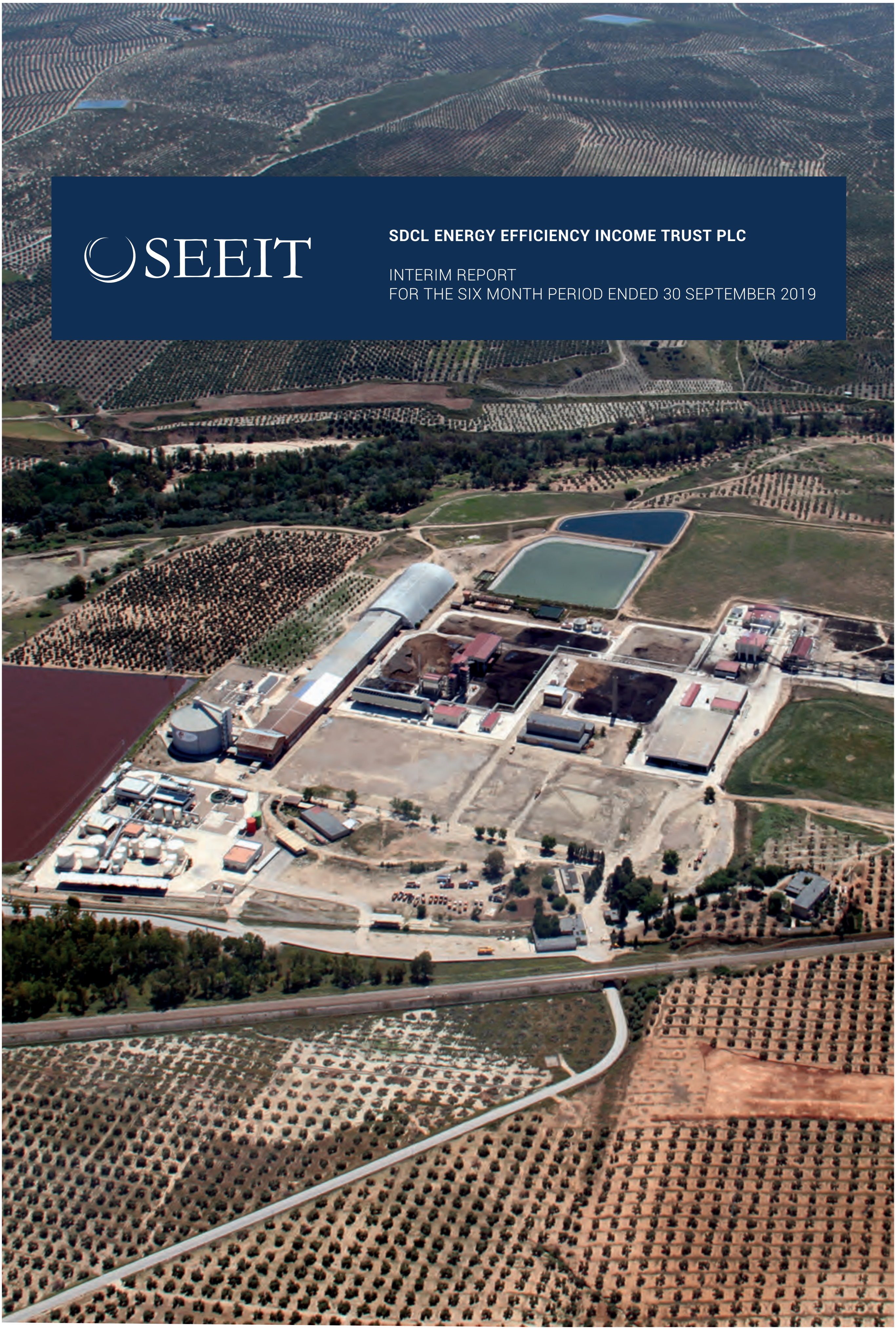
SEEIT

SDCL ENERGY EFFICIENCY INCOME TRUST PLC

INTERIM REPORT
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2019



SEEIT

1. Highlights and Overview

INTRODUCTION

Energy efficiency involves the delivery of cheaper, cleaner and more reliable energy solutions at the point of use, reducing or eliminating reliance on the grid or subsidies. This can be achieved for commercial, industrial and public buildings through on-site clean energy generation, such as combined heat and power and roof-top solar, or through energy demand reduction measures, such as lighting, heating and cooling solutions and storage.

Energy efficient solutions present an attractive proposition for clients, offering a reduction in energy costs with the added benefit of improved energy performance and reliability. Where energy prices are relatively high, carbon emission reduction targets are a priority and energy availability and security are an issue, energy efficiency has a valuable role to play in the modern energy economy.

Decentralised, on-site energy solutions can reduce or avoid the significant generation, transmission and distribution losses associated with a centralised grid, saving money and carbon. By reducing consumption of existing hydrocarbon resources, energy efficiency is widely recognised as the most effective solution in seeking to reduce greenhouse gas emissions.

A substantial and rapidly growing global marketplace has emerged for energy efficiency solutions, which provides SEEIT with an attractive growth sector in which to invest.

1.1 Summary of the six month period to 30 September 2019

99.0p

NAV PER SHARE
up from 98.4p at 31 March 2019

£81.3m

PORTFOLIO VALUATION
at 30 September 2019[1] up from £60.9 million at 31 March 2019

1.4p

EARNINGS PER SHARE
in the period

£89m

CASH
at 30 September 2019[2]

1.0p

INTERIM DIVIDEND
per share for the period to 31 March 2019 paid in June 2019

5.0p

TARGET AGGREGATE DIVIDEND
for year ending 31 March 2020 and 5.5p per share for the year ending 31 March 2021[3]

- **New acquisitions** of £19.5 million and commitments of £15 million in period
- **Successful capital raising** of £72 million in April 2019 with proceeds now fully committed to new investments
- **Clearly identified and advanced pipeline** of near- and medium-term investment opportunities diversified across technology and geography
- **Interim Dividend** of 2.5p per share declared for the period ended 30 September 2019, payable in December 2019

POST-PERIOD UPDATES

- **Further capital raising** of £100 million after the period end in October 2019
- **Acquisition completion of** Oliva Spanish Cogeneration, a portfolio of nine operational assets in Spain from Sacyr S.A. ("Sacyr") for c.EUR150 million

1. Value of the portfolio of investments, see Section 2.6 Valuation of the Portfolio for details.
2. Stated on Portfolio Basis see Section 2.5 Financial Review for more detail.
3. The target dividend stated here, matches the target dividend outlined in the November 2018 Prospectus and should not be treated as a profit forecast for the Company.

1.2 Chairman's statement

On behalf of the Board, I am pleased to present the Interim Results of SDCL Energy Efficiency Income Trust Plc ("SEEIT" or the "Company") for the six months ended 30 September 2019.

The period has seen the portfolio grow through two investments, in a rooftop solar project for the UK's largest retailer and in a diversified portfolio of energy efficiency projects in the USA. After the period end, a portfolio of 9 cogeneration projects has been acquired in Spain.

These acquisitions were funded, in part, through the Company's £72 million equity placing in April 2019. After the period end, in October, the Company successfully raised a further £100 million equity capital via a placing. We are delighted with the support from shareholders, which has helped the Company grow nearly three times in size since the Company's £100 million IPO in December 2018.

SEEIT's portfolio has continued to generate strong levels of cash flow. Earnings per share are in the range anticipated during the Company's ramp-up phase with 1.4p per share delivered over the period. Net asset value ("NAV") per share increased from 98.4p to 99.0p, after allowing for the payment of a 1.0p interim dividend per share for the period from IPO to 31 March 2019.

We are pleased to have secured four cash generative portfolios since the acquisition of our Seed Portfolio at IPO. The new investments support the Company's dividend proposition and total return prospects and are expected to make a significant contribution to cashflow, earnings and the capital value of SEEIT's portfolio.

INVESTMENT ACTIVITY AND CAPITAL RAISING

The IPO Prospectus identified a pipeline of additional investment opportunities in addition to the Seed Portfolio acquired at launch. The first of these, Northeastern US CHP was acquired in March 2019 for c.$5 million. In June 2019, the second pipeline opportunity, Supermarket Solar UK, a framework to install, own and operate solar rooftop projects across Tesco's estate in the UK, was announced. This involved an initial commitment of up to £15 million with the first £5 million tranche currently being deployed. There is scope for further investment in addition to the initial commitment.

In September 2019 SEEIT completed a second acquisition in the USA, a c.$22 million investment, structured as secured senior and subordinated loans, into a portfolio of 264 loans, leases and subscription agreements relating to energy systems outsourcing and energy efficiency projects. The portfolio was developed by Sparkfund, a US energy efficiency development company.

Later in September 2019, SEEIT announced it had agreed to acquire a fourth investment, Oliva Spanish Cogeneration, an operational portfolio of nine assets, acquired from the major industrial group, Sacyr, for a total consideration of c.EUR150 million. The acquisition completed after the period end, on 6 November 2019.

The Board is pleased with the successful growth of the SEEIT portfolio through these acquisitions. The investments are consistent with SEEIT's targeted technologies and geographies, and with the pipeline outlined in the prospectus. We are pleased that the Investment Manager has successfully sourced and secured attractive investments that meet the Company's strategy.

1.2 CHAIRMAN'S STATEMENT – CONTINUED

Since IPO, the Company has conducted two successful equity raisings, the first in April 2019 raising £72 million and the second in October 2019 raising £100 million. In addition, SEEIT Holdco, the Company's direct subsidiary, secured a revolving acquisition credit facility of £25 million as well as access to acquisition financing of up to £40 million in April 2019. Both of these facilities were utilised in funding the acquisition of Oliva Spanish Cogeneration.

The Investment Manager continues to develop an attractive pipeline of energy efficiency investment opportunities and intends to use the proceeds of the October 2019 equity raise to fund the acquisition of new investments. Prospective acquisitions include a portfolio of energy efficiency projects and associated infrastructure assets in continental Europe and a portfolio of on-site energy generation projects in the United States. The Investment Manager is also progressing a number of additional opportunities in the UK and overseas, including a limited number of projects with strong counterparties in jurisdictions outside Europe and North America.

The ongoing sourcing and execution of investment opportunities demonstrates the current and growing market for operational energy efficiency assets and the ability of the Investment Manager to deliver on the Company's mandate of investing in projects which deliver long-term, stable and predictable cash flows from projects that deliver environmental benefits.

PORTFOLIO

The portfolio is performing in line with expectations with no significant operational issues in the period.

In November 2019, the first two rooftop solar photovoltaic system installations became operational under the Supermarket Solar UK framework with Tesco plc.

