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Schroders Capital Global Innovation Trust plc
(**"INOV"** or the **"Company"**)

Publication of a Circular and Notice of General Meeting

Further to its announcement of 4 December 2024, the Board of Schroders Capital Global Innovation Trust plc announces that it has today published a circular (the **"Circular"**) to convene a general meeting (the **"General Meeting"**) to allow Shareholders to consider and, if thought fit, approve the following:

- the amendment of the Existing Articles in order to amend the Continuation Resolution to be put to Shareholders at the 2025 Annual General Meeting, to a Discontinuation Resolution to be proposed at the General Meeting (the **"Revised Articles"**);
- in the event the Revised Articles are approved by Shareholders, the Discontinuation Resolution; and
- in the event the Discontinuation Resolution is passed, the amendment of the Company's Existing Investment Objective and Policy to adopt the Revised Investment Objective and Policy which will provide for the managed wind-down of the Company with an orderly realisation of the Company's assets (the **"Managed Wind-Down Proposal"**),

(the adoption of the Revised Articles, the proposal of the Discontinuation Resolution and the adoption of the Revised Investment Objective and Policy to pursue the Managed Wind-Down, together are the **"Proposals"**).

Capitalised terms used in this announcement shall have the same meanings given to them in the Circular unless otherwise defined herein.

The Revised Investment Objective and Policy will enable Schroder Unit Trusts Limited (the **"Manager"**) to implement the Managed Wind-Down, through an orderly realisation of assets over time to achieve a balance between maximising returns and returning capital to Shareholders in a reasonable timeframe.

The Proposals are conditional on the approval of Shareholders. Shareholders should read the whole of the Circular, in particular, the letter from the Chair, which contains the unanimous recommendation from the Board that Shareholders vote in favour of the Proposals.

Tim Edwards, Chairman of Schroders Capital Global Innovation Trust plc, said:

"Following a period of Shareholder consultation, and having explored a range of options, the Board believes that it is in the best interests of all Shareholders for the Company to pursue a Managed Wind-Down strategy and seek to return capital to Shareholders over time."

"Since taking over the management of the portfolio in 2019, Schroders has stabilised the Company and repositioned the portfolio so as to seek to give Shareholders access to venture and growth companies globally. However, recognising the challenges associated with the legacy assets, alongside current market conditions, the Board has taken the decision that it is in Shareholders' interest to pursue the Managed Wind-Down."

Background to the Proposals

The Manager was appointed in December 2019, following which the Manager's investment team took the necessary actions to stabilise the portfolio through the renegotiation of the Company's debt facility, asset disposals to allow for a substantial reduction in the level of borrowings and engagement with the Company's portfolio companies to determine an action plan for maximising returns from the legacy portfolio.

The Company amended its investment policy in 2022 to enable the Manager to focus investment on global investment opportunities in private equity that, typically, have the potential to deliver greater than 2x returns over the medium-term, broadening the Company's investment focus beyond UK companies.

The Manager developed a pipeline of opportunities to seek to give Shareholders access to venture and growth companies globally. In that regard, the investment team has made 19 private investments since the Manager's appointment in venture and growth stage companies. The aggregate invested value of these investments was £85.8 million. Including realised and unrealised returns, these investments were valued at just below a 1.0x multiple of invested capital as at 30 September 2024. This portion of the portfolio is still in the early stages of its lifecycle and continues to deliver robust relative performance, particularly in the current market environment.

In April 2023, the Board announced its intention to propose a Continuation Resolution at the Annual General Meeting in 2025, which is currently scheduled for May 2025, and every five years thereafter. The Continuation Resolution was intended to provide shareholders with the opportunity to review the performance of the Manager over the five years since its appointment.

In the period since the commitment to propose a Continuation Resolution at the 2025 AGM, the NAV per Share has fallen 29.4 per cent. from 28.52 pence per Share as at 31 December 2022 to 20.14 pence per Share as at 30 September 2024. While the valuation of the private investments made by the Manager have held up relatively well in a difficult market for venture companies, the valuation of the portfolio has been impacted by further write downs on legacy assets. From the time the Manager took over the management of the portfolio to 30 September 2024, more than 90% of the fall in the Net Asset Value has been due to these legacy assets.

In addition, the discount at which the Shares trade to NAV has remained wide despite the introduction of a capital

In addition, the discount at which the Shares trade to NAV has remained wide, despite the introduction of a capital discipline policy in 2023, with an average discount over the two-year period to 31 December 2024 of 47.0 per cent. This is despite the Company having spent £12.3 million buying back 10.4 per cent. of the Company's issued share capital.

Furthermore, with net assets of £165.6 million as at 30 September 2024 and a market capitalisation of £89.0 million as at the Latest Practicable Date, the Board believes the Company has insufficient scale to attract a wide range of institutional investors and wealth manager investors, in particular, with such investors' increasing preference for larger, more liquid investment companies.

