle ▪ Securing and onboarding new customers for the park
	<ul style="list-style-type: none"> ↑ Record new PPAs support growth in 2023/24 ↓ PTOs lower than expected due to industry wide delays and bottlenecks to permitting 	<ul style="list-style-type: none"> ▪ Improving timeline of bringing projects from PPA to permission to operate (PTO) ▪ Further build up of pipeline to accelerate number of projects getting to PTO ▪ Focus on operational output through improved maintenance practices, resulting in better performance
	<ul style="list-style-type: none"> ↔ Volumes and EBITDA for the year in line with budget ↑ Completion of Cokenergy re-contracting ↑ Accretive projects commenced 	<ul style="list-style-type: none"> ▪ Completion of refinancing post-Cokenergy re-contracting ▪ Progressing on potential new revenues streams, such as capacity payments ▪ Delivery of efficiency projects at Cokenergy



Portfolio performance and risk management

Trading and events during the year, mitigating actions and focus looking forward

Project	Key Updates	Asset Management Focus
	<ul style="list-style-type: none"> ↑ Regulatory updates in period more favourable than anticipated ↑ Expected EBITDA for the full year exceeds budget ↑ Recontracting of Celvi heat offtake 	<ul style="list-style-type: none"> ▪ Continued optimisation of energy procurement and sales activities to manage risk and increase margins ▪ Continuing focus on H&S across all sites ▪ Progressing of accretive projects across the assets
<p>Värtan Gas</p> 	<ul style="list-style-type: none"> ↑ Successful regulatory appeal ↔ EBITDA in line with budget ↑ Increase in share of biogas in the grid 	<ul style="list-style-type: none"> ▪ Continued management of gas price exposure through hedging ▪ Developing new revenues lines including Energy-as-a-Service, as well as new transportation markets such as maritime



4. Investment Outlook



Investment activity in the year and outlook

Manager focuses on organic investments above return thresholds

Activity and pipeline

- Total £161 million invested in the period
- Of which, £142 million¹ invested into pre-identified growth opportunities:
 - Efficiency improvement projects at RED-Rochester, which contribute directly to increasing the project company's profit margin;
 - Further scaling of EVN as it continues to establish itself as one of the UK's largest EV charging developers;
 - Continued rollout of solar and storage projects through the Onyx platform; and
 - Operational LED Lighting portfolio in FES.
- FY 2025 pipeline expected to continue in development platforms EVN and Onyx.
- FY 2025 organic investment opportunities across the portfolio of ~£75-125 million expected to meet Capital Allocations Policy return thresholds

Investment funding sources

- SEEIT Capital Allocations Policy targets premium on return on investment over implied return on share buy backs
- Organic investments and certain NAV accretive upsides will require additional capital
- Capital can be sourced from:
 - Selective disposals (e.g. UU Solar realised post reporting date);
 - Co-investment partnerships (e.g. Onyx and EVN);
 - Portfolio cash flow exceeding SEEIT costs and dividend target;
 - Company's RCF for selective short-term funding; and
 - Strategic debt which can provide liquidity to support capex e.g. project level RCF debt.

1. Remaining investment of £19 million consisting of £4 million into two new investments and £15 million into Spark Energy and Turntide prior to adoption of new capital allocation policy

Large and diversified portfolio

FTSE 250 company which has achieved substantial scale since its IPO in December 2018

