SDCL Energy Efficiency Income Trust Plc Interim Report for the six months ended 30 September 2022

SEEIT

SDCL Energy Efficiency Income Trust plc

Interim Report

For the six months ended
30 September 2022

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Contents

1. Highlights and Overview

1.1 Summary of the six-month period to 30 September 2022

£1,176m

Net asset value ("NAV")
at 30 September 2022, up 8% from £1,073.1 million at 31 March 2022

£35.9m

Net investment cash flows[1]
from the portfolio were in line with expectations (September 2021: £22.3 million)

2.9p

Interim Dividends
paid in the period per share, covered 1.3x by cash from investments

6.0p

Target aggregate dividend
on track to deliver 6.0p per share for year ending 31 March 2023, in line with previous announcements on target dividend[2]

£(1.5)m

Loss before tax
in the period to 30 September 2022, including c.£(46.7) million adverse impact on profit from higher discount rates (September 2021: £23.0 million profit)

106.1p

NAV per share[3]
at 30 September 2022, down 2.3p from 108.4p at 31 March 2022 driven mainly by 4.2p reduction from movement in discount rates

0.6%

Total NAV return[4]
in the six-month period and 7.2% p.a. since IPO

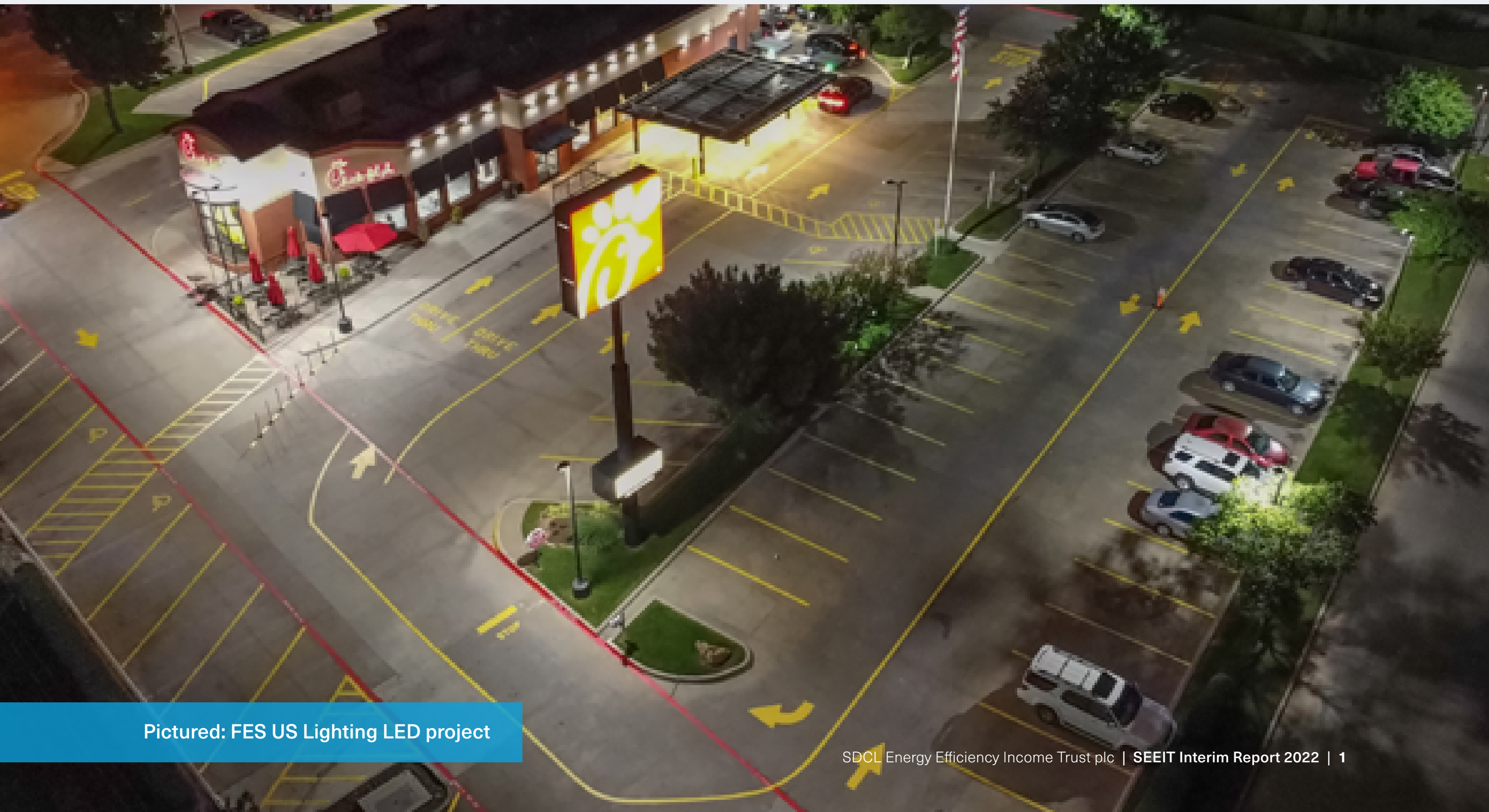
£170m

New investments and commitments
in period. Since 30 September 2022, additional investments of £16.0 million

£135m

Successful capital raise
in September 2022

1 Stated on Portfolio Basis. Portfolio Basis is presented as an alternative performance measure, see Section 2.4
2 The target dividend stated above is based on a projection by the Investment Manager and should not be treated as a profit forecast for the Company
3 NAV per share is presented as an alternative performance measure, see Glossary of financial Alternative Performance Measures and Note 9 for details
4 Total NAV return is based on interim dividends paid and uplift in NAV per share. Dividends are not assumed to be re-invested



Pictured: FES US Lighting LED project

About

SDCL Energy Efficiency Income Trust plc (“Company” or “SEEIT’’)

SDCL Energy Efficiency Income Trust plc is the first listed company in the UK to invest exclusively in the energy efficiency sector.

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. It does so through its investment in a diversified portfolio of energy efficiency projects that deliver lower cost, cleaner and more reliable energy solutions to end users of energy. Projects that SEEIT invests in either provide decentralised on-site generation of power and heat, reduce energy demand or contribute to green energy distribution.

The Company’s current portfolio comprises assets across the UK, Europe, North America and Asia.

The Company’s appointed Investment Manager is Sustainable Development Capital LLP.

The Company is a FTSE 250, closed-ended investment company incorporated in England and Wales. It was admitted to the Official List and to trading on the London Stock Exchange’s Main Market on 11 December 2018.

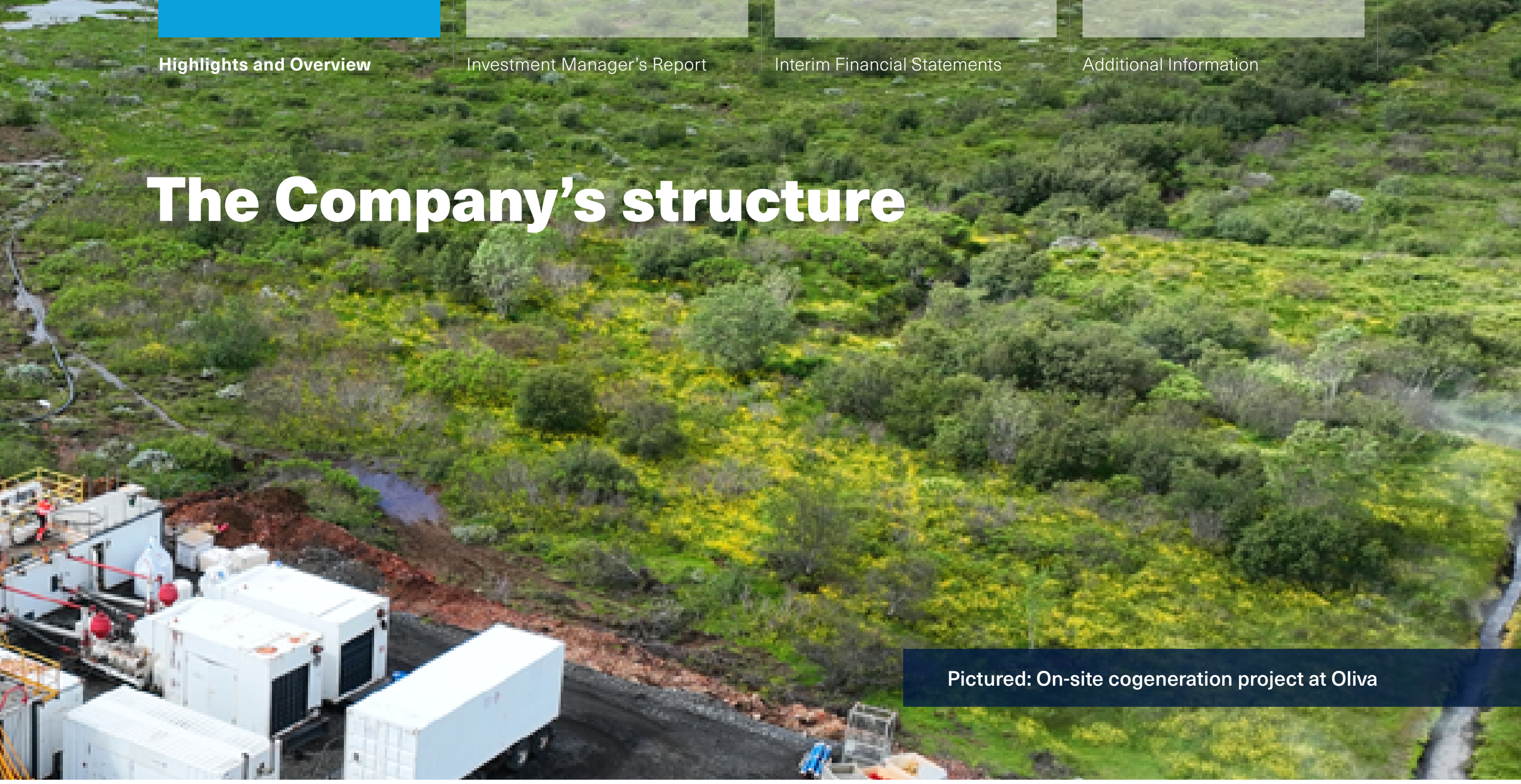
About Sustainable Development Capital LLP (“SDCL”)

SDCL is a London based investment firm with proven track record of investment in energy efficiency and decentralised generation projects in the UK, Europe, North America and Asia.

SDCL was established in 2007 and has a team of over 50 across offices in London, Dublin, New York and Singapore.

With 15+ years sector experience in energy efficiency, SDCL has specialist origination, project development, execution, asset management and portfolio management teams with support from finance, compliance and risk.

Since 2012, the group has raised over £1.5 billion capital commitments including six funds exclusively focused on energy efficiency.



The Company's structure

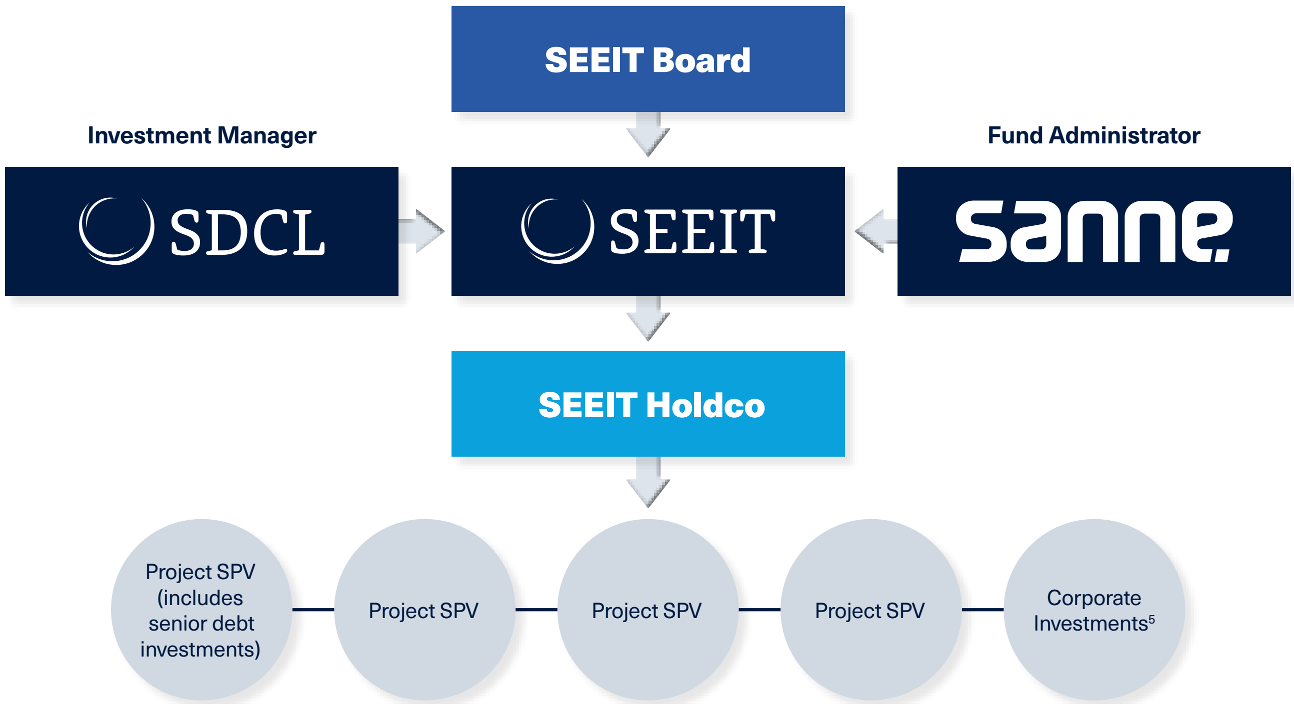
Pictured: On-site cogeneration project at Oliva

The Company has been established in the UK as an investment trust to provide shareholders with access to investment into energy efficiency infrastructure investments.

The Company has an independent Board of Directors, has no employees and has appointed Sustainable Development Capital LLP ("SDCL" or "Investment Manager") to manage the investments on its behalf.

For the Company to achieve its investment objective, it makes its investments via its sole direct subsidiary and main investment vehicle, SEEIT Holdco Limited ("Holdco").

The Investment Manager controls the actions of Holdco and its direct and indirect subsidiaries with the aim of assisting the Company to achieve its stated objective through making new investments via Holdco that are funded by the Company and managing the existing investments that Holdco has directly or indirectly invested in.



[5] As per the Company's allowance for investments into developers, operators or managers of Energy Efficient Projects

1.2 Chair's Interim Statement

Tony Roper
Chair of SEEIT

"In an environment characterised by high energy prices, energy security concerns and increasingly ambitious decarbonisation targets, energy efficiency has never been more important."

On behalf of the Board, I present the Interim Results of SDCL Energy Efficiency Income Trust Plc ("SEEIT'') or (the "Company") for the six months to 30 September 2022.

In an environment characterised by high energy prices, energy security concerns and increasingly challenging decarbonisation targets, all heightened following Russia's invasion of Ukraine, energy efficiency, which reduces carbon emissions and energy costs, has never been more important.

A successful capital raise in early September 2022 has helped to ensure SEEIT has the funds available to be able to invest selectively from its substantial pipeline of opportunities.

Partially fuelled by high and volatile energy prices, inflation rose considerably during the period, as did interest rates. Capital and foreign exchange markets saw significant corrections, particularly towards the end of the period. As such, higher discount rates have been applied than in the previous period, leading to a reduction in valuation of the Company's portfolio. The Company recorded a loss of £1.5 million in the period to 30 September 2022, primarily as a result of the unrealised c.£(47) million adverse impact on profit from rising discount rates. In the event that risk-free rates reduce in the jurisdictions in which we invest, we would expect the discount rates that we use in future valuations to similarly reduce.

The Board closely monitors the share price and recognises that it has been impacted by macroeconomic circumstances and has predominantly traded at a discount to its March 2022 NAV since mid-September. The Board remains confident in the Company's ability to deliver on its stated objectives amidst a challenging market backdrop.

Investment Activity and Capital Raising

The Company announced five new investments or commitments during the period as well as one new investment since the period end. In addition, the Company invested in various follow-on investments across six existing portfolio projects during the period and five following period end.