Completion of the testing and commissioning for SEEIT's other construction phase project, Huntsman Energy Centre, is now scheduled to occur in the second half of the financial year.

Please see the below section 2.3 Investment Portfolio for further details.

GOVERNANCE AND ESG

The Company held its first AGM on 11 September 2019. Twelve Resolutions were tabled. All votes cast were in favour, and as a result each of the resolutions was approved. In line with corporate governance best practice, the existing Directors offered themselves for re-election at the AGM and were duly re-elected.

The Company's Annual Report for the period ended 31 March 2019 was published on 15 July 2019, and copies were posted to shareholders who elected to receive a printed copy.

All projects continue to comply with the Investment Manager's environmental, social and governance policies.

FINANCIAL PERFORMANCE AND DISTRIBUTIONS

At 30 September 2019, SEEIT's NAV was £169.7 million, or 99.0p per share. The Investment Portfolio was valued at £81.3 million as at 30 September 2019, up from £60.9 million at 31 March 2019. As the Company's acquisition of the Oliva Spanish Cogeneration portfolio was completed post-period end, it is not reflected in the financial results. Together with the other investments and commitments made in the period, it is expected to contribute substantially to cash flow and earnings in the second half of the financial year, as well as supporting the Company's total returns targets.

At the period end, gearing was less than 2%. Following the utilisation of the acquisition finance and revolving credit facilities in November 2019 at the time of the Oliva Spanish Cogeneration portfolio acquisition and taking into account the £100 million equity raise in October 2019, gearing increased to c.24%, which remains below the Company's acquisition related gearing limits of 50% of NAV.

Investment cashflows from the portfolio during the period of £3.5 million were in line with expectations. Per previous guidance, on 26 November 2019 the Company declared its first interim dividend of 2.5p per share in respect of the year to 31 March 2020.

As previously indicated, the Board is targeting total dividends of 5.0p per share for the year ending March 2020 and 5.5p per share for the year ending March 2021.

1.2 CHAIRMAN'S STATEMENT – CONTINUED

In light of the portfolio performance and regular investment cashflows, the Board has decided that from the financial year starting April 2020, the Company intends to move to paying interim dividends on a quarterly rather than semi-annual basis.

Northeastern US CHP and Spark US Energy Efficiency were the only non-UK based investments at the period end. With the acquisition of the nine assets in the Oliva Spanish Cogeneration portfolio since period end, the number of non-UK based investments increased to 11.

KEY RISKS

The key risks within the portfolio include the credit risk of applicable counterparties. At present, there are no specific matters to address in this regard. The Company has continued to focus on investing in projects with long term contracted revenues, based on commercially proven technologies and applications.

The currency hedging in place will serve to mitigate any impact upon revenues derived in non-GBP currency.

We consider the risks to the portfolio posed by Brexit to be low. Representations from project contractors have indicated that contingency plans (specifically including with respect to the supply of key spare parts) are robust and do not foresee significant disruption relating to Brexit. In the run-up to and period following Brexit, we will continue to monitor economic and market stresses which may increase counterparty risks, for example as may be indicated by any declining credit ratings.

OUTLOOK

Energy efficiency continues to play a crucial and growing role in balancing global energy supply and demand and in the energy transition to a lower carbon economy. The need for decarbonisation is translating into a larger pool of potential investment opportunities, from which the Investment Manager is actively sourcing and developing an attractive pipeline of operational energy efficiency and distributed generation assets.

In addressing the investment pipeline, the Investment Manager will continue to continue to seek investment opportunities for SEEIT, ensuring flexibility in finding the most appropriate point of entry and place in the capital structure, as well as geography, technology and other factors, to deliver the most suitable risk-adjusted returns opportunity for SEEIT.

In the short to medium term, the Investment Manager anticipates that investment outside of the UK will continue to offer the largest source of opportunities for the Company by scale and value. The Company will continue to review its investment limitations and guidelines with regards to international and non-GBP based investments. In taking this approach, it will seek to ensure that it is able to take advantage of the opportunity to invest in projects with the best risk-adjusted returns and that appropriate currency hedging strategies are in place.

The Investment Manager continues to seek opportunities to unlock additional value and optimisation in the portfolio. This includes finding investment opportunities that enhance the capacity and diversification of the portfolio, reduce operational costs, maximising the longevity and performance of projects and unlocking additional value through further active portfolio management.

I would like to thank shareholders for their continued support of the Company which is well place to deliver upon our stated investment objectives.

TONY ROPER
Chairman

SECTION 2

Investment Managers' Report

2.1 Market Outlook and Strategy

MARKET REVIEW AND OUTLOOK

Energy efficiency and decentralised energy generation play a crucial and growing role in balancing supply and demand in the global energy economy. This growth is set to continue as the market transitions away from traditional forms of energy towards net zero-carbon targets by 2050. The International Renewable Energy Agency (IRENA) anticipates that energy efficiency measures, alongside renewable energy have the potential to achieve most of (up to 90%) the required carbon reductions[4]. This transition will require fundamental changes to the way we consume energy and the implementation of energy efficiency measures and decentralised generation to facilitate the largest possible contribution of clean energy into a balanced system. SEEIT is investing into this energy transition via commercially proven technologies and applications.

Substantial investment is demanded by this energy transition to achieve a lower carbon, cost effective and reliable outcome. IRENA anticipates that the cost of implementing these measures will amount to at least $95 trillion by 2050, including investment of $1.1 trillion annually in energy efficiency measures, more than four times the current level. IRENA anticipates that the economic benefits of the energy transition would create 7 million more jobs and boost global GDP by 2.5%. This represents transformational growth in the market opportunity available to SEEIT in the medium-to-long term.

In Europe, decentralised energy generation is a well-established sector of the energy market and the Investment Manager continues to source significant deal flow from a deep pool of potential investments in markets such as Spain, which at state level has long supported the development of distributed generation solutions, notably highly efficient cogeneration.

The development of energy efficiency projects has been an increasing area of focus for participants in international energy markets over the last decade, with large energy providers such as utilities developing significant portfolios of projects through dedicated internal platforms. The Investment Manager has pro-actively approached several UK, European and North American utilities and operators, offering a solution for the portfolios of operational energy efficiency projects which they have developed. Significant further deal flow is anticipated to arise in Europe and North America in particular. The Company's successful acquisitions in 2019 have raised SEEIT's profile and demonstrated execution capability.

PIPELINE

While SEEIT has had an active year to date in terms of successfully converting pipeline opportunities into new investments, new potential investment opportunities continue to be added to the pipeline which is now in excess of £500 million.

The Investment Manager remains focussed on achieving value and, as such, is concentrating in specialised areas of activity that offer a combination of scale, knowledge and track record, particularly where the Investment Manager can add value and consequently secure attractive returns for SEEIT on a risk-adjusted basis. SEEIT's investments so far this year attest to this, for example in the greenfield development and de-risking of the Tesco solar project, the privately negotiated refinancing of Sparkfund's portfolio and the acquisition of specialist CHP assets from Tecogen in the United States and Sacyr in Spain.

By contrast, the Investment Manager is, at the present time, placing less emphasis on highly competitive and established markets such as operational commercial and industrial solar, or opportunities that require a substantial exposure to merchant risk. It is also exercising pricing discipline and continues to take a prudent view in its underwriting assumptions that are consistent with achieving SEEIT's total returns targets. This results in some attrition of the pipeline, or in some cases lost deals, in favour of ensuring stability of cash flows, earnings and capital value for SEEIT.

A significant proportion of SEEIT's investment pipeline continues to be represented by CHP. SEEIT carefully considers the environmental and carbon characteristics of such projects, for instance requiring projects or portfolios to be capable of delivering high levels of combined electrical and thermal efficiency and is seeking to broaden its fuel sources from natural gas to reliable sources of low carbon fuels such as waste gases and heat and

4. IRENA (2019), Transforming the energy system – and holding the line on the rise of global temperatures, International Renewable Energy Agency, Abu Dhabi. ISBN 978-92-9260-149-2.

2.1 MARKET AND OUTLOOK STRATEGY – CONTINUED

biomass. In due course, we may see other lower carbon fuels such as hydrogen play an increasing role.

Our pipeline includes a wide range of other lower carbon and energy efficiency technologies, including but not limited to solar, storage, lighting, heating, cooling and other solutions. We are seeking to build a balanced portfolio, diversified by technology as well as by counterparty, geography and suppliers. The Company's investment limits are constantly under review, not just to ensure compliance but also to ensure that they remain appropriate for SEEIT as global markets develop.

We are focused on portfolio construction, having regard to the contribution any new investment would make to SEEIT's total return prospects. Such considerations will include, from time to time, seeking opportunities for some capital growth as well as income, to preserve capital value of the portfolio as a whole and therefore NAV for shareholders in the context of finite life project agreements and contracts. Other considerations may include geographic exposure, which has been orienting towards Europe, North America and selected other jurisdictions and away from the UK in the short term, driven by the relative value and depth of the markets, but which is expected to rebalance in the future.

KEY RISKS

The Company's Audit and Risk Committee monitor and keep under review the adequacy and effectiveness of the Company's internal financial controls and internal control and risk management systems. The Committee receives periodic risk management reports from the Investment Manager to support its assessment, including regular review of the risk register at each meeting, whereby each risk is rated, risk mitigating factors detailed and applicable controls highlighted. The Company's approach to risk management is calibrated according to the specific characteristics of the Company's investment strategy, namely investing principally in a diversified portfolio of energy efficiency projects, with high quality private and public sector counterparties. The key risks and uncertainties – including those most likely to affect the Company in the second half of the year - and the strategies employed to mitigate those risks have not changed materially from those set out in detail in Section 3.4 of the 2019 Annual Report and Audited Financial Statements, which is available on the Company's website.

2.2 Key Portfolio Updates

FUNDRAISING

In April 2019, the Company announced its first post-IPO placing of Ordinary Shares under its existing Share Issuance Programme. The placing raised £72 million, which was subsequently committed to Supermarket Solar UK, Spark US Energy Efficiency investments and Oliva Spanish Cogeneration. The capital raise in April 2019 was originally intended to fund an identified pipeline of investment opportunities, including the above. This pipeline included a large acquisition of a distributed generation portfolio in southern Europe, where capital was committed, but ultimately the transaction did not proceed.

Post-period, in October 2019, the Company announced a second placing of Ordinary Shares under its existing Share Issuance Programme. The placing raised gross proceeds of £100 million and will be used to support SEEIT's pipeline of near-term investment opportunities.

