

7 May 2024

SDCL Energy Efficiency Income Trust plc
("SEET" or the "Company")

Sale of UU Solar

SDCL Energy Efficiency Income Trust plc is pleased to announce that it has sold its UK onsite solar portfolio, UU Solar, to UK Power Networks Services Holdings Limited, the private networks business of UK Power Networks Group, for a consideration of £90.8 million. The agreed price represents a 4.5% premium to the Company's 30 September 2023 valuation.

The UU Solar investment was made in mid-2022. UU Solar supplies substantially all the existing on-site renewable electricity, through solar, wind, mini-hydro and other technologies, for the leading UK water company, United Utilities. The investment represented a long-term, contracted portfolio with an investment grade counterparty that contributed to SEET's portfolio construction and its objectives to secure income and preservation of capital.

Since the time of investment, financial markets have been characterised by higher interest rates and levels of inflation which have increased the total return that SEET is seeking from its portfolio. At the same time SEET is seeking to maintain the strength of its balance sheet by keeping debt at moderate levels during a period in which it is not issuing new equity. The sale of UU Solar creates liquidity for SEET that can be applied to strengthen its balance sheet, to help to meet its investment objectives, and to optimise portfolio construction at this time.

The sale proceeds will be used to reduce short term borrowings under SEET's revolving credit facility (RCF). The Investment Manager continues to take steps to improve the total return from SEET's portfolio and the disposal provides capacity to recycle capital into existing platform investments, which represent SEET's proprietary and 'organic' pipeline and that offer opportunities for higher returns. Strength of balance sheet remains a focus and good progress is being made with further asset disposals and co-investment partnership opportunities as referenced in its Interim Update Statement on 19 March.

UK Power Networks Services has a long history of successfully managing large asset portfolios for clients with critical national infrastructure. It is active in the water and renewables sector and views UU Solar as a natural fit with its existing portfolio. UK Power Network Services is part of the wider UK Power Networks group, which delivers electricity to homes and businesses across London, the South-East, and the East of England.

Jonathan Maxwell, CEO of the Investment Manager, SDCL, said: "The sale is positive news for SEET as it makes a meaningful contribution to its objectives to reduce short term borrowings, to improve liquidity and to focus on investment in higher yielding assets that support SEET's total return objectives.

The agreed price represents a premium to the Company's last published valuation, which supports the approach that SEET seeks to take to its portfolio valuations. Proving the valuation through realisations should hopefully help to enhance market confidence in the net asset value of the Company's portfolio. The Board and Investment Manager of SEET remain committed to helping improve the liquidity and marketability of SEET shares.

UK Power Networks Services represents an excellent strategic buyer for a high-quality portfolio serving an important client. We hope to build on our relationship with both United Utilities and UK Power Networks Services in the future to deliver new opportunities for SEET."

For Further Information

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About SEET

SDCL Energy Efficiency Income Trust plc is a constituent of the FTSE 250 index. It was the first UK listed company of its kind to invest exclusively in the energy efficiency sector. Its projects are primarily located in North America, the UK and Europe and include, inter alia, a portfolio of cogeneration assets in Spain, a portfolio of commercial and industrial solar and storage projects in the United States, a regulated gas distribution network in Sweden and a district energy system providing essential and efficient utility services on one of the largest business parks in the United States.

The Company aims to deliver shareholders value through its investment in a diversified portfolio of energy efficiency projects which are driven by the opportunity to deliver lower cost, cleaner and more reliable energy solutions to end users of energy.

The Company is targeting an attractive total return for shareholders of 7-8 per cent. per annum (net of fees and expenses and by reference to the initial issue price of £1.00 per Ordinary Share), with a stable dividend income, capital preservation and the opportunity for capital growth. The Company is targeting a dividend of 6.24p per share in respect of the financial year to 31 March 2024. SEET's last published NAV was 90.6p per share as at 30 September 2023.

Past performance cannot be relied on as a guide to future performance.

Further information can be found on the Company's website at www.seeitplc.com.

Investment Manager

SEET's investment manager is Sustainable Development Capital LLP ("SDCL"), an investment firm established in 2007, with a proven track record of investment in energy efficiency and decentralised generation projects in the UK, Continental Europe, North America and Asia.

SDCL is headquartered in London and also operates worldwide from offices in New York, Dublin, Madrid, Hong Kong and Singapore. SDCL is authorised and regulated in the UK by the Financial Conduct Authority.

Further information can be found on at www.sdclgroup.com.

About UK Power Networks Services

UK Power Networks Services is an expert in distributed energy solutions and power distribution, delivering energy technology consulting, asset financing, major project delivery, design and build, operations and maintenance, and asset management.

UK Power Networks Services integrate innovative technologies, such as electric vehicle infrastructure, battery storage and microgrids. They provide end-to-end energy solutions and their experts help clients increase the productivity of their assets, decarbonise their infrastructure and realise their infrastructure as a strategic asset.

UK Power Networks Services' world-class engineers serve industries such as airports, rail, defence, water, logistics and fleet, manufacturing, ports, local and central government, and commercial buildings. Their high-profile public and private sector clients with critical infrastructure in complex environments, trust them to deliver safe, reliable and innovative energy solutions - allowing them to concentrate on their core business.

UK Power Networks Services have a proud 50-year history and its current portfolio includes a number of the UK's main airports, High Speed 1, Network Rail, London Underground, Docklands Light Railway, EDF (Hinkley Point C), Ministry of Defence, Felixstowe Port, UPS and Canary Wharf.

Further information can be found at www.ukpowernetworksservices.co.uk

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