The Company's existing portfolio generated organic pipeline investment opportunities including a number of follow-on investments into existing projects such as Onyx (on-site solar and storage) and EVN (EV charging), while new investments during the period further diversified the portfolio. New technologies invested in include geothermal heating, energy efficient motors free of environmentally damaging rare earth minerals and energy efficient data centre immersion cooling.

The Board is pleased with the continued diversification in technology, geography and counterparty that the new investments in the period brought to SEEIT's portfolio, which is now providing the Company with a good combination of immediate cashflows and potential further capital growth opportunities.

In September, the Company launched a placing and retail offer with a target raise of £100 million, which was upscaled to £135 million at close, taking into account investor demand, the Company's pipeline and available debt facilities. A scaling back process was also undertaken.

The fundraise substantially underpinned the capital position of the Company and, alongside the Revolving Credit Facility ("RCF"), provides a

1.2 Chair's Interim Statement
continued

robust balance sheet to be able to effectively manage liquidity, invest in growth across existing portfolio projects and pursue attractive new investment opportunities.

The Company continues to pursue a low-gearing strategy relative to the wider infrastructure peer group, with consolidated outstanding debt across the group representing approximately 34% of NAV at 30 September, in line with the Company's medium-term gearing target.

Portfolio and Financial Performance

The Company's investment portfolio remained resilient during the period, amidst a backdrop of substantial energy market volatility, geopolitical fallout from the Russian-Ukraine crisis and evolving government policy actions across multiple jurisdictions. SEEIT benefits from a portfolio of mostly operational projects, contracted with largely high quality counterparties, where it is often providing essential services to essential industries.

Overall, the operational performance of the investment portfolio was in line with expectations. The nature of the Company's investments requires hands-on management from the Investment Manager both to mitigate risk as well as to seek value accretive opportunities. This is further described in Section 2.3.

The Investment Manager places a significant emphasis on monitoring and managing the investment portfolio through its asset management function, not only to protect the value of each investment but also to unlock additional value, either through asset improvements or by streamlining services between portfolio project companies.

The Board was also pleased to be able to attend a site visit at Oliva with members of the Investment Manager's asset management team shortly after period end, the first opportunity to do so since Covid lockdowns commenced. An update on specific, material asset activities during the period is provided in Section 2.3 of this Report.

The macroeconomic environment has been characterised by rising inflation, energy prices and interest rates, and substantial changes in foreign exchange rates. The Company's investment returns are currently net positively correlated to inflation.

The Company's exposure to energy prices is mitigated under the terms of its contracts and, given its emphasis on long term contracts with end clients rather than merchant energy sales to the market via the grid, energy price caps introduced in various countries have not impacted its financial performance. Higher interest rates have also had a limited impact on the Company's investment performance, given relatively low levels of gearing at mainly fixed rates within the debt at project level. Due to the Company's current foreign exchange hedging strategy, volatility in currency markets has also had limited impact on the Company's returns.

Higher interest rates (and in particular risk-free rates) do however impact investment valuations by increasing the discount rates applied to projected future cash flows. Over the six month period (and particularly in September), the 20-year 'risk-free' rates increased by c.1.5% in the US, and by c.2.3% in the UK. Taking higher interest rates and implied risk premia into

5

new investments or commitments
made during the period

34%

Consolidated fund level and project level gearing against Company NAV
as at 30 September 2022

7.3%

Like-for-like increase in weighted average unlevered discount rate across portfolio since 31 March 2022 Annual Results of 30bps, consisting of c.20bps decrease for portfolio changes and c.50bps increase to reflect higher risk free rates account, together with offsetting asset management initiatives, the like-for-like weighted average discount rate applied in the valuation of the Company's portfolio has increased by a net c. 30 basis points to c.7.3% on an unlevered basis and c.8.2% on a levered basis. This has resulted in a £47 million reduction of value in the portfolio and an overall loss reported for the period.

The Company benefits from having a geographically diversified portfolio, which reduces the sensitivity to discount rate movements that may be occurring in any one jurisdiction. The Investment Manager recognises that when it comes to global economic volatility, not all jurisdictions in which the Company invests move in a linear way and that, comparatively, long term yield curves have increased less (and from a higher base) in North America and parts of Europe than in the UK.

As at 30 September 2022, the Company holds by value c.55% of its investments in the United States, c.23% in the UK and c.22% across the rest of Europe and Asia Pacific.

Details on the Company's overall financial and operational performance can be found in the Investment Manager's Report. In addition, the Company published its second ESG Report in November 2022. This report covers key reporting metrics as at the year ended 31 March 2022 and is available on the Company's website.

Principal Risks

The Company's principal risks and uncertainties, as disclosed in the March 2022 Annual Report, remain unchanged and are not expected to change for the remaining six months of the financial year. These include counterparty credit risk, operational risk and global macroeconomic risk, the latter of which continues to experience more volatility due to ongoing energy market instability which has impacted the Company's portfolio valuation.

However, there have been key updates against the principal risks and uncertainties, further details of which can be found in Section 2.3 of the Investment Manager's Report.

Outlook

The Company is in a strong financial position given its recent equity capital raise and availability of Holdco's largely undrawn RCF. It has moderate gearing in line with medium term targets and benefits from strong cash flow generation from its largely operational portfolio.

The Investment Manager continues to focus on implementing strategic asset management. The Investment Manager is selectively evaluating a number of organic and inorganic investments that can deliver attractive risk-adjusted returns for investors, and the Board is confident that the remaining cash from the Company's recent capital raise can be deployed prudently, based on the current identified pipeline.

I would like to thank all our shareholders for their continued support of the Company. The Board recognises the challenges facing stakeholders across energy markets today and believes the Company is well-positioned to manage the key risks facing its portfolio.

Tony Roper
Chair

8 December 2022

1.3 Investment Proposition

Investment Objective

Generate an attractive total return for investors comprising stable dividend income and capital preservation, with the opportunity for capital growth.

Contracted Cash Flows with High Quality Credit Counterparties

- Portfolio revenues are predominantly availability-based, regulated, or pre-determined, with limited unmitigated exposure to demand risk
- Limited unmitigated exposure to merchant power pricing
- High proportion of investment grade counterparties

Highly Diversified, Mostly Operational Portfolio

- Well diversified by geography, technology, project and counterparty
- Exposure to construction and development stage assets limited to 35% of GAV
- Projects substantially de-risked once operational

Critical to Aid Net Zero Transition

- First LSE listed company to invest exclusively in energy efficiency projects
- Government policies highlight role of energy efficiency in mitigating climate change
- Sustainability considerations integrated into all processes and operations

Organic Pipeline

- Scale portfolio provides pipeline of follow-on investments
- Strategic asset management initiatives generate long-term accretive investment opportunities
- Continually leveraging relationships, adapting to evolving market conditions to unlock opportunities

Low Gearing Strategy

- Medium term gearing target of 35% of NAV
- Gearing limit of 65% of NAV available for short-term funding of new investments

1.4 Portfolio Overview

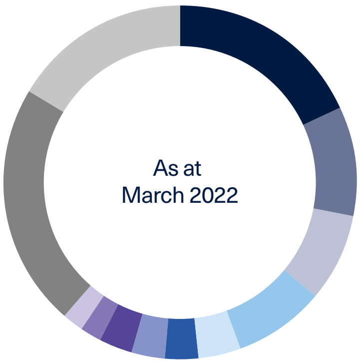
Portfolio Diversification

The information presented below summarises the portfolio of the Company across different metrics, using the Company's gross asset value as at 30 September 2022 (and 31 March 2022 for comparison).

Portfolio Diversification

Investment Exposure

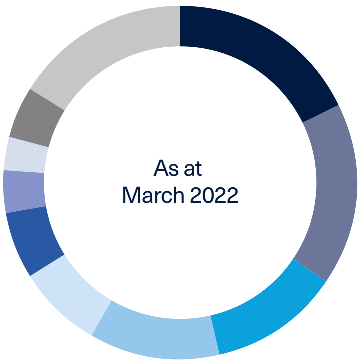
- Red Rochester **20%**
- Primary - Cokenergy **10%**
- Onyx Obsidian Portfolio **8%**
- UU Solar **8%**
- Värtan Gas **7%**
- Primary - Northlake **4%**
- Capshare **3%**
- Oliva Celinares **3%**
- Primary - Portside **3%**
- Oliva Cepuente **2%**
- Remainder of portfolio **25%**
- Cash **9%**



- Red Rochester **18%**
- Primary - Cokenergy **10%**
- Onyx Obsidian Portfolio **8%**
- Värtan Gas **8%**
- Primary - Northlake **4%**
- Capshare **3%**
- Oliva - Celinares **3%**
- Primary - Portside **3%**
- Primary - PCI **2%**
- Oliva - Cepuente **2%**
- Remainder of portfolio **22%**
- Cash **16%**

Technology Exposure

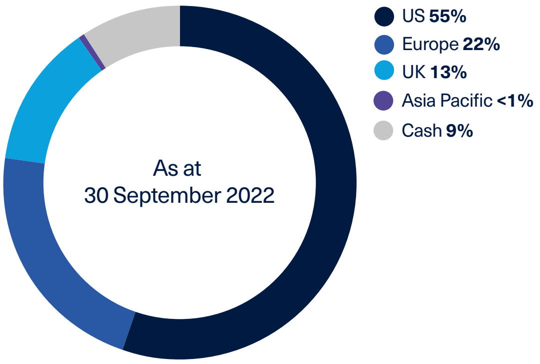
- District Energy **20%**
- Solar & Storage **19%**
- CHP (Waste gases/Other) **14%**
- CHP (Natural Gas) **10%**
- Biomass **7%**
- Gas Distribution Networks **7%**
- Industrial process efficiency solutions **4%**
- Remainder of portfolio **10%**
- Cash **9%**

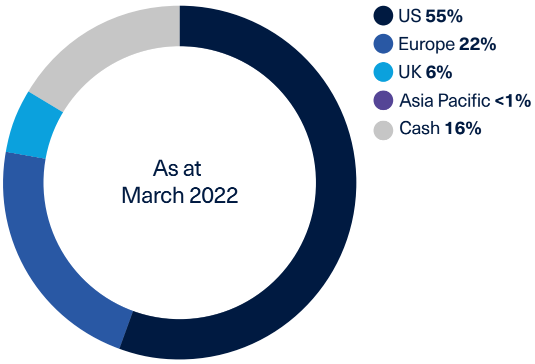


- District Energy **18%**
- CHP (Waste gases/other) **17%**
- Solar & Storage **12%**
- CHP (Natural Gas) **12%**
- Gas Distribution Networks **8%**
- Biomass **6%**
- Industrial process efficiency solutions **4%**
- Lighting **3%**
- Remainder of portfolio **5%**
- Cash **16%**

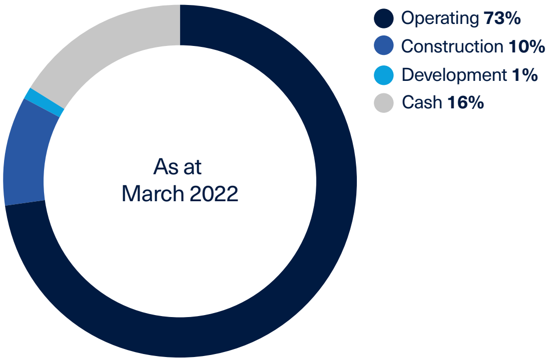
Pictured: Baseload geothermal asset in Iceland

Country Exposure





Lifecycle Stage



2. Investment Manager's Report

Pictured: Capshare operational biomass cogeneration plant

2.1 Introduction

"Energy efficiency investment is by its nature well insulated from a recessionary environment, given its focus on cost reduction and limited exposure to GDP-related infrastructure. During periods of economic challenge, the benefits of cost savings become more pronounced for entities that may be facing lower margins, revenues and overall growth."

The global energy crisis has created market conditions that are driving demand for energy efficiency solutions. The need for energy cost reductions has highlighted the value of efficiency in the generation, distribution and transmission of energy to end users. Conversely, the importance of energy security and reduction in CO^2 emissions are now higher up the policy agenda than ever before.

Higher rates of inflation, together with the increased demand for solutions, is a driver of revenue growth in the existing portfolio. Inflation increases revenues in contracts that benefit from inflation linkage, and higher energy prices increase the value and scale of opportunity for new investment. Demand for cost savings and greater grid reliability are both driving new opportunities in energy efficiency.

Higher long-term interest rate forecasts have impacted discount rates applied to valuations for portfolio investments. While SEEIT has been investing at rates of return that are substantially higher than historic risk-free rates across the Company's key target jurisdictions, it is not immune to changes in the cost of capital. Similarly, the downward pressure on pricing of new investments can create interesting acquisition opportunities with NAV accretive benefits.

Shareholder returns for SEEIT offer potential upsides distinct from traditional fixed income strategies, given that the Company is focused on delivering total returns to investors. While the Company continues to target an annually increasing dividend distribution over time, it is also focused on a number of other factors that can provide an NAV uplift in the medium to long-term.

As noted previously, these include inflation, however the Investment Manager's relationships with end customers, as well as the Company's physical presence in all the regions it operates, provide significant value accretive opportunities. The Company seeks to maximise profit and improve the value of its existing portfolio, rather than just seeking growth.

Macro-economic conditions have created some short-term pressures in the portfolio, but these should be managed by the contractual mitigants the Company has in place with its clients that smooth returns over time. The Investment Manager is highly focussed on mitigating operational risk and optimising value from the Company's existing, highly diversified portfolio of investments, as well as developing and investing in growth initiatives that can enhance income and asset value over time.

The Company adjusts its strategy and implementation of its Investment Policy to deal with changing market conditions, to unlock upsides or to reduce the impact of negative pressures on asset values. This can include, for example, increasing overall exposure to inflation-linked assets or construction and development stage projects. Similarly, the Company can focus the technologies it targets to suit the demand and supply conditions in the market. Accordingly, while a higher interest rate environment can potentially impact the attractiveness of dividend yields, the potential for continued NAV appreciation, combined with an increasing target dividend where cashflows allow, will deliver an attractive total return to SEEIT shareholders.

Some of the key risks facing traditional energy providers in the current market environment do not affect SEEIT's investments, either to the same degree or at all. For example, volatility in expectations for returns from merchant energy sales will not have a material effect on the Company's revenue model, which relies on predominantly pre-determined, long-term contracted returns from counterparties. Similarly, the Company's portfolio is largely unaffected by energy price caps or windfall taxes which are expected to impact large energy generators dependent on grid export revenues.

Furthermore, energy efficiency investment is by its nature well insulated from a recessionary environment, given its focus on cost reduction and limited exposure to GDP-related infrastructure. During periods of economic challenge, the benefits of cost savings become more pronounced for entities that may be facing lower margins, revenues and overall growth.

The Company is also well positioned from a geographic diversification perspective. Its investment exposure to the United States provides opportunities for growth and scale, during a period of challenging economic conditions associated with the UK and European markets.

Overall, the Company is in a strong financial position to support its existing investments and commitments and to take advantage, selectively, of opportunities that may arise in a higher return market environment. The Company is currently significantly under its investment limits in terms of exposure to projects at development or construction stage, continued investment into which can provide further opportunity for enhanced total returns.

2.2 Market Outlook and Strategy

Market Review and Outlook

The key objectives of energy efficiency projects are energy cost reductions, carbon emission reductions and improvements in security of supply and resilience. As such, the challenging market conditions and outlook that persist today create the background against which energy efficiency can add the most value. High energy costs increased the benefits of existing projects and the urgency of new ones. Climate change and environmental pressures have always made energy efficiency attractive as a source of greenhouse gas emission reductions, but even more so when efforts to reduce emissions in the wider economy get harder as the use of higher carbon energy sources such as coal are increasing due to the energy security crisis.

Energy security itself, driven by extreme weather events in the United States and now by war in Europe, has shone a new light on the case for on-site generation, for resilience, and for demand reduction through productivity gains, to reduce dependence on imports and risks associated with reliance on supply of energy from the grid.

Energy Security and Inflation

During the period, the world entered what the International Energy Agency (IEA) has called the "first global energy crisis – a shock of unprecedented breadth and complexity". Energy prices have been exceptionally volatile and prices for spot purchases of natural gas have reached levels never seen before. Energy prices in Europe had already been rising in 2021, as demand rebounded after the peak of the COVID-19 pandemic while energy storage and renewable energy production levels were still ramping up. However, Russia's invasion of Ukraine caused a major spike in gas prices in particular, as supplies to Europe were suddenly reduced, forcing rapid diversification of supply, and putting Europe in competition with other international participants in the global market. Energy security became a critical priority throughout Europe, as the 40% of natural gas that had been sourced from Russia required replacement. Meanwhile, energy stocks across the region had to be replenished to storage levels in excess of 80% ahead of the winter.