FINANCING

In the interests of capital efficiency, in order to enhance income returns, long-term capital growth and capital flexibility, SEEIT is permitted to maintain a conservative level of gearing. To allow flexibility with making new investments, in April 2019 SEEIT, through its main investment vehicle, SEEIT Holdco, secured a revolving credit facility ("RCF") of £25 million with Investec Bank plc as well as access to acquisition financing of up to £40 million.

The acquisition facility, in its entirety, as well as the majority of the RCF was used to part-finance the Oliva Spanish Cogeneration portfolio investment. The RCF has an expiry of 30 June 2022 and is available to be used to fund the Company's active deal pipeline.

Equity issued since IPO together with borrowing facilities extends the Company's investment capacity to over three times its size compared to its £100 million IPO.

2.2 KEY PORTFOLIO UPDATES – CONTINUED

DISTRIBUTIONS

As stated in the IPO Prospectus, the Board anticipated paying semi-annual interim dividends, targeting total dividends of 5.0p per share for the year ending March 2020 and 5.5p per share for the year ending March 2021.

In light of the portfolio performance, the Board has decided that for the financial year starting April 2020, the Company will pay interim dividends on a quarterly rather than semi-annual basis.

COMPLETED ACQUISITIONS SINCE 31 MARCH 2019

Project	Investment Date	Counterparty	Technology	Location	Amount
Supermarket Solar UK	June 2019	Tesco plc	Rooftop Solar	UK	£5 million [5]
Spark US Energy Efficiency	September 2019	Various (264 contracts)	Lighting and Energy Efficiency Measures	US	$22 million

SUPERMARKET SOLAR UK

In June 2019 SEEIT announced an investment, Supermarket Solar UK, a framework to install, own and operate solar rooftop projects across Tesco's estate in the UK.

The investment is consistent with the Investment Manager's approach to on-site generation, delivering a cost effective, lower carbon and reliable clean energy solution. The project did not require subsidies or government backed market incentives to be attractive both to Tesco and SEEIT. The Investment Manager believes that the structure of this framework represents an important milestone for the market, proving that it is commercially sustainable as well as environmentally beneficial. SEEIT earns its returns from a contracted revenue stream under a long term Power Purchase Agreement (PPA) with Tesco.

Entering into the framework agreement is the result of a long-term engagement between the Investment Manager and Tesco. Initial work on the framework began in 2018, with the Investment Manager selected as part of a competitive process of c.15 bidders to develop the projects for Tesco.

To deliver the projects, SEEIT has partnered with Kingspan Energy Ltd ("Kingspan"), a leading UK-based rooftop solar developer. The Investment Manager has a long-term relationship with Kingspan, built upon the delivery of the Holywell Solutions project at Kingspan's manufacturing facility in Wales, which now comprises a project within the SEEIT portfolio.

The initial contracted investment is for £5 million and a commitment for a further £10 million, with potential for £5 million of additional investment. The project provides long-term contracted revenues of up to 20 years through a power purchase agreement with Tesco.

Post-period in November, the first two rooftop solar photovoltaic systems became operational, with the projects at Tesco Huntingdon and Tesco Lewes achieving first power and generating revenues for SEEIT under individual Power Purchase Agreements.

SPARK US ENERGY EFFICIENCY

On 9 September SEEIT completed a c.$22 million investment in the USA, Spark US Energy Efficiency. The investment was structured as a portfolio of secured senior and subordinated loans, into a widely diversified portfolio of contracts, which comprise 264 loans, leases and subscription agreements relating to energy systems outsourcing and energy efficiency projects located across the USA.

The portfolio is structured to provide predictable, stable and fully contracted cash flows to SEEIT, with the point of entry in the capital structure through a portfolio of loans ensuring delivery of the most suitable risk-adjusted returns opportunity for SEEIT. The structure of the deal has allowed SEEIT to gain exposure to a significant and well diversified portfolio, which would likely have been challenging for SEEIT to achieve on an equity basis.

5. Supermarket Solar UK represents an initial commitment of £15 million with the first £5 million tranche currently being deployed.

2.2 KEY PORTFOLIO UPDATES – CONTINUED

The portfolio was developed by Sparkfund, a US energy efficiency development company and comprises a range of energy saving technologies, including LED lighting, heating ventilation and air conditioning, backup generators, and monitoring and controls. Sparkfund will continue to provide day-to-day management of the equipment under their existing systems-as-a-service model.

The individual agreements within the portfolio were aggregated, with back-to-back funding provided by third parties. It is these existing lending arrangements which have been refinanced by SEEIT's investment. The substantial majority of SEEIT's investment is senior debt relating to the underlying portfolio of energy systems projects, with the balance of SEEIT's investment is by way of subordinated loans.

POST-PERIOD ACQUISITIONS

Project	Investment Date	Counterparty	Technology	Location	Amount
Oliva Spanish Cogeneration	November 2019	Various	Cogeneration (CHP)	Spain	EUR150 million

OLIVA SPANISH COGENERATION

In November 2019, SEEIT completed the investment in the Oliva Spanish Cogeneration portfolio which had previously been announced on 20 September 2019. The project comprises an operational portfolio of nine assets, acquired from Sacyr for a consideration of c.EUR150 million which included the full repayment of the project debt finance facility associated with the portfolio.

The portfolio was brought to market as part of a competitive auction process by the vendor, Sacyr. The bid was successful for several reasons, including the Investment Manager's experience with the operations of cogeneration asset and the long-term investment horizon of the investment capital.

The portfolio is located in Southern Spain and comprises five combined heat and power (CHP) plants, two olive processing plants and two biomass plants, which provide, in aggregate, 125 MW of clean and efficient energy generation. The substantial majority of the portfolio's revenues are derived from the Spanish RORI mechanism, which as well as providing long-term investment grade revenues, serves to mitigate exposure to any fluctuations in commodity prices. As a result, revenue and costs are relatively stable and predictable.

The CHP plants together meet the high combined electrical and thermal efficiency standards required by SEEIT from natural gas CHP and generate 100 MW of electricity and heat. The electricity is sold to the grid under the Spanish RORI mechanism. Part of the heat generated is sold within the portfolio to two olive processing plants and the remaining heat is sold to external olive processors. The two olive processing plants within the portfolio provide feedstock in the form of olive cake for two biomass plants that are also part of this portfolio, which in turn generate 25 MW of renewable electricity.

Operations and maintenance on the portfolio will continue to be carried out by Sacyr, a major industrial group, and benefit from long-term service agreements with the equipment providers Gestamp Biomass, GE, Rolls Royce, Jenbacher, Mitsubishi and Turbomach.

2.3 Investment Portfolio

Portfolio Analysis

FIVE LARGEST INVESTMENTS IN THE PORTFOLIO

The table below shows the five largest investments in the Investment Portfolio by value as a proportion of the overall Portfolio Valuation which excludes cash held by the Company at 30 September 2019.

	As a % of the Investment Portfolio	
Project	**September 2019**	**March 2019**
Santander UK Lighting	22%	28%
Spark US Energy Efficiency	22%	N/A
Moy Park Biomass	19%	24%
Huntsman Energy Centre	16%	23%
Northeastern US CHP	6%	7%
Five largest assets – total	84%	88%
Remaining Investment Portfolio assets	16%	12%
Total	100%	100%

OVERVIEW OF THE FIVE LARGEST INVESTMENTS

Santander UK Lighting – UK
Acquired December 2018
LED Lighting project comprising approximately 90,000 lamps across over 800 of Santander's offices and branches across the UK. Building management systems, processes and optimisation and HVAC units have also been installed in certain offices. The counterparty has entered into a services agreement with the project SPV for the provision of lighting which currently has approximately seven years remaining.

As communicated in the 31 March 2019 Annual Report, in January 2019, Santander UK plc announced that their group would be closing 140 UK branches over the course of 2019. Subject to the timing of the closures, a payment from Santander as counterparty for early termination (based on kWh) is expected to compensate for the early termination of those properties within the overall contract.

Spark US Energy Efficiency – USA
Acquired September 2019
The portfolio comprises 264 loans, leases and subscription agreements relating to energy systems outsourcing and energy efficiency projects located across 36 states in the USA, which have been developed by Sparkfund, a US-based energy systems-as-a-service company.

The portfolio, which is managed by Sparkfund, is well diversified and is structured to provide predictable, stable and fully contracted cash flows. These individual agreements with customers have been aggregated with back-to-back funding provided by third parties. These existing lending arrangements has been refinanced by SEEIT's investment. The substantial majority of SEEIT's investment is senior debt relating to the underlying portfolio of energy systems projects, with energy saving technology under management including LED lighting, HVAC, backup generators, and monitoring and controls. The balance of SEEIT's investment represents subordinated loans supported by the portfolio. The underlying loans have a range of contract terms, the longest of which is ten years and with an average of four years.

Moy Park Biomass – UK
Acquired December 2018
The Moy Park Biomass project comprises 86 biomass boilers at several poultry farms operated by Moy Park in Lincolnshire, UK. The counterparty has entered into a heat supply agreement, under which they are contracted to pay a fee for each boiler in addition to a variable amount for heat produced above a threshold. In addition, the project is entitled to a sum under the Renewable Heat Incentive from OFGEM, calculated with reference to the heat output of the boilers. The project has approximately 16 years left to run.

The biomass boilers use wood pellets as feedstock. The project SPV has contracted with Land Energy Girvan Limited to supply wood pellets over the life of the project.

2.3 INVESTMENT PORTFOLIO – CONTINUED

Huntsman Energy Centre – UK
Acquired December 2018

This project involves the installation of three steam raising boilers and two steam compressors at the counterparty's premises in Wilton, North Yorkshire, UK. The counterparty has entered into a steam services agreement with the project SPV to design, build, operate and maintain the project, pursuant to which the project SPV will sell the steam generated to the counterparty, in return for contracted revenues. As noted in the 31 March 2019 Annual Report, the project is nearing the end of the commissioning period and, production of steam (the point at which revenues are generated) is now expected to occur in the second half of the financial year. The Investment Manager is continuing to work constructively with all parties to complete the construction phase per the revised timetable. The term of the contract once the project becomes operational is 15 years.

Northeastern US CHP – USA
Acquired March 2019

The project, which comprises CHP units for a prison, university, multi-family developments and a nursing home across Maine, Connecticut and New Jersey has a total installed capacity of 2.5MW of CHP and 1,250 tonnes of cooling capacity. The units are each subject to Energy Purchase Agreements, which benefit from long-term contracted cash flow, and each unit has been fully operational and revenue generating for over a year. Revenues from the sites are generated through electricity sales, the provision of hot and chilled water and from electricity demand reduction. The project has approximately 14 years left to run.