The Board does not believe that continuation of the Company under its current investment thesis is in the best interests of Shareholders. A Managed Wind-Down strategy, which will allow for the orderly realisation of assets over time to achieve a balance between maximising returns and returning capital to shareholders in a reasonable timeframe is, in the Board's opinion, the most attractive proposal for Shareholders to realise the value in the Company's portfolio.

As such, the Board is proposing to change the Continuation Resolution to a Discontinuation Resolution to be proposed at the General Meeting, to provide clarity on the future of the Company at the earliest opportunity, and also put forward proposals for the Managed Wind-Down of the Company, subject to the Discontinuation Resolution being passed.

The Revised Articles

Currently, pursuant to the Existing Articles, the Company is required to put forward the Continuation Resolution to Shareholders at the 2025 Annual General Meeting to be held in May 2025. In the event that the Continuation Resolution is not passed, the Directors are required, within six months, to bring forward proposals to liquidate the Company. In order to seek clarity on the future of the Company at the earliest possible opportunity, and taking into account the feedback received from the recent Shareholder engagement and the Board's considered view on what is in the best interests of Shareholders' as a whole, it is proposed that the Existing Articles are amended to replace the Continuation Resolution with a Discontinuation Resolution to be proposed to Shareholders at the General Meeting in February 2025. It is also necessary to amend the Existing Articles in order to give the Company sufficient time to dispose of its assets in an orderly manner pursuant to the Managed Wind-Down with liquidation to be proposed only once the orderly Managed Wind-Down is substantially complete.

The wording of the proposed changes to the Existing Articles is set out in Part 3 (Revised Articles) of the Circular. The proposed special resolution to approve the adoption of the Revised Articles is set out in the Notice of General Meeting at the end of the Circular (Resolution 1). The Revised Articles will only become effective once approved by Shareholders at the General Meeting.

The Board is recommending that Shareholders VOTE IN FAVOUR OF Resolution 1 to be proposed at the General Meeting.

The Discontinuation Resolution

Conditional upon Resolution 1 being passed, the Board will immediately put forward a Discontinuation Resolution that the Company ceases to operate in accordance with its current investment objective and policy, to be proposed as an ordinary resolution at the General Meeting.

The Discontinuation Resolution is set out in the Notice of General Meeting at the end of the Circular (Resolution 2).

A summary of certain possible risks associated with the Revised Articles and the Discontinuation Resolution is set out in Part 2 (Risk Factors) of the Circular.

For the reasons set out in paragraph 2 (Background to the Proposals) above, the Board is recommending that Shareholders VOTE IN FAVOUR OF the Discontinuation Resolution (Resolution 2) and is setting out the Proposals for the future of the Company described in the Circular on the basis that the Discontinuation Resolution is passed.

The Managed Wind-Down Proposal

The Revised Investment Objective and Policy

Conditional on the Discontinuation Resolution passing and Shareholders having therefore voted that the Company should cease to continue in accordance with the Existing Investment Objective and Policy, the Company will propose amendments to the Existing Investment Objective and Policy necessary to implement the Managed Wind-Down. The proposed Revised Investment Objective and Policy will enable the Manager to implement the Managed Wind-Down, through an orderly realisation of assets over time to achieve a balance between maximising returns and returning capital to shareholders in a reasonable timeframe. Therefore, Resolution 3 to be proposed at the General Meeting will approve a formal change of the Existing Investment Objective and Policy to reflect the Board's strategy for the Managed Wind-Down and returns of capital.

It is intended that the Company's listing and the capacity to trade in its Shares will be maintained for as long as practicable during the realisation process and subject to any regulatory considerations. Accordingly, once a significant proportion of the Company's assets have been realised, the Board will then consider, in light of the then-prevailing market conditions, proposing a resolution for a formal voluntary liquidation of the Company, which will require additional Shareholder approval at the relevant time.

The proposed Revised Investment Objective and Policy includes the restriction that, aside from honouring any existing contractual arrangements, the Board's prior written approval is required for any further investment, as is customary in managed wind-downs. The Board expects that approval may typically be given where required to preserve the value of existing investments, but acknowledges that other circumstances may arise. Pursuant to the Revised Investment Objective and Policy, the Company will not employ gearing for investment purposes but may utilise gearing for working capital purposes, subject to a cap on gearing of 10 per cent. of NAV at the time of borrowing.

It is the Board's intention that the Manager be retained to provide investment management and administrative services in connection with the Managed Wind-Down. The Board considers the Manager to be best placed to provide such services taking into account its knowledge and experience of the Company's investment portfolio. No change is proposed to the fees payable to the Manager by the Company pursuant to the terms of the Existing Investment Management Agreement.

Further details on the change of the Existing Investment Objective and Policy, including the text of the proposed Revised Investment Objective and Policy, are set out in Part 4 (Change of Investment Policy) of the Circular. A summary of certain possible risks associated with the Revised Investment Objective and Policy is set out in Part 2 (Risk Factors) of the Circular. The Revised Investment Objective and Policy will only become effective once approved by Shareholders at the General Meeting.