Energy prices fuelled inflation in Europe and, via the impact on the global markets, also contributed to the increase in inflation in the United States, which was already on the rise due to supply chain shortages and labour market pressures. Later in the period, central banks reacted to the spectre of inflation by raising interest rates. Expectations for economic growth in Europe and the United States reduced and fears of recession increased. Capital markets expected higher levels of inflation for longer and a substantial increase in interest rates for the following decade, following a prolonged low interest rate environment. In the UK, interest rates rose to particularly high levels and the value of sterling fell in conjunction with the market's reaction to government policies towards the budgetary deficit and a period of political instability.

Grid reliability remains a major concern for local and national governments, as certain regions are at constant risk of severe disruption of the electricity network caused by extreme weather events or geopolitical factors.

This is where energy efficiency, one of the fastest and cheapest sources of energy cost and carbon emission reductions, becomes more important than ever before. Energy efficiency initiatives can significantly improve energy security and resilience through independence from the centralised grid, making it a major part of both the short and long-term solution to the energy crisis facing the world today.

Pictured: Iceotope precision immersion cooling technology

Energy Efficiency & Regulatory Responses

Governments around the world, in particular in the key jurisdictions in which the Company invests, are now focused more than ever on energy efficiency and decentralised energy to limit the impacts of Russia's invasion of Ukraine and to mitigate the consequences of climate change.

United Kingdom

The UK, which hosted the COP26 climate summit in November 2021, has demonstrated its commitment to energy efficiency and decarbonisation through its emission reduction target of 78% by 2035.

Following Russia's invasion of Ukraine, the UK announced its "British Energy Security Strategy," defining energy efficiency as the "first step" to reducing reliance on fossil fuels and cutting costs. The strategy emphasises that energy efficiency would potentially reduce bills by 20% and cut reliance on foreign gas, promising to upgrade 700,000 homes by 2025 and announcing that by 2050 all UK buildings will be "energy efficient with low carbon heating."

Most recently, Chancellor Jeremy Hunt announced that over the long-term the only way to protect the UK from international energy prices is energy independence and energy efficiency, emphasising that energy efficiency is just as important as renewable energy in decarbonisation. The UK has thus set a new ambition of reducing energy consumptions in buildings and industry by 15% by 2030. The 2030 target will see a reduction in energy demand that is equivalent to a £28 billion saving in energy costs across the UK. The UK Parliament, which was already planning to invest £6.6 billion in energy efficiency, doubled its annual investment by announcing £6 billion of new funding to deliver their national energy efficiency ambition.

Europe

The European Commission which has a policy of "Energy Efficiency First", has bolstered the European Green Deal, which is a set of policy initiatives designed to make the EU climate-neutral by 2050, through the introduction of two "Fit for 55" legislative packages. These packages aim to put the EU in line with a target of reducing emissions 55% by 2030 and have a particular focus on energy efficiency through a recast of the Energy Efficiency Directive ("EED").

The EU agreed to reduce its natural gas usage by 15% and its electricity use by 5% this winter, and proposed a new piece of legislation, entitled RePowerEU, that puts decentralised, on-site energy, at the top of the agenda. Recognising that it is one of the most cost and time effective solutions, energy efficiency is now at the center of the EU's efforts, calling for an increase in the binding energy efficiency target from 9% to 13%.

In Autumn, the EU Parliament voted to approve the latest drafts of the Renewable Energy Directive ("RED III") and the EED in line with its goal to reduce reliance on Russian fossil fuels, as set out in RePowerEU. The Parliament voted for a 45% renewable energy target by 2030 and increased the energy savings targets to 40% of final energy consumption and 42.5% of primary energy consumption, from 32.5% as agreed in 2021.

The EU's initiatives signal its focus on improving energy security quickly by decreasing overall energy usage through energy efficiency. This will help to accelerate the clean energy market, translating into investment opportunities for SEEIT over the medium to long term.

United States

The United States, one of the largest and most dynamic markets for investment in clean energy and energy efficiency, has also gained further momentum. Most notably, the US' current administration recently passed sweeping climate action funding in the form of the Inflation Reduction Act. The Inflation Reduction Act commits $369 billion to "Energy Security and Climate Change" investments, which includes a variety of funding allocations and tax programs to accelerate the energy transition.

These tax credits include an extension of the Investment Tax Credit for solar projects, Consumer Tax Credits to support the development of energy efficiency solutions and electric vehicles sales, and Production Tax Credits for manufacturing associated with renewable energy infrastructure.

The Inflation Reduction Act was proposed as a way of reducing inflation by increasing spending to accelerate the energy transition and thereby increasing energy security.

Regional and local governments have also committed to reaching net-zero, with 700+ cities committed to halve emissions by 2030 and reach net-zero by 2050 through the "Race to Zero" initiative.

The Investment Manager anticipates these policy commitments will serve to expand the energy efficiency market, providing further opportunities and support for investment over the short, medium and long term. Government responses of increasing incentives or targets for energy efficiency demonstrates the importance of these quick-to-integrate, cost-effective solutions to help with increasing energy security and curbing energy costs.

Investment Strategy and Approach to Portfolio Composition

The Company seeks to invest in energy efficient projects which deliver cheaper, cleaner and more reliable energy solutions to end users in the built environment, in industry and in transport. The Company focuses on investments that provide effective and reliable energy solutions that typically fit into one or more of three key categories:

Cleaner and More Efficient Supply

Generate energy close to or at the point of use, significantly cutting and in some cases eliminating transmission and distribution losses associated with transporting energy

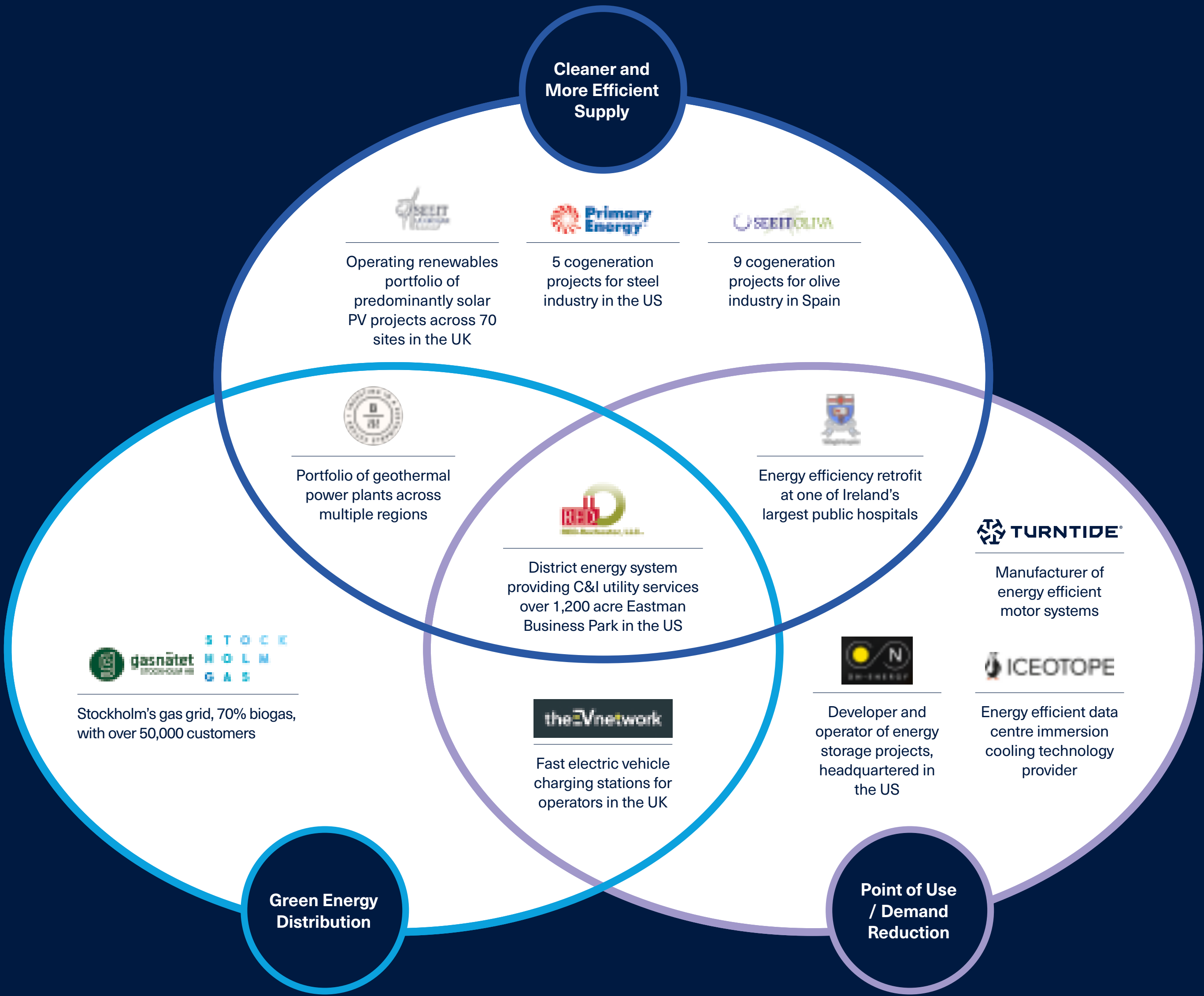
Green Energy Distribution

Connect supply with demand in the most efficient way through green energy distribution, utilising green fuels

Point of Use / Demand Reduction

Help to manage or reduce the demand for energy at the point of use through energy efficient technology and initiatives

The below chart illustrates how some of the Company's portfolio projects fit in to these categories:



2.2 Market Outlook and Strategy
continued

The Company's portfolio has grown significantly since IPO as demonstrated by a gross asset value ("GAV") of c. £98 million at IPO to c. £1.2 billion at 30 September 2022. In executing SEEIT's investment strategy, the Investment Manager has invested in a portfolio of assets diversified by counterparty, technology and geography, which together provide predominantly predictable, long-term contracted income streams.

The Company is able to focus on different markets and sub-sectors within its target jurisdictions, ensuring a suitably wide universe for new investment opportunities.

The majority of the portfolio by value has revenues that are contracted with limited unmitigated exposure to demand risk. Revenues that are availability-based, pre-determined, regulated or underpinned by debt-like characteristics account for c.80% of all revenues. The majority of the remainder (c.16%) are typically contracted on a right of first dispatch, whereby an off-taker agrees to pay for a volume of output to the extent that it has demand for it. The Company continues to seek to minimise exposure to unmitigated energy market price or demand risk.

The portfolio has been constructed carefully to secure income from operational assets to cover dividend targets, both for the current financial year and for long term progressive dividend growth over future years. In addition to income, the Investment Manager also seeks capital growth by selectively targeting late-stage development and construction stage investments. Such investments have been selected on the basis that the Investment Manager is confident that they can become operational in an appropriate timescale with acceptable risk parameters. The Investment Manager seeks to deliver the best available energy services to its counterparties.

Inflationary Impact Analysis

Inflation-linkage is an important consideration when evaluating new opportunities and remains a key factor in overall portfolio construction. The Company's projects operate across a number of different regions, which limits the impact of inflationary volatility in any one jurisdiction. The Company has the highest overall exposure, by country, to the US at 55%, followed by the UK, with 13% in the current portfolio.

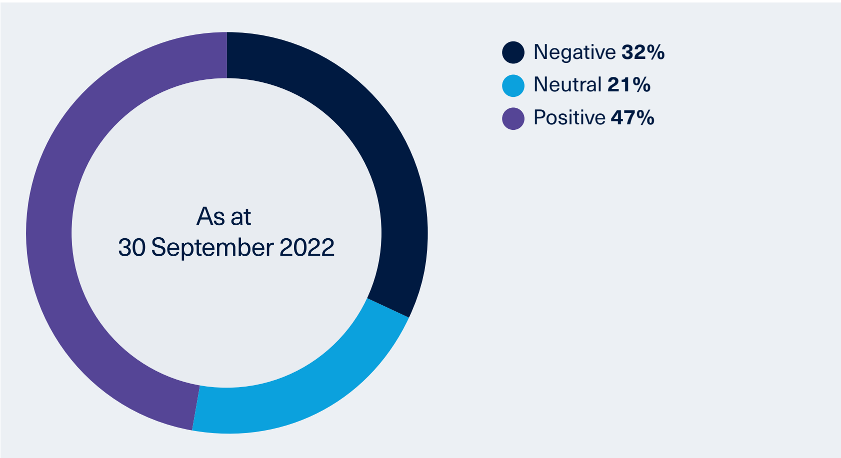
The Investment Manager aims to construct and maintain a portfolio that generates year-on-year revenue growth on a progressive basis. The Investment Manager does not aim to construct and maintain a portfolio of investments purely with direct inflation-linked returns, however it targets any potential adverse inflation impact on the costs in the portfolio to be at least offset through revenue growth over the medium to long-term.

The Company's portfolio is overall positively correlated with inflation, with around half of the Company's revenues being wholly or partly linked to inflation.

In addition, the portfolio includes some flexibility to recontract certain non-inflation-linked revenues in the portfolio, such as:

- At Värtan Gas, individual customer contracts are re-evaluated on an annual basis, typically increasing in line with inflation or otherwise as the company management team sees fit.
- Periodic recontracting of revenue contracts are assumed in the Primary Energy projects, providing an opportunity to recover inflation exposure on costs or introduce direct inflation linkage.

Inflation Linkage



- The effect of a 2% p.a. increase in inflation in all jurisdictions, above the base case assumption, over the next 12 months would be an uplift in the portfolio valuation of approx. £10 million, and a 2% increase in inflation over the next 24 months would be approx. £15 million.

The Investment Manager's base case assumptions are set out in the table below:

Index	2022	2023	2024	2025+
UK (RPI)	12.3%	8.5%	3.7%	3.0%
UK (CPI)	10.2%	7.5%	2.3%	2.0%
US	7.6%	2.9%	2.2%	2.0%
Spain	8.1%	3.3%	2.0%	2.0%
Sweden	6.7%	4.1%	2.1%	2.0%
Singapore	5.3%	3.8%	2.5%	2.0%
Ireland	7.3%	3.9%	2.1%	2.0%
Portugal	6.4%	2.9%	2.0%	2.0%

Investment Pipeline Overview

The Investment Manager's pipeline is characterised by a balance between smaller and medium sized bilateral or privately negotiated investment opportunities, and larger opportunities where the Investment Manager has a competitive or a relationship advantage, which can include competitive processes. By focusing on investing in "organic" investment opportunities through the existing portfolio, the Investment Manager seeks to employ a focused investment strategy. In addition to this, the Company has a broader pipeline of new investment opportunities that it is currently reviewing, whilst monitoring the rising discount rate environment to identify additive opportunities.

The Investment Manager is evaluating a range of technologies across the pipeline, including new technologies to continue to build on a balanced portfolio for SEEIT, with a pathway towards achieving net zero. The Company remains flexible in terms of which technology to employ to address client needs and secure the required investment returns.

Some examples of current pipeline projects include a new opportunity to acquire onsite solar projects in Portugal as part of an existing framework agreement, an opportunity to invest in EV charging infrastructure in the US and follow-on investment into RED to fund new efficiency projects across the estate.

2.3 Portfolio Update for the Period

Investment Activity since 31 March 2022

SEEIT started the period with a portfolio value of c.£913 million and approximately £171 million of cash. Since then SEEIT invested c.£170 million in five new and six follow on investments or commitments during the period to 30 September 2022 and raise a further £135 million through a capital raising. A further c.£16 million has been invested since 30 September 2022 into one new and five follow on investments or commitments.

Portfolio Activity since 31 March 2022

The Investment Manager recognises the importance of managing the Company's portfolio through strategic asset management, with a view to protecting the value of each investment as well as identifying opportunities to create additional value for stakeholders. The Investment Manager plays an active role, both in oversight and in support of the management teams of its portfolio companies, with a focus both on risk management and value improvement.