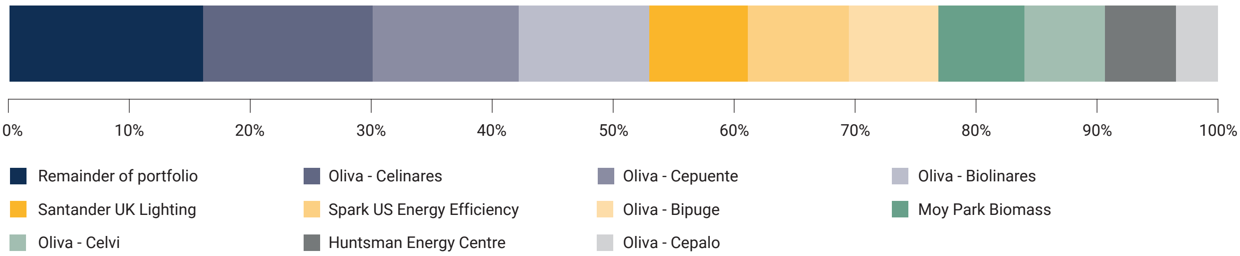
2.3 INVESTMENT PORTFOLIO – CONTINUED

PORTFOLIO ANALYSIS

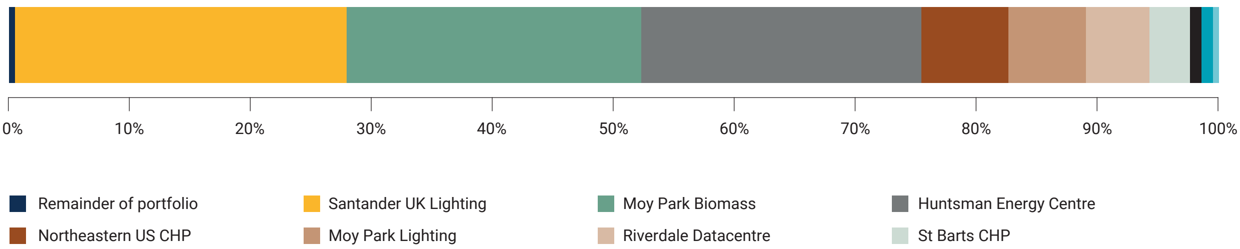
Analysis of the portfolio by Portfolio Value (i.e. not including cash and working capital) is shown below, including post-period acquisition of Oliva Spanish Cogeneration at cost.

Portfolio diversification by project[6]

Diversification by project – 3rd December 2019



Diversification by project – March 2019



The major changes resulted from the three acquisitions since 31 March 2019, Oliva Spanish Cogeneration consists of a portfolio of nine separate assets, five of which reach the threshold to be included within the top ten assets in the portfolio. The largest Oliva Spanish Cogeneration asset makes up 14% of portfolio value, and the smallest 2%. Additionally, the Spark US Energy Efficiency acquisition makes up 8% of portfolio value as at 3 December 2019.

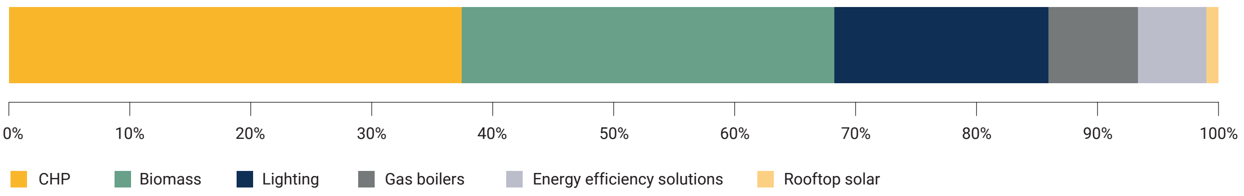
The acquisitions made have introduced increased diversity within the portfolio resulting in more even weighting across the top 10 largest investments.

6. Portfolio diversification by project – 3rd December 2019 includes post-period acquisition Oliva Spanish Cogeneration, completed in November 2019, at cost.

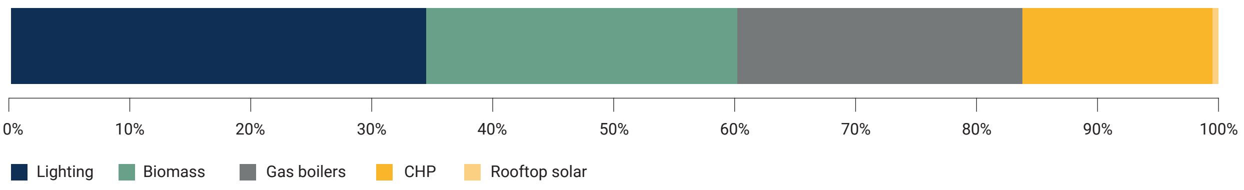
2.3 INVESTMENT PORTFOLIO – CONTINUED

Portfolio diversification by technology[7]

Technology exposure – 3rd December 2019



Technology exposure – March 2019



The largest exposure by technology as at 3 December 2019 at 38% is in CHP (the majority of the exposure from Oliva Spanish Cogeneration, the remainder from St Bart's CHP and Citi Riverdale CHP). This is spread across different technology providers including Jenbacher, Rolls Royce and Caterpillar. The second largest technology exposure is to biomass (Moy Park Biomass and the biomass element of the Oliva Spanish Cogeneration portfolio) with 30%. Lighting represents the third largest allocation with 18%.

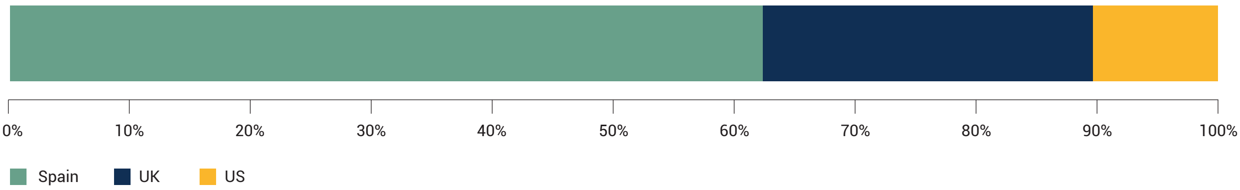
Prior to the acquisition of Oliva Spanish Cogeneration, Engie were the largest subcontractor servicing 48% of the portfolio by value. Engie provide services for both the Moy Park Biomass and Huntsman Energy Centre projects which were a large portion of the March 2019 portfolio. After the Oliva Spanish Cogeneration acquisition, exposure to Engie fell to 13% of the portfolio value, whilst Sacyr (the Oliva Spanish Cogeneration O&M provider) made up 62% of the exposure.

7 Portfolio diversification by technology – 3rd December 2019 includes post-period acquisition Oliva Spanish Cogeneration, completed in November 2019, at cost.

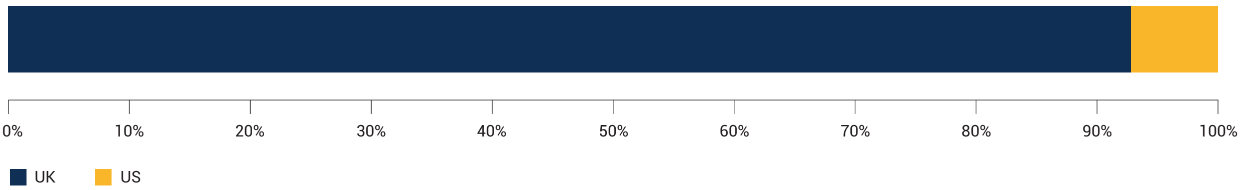
2.3 INVESTMENT PORTFOLIO – CONTINUED

Portfolio diversification by geography[8]

Diversification by geography – 3rd December 2019



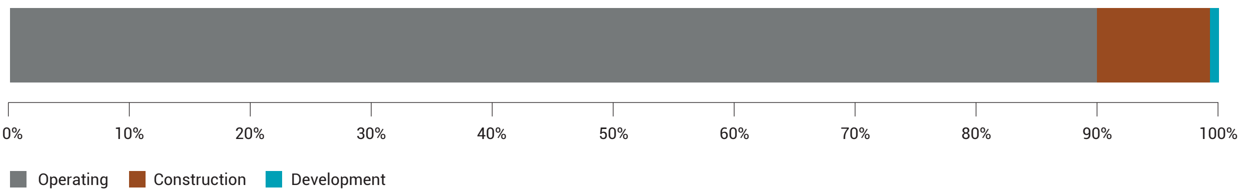
Diversification by geography – March 2019



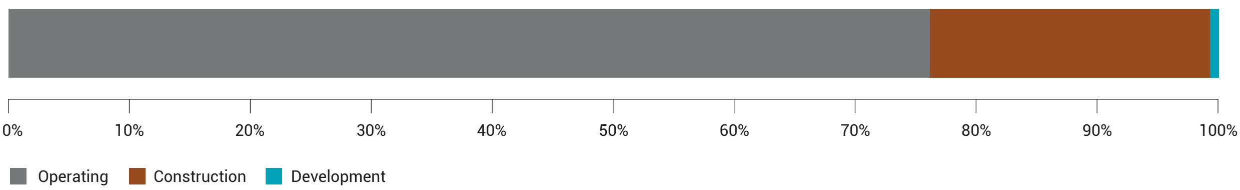
The majority (62%) of the Investment Portfolio is located in Spain following the acquisition of Oliva Spanish Cogeneration. The portion of the portfolio located in the UK represents 27% with North America at 10% following the acquisition of Spark US Energy Efficiency.

Portfolio diversification by investment stage[9]

Investment stage – 3rd December 2019



Investment stage – March 2019



The entire Oliva Spanish Cogeneration portfolio consists of operating CHP and Biomass assets. Additionally, Spark US Energy Efficiency was a lending deal that became effective upon deal completion. As such, the portfolio exposure to operating assets increased from 76% to 90% of the portfolio. The proportion of investments in development (Supermarket Solar UK) stands at 1%. Projects in construction include Huntsman Energy Centre (9%) Operating assets are at 90% of the portfolio as at 3rd December 2019.

8. Portfolio diversification by geography – 3rd December 2019 includes post-period acquisition Oliva Spanish Cogeneration, completed in November 2019, at cost.
9. Portfolio diversification by investment stage – 3rd December 2019 includes post-period acquisition Oliva Spanish Cogeneration, completed in November 2019, at cost.

2.4 Company Key Performance Indicators ("KPIs")

The Company sets out below its financial KPIs which it uses to track the performance of the Company over time against the objectives as described in the Strategic Report within the 2019 Annual Report and Audited Financial Statements.