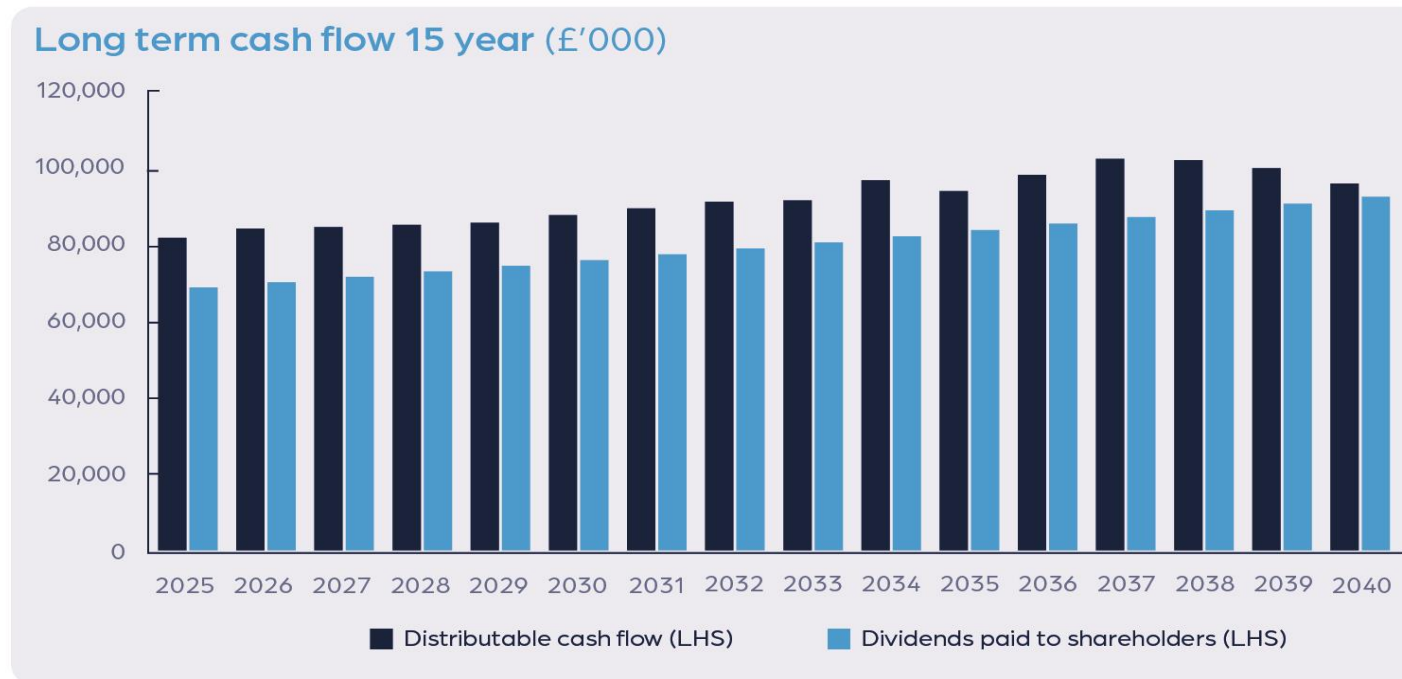
	Mar-19 ²	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
NAV (£ millions)	98	324	694	1,073	1,125	982
NAV (p per share)	98.4	101.0	102.5	108.4	101.5	90.5
NAV total return in the period¹	-	6.2%	8.0%	11.2%	-0.9%	-4.7%
Cash inflow from investments (£ millions)	1.7	17.1	42.1	64.7	84.5	92.5
Dividend declared in relation to that period (pence per share)	1.0 ²	5.0	5.5	5.62	6.0	6.24
Cash cover for dividends paid in the period	-	1.6x	1.2x	1.2x	1.2x	1.1x
Consolidated gearing (% of NAV)	0%	46%	36%	34%	32%	49%

Source of data: published SEEIT Annual Reports from years ended 31 March 2019 – 31 March 2024

1. Dividends per share paid in the period and NAV per share movement in the period, divided by opening NAV per share
2. Short period from IPO in December 2018 to March 2019

Illustration of projected cash flows

The long-term, contractual characteristics provides visibility of long-term cash flows



- Projected cash flows assuming an initial portfolio value of c.£1.1bn
- Assumes conservative use of gearing in future years
- Upsides of yield accretive opportunities only partially reflected