The Investment Manager's team of over 50 consists of investment professionals with experience in portfolio management, asset and risk management, managing construction and operation and maintenance contracts and ESG Management. In addition, SEEIT's portfolio investments involve more than 300 employees, working on-site at project level, plus a large number of sub-contractors and partners. The Investment Manager seeks opportunities to improve margins and returns, whether by increasing capacity, unlocking new sources of revenue, or addressing cost inefficiencies.

Project	Investment/Commitment Date	Type	Location	Commitment
Baseload	May 2022	New	Sweden	c.£3m[6]
Turntide	May 2022	New	USA	c.£8m
Iceotope	June 2022	New	UK	c.£3m
United Utilities	July 2022	New	UK	c.£100m
On.Energy	August 2022	New	USA	c.£4m[7]
RED Rochester	September 2022	Follow-on	USA	c.£10m
Biotown	Various in the period	Follow-on	USA	c.£1m
Onyx	Various in the period	Follow-on	USA	c.£20m
Spark US Energy Efficiency II	Various in the period	Follow-on	USA	c.£9m
Tallaght Hospital	Various in the period	Follow-on	Ireland	c.£2m[8]
EV Network	Various in the period	Follow-on	UK	c.£6m
FES Lighting	Various in the period	Follow-on	USA	c.£3m

Investment activity since period end

Project	Investment Date	Type	Location	Commitment
EV Network	October	Follow-on	UK	c.£12m
Spark US Energy Efficiency	November	Follow-on	USA	c.£0.7m
Lycra	November	Follow-on	Asia	c.£0.4m
Onyx	November	Follow-on	USA	c.£2m
Bloc Power	November	New	USA	c.£0.2m[9]
FES Lighting	Various	Follow-on	USA	c.£1m

[6] A total commitment of c.£21m (€25m), of which c.£3m has been deployed by 30 September 2022
[7] A total commitment of up to c.£9m (US$10m), of which c.£4m has been deployed by 30 September 2022
[8] A total commitment of up to c.£6m (€6m), of which c.£2m has been deployed by 30 September 2022
[9] A total commitment of c.£6m ($8m), of which c.£0.2m has been deployed by 30 September 2022
All exchange rates as at transaction date

This section provides an update on the performance of the Company's key investments, or group of investments, making up c.75% of the Company's gross asset value as at 30 September 2022.

Oliva Spanish Cogeneration

The Oliva Spanish Cogeneration investment has been impacted by energy market volatility, largely brought about by Russia's invasion of Ukraine. In their efforts to control consumer electricity prices, the Spanish government introduced new market mechanisms that had a negative impact on the short-term economics of five of the nine Oliva projects. At Oliva's cogeneration sites, the offtaker elected to idle certain operations pending government policy clarity, which has impacted profitability for the project in the short-term. The Investment Manager has worked closely with the Oliva management team to optimise the operations of these projects during this period to manage the volatility in fuel costs, whilst also engaging with Spanish energy industry and government stakeholders to positively influence the decision-making of the Spanish government. Current policy implementation does not capture the economic benefit of cogeneration plants in Spain, despite associated emission reductions and importance of these facilities, particularly to the olive oil industry. The Investment Manager expects this situation to be resolved in the near to medium-term. During the period, the Oliva in-house fuel procurement capability has proved invaluable in managing this situation. They were also able to take advantage of lower than budgeted prices of the EU Emissions Trading Scheme ("EU-ETS"), which has also seen significant volatility during the period.

Värtan Gas

In Sweden, the Investment Manager has worked closely with the management team to secure stable gas supplies throughout the recent market volatility. Considerable effort has been put into increasing the gas procurement hedged position and pricing reviews have been undertaken, which together, bring more certainty to the cost basis of Värtan Gas products and are reflected in new customer contracts. During the summer, the Investment Manager also initiated and progressed an organisational restructuring to position Värtan Gas for future growth. A new CEO has been recruited as a cornerstone of this strategic initiative and is due to formally commence work in the position at the start of 2023. Recent pricing reviews were sensitive to potential customer loss although actual customer loss has not been material. The largest proportion of the revenues are received from individuals and restaurants using gas to cook, which in turn can only be supplied by Värtan Gas – customers looking to depart from cooking with gas must therefore switch to electric. This naturally keeps turnover of customers low. A key focus in this project is to increase the use of biogas as a component of total gas which during the period reached 78%.

RED Rochester

The Investment Manager has progressed a number of initiatives to build on the strong operational performance at RED Rochester ("RED"), located within the Eastman Business Park ("EBP") in the USA. A three-year asset management agreement was signed with Ironclad in July 2022, providing a solid foundation of operational management at RED. Additionally, the Investment Manager and Ironclad agreed to incentives aimed at growing RED's EBITDA through marketing efforts to attract new customers and develop value-added projects for existing customers. A number of long-term value accretive initiatives were implemented during the period, including upgrades to the chiller plants as well as finalisation of engineering and procurement plans to build a new cogeneration plant, which will support the energy demands of existing and new customers across EBP.

Onyx

New leadership at Onyx Renewable Partners ("Onyx") is bringing focus on business development strategy and markets to expand beyond commercial and industrial solar development into battery storage and broader energy management opportunities for its customers. The Investment Manager continues to pursue new opportunities for solar and storage development from its relationship network as well as through the Company's portfolio with ongoing discussions at Primary Energy, RED and FES Lighting. The operational projects with Onyx performed broadly in line with expectations. The current construction portfolio, targeting a total of 130MW, has continued to suffer from the impacts of supply chain challenges in executing and completing development opportunities. In the short term, this has been mainly a timing issue rather than a material turnover of actual opportunities. Onyx is further developing its project pipeline and processes to increase the total delivered projects starting in 2023.

Primary Energy

The Investment Manager is working closely with Primary Energy leadership as they improve reliability and plan for the future at their five Indiana Harbor ("IH") sites. In March 2022, Primary Energy customer Cleveland-Cliffs ("CC") announced the idling of its IH steel Blast Furnace ("BF") #4, resulting in the cessation of operations at Primary Energy's Ironside project, which was provided for in the valuation in the previous period. Primary Energy management are working with CC to provide options that will allow for some operations to continue at Ironside to offset some of the losses from the BF#4 idling. Additionally, CC is pursuing a steel industry trend to lower carbon emissions and has introduced the use of hot-buffered iron and natural gas into its IH BF #7, which for a time lowered use of pulverised coal production at Primary Energy's PCI facility over the summer. This has since risen over the last several months to budgeted levels. The Investment Manager continues to work with Primary Energy to pursue value-add opportunities and a renewed focus on capex measures to improve plant reliability, efficiency and profitability.

UU Solar

The Company completed its acquisition of a 69MW portfolio of operational on-site, behind the meter renewable assets in September 2022, originally signed and announced in July 2022. During the period and ahead of financial completion, a competitive tender process was completed to appoint a third party asset manager to monitor, manage and optimise performance of the portfolio with oversight provided by the Investment Manager. Additional opportunities to optimise production and performance across the sites are being evaluated.

Fundraising and Debt Financing

In early September 2022, the Company raised £135 million of capital, having initially proposed a placing to raise approximately £100 million. The Board and the Investment Manager remain extremely grateful for the continued support of the Company's shareholders.

The RCF, which was undrawn at 30 September 2022 provides the Company with additional capacity to manage its liquidity risks and hedging strategy effectively as well as flexibility for identified pipeline projects and various organic opportunities arising from the existing portfolio. The Investment Manager remains prudent in evaluating any new investment opportunities, taking into account current market dynamics in making investment decisions.

As at 30 September 2022 the group's overall gearing, measured on a consolidated and look through basis to include project level debt, was c. 34% — all of which related to project level debt. This is in line with target medium term gearing of 35% across the portfolio and typically amortises over the medium term.

Of the total project level debt, 83% is in the US and 17% in Europe. Furthermore, the existing debt within the portfolio is not exposed to any material refinancing risk in the near to medium-term and over 80% of the prevailing interest rate exposures are fixed or mitigated through contracted interest rate swaps.

The Company continues to pursue a low-leverage strategy relative to the wider infrastructure fund sector and will continue to remain discerning in its level of debt exposure during periods of high interest rate volatility.

Dividend Distributions

In June 2022, the Company paid a fourth quarterly interim dividend of 1.405 pence per share in respect of the year ended 31 March 2022. This brought the aggregate dividends paid to 5.62 pence per share for the year ended 31 March 2022, meeting the target guidance issued by the Company for that financial year.

A first quarterly interim dividend of 1.50 pence per share in respect of the year ending 31 March 2023 was paid in September 2022 and in November 2022 the Company declared a second quarterly interim dividend of 1.50 pence per share. The Company remains on track to deliver a fully cash-covered target aggregate dividend of 6.00 pence per share for the year ending March 2023.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company remain largely unchanged from those described in the March 2022 Annual Report, although the likelihood of certain risks crystalising may have moved over time as described below. The Investment Manager continues to employ suitable mitigants to manage the principal risks and remains alert to the uncertainties created by this current volatility in global financial and energy markets, geopolitical events and other macroeconomic issues.

The Board and the Investment Manager consider risks on a regular basis and conduct reviews to evaluate the risks and mitigants available to the Company, including assessment of potential impacts through targeted stress testing.

Although some risks may be faced directly by the Company, most of the risks are faced indirectly through the project investments in the portfolio. The Investment Manager's risk assessments therefore review the impact at the underlying investment level and assess how they may influence the stated objective of the Company. These assessments are both quantitative and qualitative and may for example include financial performance risk, reputational risk, climate risk and market risk.

The key risks are summarised below:

Counterparty Credit Risk

The key credit risks arising within the portfolio relate to applicable off-take counterparties. Generally, the Investment Manager seeks to ensure that the majority of revenues from projects that the Company invests in are associated with investment grade or equivalent counterparties. At 30 September 2022, SEEIT's counterparty credit exposure had c.64% by value[10] (March 2022: 60%) in projects with revenues associated with investment grade or equivalent counterparties[11].

[10] Based upon 30 September 2022 Portfolio Valuation, excluding cash that is all held with investment grade institutions

[11] Investment grade or equivalent counterparties may be the contracting counterparty, or in certain circumstances a parent or a member of the same group of companies as the contracting counterparty

2.3 Portfolio Update for the Period continued

However, the portfolio mix may change over time, because of decisions taken by the Investment Manager in selecting new investment opportunities, or because of changes in the credit standing of existing counterparties.

Other risk management strategies include:

- **Diversification:** Investing in a well-diversified portfolio that spreads the credit risk across counterparties, geographies and sectors as well as within individual investments
- **Essential Services and Industries:** Investing in projects related to buildings or services that play an important role in their economy or community and/or that have a value that may endure beyond their existing operator or counterparty
- **Strategic Assets:** Identifying investments with a strategic importance that extends beyond the use of the existing counterparty
- **Asset Backing:** Ownership or security over project assets that have substantial value or a security package from counterparties involving satisfactory obligations for them to make payments, e.g cash collateral

There are no material credit events or impairments to highlight in this respect for the period and there have been no significant events or impairments since the Company's IPO in December 2018. The Investment Manager notes that should a prolonged recession be experienced in Europe and/or North America, this could result in a deterioration of credit quality of some counterparties and increase risk of a credit event.

Global Macroeconomic Risks

Macroeconomic instability, in particular its influence on energy markets across the jurisdictions in which SEEIT operates, has had an impact on the Company's portfolio during the period. In particular, the Company's investment portfolio has some exposure to changes in inflation rates (see Section 2.4 for sensitivity analysis). The current portfolio as a whole is currently slightly positively correlated to long-term inflation and, as at 30 September 2022, approximately half of the portfolio by value has revenues that are partly or wholly inflation linked. The Company's financial performance is exposed to movements in interest rates. This includes recent sharp rises in long dated government borrowing rates which has affected discount rates applied to the valuation of investments and in turn has lowered the value of the Company investment portfolio. The impact from rising interest rates has in part been mitigated by higher inflation and where the underlying portfolio has exposure to debt, this has been mostly mitigated through fixed rates or swap protections. There is however a risk that further increases in government borrowing rates may result in further increases in discount rates which will lead to a reduction in portfolio valuations.

The Company also continues to mitigate against the impact of foreign exchange rate risk through the purchase of forward foreign exchange contracts (via Holdco) with the objective to protect the NAV from material movements in foreign exchange rates, and to provide stability and predictability of near to medium term Sterling cash flows. The Company's currency hedging strategy was successful in limiting the impact on the NAV arising from material movements in foreign exchange rates during the period.

While the portfolio does not have material exposure to unmitigated commodity prices, certain investments do have some short-term exposure to natural gas prices, specifically at Värtan and Oliva. The Investment Manager has continued to proactively implement commodity hedges to help manage this volatility.

Operational Risk

Operational risk inevitably varies by investment and given the diversification in technology and geography; the portfolio has not experienced any systemic technical issues.

Some supply chain related delays and construction cost increases have occurred during the period and may continue. This has primarily impacted those investments with exposure to projects in development and construction. Global supply chain pressures have also caused an increase in the cost of materials, while worker shortages have increased labour costs. The Company may have opportunities to pass these costs on to third parties.

During the period, a comprehensive review of cybersecurity was conducted across selected key investments. No critical issues were flagged in the review and the Investment Manager has already commenced actioning recommendations that have come out of the exercise.

Maintaining a detailed insurance programme provides an additional form of risk mitigation by minimising potential downside from unexpected adverse events. The Investment Manager consolidated insurance purchases for all SEEIT-owned investments with a single broker under a long-term agreement signed in May 2022.

Environmental, Social and Governance ("ESG")

The Company published its second ESG report in November 2022. The ESG Report is available on the Company's website at https://www. seeitplc.com/esg/

The ESG Report provides an update on the Company's ESG approach, considerations and performance, while also highlighting the role it can play in the energy transition through its investments in energy efficiency.

The Investment Manager seeks to align the Company with emerging ESG regulations and best-practices through its ESG Management Process. The ESG Management Process integrates ESG considerations into the Company's operations, from deal origination to asset management. The Investment Manager is responsible for implementing SEEIT's ESG Responsible Investment Policy under instruction and supervision of the Board.

The Investment Manager continues to advocate for energy efficiency, championing its cost, emissions and resiliency benefits through events, affiliations, thought leadership, and media activities. Notably, the Investment Manager hosted events at both London Climate Action Week and Climate Week NYC, both advocating for the role of energy efficiency in the energy transition.

2.4 Financial Review and Valuation Update

Financial performance

Against the backdrop of global uncertainties and volatility in the energy and financial markets, SEEIT continued to perform in line with expectations and objectives. The Company's investment strategy, focus on management of the portfolio and efficient financial management has ensured performance remained in line with expectations whilst providing financial stability to capitalise on new investment opportunities and also withstand market volatility.

Analysis of Movement in NAV

Operational performance has been broadly in line with expectations and the investment portfolio has benefited from the current high levels of inflation through increased cashflows however discount rates in the wider infrastructure sector have seen a general increase during the period. This has impacted the individual project discount rates in the Company's investment portfolio resulting in an overall decrease in the Company's NAV.

The NAV per share at 30 September 2022 is 106.1 pence, and has overall decreased by 2.3 pence since 31 March 2022, reflecting the Earnings Per Share in the period of negative 0.2 pence and the NAV accretive share issue of 0.7 pence in September 2022, less the aggregate 2.9 pence interim dividends per share paid in June and September 2022. Before discount rate movements, the NAV increased to 110.3 pence, however the net increase in discount rates caused an adverse 4.2 pence impact on NAV.

Macroeconomic Assumptions

The Investment Manager has analysed a range of inflation forecasts across all geographies for an initial three-year period until 2025 as well as the longer term, and updated the inflation profiles to reflect latest expectations. Overall, the Investment Portfolio has benefited from the current high levels of inflation to contribute to increased future cashflows and a valuation uplift amounting to c.£8.4 million (0.8 pence per share).

Foreign Exchange Movement

Due to the sharp rise and strengthening of the US Dollar against Sterling, the gain in Investment Portfolio value since March 2022 attributable to foreign exchange movement amounted to £119 million. This was largely offset by the loss on FX hedging resulting in a net impact of c.£7 million (0.6 pence per share). Further details on the FX hedging strategy can be found below.