Financial Item	Period ended 30 September 2019	Period ended 31 March 2019
NAV per share	99.0p	98.4p
Share price (at balance sheet date)	109.0p	103.0p
Share price premium to NAV	10%	5%
Earnings per share	1.4p	0.4p
Dividend interim per share (declared for the period ended)	2.5p	1.0p
Weighted Average Project Life remaining[1]	10.6 years	11.3 years
Largest five investments as a % of Portfolio Valuation	84%	88%
Largest investment as a % of Investment Portfolio	22%	28%
Weighted average length of asset operational history	2.5 years	2.4 years
Ongoing Charges Ratio	1.42%	1.38%

1. Including Oliva Spanish Cogeneration, acquired post period end in November 2019, Weighted Average Project Life remaining is 12.6 years.

2.5 Financial Review

FINANCIAL INFORMATION

In accordance with IFRS 10 the Company carries investments at fair value as it meets the conditions of being an Investment Entity.

In order to provide shareholders with more transparency into the Company's capacity for investment, ability to make distributions, operating costs and gearing levels, results have been reported in the pro forma tables below on a non-statutory "Portfolio Basis" to include the impact if SEEIT Holdco Limited ("Holdco") were to be consolidated on a line-by-line basis.

The Directors consider the non-statutory Portfolio Basis to be a more helpful basis for users of the accounts to understand the performance and position of the Company because key balances, including cash and debt balances carried in Holdco and expenses incurred in Holdco, are shown in full rather than being netted off.

The impact of including Holdco is shown in the Holdco reallocation column which reconciles back to the statutory financial statements ("IFRS") and constitute a reallocation between line items rather than affecting NAV and Earnings.

NAV per share and Earnings per share are the same under the Portfolio Basis and the IFRS basis.

2.5 FINANCIAL REVIEW – CONTINUED

SUMMARY FINANCIAL STATEMENTS

Portfolio Basis Summary Income Statement

	6 month period to 30 September 2019			Period to 31 March 2019		
£'000	Portfolio Basis	Holdco reallocation	IFRS (Company)	Portfolio Basis	Holdco reallocation	IFRS (Company)
Total income	4,746	(1,148)	3,598	1,626	(64)	1,562
Expenses & Finance Costs	(2,380)	1,082	(1,298)	(1,211)	64	(1,147)
Profit/(loss) before Tax	**2,366**	**(66)**	**2,300**	**415**	**–**	**415**
Tax	(66)	66	–	–	–	–
Earnings	2,300	–	2,300	415	–	415
Earnings per share (pence)	**1.4**	**–**	**1.4**	**0.4**	**–**	**0.4**

On the Portfolio Basis, Total Income of £4,746k (March 2019: £1,626k) represents the return from the portfolio recognised as income comprising dividends, interest and valuation movements. Further detail on the valuation movements is given in Section 2.6 Valuation of the Portfolio.

On an IFRS basis, both Total Income and Expenses & Finance Costs are lower than on the Portfolio Basis, as costs incurred by the Holdco are included within Total Income under IFRS, not under Expenses & Finance Costs. On an IFRS basis total income of £3,598k (March 2019: £1,562k) comprises income received by the Company and valuation movements in its investments.

Total fees accruing to the Investment Manager were £736k (March 2019: £241k) for the period, comprising the 0.9% p.a. management fee for assets up to £750 million.

In the period, the Company and Holdco incurred £469k (March 2019: £680k) of acquisition costs on unsuccessful bids and bids in progress (mainly legal, technical and tax due diligence). The majority of such costs relate to the acquisition of Oliva Spanish Cogeneration, the completion of which occurred after the period end.

Neither the Investment Manager nor any of its affiliates receives other fees from the Company's portfolio of investments.

On both the Portfolio Basis and IFRS basis, Earnings were £2,300k (March 2019: £415k) and Earnings per share were 1.4p (March 2019: 0.4p).

2.5 FINANCIAL REVIEW – CONTINUED

Portfolio Basis Balance Sheet

£'000	30 September 2019 Portfolio Basis	30 September 2019 Holdco reallocation	30 September 2019 IFRS (Company)	31 March 2019 Portfolio Basis	31 March 2019 Holdco reallocation	31 March 2019 IFRS (Company)
Investments at fair value	81,320	6,559	87,879	60,850	484	61,334
Working capital	(436)	79	(357)	(2,004)	1,078	(926)
Net cash	88,766	(6,636)	82,130	39,569	(1,562)	38,007
Net assets attributable to Ordinary Shares	**169,651**	**–**	**169,651**	**98,415**	**–**	**98,415**
NAV per share (pence)	**99.0**	**–**	**99.0**	**98.4**	**–**	**98.4**
	81,320	**6,559**	**87,879**	**60,850**	**484**	**61,334**

On a Portfolio Basis, Investments at fair value are £81,320k (March 2019: £60,850k), representing the Portfolio Valuation. Further detail on the movement in Investments at fair value is given in Section 2.6 Valuation of the Portfolio.

On a Portfolio Basis, net cash at 30 September 2019 was £88,766k (March 2019: £39,569k); mainly reflecting cash from equity capital raised net of cash used for acquisitions. As at 30 September 2019, the available cash was fully committed to specific assets identified in the pipeline and approximately £70 million of which was used for the post period acquisition of Oliva Spanish Cogeneration.

An analysis of net cash movement is shown in the cash flow analysis below.

On an IFRS basis, Investments at fair value were £87,879k (March 2019: £61,334k), reflecting the Portfolio Basis Investments at fair value, cash held by Holdco and working capital in Holdco.

NAV per share was 99.0p (March 2019: 98.4p). NAV per share has increased by 0.6p since the year end, reflecting the earnings in the period of 1.4p and the NAV accretive share issue of 0.2p in April 2019 less the 1.0p interim dividend per share paid in June 2019.

2.5 FINANCIAL REVIEW – CONTINUED

Portfolio Basis Cash Flow Statement

£'000	6 month period to 30 September 2019 Portfolio Basis	Holdco reallocation	IFRS (Company)	6 month period to 31 March 2019 Portfolio Basis	Holdco reallocation	IFRS (Company)
Cash from investments	3,533	(531)	3,003	1,687	(1,653)	34
Operating and finance costs outflow	(1,154)	317	(837)	(425)	11	(414)
Net cash inflow before capital movements	**2,379**	**(214)**	**2,165**	**1,262**	**(1,641)**	**(380)**
Cost of new investments including acquisition costs	(21,328)	(5,872)	(27,200)	(59,507)	80	(59,427)
Share capital raised net of costs	70,870	–	70,870	97,813	–	97,813
Movement in capitalised debt costs and FX hedging	(1,011)	–	–	–	–	–
Dividend paid	(1,713)	–	(1,713)	–	–	–
Movement in the year	49,198	(5,075)	44,123	39,569	(1,561)	38,007
Net cash at start of the period	39,569	–	38,007	–	–	–
Net cash at end of the period	**88,766**	**(5,075)**	**82,130**	**39,569**	**(1,561)**	**38,007**

Cash inflows from the portfolio on a Portfolio Basis were £3,533k (March 2019: £1,687k), in line with expectations.

The cost of new investments by the SEEIT group on a Portfolio Basis of £21,328k (March 2019: £59,507k) includes the initial investment and advance into Supermarket Solar UK of c. £1.5 million, the Spark US Energy Efficiency senior debt investment in a portfolio developed by Sparkfund of c. £18.2 million and the release of c. £1.4 million retention described below.

At the point of acquiring the Seed Portfolio, a total of £2.7 million retentions were withheld by the Company via its subsidiary (Holdco) of which £1.5 million was subject to finalising and agreeing the working capital of the investments acquired and £1.2 million in relation to Huntsman Energy Centre which requires certain conditions to be met. At 30 September 2019, the Holdco had paid c. £1.4 million of the £2.7 million contractual retentions and is expecting to pay further c. £0.4 million of the £2.7 million. The reduction comprises a £0.1 million adjustment in relation to the finalised working capital of the investments acquired and a £0.8 million reduction as a result of a change in the forecast completion of construction commissioning works of the Huntsman Energy Centre project. The contractual retention for the Huntsman Energy Centre does not become payable until after construction completion and is subject to further conditions being met.

On an IFRS basis, costs of new investments of £27,200k (March 2019: £59,427k) reflects funding extended by the Company to Holdco in the period.

Dividend paid in the period of £1,713k was an interim dividend payment relating to the period from the IPO to 31 March 2019. This represents an interim dividend of 1.0p per share.

Hedging for the SEEIT group is undertaken by Holdco and therefore the Company had no cash flows for this on an IFRS basis. Holdco enters into forward sales to hedge foreign exchange exposure in line with the Company's hedging policy set out below (see 'Foreign Exchange Hedging').

2.5 FINANCIAL REVIEW – CONTINUED

ONGOING CHARGES

Ongoing charges, in accordance with Association of Investment Companies ("AIC") guidance, are defined as annualised ongoing charges (i.e. excluding acquisition costs and other non-recurring items) divided by the average published undiluted net asset value in the period. On this basis the Ongoing charges percentage is 1.42% (March 2019: 1.38%) after adjusting for the effect on the NAV of the April 2019 capital raise of £72 million. Although marginally higher than before, it is expected that the Ongoing charges should decrease over the course of the year after taking into consideration the impact of the October 2019 equity raise.

DEBT DRAWINGS AND GEARING LEVELS

A revolving credit facility ("RCF") was put in place by Holdco in April 2019 and as at 30 September 2019, Holdco had no drawings under this facility.

The RCF was entered into by Holdco for £25 million and has an expiry date of 30 June 2022. It also provides for access to an additional £40 million of shorter term acquisition financing. Post period end, Holdco utilised c. £61 million of the RCF and acquisition financing for the investment into Oliva Spanish Cogeneration.

The Investment Manager will, periodically, consider refinancing options aligned to the pipeline of potential transactions.

FOREIGN EXCHANGE HEDGING

The Company aims to limit material volatility of NAV to movements in foreign exchange rates. This is achieved through currency hedges by way of forward sales entered into by Holdco for non-GBP investments or through non-GBP borrowings.

Forward sales of foreign currency are put in place for a period of typically up to 2 years, taking into account the forecast non-GBP cash receipts in that period and the remaining capital element of non-GBP investments. The dedicated hedging programme takes into account the cost benefit of hedging activity whilst retaining the key objective of materially mitigating the impact of foreign exchange movements on the Company's results.

2.6 Valuation of the Portfolio

INTRODUCTION

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

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.

The Investment Manager exercises its judgment 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 macro-economic assumptions and specific operating assumptions.

The fair value for each investment is then derived from the application of an appropriate market discount rate 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. 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.

2.6 VALUATION OF THE PORTFOLIO – CONTINUED

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.