Key assumptions

- Portfolio value of c.£1.1bn at March 2024 (based on the assumptions used for the March 2024 valuation) and no further equity issued
- Excess distributable cash flows assumed to be re-invested at return of 7.5% p.a.
- No additional operational upsides, economies of scale, efficiencies, downsides or unbudgeted costs
- Assumes target dividend of 6.32p for YE March 2025 and progressive dividend growth thereafter

Projections

- Average earnings cover for dividend projected to be more than 1.1x over the period illustrated
- Average cash cover for dividend projected to be more than 1.1x on average over the period illustrated
- Reinvestment of excess cash plus modest structural gearing projected to enhance capital value over time
- Chart shows distributable cash flows being investment cash inflows less projected Company operating costs

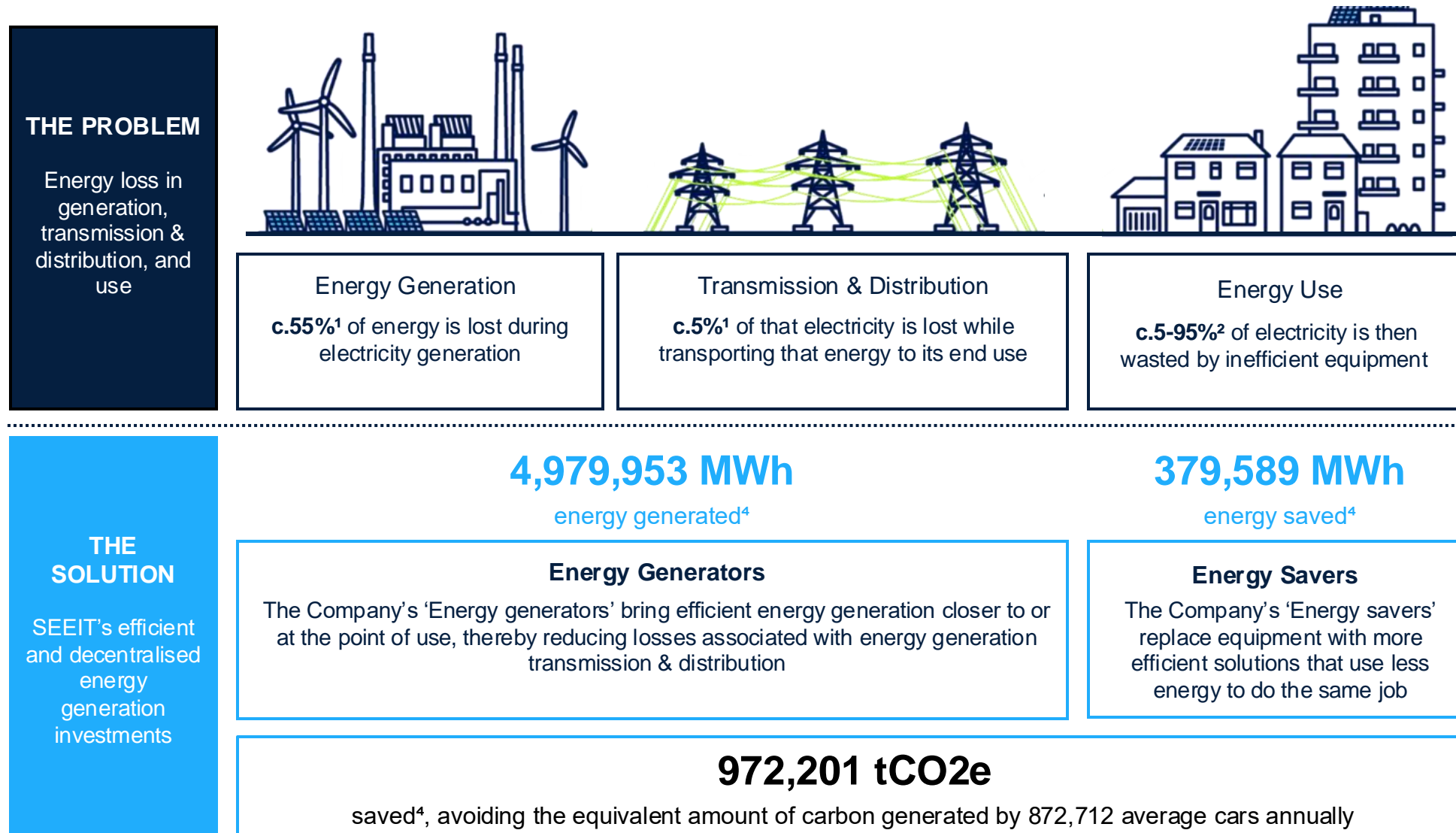
1. Note: The chart above is for illustrative purposes only, is based upon the current portfolio mix and contract length assumptions and does not represent a forecast. There can be no assurance that these cash flows will be met. The hypothetical cash flows do not take into account any unforeseen costs, expenses or other factors which may affect the portfolio assets and therefore the impact on the cash flows to the Company. As such, the graph above should not, in any way, be construed as forecasting the actual cash flows or actual returns from the portfolio