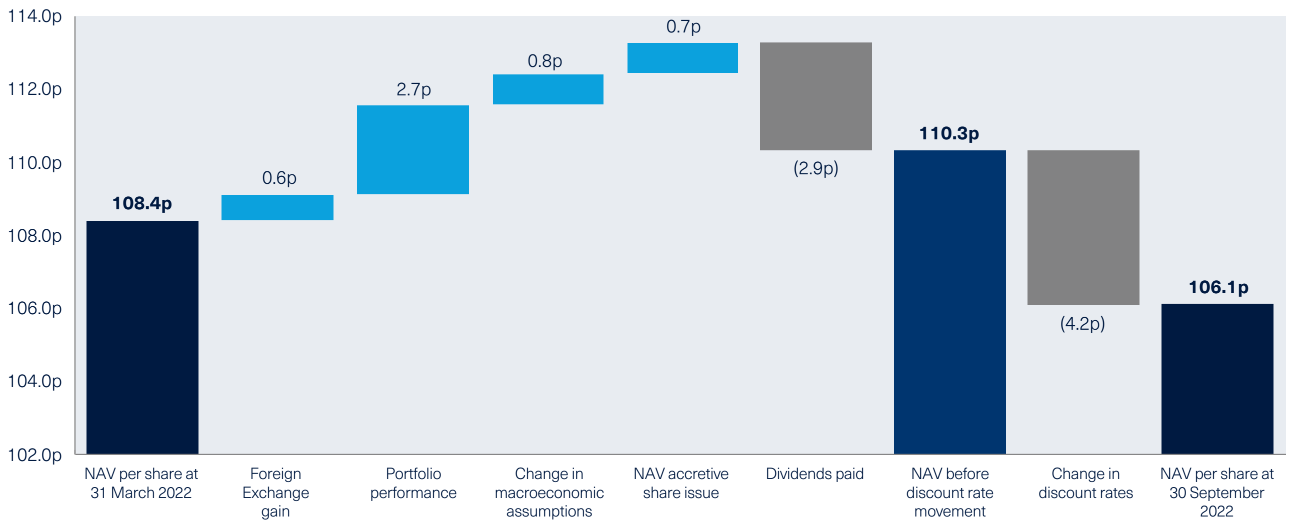
Portfolio performance

The performance of the underlying portfolio generated a return in the period of £35.1 million that was broadly in line with expectations (2.7 pence per share).

Discount Rates

A key component to the discount rates is linked to interest rates. The recent increase in global government borrowing and subsequent rise in debt costs has resulted in discount rates rising throughout the infrastructure sector and alternative asset classes in general. The Investment Manager has reviewed the discount rates of each asset and has concluded that it would be appropriate to raise discount rates by approx. 50 bps, depending on geography, amounting to a c. £46.7 million lowering of the overall valuation and profit before tax. There is currently inherent uncertainty over the likely future trajectory of risk-free (government borrowing) rates and due to a lack of comparable market transactions at this stage, a judgement has been applied as to what would be

NAV Movement in the Period (Pence per share)



a sensible increase in discount rates to apply at this time. The weighted average discount rate for the portfolio is 7.3% on an unlevered basis (8.2% levered). New investments during the period and investments progressing through from construction to operational initially reduced the weighted average discount rate by c.20 bps (unlevered) but the market movements in discount rates then increased the weighted average discount rate back up by c.50 bps to 7.3% on an unlevered basis.

Net assets grew by £103 million in the period primarily due to new capital raise and expected portfolio performance, less the reduction caused by the increased discount rates.

The Company raised £135 million (gross) in September 2022, which was accretive to NAV, adding 0.7 pence. Earnings per share was -0.2 pence, comprising income components of 4.0 pence, made up of 0.8 pence from inflation increases, 0.6 pence from FX and 2.7 from portfolio performance, less capital components of 4.2 pence, made up of discount rate movements.

On a Portfolio Basis the loss before tax was £1.5 million (September 2021: £23.1 million profit). Total return on a NAV per share basis for the period was 0.6%, comprising a 2.3p decrease in NAV per share and interim dividends paid during the period totalling 2.9p per share. Total return on a NAV per share basis since IPO is 7.2% p.a.

Dividends

The Company paid a total of £28.8 million in interim dividends during the period which included the last quarterly dividend for the year ended 31 March 2022 and the first quarterly dividend for the year ending 31 March 2023. Based on the projected investment cash flows from the current portfolio prepared by the Investment Manager and reviewed by the Board, the Company announced new dividend guidance of 6.0 pence per share for the year to March 2023 and as before, targeting a progressive dividend growth thereafter (year on year growth illustrated in the dividend history chart). The Company intends to continue to pay interim dividends on a quarterly basis through four broadly equal instalments (in pence per share).

Financial information

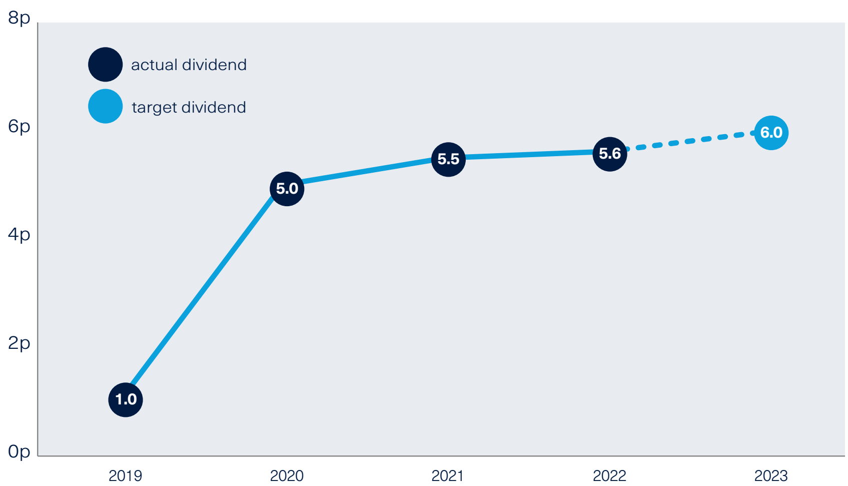
As described in detail in the March 2022 Annual Report, the Company carries investments at fair value as it meets the conditions of being an Investment Entity in accordance with IFRS 10. As the Company has assessed new investments during the period and continued to meet the conditions, this report is prepared on a consistent basis to previous whereby the IFRS 10 Investment Entity exemption is applied to the financial statements.

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," as has been done in previous years, to include the impact if SEEIT Holdco Limited ("Holdco") were to be consolidated by the Company on a line-by-line basis.

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

The impact of including Holdco is shown in the Holdco reallocation column in the Income Statement and Balance Sheet which reconciles back to the statutory financial statements ("IFRS") and constitutes a reallocation between line items rather than affecting NAV and Earnings. In the Cash Flow statement the Holdco reallocation column simply represents the net difference between the Portfolio Basis and IFRS for movements that may occur only in Holdco or only in the Company. NAV per share and Earnings per share are the same under the Portfolio Basis and the IFRS basis.

Dividend History (pence per share)



The Company has paid a stub dividend of 1 pence per share for the four month period between its IPO and March 2019. Thereafter dividends reflect the full year dividends paid or targeted for each financial year.

2.4 Financial Review and Valuation Update
continued

Summary Financial Statements

Portfolio Basis Summary Income Statement

£'million	6 Month period to 30 September 2022			6 Month period to 30 September 2021		
	Portfolio Basis	Holdco reallocation	IFRS (Company)	Portfolio Basis	Holdco reallocation	IFRS (Company)
Total income/(loss)	6.0	(1.9)	4.1	28.7	(1.6)	27.1
Expenses & Finance Costs	(7.5)	1.9	(5.7)	(5.6)	1.6	(4.0)
Profit/(loss) before Tax	**(1.5)**		**(1.5)**	**23.1**	-	**23.1**
Earnings	**(1.5)**	-	**(1.5)**	**23.1**	-	**23.1**
Earnings per share (pence)	**(0.2)**	-	**(0.2)**	**3.3**	-	**3.3**

£'million	30 September 2022			31 March 2022		
	Portfolio Basis	Holdco reallocation	IFRS (Company)	Portfolio Basis	Holdco reallocation	IFRS (Company)
Investments at fair value	1,158.2	(33.9)	1,124.3	912.7	15.5	928.2
Working capital	(41.6)	40.2	(1.5)	(10.6)	9.4	(1.2)
Debt	-	-	-	-	-	-
Net cash	59.3	(6.2)	53.1	170.9	(24.9)	146.1
Net assets attributable to Ordinary Shares	**1,175.9**	-	**1,175.9**	**1,073.1**	-	**1,073.1**
NAV per share (pence)	**106.1**	-	**106.1**	**108.4**	-	**108.4**

Treasury Management

Cash cover

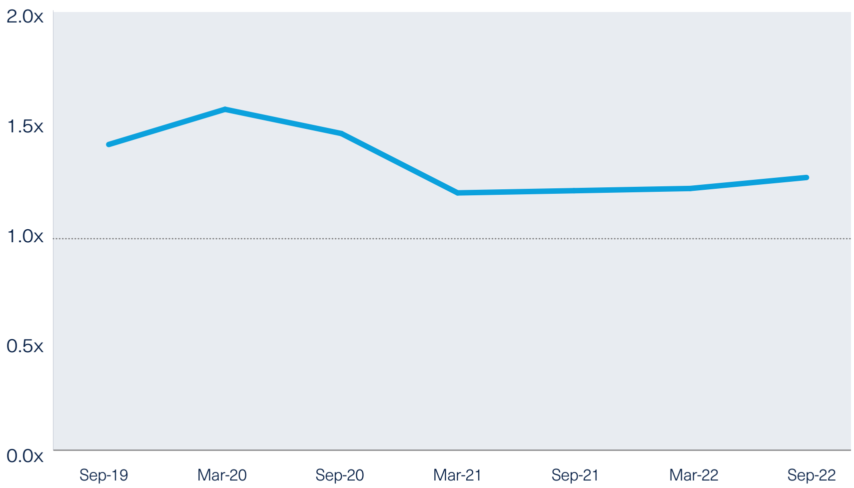
The Company's operational cash inflow from investments during the 6 months was £43.3 million (Sep 2021: £27.2 million). As a result, cash dividends paid during the half year of £28.8 million were 1.3x covered by the Company's operating cash flow (Sep 2021: 1.2x).

This was achieved through efficient cash management and actively managing the assets to ensure continued operational performance, while sufficient funding levels remain for projects in their construction phase.

The below chart illustrates the Company's cash cover levels since IPO has remained consistently around the 1.2x level.

Maintaining these levels of cash cover has resulted in cumulative excess cash cover of £25 million since IPO, demonstrating the consistent and contractual nature of the income from the underlying assets in the portfolio, as well as the ability of the portfolio to generate excess cash that can be reinvested.

Historical Cash Cover



The Company's Hedging Strategy

The objective of the Company's hedging strategy is to protect the value of both near-term income and capital elements of the portfolio from a material impact on NAV arising from movements in foreign exchange rates.

The Company's hedging strategy is executed at the level of Holdco, so the Company itself is only indirectly exposed to foreign exchange movements. This is achieved on an income basis by hedging forecast investment income from non-Sterling investments for up to 24 months through foreign exchange forward sales. On a capital basis it is achieved by hedging a significant portion of the portfolio value through rolling foreign exchange forward sales. The Investment Manager also seeks to utilise corporate debt facilities in the local currency to reduce foreign exchange exposure.

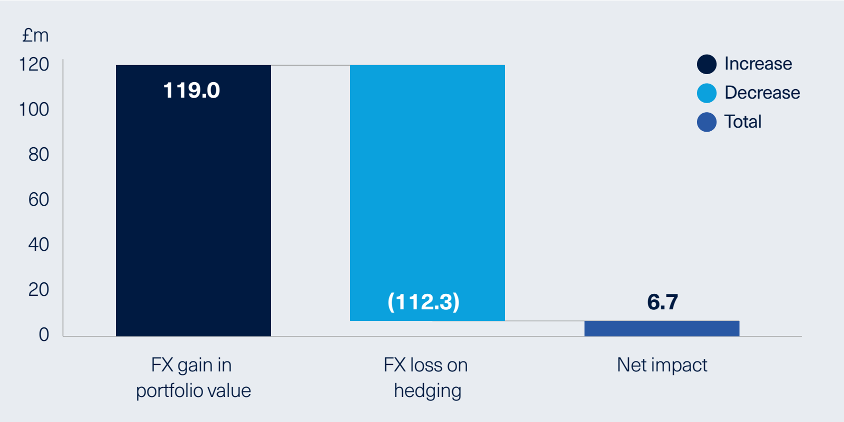
As part of the Company's hedging strategy the Investment Manager will regularly review non-Sterling exposure in the portfolio and adjust the levels of hedging accordingly and in doing so will also take into account the cost benefit of hedging activity. The hedging strategy also dictates that at times the Company needs to retain additional cash to meet the liquidity requirements imposed by hedging counterparties during periods of volatility affecting the Company adversely.

As demonstrated below the portfolio has a substantial exposure to non-GBP assets. In the execution of hedging strategy, the Investment Manager has chosen to retain high levels of hedging during the period, typically ranging between 90-100% of the value of the underlying non-GBP investments.

Portfolio Exposure by Currency

Portfolio by value as at 30 September, excluding cash held in Sterling

Impact on NAV Arising from FX



During the period due to the sharp movements in GBP/USD and the strengthening of the USD, the gain in portfolio value attributable to FX was £119.0 million. This is offset by the FX loss on hedging of £112.3 million, limiting the movement in NAV from the net movement in foreign exchange to significantly less than 1%.

Liquidity

The Investment Manager has been mindful of ensuring there remains significant headroom in liquidity to cover existing investment commitments and opportunities arising from both organic and inorganic pipeline. In addition, the volatility in foreign exchange markets has increased the need for available liquidity to meet cash collateral requirements and mark-to-market losses when rolling over foreign exchange trades.

The arrangements Holdco has with its group of lenders acting as hedge counterparties range from requirements to post cash collateral above certain levels of exposure to linking its exposure to the RCF itself. To manage liquidity risk, the Investment Manager has arranged increases in cash collateral thresholds during the period and took the opportunity to diversify its exposure between different hedge counterparties further.

2.4 Financial Review and Valuation Update
continued

This has significantly reduced liquidity risk faced by Holdco such that Holdco and the Company had more than sufficient levels of liquidity at all times during and after the period. In the period, due to sudden sharp movements in GBP/USD, the highest amount reached for cash collateral posted was £56 million. As at 30 November 2022 the amount outstanding for cash collateral was £6 million. This has resulted in a healthy liquidity position of c.£120 million cash held and c.£110 million headroom in the RCF.

Ongoing Charges

The Company's Ongoing Charges ratio reduced to 0.93% (March 2022: 1.00%, September 2021: 1.13%), benefitting from the growth in the net assets, spreading costs across a larger base and actively managing corporate costs. As the portfolio has grown, Ongoing Charges are positively impacted by the ratchet in the management fee calculation, which decreases from 0.9% to 0.8% for Net Asset Value above £750 million.

Ongoing charges, in accordance with AIC guidance, are defined as annualised ongoing charges (i.e. charges for the period extrapolated over a full year, excluding acquisition costs and other non-recurring items) divided by the average published undiluted net asset value in the period (i.e. average of opening and closing net asset value in the period). Ongoing Charges percentage has been calculated on the Portfolio Basis to take into consideration the expenses of the Company and Holdco.

Portfolio Basis Cash Flow Statement

	30 September 2022			30 September 2021		
£'million	Portfolio Basis	Holdco	IFRS (Company)	Portfolio Basis	Holdco	IFRS (Company)
Cash from investments	43.3	(7.8)	35.5	27.2	(3.7)	23.5
Operating and finance costs outflow	(7.4)	1.8	(5.6)	(4.9)	0.6	(4.3)
Net cash inflow before capital movements	**35.9**	**(6.0)**	**29.9**	**22.3**	**(3.1)**	**19.2**
Cost of new investments including acquisition costs	(172.3)	(54.7)	(227.3)	(213.0)	(11.6)	(224.6)
Share capital raised net of costs	132.9	-	132.9	245.8	-	245.8
Movement in borrowings	2.0	(2.0)	-	-	-	-
Movement in capitalised debt costs and FX hedging	(81.1)	81.4		3.5	(3.5)	-
Dividends paid	(28.8)	-	(28.8)	(18.8)	-	(18.8)
Movement in the period	(111.7)	18.7	(93.0)	39.8	(18.1)	21.7
Net cash at start of the period	170.9	(24.8)	146.1	126.2	(4.1)	122.1
Net cash at end of the period	**59.3**	**(6.1)**	**53.1**	**166.0**	**(22.2)**	**143.8**

The total cost of investments during the period by the SEEIT group on a Portfolio Basis was £173 million (September 2021: £213 million), including £52 million invested as follow-on in existing investments. Further details can be found in Section 2.2.