The valuation methodology is unchanged from the Company's IPO and details of the valuation methodology can be found in the Company's IPO Prospectus.

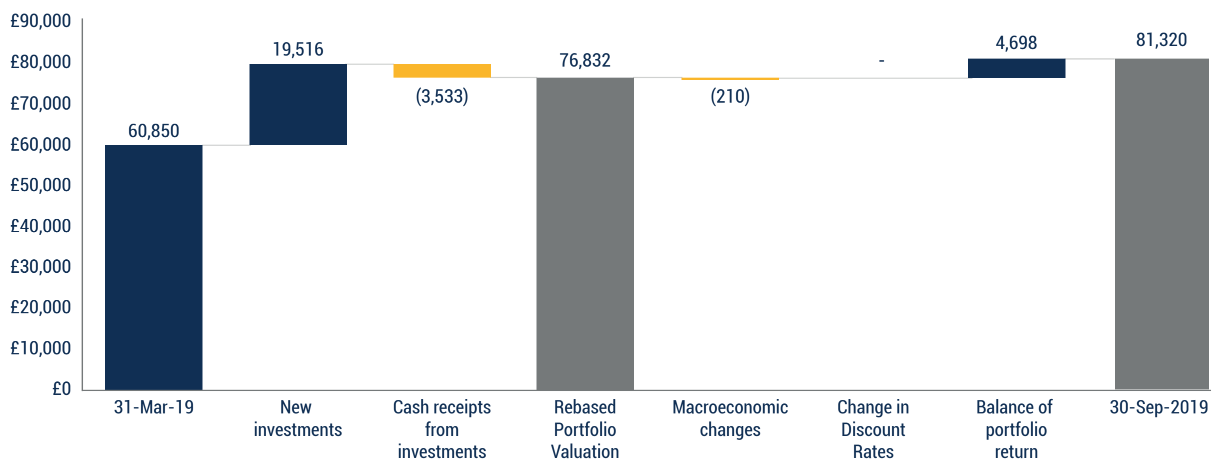
PORTFOLIO VALUATION

The Portfolio Valuation as at 30 September 2019 was £81,320k. This valuation compares to £60,850k as at the 31 March 2019 (up 34%). A reconciliation between the Portfolio Valuation at 31 March 2019 and Investment at fair value shown in the financial statements is given in Note 10 to the financial statements, the principal differences are as per the table below.

	£'000
Portfolio Valuation	81,320
Holdco cash	6,636
Holdco net working capital	(77)
Investment at fair value (see Note 10)	**87,879**

VALUATION MOVEMENTS

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



2.6 VALUATION OF THE PORTFOLIO – CONTINUED

Valuation Movements During the Six Months to 30 September 2019 (£'000)

Portfolio Valuation – 31 March 2019		60,850
New Investments	19,516	
Cash Receipts from Investments	(3,533)	
		15,983
Rebased Portfolio Valuation		**76,832**
Changes in Macroeconomic Assumptions	(210)	
Changes in Discount Rates	–	
Balance of Portfolio Return	4,698	
		4,488
Portfolio Valuation – 30 September 2019		**81,320**

The opening valuation at 31 March 2019 was £60,850k. Allowing for investments of £19,516k and cash receipts from investments of £3,533k, the rebased valuation is £76,832k.

Additional investments of £19,516k in the period include the following:

- a £18,148k investment in Spark US Energy Efficiency
- a £1,267k investment in Supermarket Solar UK

RETURN FROM THE PORTFOLIO

Each movement between the rebased valuation of £76,832k and the 30 September 2019 valuation of £81,320k is considered in turn below:

(i) Changes in macroeconomic assumptions:
Inflation assumptions: There were no changes to inflation assumptions in this period.

Tax rate assumptions: There were no changes to tax rate assumptions in this period.

Foreign exchange: The movement of £210k in the period reflects the weakening of GBP in the period and is shown before the offsetting effect of hedging.

(ii) Changes in valuation discount rates:
There were no changes to discount rates applied to the investments compared to 31 March 2019 and there were no changes to discount rates for new acquisitions in the period compared to the point of acquisition.

Each of the discount rates was reviewed again for the 30 September 2019 valuation to determine if they remain appropriate.

The discount rate used for valuing each investment represents an assessment of the rate of return at which infrastructure investments with similar risk profiles would trade on the open market.

The weighted average portfolio valuation discount rate as at 30 September 2019 was 7.1% (March 2019: 6.5%).

2.6 VALUATION OF THE PORTFOLIO – CONTINUED

(iii) Balance of portfolio return:
This refers to the balance of valuation movements in the year (excluding (i) to (ii) above) and represents an uplift of £4,698k. The balance of portfolio return mostly reflects the net present value of the cash flows brought forward for the period at the average prevailing portfolio discount rate, various additional valuation adjustments described below and reflects good operational cashflow performance.

The portfolio return also includes some additional valuation adjustments:

- The valuation of the Huntsman Energy Centre has seen a reduction of c. £700k as a result of a change in the forecast completion of the construction commissioning which is anticipated to occur in the second half of the financial year. The NAV of the Company is however not affected as the contractual retention payable in relation to this project as part of the acquisition of the Seed Portfolio has decreased by a similar amount.
- Various portfolio enhancements, including one off optimisation of the exposure in the group to UK tax, have provided a benefit to the portfolio in the period of c. £3.3 million.

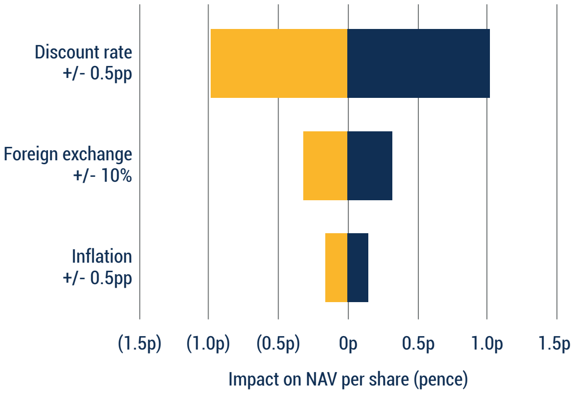
Valuation Assumptions

		30 September 2019	31 March 2019
Inflation rates	UK (RPI)	2.75% p.a.	2.75% p.a.
	USA (CPI)	2.00% p.a.	2.00% p.a.
Tax rates	UK	19% to March 2020, 17% thereafter	19% to March 2020, 17% thereafter
	USA	21% Federal & 3-9% State rates	21% Federal & 3-9% State rates
Foreign exchange rates	USD/GBP	0.81	0.77

2.6 VALUATION OF THE PORTFOLIO – CONTINUED

KEY SENSITIVITIES

The following chart illustrates the sensitivity of SEEIT's NAV per share to changes in key valuation input assumptions (with the labels indicating the impact of the sensitivities on the NAV in pence per share):



For each of the sensitivities, it is assumed that potential changes occur independently of each other with no effect on any other base case assumption, and that the number of investments in the portfolio remains static throughout the modelled life.

DISCOUNT RATE SENSITIVITY

Whilst not a macro-economic assumption, the weighted average discount rate that is applied to each portfolio company's forecast cash flow, is the single most important judgement and variable for the purposes of valuing the portfolio.

A 0.5% increase in the discount rates would result in a NAV per share decrease of 1.0p based on the Portfolio Valuation as at 30 September 2019. A 0.5% decrease in the discount rates would result in a NAV per share increase of 1.0p based on the Portfolio Valuation as at 30 September 2019.

FOREIGN EXCHANGE RATE SENSITIVITY

This sensitivity considers a 10% movement in relevant non-GBP currencies, which in the case of the Portfolio Valuation at 30 September 2019 is US Dollar.

A 10% increase in foreign exchange rates would result in a NAV per share reduction of 1.3p based on the Portfolio Valuation as at 30 September 2019. A 10% decrease in foreign exchange rates would result in a NAV per share increase of 1.3p based on the Portfolio Valuation as at 30 September 2019. This sensitivity is before the effect of the Company's implemented hedging – after hedging the effect on NAV of a 10% increase in foreign exchange rates would result in a NAV per share reduction of 0.3p and 10% decrease in foreign exchange rates would result in a NAV per share increase of 0.3p.

INFLATION RATE SENSITIVITY

This sensitivity considers a 0.5% p.a. movement in long term inflation in the UK and USA.

A 0.5% p.a. increase in inflation rates would result in a NAV per share reduction of 0.2p based on the Portfolio Valuation as at 31 September 2019. A 0.5% p.a. decrease in inflation rates would result in a NAV per share increase of 0.1p based on the Portfolio Valuation as at 31 September 2019. The Company's NAV has limited exposure to inflation which is not expected to increase materially in the future.

CORPORATION TAX RATE SENSITIVITY

The profits of each portfolio company are subject to corporation tax in the country where the project is located.

The current portfolio is structured in an optimal but prudent manner such that the portfolio has negligible sensitivity to movements in corporation tax rates.

Please refer to Note 3 in the Notes to the Financial Statements for further detail.

SECTION 3

Financial Statements

3.1 Statement of Directors' Responsibilities

The Directors acknowledge responsibility for the interim results and confirm that to the best of their knowledge:

(a) the condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union;

(b) the interim management report, included within the Chairman's Statement and Investment Manager's Report, includes a fair review of the information required by DTR 4.2.7, being the significant events of the first half of the year and the principal risks and uncertainties for the remaining six months of the year; and

(c) the condensed financial statements include a fair review of the material related party transactions and any material changes in the related party transactions described in the last annual report, as required by DTR 4.2.8.

The Responsibility Statement has been approved by the Board.

3.2 Independent Review Report

INDEPENDENT REVIEW REPORT TO SDCL ENERGY EFFICIENCY INCOME TRUST PLC

Report on the condensed interim financial statements

Our conclusion

We have reviewed SDCL Energy Efficiency Income Trust PLC's condensed interim financial statements (the "interim financial statements") in the interim report of SDCL Energy Efficiency Income Trust PLC for the 6 month period ended 30 September 2019. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the condensed statement of financial position as at 30 September 2019;
- the condensed statement of comprehensive income for the six month period ended 30 September 2019;
- the condensed statement of cash flows for the six month period ended 30 September 2019;
- the condensed statement of changes in shareholders' equity for the six month period ended 30 September 2019; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2a to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Company is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

3.2 INDEPENDENT REVIEW REPORT – CONTINUED

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The interim report, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

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

What a review of interim financial statements involves

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

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

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

PricewaterhouseCoopers LLP
Chartered Accountants
Uxbridge

December 2019

3.3 Financial Statements

Condensed Statement of Comprehensive Income

For the Six Month Period Ended 30 September 2019

	Notes	**Six months ended 30 September 2019 (unaudited) £'000**	**For the period ended 31 March 2019 (audited) £'000**
Income			
Investment income	4	3,598	1,562
Total income		3,598	1,562
Fund expenses	5	(1,298)	(1,147)
Operating profit		2,300	415
Profit for the period before tax		2,300	415
Tax	6	–	–
Profit and total comprehensive income for the period after tax		2,300	415
Profit and total comprehensive income for the period attributable to:			
Equity holders of the Company		2,300	415
Earnings Per Ordinary Share (pence)	7	1.4	0.4

The accompanying Notes on pages 31 to 38 are an integral part of these condensed interim financial statements.