5. Sustainability Highlights



Most energy is lost before reaching the end-user

SEEIT's energy efficiency projects reduce energy loss in the system



1. Based on US Energy Information Administration [2023.grid analysis](#)
 2. Estimation provided [energy dynamics](#)
 3. Data provided by [Energy Saving Trust UK](#)
 4. In the year ending 31 March 2024, based on an analysis of the portfolio.

SEEIT's Sustainability Framework


The SEEIT Sustainability Framework (the "Framework") marks a transition from monitoring ESG performance at investments to actively managing outcomes

The Framework will help to distinguish the Company as a leader in ESG


Overview

- Aligns to the UN Sustainable Development Goals
- Provides guidance to investments on ESG
- Integrates into the ESG Management Process
- Highlights the Company's sustainable investment strategy and ESG management priorities
- Ensures alignment with ESG market standards


The Framework consists of 5 key principles:



Principle 1:
Champion Energy Efficiency



Principle 2:
Deliver Net Zero Energy



Principle 3:
Promote Sustainable Supply Chains



Principle 4:
Support Our Communities

Principle 5:
Match Best Practice Based on the Company's ESG Commitments



1. The Investment Manager is a signatory to UNPRI and GFANZ

ESG investment spotlights

SEEIT's investments are aligning with the Framework's Principles

Red-Rochester



Principle 1: Champion energy efficiency



- 38MW cogeneration (cogen) plant to improve system efficiency by c.12%
- Received \$17.5 million from NYSERDA for energy efficiency projects since 2017
- Recently awarded a \$5 million grant from NYSERDA's "C&I Carbon Challenge"