Going Concern

The Directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Portfolio Valuation

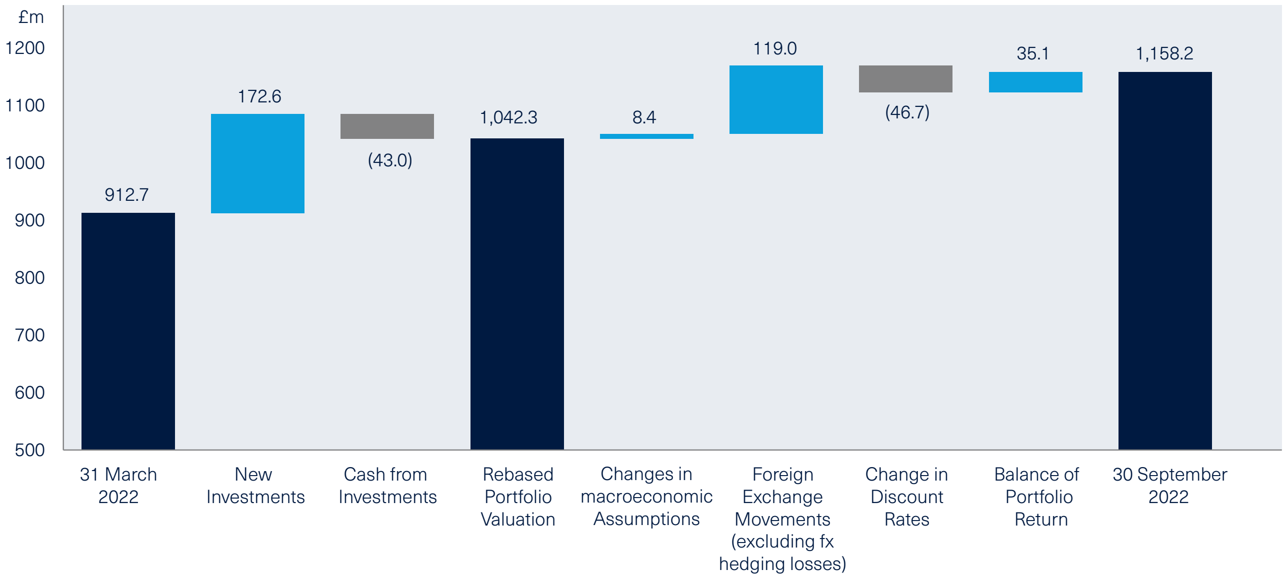
The Portfolio Valuation as at 30 September 2022 was £1,158 million. This valuation compares to £913 million as at 31 March 2022. A reconciliation between the Portfolio Valuation at 30 September 2022 and Investment at fair value shown in the financial statements is given in Note 10 to the Condensed Interim Financial Statements.

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.

The Company has a single investment in a directly and wholly owned holding company, SEEIT Holdco ("Holdco"). It recognises this investment at fair value. To derive the fair value of Holdco, the Company determines the fair value of investments held directly or indirectly by Holdco and adjusted for any other assets and liabilities. The valuation methodology applied by Holdco to determine the fair value of its investments is materially unchanged from the Company's IPO and has been applied consistently in each subsequent valuation. Further details can be found in Note 3 and a detailed description can be found in the March 2022 Annual Report.

Valuation Movements (£ million)

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



Valuation Movements During the Period To 30 September 2022	**£'m**	**£'m**	
Portfolio Valuation – 31 March 2022		912.7	
New investments	172.6		
Cash from investments	(43.0)		
		129.6	
Rebased Portfolio Valuation		**1,042.3**	**% on Rebased**
Changes in Macroeconomic Assumptions	8.4		0.8%
Changes in Foreign Exchange (excluding hedging losses)[12]	119.0		11.4%
Changes in Discount Rates	(46.7)		(4.5%)
Balance of Portfolio Return	35.1		3.4%
		115.9	
Portfolio Valuation – 30 September 2022		**1,158.2**	

[12] Hedging losses in the period amounted to c.£112m and therefore the net impact from FX on the Company's investment in Holdco was a c.£7m gain and reflected in the fair value loss disclosed in Note 10

2.4 Financial Review and Valuation Update
continued

The Portfolio Valuation at 30 September 2022 was £1,158.2 million, an increase of 27% from the Portfolio Valuation of £912.7 million. After allowing for investments of £172.6 million (see Section 2.2 for more details) and cash receipts from investments of £43.0 million, the rebased valuation is £1,042.3 million. An overall increase of £115.9 million in the Portfolio Valuation was achieved above the rebased valuation – after adjusting for changes in macroeconomic assumptions, foreign exchange movements and changes in discount rates, this resulted in a portfolio return of £35.1 million, equating to a 3.4% return in the period.

The portfolio delivered cash flows in the period in line with expectations, contributing to the strong level of cash cover for the dividends paid in the period.

Return from the Portfolio off the Rebased Valuation[13]

Each movement between the rebased valuation of £1.042.3 million and the 30 September 2022 valuation of £1,158.2 million is considered in turn below:

(i) Changes in Macroeconomic Assumptions of £8.4 million:

Inflation assumptions: Consistent with March 2022, the approach in all jurisdictions is to apply a 3-year near-term bridge to the relevant long-term inflation assumption. Given the rises in global inflation in the last 6 months, this has resulted in an uplift in the valuation due to high near-term inflation compared to the assumptions applied for the March 2022 valuation or at the time of investments during the year.

Tax rate assumptions: There were no changes to corporation tax rate assumptions during the period.

Further details on the macroeconomic assumptions applied to the 30 September 2022 valuation and comparison to previous periods can be found in Note 3.

(ii) Changes in Foreign Exchange Rates of £119.0 million (excluding hedging losses):

The gain of £119.0 million on the investment portfolio in the year reflects the movements of GBP against US Dollar, Euro, Singapore Dollar and Swedish Krona since 31 March 2022, or since new investments were made in the period. The most notable movement came from GBP's weakening against US Dollar and given SEEIT's portfolio exposure to the USA, it has had a pronounced effect on portfolio valuations. This however only reflects the movement in underlying investment values and is shown before the offsetting effect of foreign exchange hedging that is applied at the level of SEEIT Holdco outside of the Portfolio Valuation which resulted in an aggregate loss of £112.3 million. Therefore, overall foreign exchange movements did not have a significant impact on NAV in the period with a net profit from foreign exchange hedging and movement in the assets of £6.7 million.

(iii) Changes in Valuation Discount Rates of £46.7 million:

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.

During the period there were increases in discount rates across the whole investment portfolio that in aggregate resulted in a decrease in the valuation of £46.7 million.

Although the Investment Manager observed downwards pressure on discount rates generally in the market for energy efficiency investments in the earlier part of the period, global market movements right at the end of the period caused significant amount of uncertainty and in turn has created an expectation of higher discount rates for infrastructure assets.

The uncertainty has come in part from the pressure of rising long dated government borrowing rates globally, including in the key geographical areas that SEEIT focuses on, stemming from uncertain geopolitical times.

It is too early to say how much of this uncertainty will feed through to pricing of potential new investments or how much it should affect the pricing of existing portfolios of energy efficiency infrastructure assets. However the Investment Manager has elected to take a prudent approach and revise its view on discount rates and, having assessed geographical areas as a whole and each project individually, has applied an increase that pushes up the weighted average discount rate to 7.3% on an unlevered basis (March 2022: 7.0%) and 8.0% on a levered basis (March 2022: 8.0%). Long-term government borrowing rates increased to a lesser degree in North America and Europe compared to the UK and therefore increases in unlevered discount rates in these geographies tended to be lower than the UK. The Investment Manager's views were based on information as at 30 September 2022 although reductions in long term government borrowing rates since 30 September 2022 have been noted in the UK, USA and Europe.

13 The aggregate movement in Changes in Macroeconomic Assumptions (£8.4m), Foreign Exchange Gain (£119m), Hedging Losses (£112m) and Discount Rates (£47m) materially reconcile to the fair value movement disclosed in note 10

(iv) Balance of portfolio return of £35.1 million:

This refers to the balance of valuation movements in the year (excluding (i) to (iii) above) and which provided an uplift of £35.1 million. The balance of portfolio return reflects the net present value of the cash flows unwinding over the period at the average prevailing portfolio discount rate and various additional valuation adjustments described below. The portfolio delivered a return of 3.4% in the period. The portfolio valuation, and by implication the return achieved, includes a number of key estimates and judgements in addition to key changes assumed in the portfolio valuation. The key estimates and judgements described below summarise those that have had a material impact on the September 2022 Portfolio Valuation and therefore the Company's NAV, defined for the purpose of this section as 1% or higher. The below movements are all between 1% and 2% of NAV:

- Medium to long term energy demand at PCI in the Primary Energy portfolio has been lowered materially, resulting in an adverse impact on the valuation.
- Uplift in valuation of five projects at Oliva Spanish Cogeneration from applying proposed legislative changes published since the March 2022 valuation to future EU ETS cost assumptions, therefore greater compensation will be awarded through the RoRi regulatory regime to reflect the rising EU-ETS cost seen in the last two years.
- There have been some further updates to the RoRi which includes updates to how fuel costs are compensated for, the overall result of which has resulted in an uplift in valuation. The valuation of the nine projects at Oliva Spanish Cogeneration is sensitive to volatile movements in commodity prices. The basis of the RoRi regulatory regime is to provide mitigated protection to medium and long term returns. There has also been further proposed regulatory updates to the regime designed to help with mitigation of short term volatility. Due to the market uncertainty, individual updates to assumptions such as future cost of natural gas or future electricity pool prices can cause material swings in the valuation though noting these two factors have a largely offsetting impact to the valuation, these factors typically have to be viewed together due to their causal relationships.
- Uplift in the valuation at Red Rochester due to a ramp up in forecast customer load assumptions resulting in additional forecast revenues from those previously assumed, the advancement of accretive initiatives (including construction of a new cogeneration plant) and probability-based assumption of delivering additional business development opportunities to deliver incremental energy services.

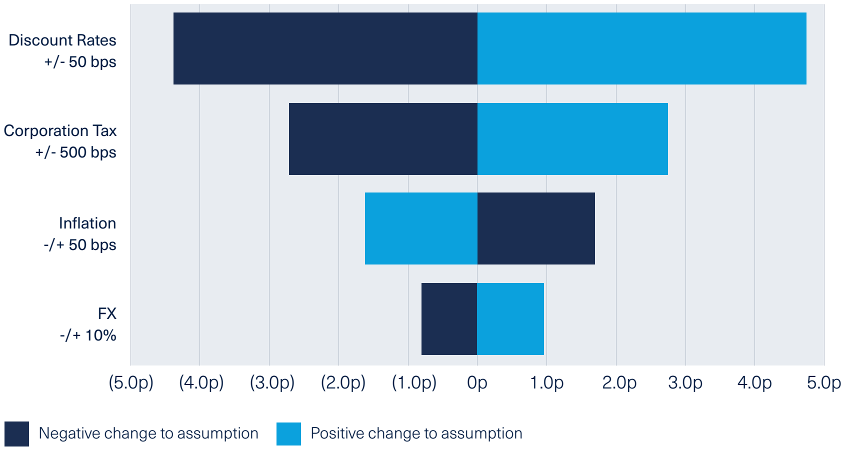
Additional information on critical estimates and judgements are in Note 2.

Pictured: On-site energy generation as part of the RED Rochester Eastman Business Park

2.4 Financial Review and Valuation Update
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. For the purpose of the sensitivities described below, the potential changes are applied as at 30 September 2022 and remain constant thereafter apart from inflation which is applied with compounding effect.

Please refer to Note 3 in the Notes to the Financial Statements for further detail on the key sensitivities in this section and Note 2 for further detail on critical estimates and judgements and their sensitivities.

Discount Rate Sensitivity

The discount rates that are applied to each project's forecast cash flow, form in aggregate the single most important judgement and variable for the purposes of valuing the portfolio. The sensitivity shown in this section shows the sensitivity of changing the underlying discount rates for each underlying project and where such a project has debt in place, the sensitivity takes into account the levered discount rate of the project.

A 0.5% increase in the discount rates would result in a NAV per share decrease of 4.4 pence based on the Portfolio Valuation as at 30 September 2022. A 0.5% decrease in the discount rates would result in a NAV per share increase of 4.7 pence based on the Portfolio Valuation as at 30 September 2022.

Corporation Tax Rate Sensitivity

This sensitivity considers a 5% p.a. movement in corporation tax rates in each country where an investment is held – for the valuation as at 30 September 2022 this included UK, Spain, Sweden, Singapore, Portugal, Ireland and USA. The profits of each portfolio company are subject to corporation tax in the country where the project is located.

A 5% p.a. increase in corporation tax rates would result in a NAV per share reduction of 2.7 pence based on the Portfolio Valuation as at 30 September 2022. A 5% p.a. decrease in corporation tax rates would result in a NAV per share increase of 2.7 pence based on the Portfolio Valuation as at 30 September 2022.

The sensitivity is shown on the basis that corporation tax rates remain at the sensitised level for the remainder of any period in which cash flow is assumed for that project and that no mitigations that may be available are applied. Key mitigants available include portfolio structuring changes including gearing, and the option available to the Company to use interest streaming of dividend distributions to shareholders in the future, whereby a portion of the dividend distribution is designated as interest, allowing net taxable interest income to be reduced.

The sensitivity mainly shows the unmitigated impact of changes in US, Swedish, Irish, Singaporean, Portuguese and Spanish tax rates. The exposure to UK corporation tax at project level has negligible sensitivity to the sensitised movements in UK corporation tax rates, including the impact of the expected future tax rises announced by the UK government, because of UK entities within the group being able to offset aggregate profits and losses.

Inflation Rate Sensitivity

This sensitivity considers a 0.5% p.a. movement in near-term and long-term inflation in the underlying investment cash flows which is considered a reasonable range on the long-term inflation assumptions as well as the range of assumptions introduced for the initial three years prior to reverting to the long-term assumption.

A 0.5% p.a. increase in inflation rates would result in a NAV per share increase of 1.7 pence based on the Portfolio Valuation as at 30 September

2022. A 0.5% p.a. decrease in inflation rates would result in a NAV per share reduction of 1.6 pence based on the Portfolio Valuation as at 30 September 2022.

The Company's portfolio includes investments that benefit from fixed or escalating revenues that are not directly linked to inflation. This includes the assets in Primary Energy where periodic recontracting is assumed in the valuation. It is assumed that the renewed revenue contracts entered into in future years reset the revenues at such a level that it materially offsets increases to project level costs such as O&M that is materially inflation-linked. Within the portfolio of Oliva Spanish Cogeneration assets there is some natural offsetting or protection between revenues and costs for inflation increases and decreases. The assumption in the Värtan Gas investment is that the regular renewals of customer contracts (typically annually) include inflationary increases to the tariffs charged, however it is also assumed that this would not result in the charges being above the regulatory cap and that the full inflationary increase is not passed on to the customer each time. In the current portfolio there are several investments with no or negligible exposure to inflation, notably the investments in the UK and the senior debt loan investments in FES Lighting and Spark US Energy Efficiency I and II.

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 2022 is US Dollar, Singapore Dollar, Swedish Krona and Euro, from the foreign exchange rates used at 30 September 2022 – the sensitivity is shown below pre and post mitigation from hedging.

This sensitivity is presented after considering the effect of hedging implemented by the Company via Holdco. Using historical levels of hedging and the Company's hedging strategy as described further above as a guide, at an assumed level of 90% hedging, a 10% increase (strengthening of GBP) in foreign exchange rates would result in a NAV per share reduction of 0.8 pence and 10% decrease (weakening of GBP) in foreign exchange rates would result in a NAV per share increase of 1.0 pence.

Without any hedging, a 10% increase (strengthening of GBP) in foreign exchange rates would result in a NAV per share reduction of 8.1 pence based on the Portfolio Valuation as at 30 September 2022. A 10% decrease (weakening of GBP) in foreign exchange rates would result in a NAV per share increase of 9.7 pence based on the Portfolio Valuation as at 30 September 2022.