As per Note 2(a), the comparatives are for the period from 12 October 2018 to 31 March 2019.

All items in the above Statement derive from continuing operations.

Other comprehensive income

There were no items of other comprehensive income in the current period.

Condensed Statement of Financial Position

As at 30 September 2019

	Notes	30 September 2019 (unaudited) £'000	31 March 2019 (audited) £'000
Non-current assets			
Investment at fair value through profit or loss	10	87,879	61,334
		87,879	61,334
Current assets			
Trade and other receivables		247	2,001
Cash and cash equivalents		82,130	38,007
		82,377	40,008
Current liabilities			
Trade and other payables		(605)	(2,927)
Net current assets		81,772	37,081
Net assets		169,651	98,415
Capital and reserves			
Share capital	11	72,287	1,000
Share premium		–	–
Other reserves	11	94,649	97,000
Retained earnings		2,715	415
Total equity		169,651	98,415
Net assets per share (pence)		99.0	98.4

The accompanying Notes on pages 31 to 38 are an integral part of these condensed interim financial statements.

The condensed interim financial statements for the period ended 30 September 2019 of SDCL Energy Efficiency Income Trust plc on pages 27 to 30, were approved and authorised for issue by the Board of Directors on 3 December 2019 and signed on its behalf:

Helen Clarkson
Director

Tony Roper
Director

Condensed Statement of Changes in Shareholders' Equity

For the Six Month Period Ended 30 September 2019

For the period ended 30 September 2019	Note	Share Capital (unaudited) £'000	Share Premium (unaudited) £'000	Other distributable reserves (unaudited) £'000	Retained earnings (unaudited) £'000	**Total (unaudited) £'000**
Balance at 1 April 2019		1,000	–	97,000	415	98,415
Shares issued	11	71,287	713	–	–	72,000
Share issue costs	11	–	(713)	(638)	–	(1,351)
Dividends paid			–	(1,713)	–	(1,713)
Profit and total comprehensive income for the period		–	–	–	2,300	2,300
Shareholders' equity at 30 September 2019		72,287	–	94,649	2,715	169,651

For the period ended 31 Mach 2019	Note	Share Capital (unaudited) £'000	Share Premium (unaudited) £'000	Other distributable reserves (unaudited) £'000	Retained earnings (unaudited) £'000	**Total (unaudited) £'000**
Balance at 12 October 2018		–	–	–	–	–
Shares issued	11	1,000	99,000	–	–	100,000
Share issue costs	11	–	(2,000)	–	–	(2,000)
Reserves transfer			(97,000)	97,000	–	–
Profit and total comprehensive income for the period		–	–	–	415	415
Shareholders' equity at 31 March 2019		1,000	–	97,000	415	98,415

Other distributable reserves were created through the cancellation of the Share Premium account on 12 March 2019. 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.

The accompanying Notes on pages 31 to 38 are an integral part of these condensed interim financial statements.

Condensed Statement of Cash Flows

For the Six Month Period Ended 30 September 2019

	Six months ended 30 September 2019 (unaudited) £'000	For the period ended 31 March 2019 (audited) £'000
Cash flows from operating activities		
Operating profit for the period	2,300	415
Adjustments for:		
Gain on investment at fair value through profit or loss	(2,045)	(78)
Operating cash flows before movements in working capital	255	337
Changes in working capital		
Movement in trade and other receivables	1,754	(2,001)
Movement in trade and other payables	378	227
Net cash used in operating activities	2,132	(1,437)
Cash flows from investing activities		
Purchase of investment	(27,200)	(58,556)
Net cash used in investing activities	(27,200)	(58,556)
Cash flows from financing activities		
Gross Proceeds from the issue of shares	72,000	100,000
Costs of issue of shares	(1,351)	(2,000)
Dividends paid	(1,713)	–
Net cash generated from financing activities	68,936	98,000
Net movement in cash and cash equivalents during the period	44,123	38,007
Cash and cash equivalents at the beginning of the period	38,007	–
Cash and cash equivalents at the end of the period	82,130	38,007

The accompanying Notes on pages 31 to 38 are an integral part of these condensed interim financial statements.

As per Note 2(a), the comparatives are for the period from 12 October 2018 to 31 March 2019.

3.4 Notes to the Financial Statements

1. General Information

The Company is registered in England and Wales under number 11620959 pursuant to the Companies Act 2006. The Company's registered office and principal place of business is Asticus Building, 2nd Floor, 21 Palmer Street, London, SW1H 0AD. The Company was incorporated on 12 October 2018 and is a Public Company and the ultimate controlling party of the group.

On 7 December 2018, the Company announced the results of its initial public offering ("IPO"), which raised gross proceeds of £100 million. The Company's ordinary shares were 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. Subsequent fundraising in April 2019 raised gross proceeds of £72 million.

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 efficient projects.

The Company currently makes its investments through its principal holding company and single subsidiary, SEEIT Holdco Limited ("Holdco"), and intermediate holding companies which are directly owned by the Holdco. The Company controls the investment policy of each of 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.

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the period ended 31 March 2019 were approved by the Board of Directors on 26 June 2019 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

2. Significant Accounting Policies

A) BASIS OF ACCOUNTING

This condensed interim financial statements for the half-year reporting period ended 30 September 2019 has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and Accounting Standard IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 31 March 2019, which has been prepared in accordance with applicable law and IFRSs adopted by the European Union, and any public announcements made by the Company during the interim reporting period, using the historical cost basis, except for certain investments and financial instruments measured at fair value through the Statement of Comprehensive income and that the Company has applied the amendment to IFRS 10, as adopted by the EU and as described below.

The condensed interim financial information has been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates as set out in the notes to the Company's annual financial statements for the period ended 31 March 2019.

The same accounting policies, presentation and methods of computation are followed in these condensed interim financial statements as were applied in the preparation of the Company's financial statements for the period ended 31 March 2019, except for the adoption of IFRS 16 Leases, which became effective for the Company's accounting period ending 31 March 2020. As mentioned in the Company's annual financial statements for the period ended 31 March 2019, the adoption of the new standard has no impact on the Company's reported results.

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in performance, show that the Company should be able to operate within the level of its current facilities. After making enquiries, no material uncertainties were identified, and the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the condensed interim financial statements. Having reassessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Company's condensed interim financial statements.

The Company's financial performance does not suffer materially from seasonal fluctuations.

3.4 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – CONTINUED

For the Six Month Period 1 April 2019 to 30 September 2019

The condensed interim financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates and is the Company's functional currency.

The condensed interim financial statements have been reviewed, not audited. Where relevant, the Company has used comparative as per the Company's results in the annual financial statements for the period from incorporation on 12 October 2018 to 31 March 2019. This is the first interim reporting period for the Company and there are no relevant September comparatives available.

IFRS 10 states that investment entities should measure all of their subsidiaries that are themselves investment entities at fair value. Being an investment entity, Holdco is measured at fair value as opposed to being consolidated on a line-by-line basis, meaning its cash, debt and working capital balances are included in the fair value of investments rather than the Company's current assets.

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 efficient 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.

B) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

The valuation at 30 September 2019 includes significant estimates for future cash flows, including an estimate of costs remaining to complete a construction asset and the expected cash flows in relation to settlement of taxes of UK subsidiaries of the Company.

Judgements

As disclosed in Note 2(a), the Directors have concluded that the Company meets the definition of an investment entity as defined in IFRS 10, IFRS 12 and IAS 27. This conclusion involved a degree of judgement and assessment as to whether the Company met the criteria outlined in the accounting standards.

3. Financial Instruments

Valuation methodology

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.

The Investment Manager exercises its judgment 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 macro-economic assumptions and specific operating assumptions.

The fair value for each investment is then derived from the application of an appropriate market discount rate to reflect the perceived risk to the investment's future cash flows and the relevant period end foreign currency exchange rate to give the present value of those cash flows. 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.

3.4 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – CONTINUED

For the Six Month Period 1 April 2019 to 30 September 2019

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 £'000	Level 2 £'000	Level 3 £'000
30 September 2019	–	–	87,879
31 March 2019	–	–	61,334

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.

Valuation Assumptions		30 September 2019	31 March 2019
Inflation rates	UK (RPI)	2.75% p.a.	2.75% p.a.
	USA (CPI)	2.00% p.a.	2.00% p.a.
Tax rates	UK	19% to March 2020, 17% thereafter	19% to March 2020, 17% thereafter
	USA	21% Federal & 3-9% State rates	21% Federal & 3-9% State rates
Foreign exchange rates	USD/GBP	0.81	0.77

Discount rates

The discount rates used for valuing each renewable infrastructure investment are based on both the industry discount rate and on the specific circumstances of each project. The risk premium takes into account risks and opportunities associated with the investment earnings.

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

	30 September 2019	31 March 2019
Weighted Average discount rate	7.1%	6.5%
Discount rates	4.5% to 9.5%	4.5% to 9.5%

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

Discount rates	NAV/share impact	-0.5% change	Net asset value	+0.5% change	NAV/share impact
30 September 2019	1.0p	(£1,749k)	£169,651k	(£1,676k)	(1.0p)
31 March 2019	1.5p	£1,455k	£98,415k	(£1,395k)	(1.4p)

3.4 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – CONTINUED

For the Six Month Period 1 April 2019 to 30 September 2019

Inflation rates

The portfolio valuation assumes long-term inflation of 2.75% per annum for UK investments (based on UK RPI) and 2.0% per annum for the US investment (based on US CPI). A change in the inflation rate by plus or minus 0.5% has the following effect on the NAV, with all other variables held constant.