Onyx Renewable Partners



Principle 4: Support our communities

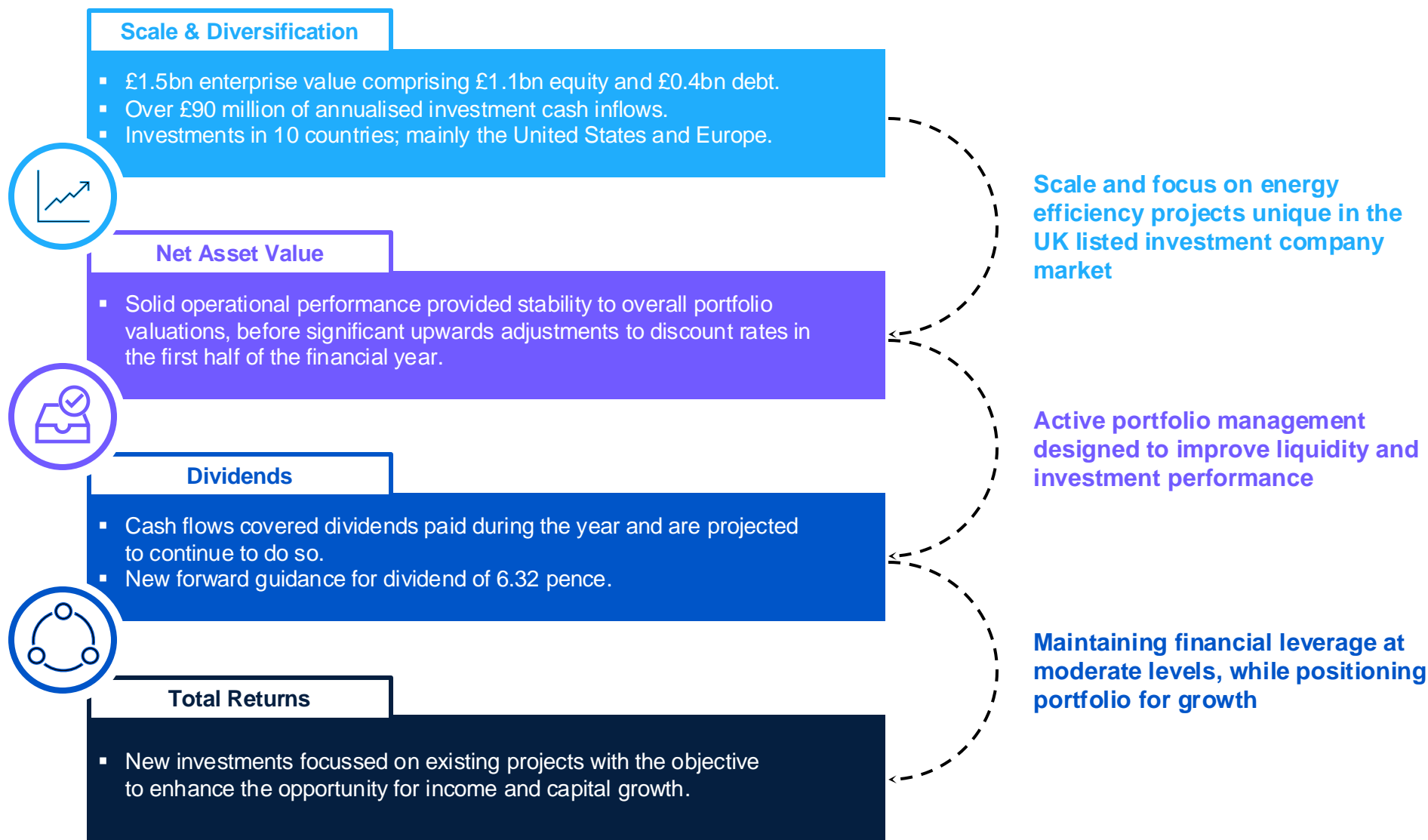


- Demonstrated commitment to improving employee wellbeing through the following initiatives:
 - Participation in the "Hiring Our Heroes Programme"
 - Established an internship programme
 - Focusing recruitment efforts to foster diversity and inclusion
 - Conducting an annual employee engagement survey

6. Summary Remarks



Summary remarks



7. Appendices



SEEIT portfolio as at 31 March 2024

Diversification by investment, technology, geography and lifecycle stage

Portfolio by Geography
as at March 2024 | 2023



UK 16% 17%	Asia Pacific 1% <1%
Europe 22% 20%	Cash 2% 3%
US 62% 59%	

Portfolio by Project
as at March 2024 | 2023



RED-Rochester 17% 22%	Zood - Operational 3% 0%
Onyx - Obsidian I 12% 8%	Primary - Portside 3% 2%
Primary - Cokenergy 9% 9%	Zood - Construction 2% 2%
UU Solar 8% 9%	Oliva - Cepuente 2% 2%
Värtan Gas 6% 6%	Capshare 3% 3%
Primary - North Lake 4% 4%	Onyx - Development Platform 3% 2%
Remainder of portfolio 27% 27%	Cash 2% 3%