2.5 Statement of Directors' Responsibilities

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

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

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Responsibility Statement has been approved on 8 December 2022 on behalf of the Board by:

Tony Roper
Chair

3. Interim Financial Statements

Pictured: On-site, behind-the-meter solar PV project that is part of the UU Solar portfolio

3.1 Independent Review Report

Independent review report to SDCL Energy Efficiency Income Trust
Report on the condensed interim financial statements

Our conclusion

We have reviewed SDCL Energy Efficiency Income Trust's condensed interim financial statements (the "interim financial statements") in the Interim Report of SDCL Energy Efficiency Income Trust for the 6 month period ended 30 September 2022 (the "period").

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

The interim financial statements comprise:

- the condensed statement of financial position as at 30 September 2022;
- the condensed statement of comprehensive income for the period then ended;
- the condensed statement of cash flows for the period then ended;
- the condensed statement of changes in shareholders' equity for the period then ended; and
- the explanatory notes to the interim financial statements.

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

Basis for conclusion

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

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

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

Conclusions relating to going concern

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

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

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

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

PricewaterhouseCoopers LLP
Chartered Accountants
Watford
8 December 2022

3.2 Financial Statements

Condensed Statement of Comprehensive Income

For the six month period ended 30 September 2022

	Note	Six months ended 30 September 2022 (unaudited) £'000	Six months ended 30 September 2021 (unaudited) £'000
Investment income	4	4,132	27,028
Total operating income		4,132	27,028
Fund expenses	5	(5,655)	(3,979)
Total comprehensive (loss) / income for the period before tax		(1,523)	23,049
Tax on (loss)/profit on ordinary activities	6	–	–
Total comprehensive (loss) / income for the period after tax		(1,523)	23,049
Attributable to:			
Equity holders of the Company		(1,523)	23,049
(Loss) / Earnings Per Ordinary Share (pence)	7	(0.2)	3.3

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

All results are from continuing operations in the period.

Condensed Statement of Financial Position

as at 30 September 2022

	Note	30 September 2022 (unaudited) £'000	31 March 2022 (audited) £'000
Non-current assets			
Investment at fair value through profit or loss	10	1,124,270	928,229
		1,124,270	928,229
Current assets			
Trade and other receivables		298	363
Cash and cash equivalents		53,069	146,064
		53,367	146,427
Current liabilities			
Trade and other payables		(1,775)	(1,538)
Net current assets		51,592	144,889
Net assets		1,175,862	1,073,118
Capital and reserves			
Share capital	11	11,087	9,903
Share premium	11	1,056,918	925,067
Other distributable reserves	11	39,342	39,342
Retained earnings		68,515	98,806
Total equity		1,175,862	1,073,118
Net assets per share (pence)		106.1	108.4

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

The condensed interim financial statements for the period ended 30 September 2022 of SDCL Energy Efficiency Income Trust plc, were approved and authorised for issue by the Board of Directors on 8 December 2022 and signed on its behalf by:

Director

Director

Company registered number: 11620959

3.2 Financial Statements
continued

Condensed Statement of Changes in Shareholders' Equity

For the six month period ended 30 September 2022

For the period ended 30 September 2022	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 2022		9,903	925,067	39,342	98,806	1,073,118
Shares issued	11	1,184	133,816	–	–	135,000
Share issue costs	11	–	(1,965)	–	–	(1,965)
Dividends paid	8	–	–	–	(28,768)	(28,768)
Total comprehensive loss for the period		–	–	–	(1,523)	(1,523)
Balance at 30 September 2022		11,087	1,056,918	39,342	68,515	1,175,862

For the period ended 30 September 2021	Note	Share Capital (audited) £'000	Share Premium (audited) £'000	Other distributable reserves (audited) £'000	Retained earnings (audited) £'000	Total (audited) £'000
Balance at 1 April 2021		6,771	584,437	58,165	44,432	693,805
Shares issued	11	2,262	247,738	–	–	250,000
Share issue costs	11	–	(4,435)	–	–	(4,435)
Dividends paid	8	–	–	(18,823)	–	(18,823)
Profit and total comprehensive income for the period		–	–	–	23,049	23,049
Balance at 30 September 2021		9,033	827,740	39,342	67,481	943,596

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

Condensed Statement of Cash Flows

For the six month period ended 30 September 2022

	Note	Six months ended 30 September 2022 (unaudited) £'000	Six months ended 30 September 2021 (unaudited) £'000
Cash flows from operating activities			
Total comprehensive (loss)/income for the period before tax		(1,523)	23,049
Adjustments for:			
Loss/(Gain) on investment at fair value through profit or loss		31,653	(3,525)
Loan interest income		(4,512)	(2,747)
Operating cash flows before movements in working capital		25,618	16,777
Changes in working capital			
Decrease in trade and other receivables		66	45
Decrease in trade and other payables		(170)	(112)
Net cash generated from operating activities		25,514	16,710
Cash flows from investing activities			
Additional investment in Holdco	10	(227,287)	(224,540)
Loan interest income received		4,512	2,744
Net cash used in investing activities		(222,775)	(221,796)
Cash flows from financing activities			
Proceeds from the issue of shares	11	135,000	250,000
Payment of share issue costs		(1,966)	(4,435)
Dividends paid	8	(28,768)	(18,823)
Net cash generated from financing activities		104,266	226,742
Net movement in cash and cash equivalents during the period		(92,995)	21,656
Cash and cash equivalents at the beginning of the period		146,064	122,059
Cash and cash equivalents at the end of the period		53,069	143,715

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

3.3 Notes to the Condensed Interim Financial Statements

For the six month period ended 30 September 2022

1. General Information

SDCL Energy Efficiency Income Trust plc ("the Company") is incorporated in England and Wales under number 11620959 pursuant to the Companies Act 2006 and is domiciled in the United Kingdom. The Company's registered office and principal place of business is 6th Floor, 125 London Wall, London, EC2Y 5AS. The Company was incorporated on 12 October 2018 and is a Public Company and the ultimate controlling party of the group.

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

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

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

The Company has appointed Sustainable Development Capital LLP as its 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 year ended 31 March 2022 were approved by the Board of Directors on 30 June 2022 and delivered to the Registrar of Companies.

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

2. Significant Accounting Policies

Basis of Preparation

These condensed interim financial statements for the half-year ended 30 September 2022 have been prepared in accordance with the UK-adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 March 2022, which has been prepared in accordance with UK-adopted international accounting standards and the requirements of the Companies Act 2006 and any public announcements made by the Company during the interim reporting period. The financial statements are prepared under the historical cost convention, except for certain investments and financial instruments measured at fair value through the Statement of Comprehensive Income.

The condensed interim financial information has been prepared on the same basis of the accounting policies, significant judgements, key assumptions & estimates and presentation and methods of computation as compared to the Company's annual financial statements for the year ended 31 March 2022 where they are described in detail.

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

The condensed interim financial statements were approved by the Board of Directors on 8 December 2022 and have been reviewed by the Company's independent auditor but not audited.

IFRS 10 – Investment Entity

IFRS 10 states that investment entities should measure all of their subsidiaries that are themselves investment entities at fair value. Being an investment entity, as detailed in the 31 March 2022 Annual Report, Holdco is measured at fair value as opposed to being consolidated on a line-by-line basis, meaning its cash, debt and working capital balances are included in the fair value of investments rather than the Company's assets and liabilities.

There has been no event during the period or thereafter that has caused the Directors to change their judgement that the Company should apply the Investment Entity exemptions of IFRS 10, including from the review of recent investments made by Holdco.

Chief Operating Decision Maker

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

Significant Changes

There have been no changes in the entity's structure and operations. These condensed interim financial statements for the half-year reporting period ended 30 September 2022 disclose the events and transactions that are significant to the understanding of the changes in financial position and performance of the Company since the Company's annual financial statements for the year ended 31 March 2022. This includes the following:

- Payment of interim dividends (see Note 8)
- Changes in Investment at fair value through profit or loss (see Note 10)
- Additional investments in the Company's single subsidiary and investments announced by the Company during the period and after the period end (see Note 10 and Note 14)
- Issuing of new shares by the Company during the period and after the period end (see Note 11 and Note 14)

Going Concern

The Company, through its investment in Holdco, benefits from a portfolio of investments that have a range of long-term contracts with a diversified set of counterparties across multiple sectors and jurisdictions. A key risk facing the Company is that counterparties to the investments may not be able to make their contractual payments. The Company has prepared and the Directors have reviewed a cash flow forecast covering the minimum period of twelve months from the date of approval of this report, taking into consideration potential changes in investment and trading performance and applying a 10% reduction in income to test the resilience of cash flows in the near term. The forecast demonstrates an expectation to continue to generate positive cash flows for the foreseeable future that as a minimum will meet liabilities as they fall due. The Directors reviewed a severe but plausible downside scenario where the Company would not receive any further income from its investment for the next 12 months from signing of the financial statements and taking into account all committed payments for running the Company, the Company would have sufficient cash reserves to continue as a going concern.

As at 30 September 2022, the Company's net assets were £1,176 million, including cash balances of £53 million. Through its single subsidiary, Holdco, The Company has access to an RCF of £145 million with an accordion component which allows access to an additional £55 million. The Company is a guarantor to the RCF but has no other guarantees or commitments.

The Directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of approval of the interim financial statements. The Directors have reviewed the Company's financial projections and cash flow forecasts, including the potential impact from the Ukraine conflict and the volatility in the energy and financial markets and believe, based upon those projections and forecasts and various risk mitigation measures in place, that it is appropriate to prepare the financial statements on a going concern basis.

Estimates

Investment Valuations

The key area where estimates may be significant to the financial statements is the valuation of the Company's single subsidiary, SEEIT Holdco, which in turns holds investments in a portfolio of investments that are held at fair value (the "Portfolio Valuation").

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

The Board of Directors has appointed the Investment Manager to produce the Portfolio Valuation at 30 September 2022, which includes estimates of future cash flows that have the potential to have a material effect on the measurement of fair value.

The key estimates made include:

Discount Rate

The weighted average unlevered discount rate (post tax) applied in the 30 September 2022 valuation was 7.3% (March 2022: 7.0%). The discount rate is considered one of the most unobservable inputs through which an increase or decrease would have a material impact on the fair value of investment at fair value through profit or loss. An appropriate discount rate is applied to each underlying asset. The range of discount rates applied and its sensitivity to movements in discount rates is shown in note 3.

Macroeconomic Assumptions

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

3.3 Notes to the Condensed Interim Financial Statements continued

Investment Specific Cash Flow Assumptions and Sensitivities

The below provides further updates to key estimates and should be read in conjunction with Note 3 in the March 2022 Annual Report.

For the investments in Primary Energy, estimates have been made to determine the demand for generation by the offtakers and the cash flows that can be generated through renewal of contract terms with the counterparty after the expiry of the existing contract terms. The most material estimate is in relation to Cokenergy. Although this assumption has not changed since March 2022, if the actual increase in contractual terms assumed for the Cokenergy investment is 50% less than estimated, the Portfolio Valuation at 30 September 2022 could be reduced by between £10 and £20 million, assuming no other mitigants are available.

Although the investment in Onyx has been adversely affected by delays in the development and construction of new assets, an estimate has been made for the amount of megawatts that can be deployed from the development pipeline which are valued on an EV multiple per MW. This estimate and methodology has not changed since March 2022, however if only 50% of the development pipeline is achieved, the Portfolio Valuation at 30 September 2022 would be reduced by between £10 and £20 million, assuming no other mitigants are available.

There are a number of updates being made to the regulatory regime governing the nine investments in Oliva Spanish Cogeneration that have currently been published in draft form. Key estimates are made in relation to the application of this legislation. If the draft legislation were not adopted and no other changes are introduced, then the Portfolio Valuation at 30 September 2022 would be reduced by between £10 and £20 million. In addition, these investments use natural gas as a fuel supply and are required to purchase emission trading certificates. Further key estimates have been made in the application of draft updates that have been published regarding the interaction between the subsidy regime and emissions trading certificates which if not adopted would reduce the Portfolio Valuation at 30 September by between £10 and £20 million.

An estimate has been made regarding future accretive capital expenditure projects at the RED Rochester site. If only 50% of the accretive projects currently assumed are achieved, the Portfolio Valuation at 30 September 2022 would be reduced by between £10 million and £20 million.

For the investment in Värtan Gas, the future cash flows includes an assumption that the management team will target a decline in customer numbers at a year on year rate that is lower than the historic average decline. There are also a number of accretive expansion opportunities for the Värtan Gas investment in the Stockholm region's transport sector for which estimates have been made around the future growth profile in relation to decarbonisation targets and electrification. If the recent historic average rate to customers is applied for the next two years and no growth in revenue from transport is achieved over the next ten years, the valuation may potentially reduce by between £10 and £20 million, assuming no other mitigants are available.

3. Financial Instruments

Valuation Methodology

The Company has a single investment in a directly wholly owned holding company (Holdco). It recognises this investment at fair value. Holdco makes investments into a wholly owned portfolio companies or intermediary holding companies. To derive the fair value of Holdco, the Company determines the fair value of investments held directly or indirectly by Holdco and adjust for any other assets and liabilities. See Note 10 for a reconciliation of this fair value. The valuation methodology applied by Holdco to determine the fair value of its investments is described below and is materially consistent with the methodology described in the March 2022 Annual Report.

The Directors have satisfied themselves as to the methodology used and the discount rates and key assumptions applied in producing the valuations. All investments are at fair value through profit or loss. As at September 2022, some projects are held at cost as the most reasonable indication of its fair value. This includes investments made into certain corporates in the period and a limited number of projects that are under construction.

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

The fair value for each investment is then derived from the application of an appropriate market discount rate for that investment 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. Specific risks related to each project that can be attributed to the Ukraine conflict, the current cost of living crisis or climate related risks are assessed and where required, adjustments are made to expected future cash flows or reflected in the project specific discount rate that is applied.

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.

3.3 Notes to the Condensed Interim Financial Statements
continued

Investment at fair value through profit or loss	Level 1 £'000	Level 2 £'000	Level 3 £'000
30 September 2022	**–**	**–**	**1,124,270**
31 March 2022	–	–	928,229

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

Valuation Assumptions

		30 September 2022	31 March 2022	30 September 2021
Inflation rates	UK (RPI)	12.3% declining to 3.7% by 2024, 3.00% p.a. long-term	7.9% declining to 3.5% by 2024, 2.75% p.a. long-term	2.75% p.a.
	UK (CPI)	10.2% declining to 2.3% by 2024, 2.00% p.a. long-term	6.0% declining to 2.3% by 2024, 2.00% p.a. long-term	2.00% p.a.
	Spain (CPI)	8.1% declining to 2.0% by 2024, 2.00% p.a. long-term	5.8% declining to 1.7% by 2024, 2.00% p.a. long-term	1.3% to 1.4% until 2023, 2.00% p.a. long-term
	Sweden (CPI)	6.7% declining to 2.1% by 2024, 2.00% p.a. long-term	3.4% declining to 2.0% by 2024, 2.00% p.a. long-term	1.7% to 1.8% until 2023, 2.00% p.a. long-term
	Singapore (CPI)	5.3% declining to 2.5% by 2024, 2.00% p.a. long-term	3.2% declining to 2.0% by 2024, 2.00% p.a. long-term	2.00% p.a.
	Ireland (CPI)	7.3% declining to 2.1% by 2024, 2.00% p.a. long-term	4.8% declining to 2.0% by 2024, 2.00% p.a. long-term	n/a
	USA (CPI)	7.6% declining to 2.2% by 2024, 2.00% p.a. long-term	6.3% declining to 2.0% by 2024, 2.00% p.a. long-term	2.00% p.a.
	Portugal	6.4% declining to 2.0% by 2024, 2.00% p.a. long-term	n/a	n/a
Tax rates	UK	19% to 2023, 25% thereafter	19% to 2023, 25% thereafter	19% to 2023, 25% thereafter
	Spain	25%	25%	25%
	Sweden	21.4%	21.4%	20.6%
	Singapore	17%	17%	17%
	Ireland	17%	17%	17%
	USA	21% Federal & 3-9% State rates	21% Federal & 3-9% State rates	21% Federal & 3-9% State rates
Foreign exchange rates	EUR/GBP	0.88	0.84	0.86
	SEK/GBP	0.08	0.08	0.08
	SGD/GBP	0.63	0.56	0.55
	USD/GBP	0.90	0.76	0.74

Discount rates

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

	30 September 2022	31 March 2022
Weighted Average discount rate (on unlevered basis)	7.3%	7.0%
Discount rates	4.5% to 10.0%	4.0% to 10.0%

Sensitivities

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

The Company recognises the current high level of volatility in inflation and when compared to recent years, a greater range of values may be considered reasonable. No changes have been made to the 0.5% assumption as the assumption is based on cash flows that are assumed to be in place for the remainder of the life of each project. The consistent application of the assumption allows for more consistent comparison to previous periods. The inflation sensitivity is materially linear such that doubling the assumption to 1.0% should lead to materially double the impact in Sterling or pence per share.