The proposed resolution to adopt the Revised Investment Objective and Policy (Resolution 3) is set out in the Notice of General Meeting at the end of the Circular.

For the reasons set out above the Board is recommending that Shareholders VOTE IN FAVOUR OF Resolution 3 to be proposed at the General Meeting.

Returns of capital

Conditional upon the adoption of the Revised Investment Objective and Policy, the Board will consider methods to return capital to Shareholders as realisations are made over time. The Board anticipates that capital will be returned to Shareholders over time by way of successive tender offers, although other forms of capital return may be considered by the Board, if appropriate. It is currently expected that tender offers will be undertaken annually, with the possibility of further ad hoc tender offers during the year in the event that the Company has accumulated significant additional cash reserves as a result of portfolio realisations.

Following the adoption of the Revised Investment Objective and Policy, and in advance of the initial return of capital to Shareholders, and any subsequent returns of capital, the Board shall announce its proposals, together with full details regarding the action that Shareholders would need to take (if any) in order to participate in the relevant return of capital. In addition, the Board shall seek any necessary shareholder approvals to implement the relevant return of capital.

Portfolio Realisation and Managed Wind-Down

The Company has a portfolio of investments with a valuation as at 30 September 2024 of £165.6 million consisting of £126.3 million of private investments, £10.7 million of public investments, £29.2 million of cash and cash equivalents (taking into account accrued portfolio costs of £0.6 million).

The private investments are, by their very nature, illiquid assets. There is no active secondary market for many of these investments and the Board and Manager do not believe it is in Shareholders' interests to seek to realise many of the private assets in the near term. In order to maximise returns for Shareholders, the Board and Manager are of the view that it is appropriate to exit the majority of the assets on the occasion of a future liquidity event. This may include an initial public offering, a trade sale or sales to other private equity investors. There is no certainty on the exit timeframe of any asset or the likely liquidity event, and the portfolio realisation is expected to take a number of years.

The timing of the Company's exit from its investee companies will depend on the development and progress of each investee company, the intentions of the other shareholders in each investee company and the market environment. Furthermore, there will be certain assets in the portfolio that will have a longer realisation timeframe.

While the Company will seek to achieve a balance between maximising returns and returning capital to Shareholders in a reasonable timeframe, the Company expects typically to follow the natural life cycle of the investments, which is expected to maximise returns for Shareholders. Any effort to sell assets in the secondary market, in particular in the current market environment, may be detrimental to Shareholder value.

Some of the public investments may be sold shortly following the approval of the Managed Wind-Down, however some of them are illiquid in nature and therefore their disposals will need to be managed appropriately. The proceeds of the sales, along with the cash and cash equivalents, will be available to return capital to shareholders subject to the need to meet existing contractual commitments and invest in existing investee companies where approved by the Board.

The Company has existing contractual commitments of £3.3 million and believes it is appropriate to retain a further £14.4 million to ensure the Company can meet certain funding requests, in particular to preserve the value of certain investments, and a further £5.5 million for future working capital purposes. Taking into account the Company's current cash and existing commitments, the Board and the Manager anticipate that the first return of capital to Shareholders will take place in relatively short order following the General Meeting. The Company expects that the initial return of capital will be approximately £10 million by way of a tender offer.

Benefits of the Proposals

It is the Board's opinion that, having taken into account the feedback received from the Company's largest Shareholders, the Proposals are in the best interests of the Company and its Shareholders as a whole and should yield the following principal benefits:

- the future direction and strategy of the Company is clear to Shareholders; and
- implementing the Managed Wind-Down will seek to achieve a balance between maximising the value received from those investments and making timely returns to Shareholders; and
- it is intended that the Company's listing and the capacity to trade in its Shares will be maintained for as long as practicable during the realisation process subject to regulatory considerations, assisting Shareholders to continue to trade their Shares and thereby exit their investment through the market.

General Meeting

The formal notice convening the General Meeting, to be held at 1 London Wall Place, London EC2Y 5AU, at 2.30 p.m. on 27 February 2025, is set out at the end of the Circular. The Notice of General Meeting includes the full text of the Resolutions.

Expected Timetable

Latest time and date for receipt of hard copy Forms of Proxy or electronic proxy appointments for the General Meeting	2.30 p.m. on 25 February 2025
General Meeting	2.30 p.m. on 27 February 2025
Publication of the results of the General Meeting	27 February 2025
If Resolution 3 to be proposed at the General Meeting is passed, effective date of adoption of Revised Investment Objective and Policy	27 February 2025

The above times and/or dates may be subject to change and in the event of such change, the revised times and/or dates will be notified to Shareholders by an announcement through a Regulatory Information Service.

All references to times are to London times.

Defined terms used in this announcement shall, unless the context requires otherwise, have the meanings ascribed to them in the Circular dated 31 January 2025.

The Circular is available on the Company's website at <https://www.schroders.com/inov>. The Circular will shortly be available for inspection at the National Storage Mechanism which is located at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

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