Portfolio by Technology
as at March 2024 | 2023



Solar & Storage 26% 23%	Lighting 4% 2%
District Energy 18% 22%	Industrial process efficiency solutions 4% 4%
CHP (Waste gases /other) 13% 13%	Bundled Energy Efficiency 3% 3%
CHP (Natural Gas) 12% 9%	Other technologies 4% 5%
Gas Distribution Networks 6% 6%	Cash 2% 3%
EV charging 5% 4%	
Biomass 5% 6%	

Portfolio by Investment Stage
as at March 2024 | 2023



Operating 86% 74%	Development 5% 6%
Construction ¹ 9% 17%	Cash 2% 3%

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

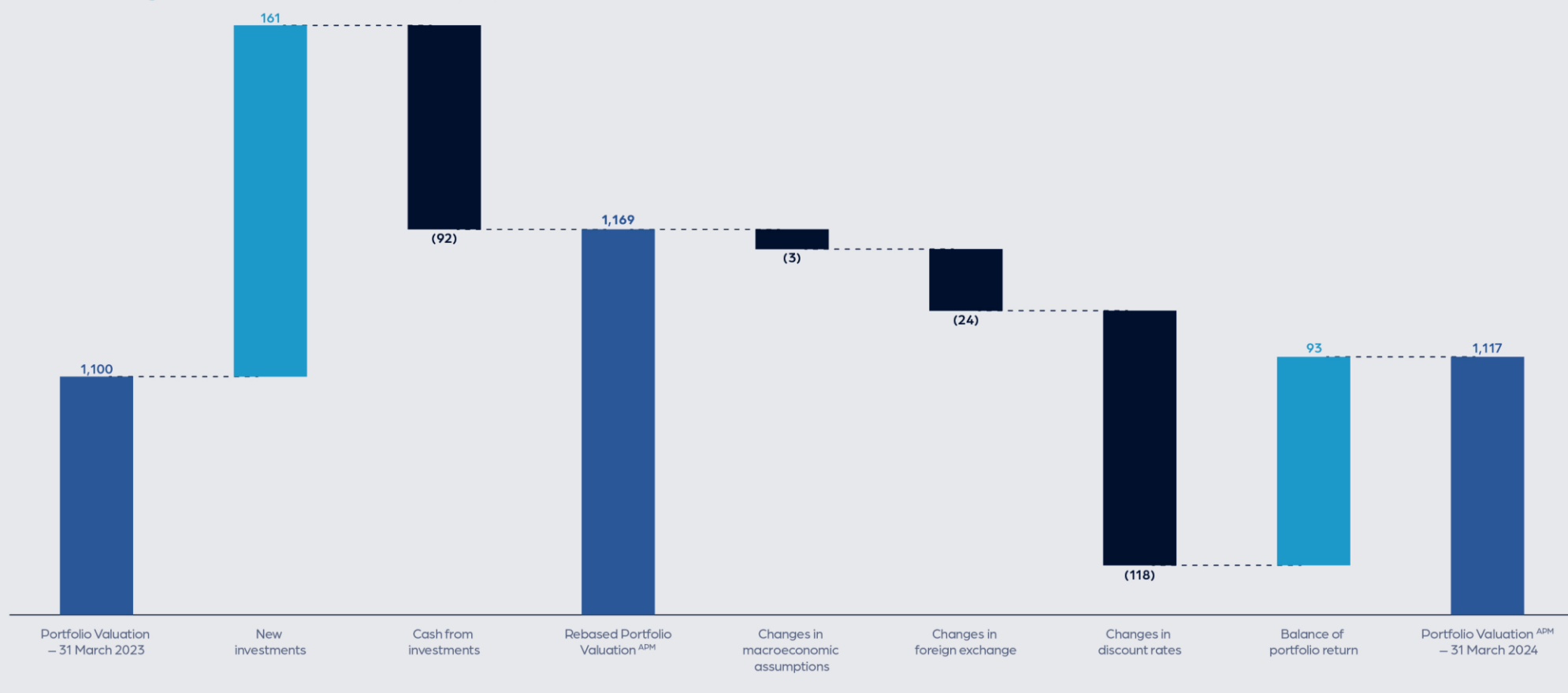
1. Presented on a gross asset value (GAV) basis as at 31 March 2024, consisting of Portfolio Valuation and other assets
 2. Construction stage represent investments where construction work has commenced or high degree of confidence in it commencing