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

Discount rate	NAV/share impact	-0.5% change	Net asset value	+0.5% change	NAV/share impact
30 September 2022	4.7p	£52,405k	£1,175,962k	(£48,554k)	(4.4p)
31 March 2022	4.5p	£44,079k	£1,073,118k	(£40,648k)	(4.1p)

Inflation rates

The Portfolio Valuation assumes long-term inflation as indicated above in the UK, USA, Spain, Singapore and Sweden. A change in the inflation rate by plus or minus 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 2022	(1.6p)	(£17,463k)	£1,175,962k	£18,883k	1.7p
31 March 2022	(1.1p)	(£10,540k)	£1,073,118k	£11,936k	1.2p

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 2022	2.7p	£30,413k	£1,175,962k	(£30,003k)	(2.7p)
31 March 2022	3.2p	£31,706k	£1,073,118k	(£33,005k)	(3.3p)

Foreign exchange rates

The Portfolio Valuation assumes foreign exchange rates based on the relevant foreign exchange rates against GBP at the reporting date. A change in the foreign exchange rate by plus or minus 10% (GBP against Euro, Swedish Krona, Singapore Dollar and US Dollar) has the following effect on the NAV, with all other variables held constant. The effect is shown after the effect of current level 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 2022	1.0p	£10,785k	£1,175,962k	(£8,954k)	(0.8p)
31 March 2022	0.8p	£8,329k	£1,073,118k	(£7,649k)	(0.8p)

3.3 Notes to the Condensed Interim Financial Statements
continued

4. Investment Income

	Period ended 30 September 2022 £'000	Period ended 30 September 2021 £'000
Dividend income	31,000	20,756
(Loss) / Gain on investment at fair value through profit or loss (Note 10)	(31,653)	3,525
Interest income	4,785	2,747
Investment income	**4,132**	**27,028**

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

5. Fund Expenses

	Period ended 30 September 2022 £'000	Period ended 30 September 2021 £'000
Investment management fees	4,555	3,168
Non-executive directors' fees	162	130
Other expenses	863	636
Fees to the Company's independent auditor	75	45
Fund Expenses	**5,655**	**3,979**

As at 30 September 2022, the Company had no employees (30 September 2021: nil) apart from Directors in office. The Company confirms that it has no key management personnel, apart from the Directors which were disclosed in the Directors' Remuneration Report in the Annual Report and Audited Financial Statements for the year ended 31 March 2022. There is no other compensation apart from those disclosed.

6. Tax on (loss)/profit on Ordinary Activities

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

	Period ended 30 September 2022 £'000	Period ended 30 September 2021 £'000
(Loss)/Profit for the period before taxation	(1,523)	23,049
(Loss)/Profit for the period multiplied by the standard rate of UK corporation tax of 19%	(289)	4,379
Fair value movements (not subject to taxation)	6,104	(670)
Dividends received (not subject to tax)	(5,890)	(3,944)
Surrendering of tax losses to unconsolidated subsidiaries	165	235
UK Corporation Tax	**–**	**–**

The corporation tax rate will increase from 19% to 25% with effect from 1 April 2023.

7. (Loss) / Earnings per Share

	Period ended 30 September 2022	Period ended 30 September 2021
Total comprehensive (loss)/income for the period (£'000)	(1,523)	23,049
Weighted average number of ordinary shares ('000)	1,004,447	689,383
(Loss)/Earnings per ordinary share (pence)	**(0.2)**	**3.3**

There is no dilutive element during the current and comparative financial period.

8. Dividends

	Period ended 30 September 2022	Year ended 31 March 2022
Amounts recognised as distributions to equity holders during the year:		
Fourth quarterly interim dividend for the year ended 31 March 2021 of 1.375p per share	–	9,310
First quarterly interim dividend for the year ended 31 March 2022 of 1.405p per share	–	9,513
Second quarterly interim dividend for the year ended 31 March 2022 of 1.405p per share	–	12,692
Third quarterly interim dividend for the year ended 31 March 2022 of 1.405p per share	–	12,692
Fourth quarterly interim dividend for the year ended 31 March 2022 of 1.405p per share	13,914	–
First quarterly interim dividend for the year ending 31 March 2023 of 1.5p per share	14,854	–

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

9. Net Assets per Ordinary Share

	30 September 2022	31 March 2022
Shareholders' equity (£'000)	1,175,862	1,073,118
Number of ordinary shares ('000)	1,108,709	903,331
Net assets per ordinary share (pence)	**106.1**	**108.4**

10. Investment at Fair Value through Profit or Loss

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

	30 September 2022 £'000	31 March 2022 £'000
Brought forward investment at fair value through profit or loss	928,229	572,574
Loan investments in period/year	–	96,801
Equity investments in period/year	227,694	223,062
Loan Principal repaid in period/year	–	(12,000)
Movement in fair value	(31,653)	47,792
Closing investment at fair value through profit or loss	**1,124,270**	**928,229**

Movement in fair value is recognised through Investment (Loss)/Income in the Statement of Comprehensive Income (see Note 4).

3.3 Notes to the Condensed Interim Financial Statements
continued

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

	30 September 2022 £'000	31 March 2022 £'000
Portfolio Valuation	1,158,193	912,714
Holdco cash	6,190	24,880
Holdco net working capital	(40,113)	(9,365)
Investment at fair value per Condensed Statement of Financial Position	**1,124,270**	**928,229**

Investments by the Company

During the period ended 30 September 2022, the Company invested £228 million into Holdco for new portfolio investments.

Portfolio Investments, via Holdco

During the period ended 30 September 2022, Holdco invested c. £171million in new portfolio investments. The Company announced the following investment activity in the period:

Project	Investment/Commitment Date	Type	Location	Investment/ Commitment Amount
Baseload	May 2022	New	Sweden	c.£3m
Turntide	May 2022	New	USA	c.£8m
Iceotope	June 2022	New	UK	c.£3m
United Utilities	July 2022	New	UK	c.£100m
On.Energy	August 2022	New	USA	c.£4m
RED Rochester	September 2022	Follow-on	USA	c.£6m
Biotown	Various in the period	Follow-on	USA	c.£1m
Onyx	Various in the period	Follow-on	USA	c.£20m
Spark US Energy Efficiency II	Various in the period	Follow-on	USA	c.£9m
Tallaght Hospital	Various in the period	Follow-on	Ireland	c.£2m
EV Network	Various in the period	Follow-on	UK	£6m
FES Lighting	Various in the period	Follow-on	USA	c.£3m

The Company committed to the following portfolio investments after the period:

- c. £7 million debt investment into Bloc Power of which c. £0.2 million was drawn in November 2022. BlocPower provides energy efficiency solutions (e.g. heat pumps, LED lighting, Solar PV, battery storage) to decarbonise and electrify buildings, targeting small and medium-sized enterprises and low-to-moderate income communities in New York State initially, with potential to expand into other states.
- A further c. £1.1 million into FES Lighting.
- A further c. £11.7 million into EV Network.
- A further c. £0.7 million into Spark US Energy Efficiency II.
- A further c. £1.9 million into Onyx.
- A further c. £0.4 million into Lycra.

11. Share Capital and Share Premium

Ordinary Shares of £0.01 each	30 September 2022 £'000	31 March 2022 £'000
Authorised and issued at the beginning of the period/year	990,228	677,087
Shares Issued – during the period/year	118,421	313,201
Authorised and issued at the end of the period/year	**1,108,709**	**990,288**

	Share capital £'000	Share Premium £'000
Total as at 31 March 2022	9,903	925,067
Issue of Ordinary shares	1,184	133,816
Costs of issue of Ordinary shares	–	(1,965)
Total as at 30 September 2022	**11,087**	**1,056,918**

In September 2022, the Company issued 118,421,053 new ordinary shares at a price of 114p per share raising gross proceeds of £135 million.

The Company currently has one class of ordinary share in issue. All the holders of the ordinary shares, which total 1,108,709k (2022: 990,288k), 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.

Other distributable reserves and Retained Earnings are detailed in the Statement of Changes in Shareholders' Equity.

12. Related Parties

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

As the entity appointed to be responsible for risk management and portfolio management, the Investment Manager is the Company's Alternative Investment Fund Manager ("AIFM"). The Investment Manager has full discretion under the Investment Management Agreement to make investments in accordance with the Company's investment policy from time to time. This discretion is, however, subject to: (i) the Board's ability to give instructions to the Investment Manager from time to time; and (ii) the requirement of the Board to approve certain investments where the Investment Manager has a conflict of interest in accordance with the terms of the Investment Management Agreement.

The Investment Manager also has responsibility for financial administration and investor relations, advising the Company and its group in relation to the strategic management of the portfolio, advising the Company in relation to any significant investments and monitoring the Company's funding requirements.

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

- 0.9 per cent, per annum of the adjusted NAV in respect of the Net Asset Value of up to, and including, £750 million; and
- 0.8 per cent, 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 2022, management fees of £4,555k (30 September 2022: £3,168k) were incurred of which £795k (30 September 2021: £548k) was payable at the period end.

During the period ended 30 September 2022, £228 million (30 September 2021: £224.5 million) of funding was provided by the Company to the Holdco for investments. The funding of Holdco consisted of issued share capital and share premium.

3.3 Notes to the Condensed Interim Financial Statements
continued

During the period ended 30 September 2022, coupon bearing loan notes of £nil (30 September 2021: £96.8 million) were issued by the Company which accrue interest at 6%, are unsecured and repayable in full on 18 April 2039. In the period to 30 September 2022, £4,512k interest had accrued on the loan notes (30 September 2021: £2,747k), of which £nil is outstanding at the period end (30 September 2021: £350k).

All of the above transactions were undertaken on an arm's length basis and there have been no changes in material related party relationships since the March 2022 Annual Report.

The Directors of the Company, who are considered to be key management, received fees for their services. Their fees were £162k (disclosed as Non-executive directors' fees in Note 5) in the period (30 September 2021: £130k).

13. Guarantees and other Commitments

The Company is the guarantor of the RCF entered into by Holdco.

The company holds a revolving-credit facility (RCF) that it holds through its wholly owned subsidiary, SEEIT Holdco amounting to £145 million. The RCF, which is SONIA linked and has a margin of 2.65%, expires in June 2024 with options to extend for a further two years and includes an accordion function for a further £55 million increase on an uncommitted basis.

14. Events after the Reporting Period

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

Between October and December 2022, the Company made the following investments, via SEEIT holdco:

- c. £7 million debt investment into Bloc Power of which c. £0.2 million was drawn in November 2022. BlocPower provides energy efficiency solutions (e.g. heat pumps, LED lighting, Solar PV, battery storage) to decarbonise and electrify buildings, targeting small and medium-sized enterprises and low-to-moderate income communities in New York State initially, with potential to expand into other states.
- A further c. £1.1 million into FES Lighting.
- A further c. £11.7 million into EV Network.
- A further c. £0.7 million into Spark US Energy Efficiency II.
- A further c. £0.4 million into SEEIPL (Asia).
- A further c. £1.9 million into Onyx.

The Company announced its second quarterly dividend is respect of the year ending 31 March 2023 of 1.50 pence per Ordinary Share. The shares will go ex-dividend on 8 December 2022 and paid on 21 December 2022.

Pictured: On-site, behind-the-meter solar PV project owned and operated by Onyx

4.1 Company Information

Directors
Tony Roper, Chair
Christopher Knowles
Helen Clarkson
Emma Griffin
Sarika Patel

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Company Administrator
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Depositary
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Registrar
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Bankers
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Jefferies International Limited
100 Bishopsgate
London
EC2N 4JL

Legal Adviser
Herbert Smith Freehills LLP
Exchange House
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London
EC2A 2EG

4.2 Key Company Data

Company name	SDCL ENERGY EFFICIENCY INCOME TRUST PLC
Registered address	6th Floor, 125 London Wall, London, EC2Y 5AS
Listing	London Stock Exchange – Premium Listing
Ticker symbol	SEIT
SEDOL	BGHVZM4
Index inclusion	FTSE All-Share, FTSE 250
Company year-end	31st March
Dividend payments	Quarterly
Investment Manager	Sustainable Development Capital LLP
Company Secretary & Administrator	Sanne Group Secretaries (UK) Limited
Shareholders' funds	£1,175.9m as at 30 September 2022 (31 March 2022: £1,073.1m)
Market capitalisation	£1,122.0m as at 30 September 2022 (31 March 2022: £1,164.0m)
Management fees	0.9% p.a. of NAV (adjusted for uncommitted cash) up to £750 million, 0.8% p.a. thereafter
ISA, PEP and SIPP status	The Ordinary Shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market, and they are permissible assets for SIPPs
Website	www.seeitplc.com

4.3 Glossary

AIC the Association of Investment Companies

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

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

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

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 6th Floor, 125 London Wall, London, EC2Y 5AS

Company SPV a Project SPV owned by the Company or one of its Affiliates through which investments are made

Contractual payment the payments by the Counterparty to the Company or relevant Project SPV under the contractual arrangements governing an Energy Efficiency Project, whether such payments take the form of a service charge, a fee, a loan repayment or other forms of payments as may be appropriate from time to time

Counterparty the host 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

Energy efficiency project has the meaning given in paragraph 3 of Part II (Industry Overview, Investment Opportunity and Seed Portfolio) of the September 2021 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

GHG greenhouse gases

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

HVAC heating, ventilation and air conditioning

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

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

KWh kilowatts used or generated per hour

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

NAV net asset value

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

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

PEP personal equity plan

Portfolio Valuation the Investment Manager is responsible for carrying out the fair market valuation of the SEEIT group's portfolio of investments

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

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

September 2021 Prospectus is the prospectus issued by the Company on 2 September 2021

SDCL Group the Investment Manager and the SDCL Affiliates

SEEIT the Company

4.4 Glossary of financial Alternative Performance Measures ("APM")

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

Measure	Calculation	Why the Company uses the APM
Net Asset Value ("NAV")	Net assets attributable to Ordinary Shares by deducting gross liabilities from gross assets	It provides a metric that allows for useful comparison to similar companies and that allows for useful year on year comparisons of the Company
NAV per share	NAV divided by total number of shares in issue at the balance sheet date	This provides shareholders with a metric that allows for tracking the Company's performance year on year
Total NAV Return on per share basis	Interim dividends paid in pence per share and movement in NAV per share over the course of the relevant period (e.g. in financial year or since IPO). Dividends are not assumed to be re-invested.	This provides shareholders with a metric that allows for tracking the Company's performance year on year
Total Return on share price basis	Interim dividends paid and share price uplift per share over the course of the relevant period	This provides shareholders with a metric that allows for tracking the Company's performance year on year
Portfolio Basis	Portfolio Basis includes the impact if Holdco (the Company's only direct subsidiary) were to be consolidated on a line-by-line basis	See Section 2.4 for detailed description and reconciliation
Ongoing Charges Ratio	In accordance with AIC guidance, defined as annualised ongoing charges (i.e. excluding investment costs and other non-recurring items) divided by the average published undiluted net asset value in the year	Used a metric in the investment company industry to compare cost-effectiveness
Portfolio Valuation	The fair value of all investments in aggregate that are held directly or indirectly by Holdco	It provides relevant information of the value of the underlying investments held indirectly by the Company from which it is ultimately expected to derive its future revenues
Cash on Portfolio Basis	Cash at bank of the Company and Holdco	To provide relevant information to shareholders of the Company's ability for new investments, working capital and payment of dividends

Pictured: Behind-the-meter solar
PV production at UU Solar

Designed and printed by Perivan

SEEIT

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