Inflation rate	NAV/share impact	-0.5% change	Net asset value	+0.5% change	NAV/share impact
30 September 2019	0.1p	(£262k)	£169,651k	(252k)	(0.2p)
31 March 2019	0.2p	£209k	£98,415k	(£289k)	(0.3p)

Corporation tax rates

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

Corporation tax rate	NAV/share impact	-5% change	Net asset value	+5% change	NAV/share impact
30 September 2019	0.0p	–	£169,651k	–	0.0p
31 March 2019	0.9p	£891k	£98,415k	(£886k)	(0.9p)

Foreign exchange rates

The portfolio valuation assumes foreign exchange rates based on the relevant jurisdiction. A change in the foreign exchange rate by plus or minus 10% has the following effect on the NAV, with all other variables held constant. The effect is shown after the effect of hedging which reduces the impact of foreign exchange movements on the Company's NAV.

Foreign exchange rate	NAV/share impact	-10% change	Net asset value	+10% change	NAV/share impact
30 September 2019	1.3p	£2,187k	£169,651k	(£2,187k)	(1.3p)
31 March 2019	0.3p	£260k	98,415k	(£260k)	(0.3p)

4. Investment Income

	Period ended 30 September 2019 £'000	Period ended 31 March 2019 £'000
Dividend income	1,500	1,450
Bank interest received	53	34
Gain on investment at fair value through profit or loss (Note 10)	2,045	78
Investment income	**3,598**	**1,562**

3.4 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – CONTINUED

For the Six Month Period 1 April 2019 to 30 September 2019

5. Fund Expenses

	Period ended 30 September 2019 £'000	Period ended 31 March 2019 £'000
Investment management fees	737	241
Transaction costs	(18)	629
Non-executive directors' fees (Note 12)	58	34
Other expenses	479	145
Fees to the Company's independent auditor:	42	98
Fund Expenses	**1,298**	**1,147**

As at 30 September 2019, the Company had no employees (31 March 2019: nil) apart from Directors in office. The Company confirms that it has no key management personnel, apart from the Directors which was disclosed in the Directors' Remuneration Report in the annual report and audited financial statements for the period ended 31 March 2019. There is no other compensation apart from those disclosed.

6. Taxation

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

	Period ended 30 September 2019 £'000	Period ended 31 March 2019 £'000
Profit for the period before taxation	2,300	415
Profit for the period multiplied by the standard rate of corporation tax of 19%	437	79
Fair value movements (not subject to taxation)	(389)	(15)
Dividends received (not subject to tax)	(285)	(276)
Surrendering of tax losses to unconsolidated subsidiaries	237	212
UK Corporation Tax	**–**	**–**

7. Earnings per Share

	Period ended 30 September 2019 £'000	Period ended 31 March 2019 £'000
Profit and comprehensive income for the period	2,300	415
Weighted average number of ordinary shares	164,665	100,000
Earnings per ordinary share (pence)	**1.4**	**0.4**

There is no dilutive element during the financial period and subsequent to the financial period.

3.4 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – CONTINUED

For the Six Month Period 1 April 2019 to 30 September 2019

8. Dividends

	30 September 2019 £'000	31 March 2019 £'000
Amounts recognised as distributions to equity holders during the period:		
Interim dividend for the period ended 31 March 2019 of 1p per share	1,713	–

The Company has declared an interim dividend of 2.5 pence per share in respect of the six-month period to 30 September 2019 on 25 November 2019 (Note 14). The dividend, which is payable on 20 December 2019, is expected to total £6,709k.

9. Net assets per ordinary share

	30 September 2019	31 March 2019
Shareholders' equity (£'000)	169,651	98,415
Number of ordinary shares ('000)	171,287	100,000
Net assets per ordinary share (pence)	**99.0**	**98.4**

10. Investment at fair value through profit or loss

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

	30 September 2019 £'000	31 March 2019 £'000
Brought forward investment at fair value through profit or loss	61,334	–
Acquisitions at cost at IPO	–	57,156
New investments	24,500	4,100
Movement in fair value	2,045	78
Closing investment at fair value through profit or loss	**87,879**	**61,334**

Investments in the period reflect funds paid to the Holdco following issuance of equity to shareholders.

Acquisitions

The Company made the following acquisitions during the six months ended 30 September 2019:

On 7 August 2019, an investment was made into Holdco of £1.5 million in relation to financing a portfolio of rooftop solar projects across the estate of Tesco.

On 3 September 2019, an investment was made into Holdco of £18.4 million in relation to a senior debt investment into a portfolio developed by Sparkfund, a US-based energy systems-as-a-service company.

On 11 September 2019, an investment was made into Holdco of £4.6 million in relation to acquiring a 125 megawatts cogeneration portfolio in Spain.

3.4 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – CONTINUED

For the Six Month Period 1 April 2019 to 30 September 2019

The valuation of the Company's underlying portfolio at 30 September 2019 reconciles to the Condensed Statement of Financial Position as follows:

	30 September 2019 £'000	31 March 2019 £'000
Portfolio Valuation	81,320	60,850
Holdco cash	6,636	1,562
Holdco net working capital	(77)	(1,077)
Investment at fair value per Condensed Statement of Financial Position	**87,879**	**61,334**

11. Share capital and reserves

Share issuance	Number of shares £'000	Gross amount raised £'000	Issue costs £'000	Share capital £'000	Other Reserves £'000
Issued on 11 December 2018	100,000	100,000	(2,000)	1,000	97,000
Total issued at 31 March 2019	**100,000**	**100,000**	**(2,000)**	**1,000**	**97,000**
Issued on 16 April 2019	71,287	72,000	(1,351)	71,287	(2,351)
Total issued at 30 September 2019	**171,287**	**172,000**	**(3,351)**	**72,287**	**94,649**

On 18 April 2019, the Company issued 71,287,129 new ordinary shares at a price of 101.0 pence per share raising gross proceeds of £72 million.

The Company currently has one class of ordinary share in issue. All the holders of the ordinary shares, which total 171,287,129 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 were created through the cancellation of the Share Premium account on 12 March 2019. 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.

Retained reserves

Retained reserves comprise the retained earnings as detailed in the Condensed Statement of Changes in Shareholders' Equity.

12. Related parties

The Company and Sustainable Development Capital LLP (the "Investment Manager") have entered into an Investment Management Agreement. Under the terms of the Investment Management Agreement, the Investment Manager is entitled to a management fee calculated as follow:

- 0.9%, per annum of the adjusted NAV in respect of the Net Asset Value of up to, and including, £750 million; and
- 0.8%, per annum of the adjusted NAV in respect of the Net Asset Value in excess of £750 million.

The management fee is calculated and accrues monthly and is invoiced monthly in arrears. During the period ended 30 September 2019, management fees of £737k (31 March 2019: £241k) were incurred of which £268k (31 March 2019: £69k) was payable at the period end.

The Directors of the Company, who are considered to be key management, received fees for their services. Their fees were £58k (disclosed as Non-executive directors' fees in Note 5) in the period (31 March 2019: £34k).

All of the above transactions were undertaken on an arm's length basis and there have been no changes in material related party transactions since the last annual report.

3.4 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS – CONTINUED

For the Six Month Period 1 April 2019 to 30 September 2019

13. Guarantees and other commitments

In April 2019, the Company became the Guarantor of the Revolving Credit Facility (“RCF”) secured by its subsidiary (Holdco). The RCF includes a three-year revolving tranche of £25 million and acquisition finance of up to £40 million.

14. Events after the reporting period

The Directors have evaluated subsequent events from the date of the condensed interim financial statements through to the date the condensed interim financial statements were available to be issued. There were no subsequent events identified which require adjustment or disclosure in these condensed interim financial statements other than those stated below.

In October 2019, the Company issued 97,087,378 new ordinary shares at a price of 103.0 pence per share raising gross proceeds of £100 million. The Company intends to use the proceeds from the placing to fund the acquisition of certain pipeline project assets.

In November 2019, the Company’s subsidiary, Holdco, utilised c. £61 million of the RCF and acquisition financing for the investment into Oliva Spanish Cogeneration.

On 6 November 2019, the Company, completed the acquisition, previously announced on 20 September 2019, of a portfolio of nine cogeneration projects in Spain from Sacyr S.A for a total consideration of c.€150 million.

The Company has declared an interim dividend of 2.5 pence per share in respect of the six-month period to 30 September 2019 on 25 November 2019. The dividend, which is payable on 20 December 2019, is expected to total £6,709k.

Company Information

Directors
Tony Roper, Chairman
Christopher Knowles
Helen Clarkson

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Key Company Data

Company name	SDCL ENERGY EFFICIENCY INCOME TRUST PLC
Registered address	Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD
Listing	London Stock Exchange – Premium Listing
Ticker symbol	SEIT
SEDOL	BGHVZM4
Index inclusion	FTSE All-Share, FTSE SmallCap
Company year-end	31 March
Dividend payments	Bi-Annual
Investment Manager	Sustainable Development Capital LLP
Company Secretary & Administrator	Sanne Group (UK) Limited
Shareholders' funds	£169.7 million as at 30 September 2019
Market capitalisation	£186.7 million as at 30 September 2019
Management fees	0.9% p.a. of NAV (adjusted for uncommitted cash)
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.sdcleeit.co.uk

Glossary

AIC Code the AIC Code of Corporate Governance, as revised or updated from time to time

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

AIFM Directive 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 SEEIT

biomass boiler a wood-fuelled heating system, which burns wood pellets, chips or logs to provide warmth in a single room or to power central heating and hot water boilers

BMS building management systems

CCHP combined cooling/heating and power

CHP combined heating and power

Company SDCL Energy Efficiency Income Trust plc, a limited liability company incorporated under the Act in England and Wales on 12 October 2018 with registered number 11620959, whose registered office is at Asticus Building 2nd Floor, 21 Palmer Street, London, SW1H 0AD

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

Decentralised energy is energy which 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 the premises of a Counterparty or a site directly connected to the premises of a Counterparty in connection with an Energy Efficiency Project, including but not limited to CHP units, CCHP plant schemes, HVAC units, lighting equipment, biomass boilers and steam raising boilers (including IP steam processors)

Energy efficiency project has the meaning given in paragraph 3 of Part II (Industry Overview, Investment Opportunity and Seed Portfolio) of the November 2018 Prospectus

Energy efficiency technology technologies deployed to achieve an improvement in energy efficiency

EPC Engineering, procurement and construction

ESA an energy saving agreement governing the terms on which energy savings are apportioned between the counterparty and the relevant Project

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

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

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

Lighting equipment energy efficient lighting used in connection with an Energy Efficiency Project, including but not limited to LEDs and associated fittings

November 2018 Prospectus is the prospectus issued by the Company on 22 November 2018

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 Equipment

SDCL Group the Investment Manager and the SDCL Affiliates

Steam Raising Boiler Technology is technology through which pressurised water is transformed into steam through the application of heat

DESIGNED AND PRINTED BY PERIVAN 257294

SEEIT

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