Analysis of change in portfolio valuation - bridge

Portfolio valuation change for the year to 31 March 2024

- Portfolio Valuation of £1,117m forms key part of balance sheet – reconciles to NAV of £983m through working capital and debt of SEEIT Holdco (wholly owned subsidiary)
- Material adverse impact from interest rate rises on discount rates, resulting in £118m unrealised losses

Valuation bridge – March 2023 to March 2024 (£m)



Key Performance Indicators (“KPIs”)

KPI	Definition	31 Mar 2024	31 Mar 2023	Commentary
Financial				
NAV per share (p)	NAV divided by no. of shares outstanding as at 31 March	90.5p	101.5p	NAV has decreased compared with the prior year due to global increases in risk-free rates pushing discount rates up materially from March 2023.
Share price (p)	Closing share price as at 31 March	59.1p	84.0p	The share price has decreased predominantly due to market volatility and the thematic adverse impact on alternative investments focused UK investment trusts.
Dividends per share (p)	Aggregate dividends declared per share in respect of the financial year	6.24p	6.0p	The dividend increased year on year due to predictability of near-term cash generation from portfolio, plus new investments made previously. The Company met its stated dividend targets for the years ended 31 March 2023 and 31 March 2024.
Dividend cash cover (x)	Operational cash flow divided by dividends paid to shareholders during the year	1.1x	1.2x	The target was for net operational cash inflow to fully cover dividends paid. The Company met its target for the years ended 31 March 2023 and 31 March 2024.
Total Return on NAV basis in the year (%)	NAV growth and dividends paid per share in the year	(4.7)%	(0.9)%	The payment of interim dividends contributed to NAV return in the year, although offset by significantly higher discount rates, resulting in a material decrease in return in both years.
Ongoing charges ratio (%)	Annualised ongoing charges (i.e. excluding investment costs and other irregular costs) divided by the average published undiluted NAV in the period, calculated in accordance with AIC guidelines	1.02%	1.02%	Remained consistent year on year.
Operational				
Weighted average project life (years)	Weighted average number of years remaining in project contracts (excludes all recontracting assumptions)	16.4	15.9	Increase was in line with expectations and mainly due to one material contract successfully renewed during the year.
Largest five investments as a % of GAV	Total value of five largest individual investments divided by the sum of all investments held in the portfolio plus cash, calculated at period end	52%	54%	Target is to maintain good portfolio diversification, achieved in both financial years.

SEEIT: Foreign exchange hedging

Key objective of managing FX risk is to minimise volatility in NAV from movements in FX rates

SEEIT's hedging strategy has been successful in protecting the NAV from material movements in foreign exchange rates, and providing stability and predictability of near-to-medium term Sterling cash flows

SEEIT achieved this through:

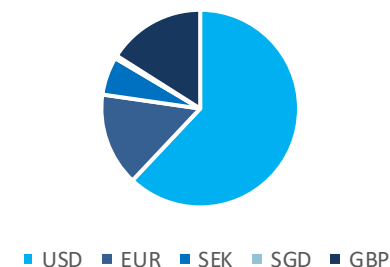
- **Income basis:** achieved by hedging forecast investment income from non-Sterling investments for up to 24 months through foreign exchange forward sales
- **Capital basis:** achieved by hedging a significant portion of the portfolio value through rolling foreign exchange forward sales. The Investment Manager also seeks to utilise corporate debt facilities in the local currency to reduce foreign exchange exposure

To date this objective has been met and there has been minimal impact on NAV from material movements in FX rates.

Near term expectation is to lower the hedging levels when appropriate to do so but to remain with currently agreed policy.

Financial year to:	31 March 2024	31 March 2023
Net Foreign exchange gain (£'m)	0.5	10.3
Net Foreign exchange gain (% of NAV)	<1%	<1%

Portfolio by Currency at March 2024



SEEIT targets progressive dividends

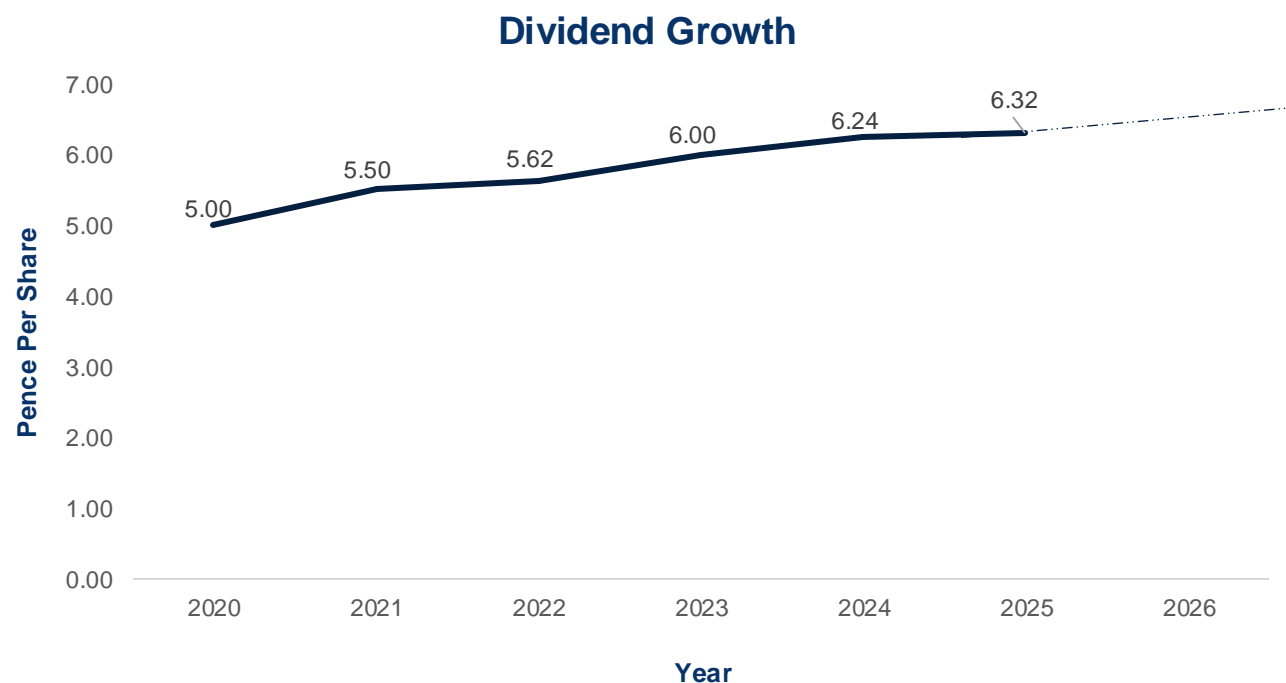
Dividends per share have grown year-on-year since IPO

Key Comments

- Dividends have progressively increased each year, in line with guidance provided at IPO
- Dividend target for year ending March 2025 of 6.32p, the increase balancing growth with opportunity to re-invest surplus cash and/or reduce short term debt
- Average Dividend cover of c. 1.2x since IPO - Manager looking to grow this over time
- The Company seeks to deliver a progressive dividend over time

Dividends declared per Share since IPO ¹

Target of 6.32p for FY25



1. Dividends declared in relation to each financial year. A 1.0 pence per share dividend was paid in relation to the Stub period from December 2018 IPO to March 2019

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