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Scottish American Investment Co PLC
05 March 2025

The Scottish American Investment Company P.L.C. ('SAIN')

Legal Entity Identifier: 549300NF03XVC5IFB447

Regulated Information Classification: Annual Financial and Audit Reports

Annual Report and Financial Statements

Further to the statement of audited annual results announced to the Stock Exchange on 13 February 2025, The Scottish American Investment Company P.L.C. ("SAINTS" or "the Company") announces that the Company's Annual Report and Financial Statements for the year ended 31 December 2024, including the Notice of Annual General Meeting, to be held on 8 April 2025, has today been posted to shareholders and submitted electronically to the National Storage Mechanism where it will shortly be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

It is also available on the SAINTS page of the Baillie Gifford website at: saints-it.com (as is the statement of audited annual results announced by the Company on 13 February 2025).

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The SAINTS Directors confirm that, to the best of their knowledge:

— the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

— the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that the issuer and business faces; and

— the Annual Report and Financial Statements taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Principal and Emerging Risks relating to the Company

As explained on pages 68 and 69 of the Annual Report and Financial Statements, there is an ongoing process for identifying, evaluating and managing the risks faced by the Company on a regular basis. The Directors have carried out a robust assessment of the principal and emerging risks facing the Company including those that would threaten its business model, future performance, regulatory compliance, solvency or liquidity. There have been no significant changes to the principal risks during the year. A description of these risks and how they are being managed or mitigated is set out below. On pages 46 to 49 of the Annual Report and Financial Statements, an upwards arrow, dash or downwards arrow has been included to show if the risk level has increased, not changed or decreased since it was reported in last year's Annual Report and Financial Statements.

The Board considers geopolitical concerns including the war in Ukraine, China/US tensions and the conflict in the Middle East and macroeconomic concerns (including inflation and interest rates) to be factors which exacerbate existing areas of risk as categorised and further explained below.

What is the risk?	How is it managed?	Current assessment of risk
Financial risk: The Company's assets consist mainly of listed securities and its principal and emerging risks are therefore market related and include market risk (comprising currency risk, interest rate risk and other price risk), liquidity risk and credit risk. An explanation of those risks and how they are managed is contained in note 18 to the Financial Statements on pages 97 to 102 of the Annual Report and Financial Statements.	The Board has, in particular, considered the impact of heightened market volatility from macroeconomic factors, including inflation, continued high interest rates and geopolitical concerns. To mitigate this risk at each Board meeting the Manager provides an investment policy paper which includes a detailed explanation of significant stock selection decisions and the overall rationale for holding the current portfolio. Consideration is given to portfolio movements and the top and bottom contributors to performance. The investment approach is considered in detail at the annual Strategy meeting. The value of the Company's investment portfolio and its income stream would be affected by any currency movements, but the Board believes the nature and diversification of the Company's equity portfolio moderates such risks.	Risk level: High This risk is considered to have increased. Although macroeconomic risks such as inflation have reduced, the prospect of market volatility remains from deteriorating geopolitical stability.

What is the risk?	How is it managed?	Current assessment of risk
Investment strategy risk: Pursuing an investment strategy to fulfil the Company's objective which the market perceives to be unattractive or inappropriate, or the ineffective implementation of an attractive or appropriate strategy, may lead to reduced returns for shareholders and, as a result, a decreased demand for the Company's shares. This may lead to the Company's shares trading at a widening discount to their net asset value.	To mitigate this risk, the Board regularly reviews and monitors the Company's objective and investment policy and strategy; the investment portfolio and its performance; the level of discount/premium to net asset value at which the shares trade; and movements in the share register and raise any matters of concern with the Managers.	Risk level: High This risk is considered to be stable as there are signs that the market's appetite for investment risk, and willingness to pay for future growth, is recovering despite ongoing macroeconomic and geopolitical concerns. Lower inflation has improved the achievement of real dividend growth over the shorter term.

What is the risk?	How is it managed?	Current assessment of risk

Discount risk: The discount/premium at which the Company's shares trade relative to its net asset value can change. The risk of a widening discount is that it may undermine investor confidence in the Company.	The Board monitors the level of discount/premium at which the shares trade and the Company has authority to buy back its existing shares when deemed by the Board to be in the best interests of the Company and its shareholders.	Risk level: High The Company's shares began the year trading at a premium and moved to a discount early in January 2024 where it remained for the rest of the year. The Company's shares traded at an average discount of 6.2% since moving to a discount and it bought back 1,665,185 shares. No shares were issued.
What is the risk?	**How is it managed?**	**Current assessment of risk**
Climate and governance risk: Perceived problems on Environmental, Social and Governance ('ESG') matters in an investee company could lead to that company's shares being less attractive to investors, adversely affecting its share price, in addition to potential valuation issues arising from any direct impact of the failure to address the ESG weakness on the operations or management of the investee company (for example in the event of an industrial accident or spillage). Environmental factors are also of significant importance in relation to the property investments as, for example, flood risk or the use of deleterious materials could reduce the attractiveness of a property and potentially its valuation and rental income prospects. Repeated failure by the Investment Manager and Property Manager to identify ESG weaknesses in investee companies or property investments, could lead to the Company's own shares being less attractive to investors, adversely affecting its own share price.	This is mitigated by the Investment Managers' strong ESG stewardship and engagement policies, and the Board's own ESG policy, which is available to view on the Managers' website: saints-it.com, both of which have been adopted by the Company, and which are fully integrated into the investment process as well as the extensive up-front and ongoing due diligence which the Investment Manager undertakes on each investee company. The due diligence conducted by the Investment Manager and Property Manager includes assessment of the risks inherent in climate change (see page 70 of the Annual Report and Financial Statements). The Directors have considered the impact of climate change on the Financial Statements of the Company and this is included in note 1 to the Financial Statements on pages 92 to 93 of the Annual Report and Financial Statements.	Risk level: Moderate The Investment Manager and Property Manager continued to employ strong ESG stewardship and engagement policies.
What is the risk?	**How is it managed?**	**Current assessment of risk**
Regulatory risk: Failure to comply with applicable legal and regulatory requirements such as the tax rules for investment companies, the FCA Listing Rules and the Companies Act could lead to suspension of the Company's Stock Exchange listing, financial penalties, a qualified audit report or the Company being subject to tax on capital gains. Changes to the regulatory environment could negatively impact the Company.	To mitigate this risk, Baillie Gifford's Business Risk, Internal Audit and Compliance departments provide regular reports to the Audit Committee on Baillie Gifford's monitoring programmes. Major regulatory change could impose disproportionate compliance burdens on the Company. In such circumstances representation is made to ensure that the special circumstances of investment trusts are recognised. Shareholder documents and announcements, including the Company's published Interim and Annual Report and Financial Statements, are subject to stringent review processes, and procedures are in place to ensure adherence to the Transparency Directive and the Market Abuse Directive with reference to inside information.	Risk level: Low This risk is considered to be unchanged. All control procedures were working effectively and there were no material regulatory changes that have impacted the Company during the year.
What is the risk?	**How is it managed?**	**Current assessment of risk**
Custody and depositary risk: Safe custody of the Company's assets may be compromised through control failures by the Depositary, including cyber security incidents.	To mitigate this risk, the Board receives six-monthly reports from the Depositary confirming safe custody of the Company's assets held by the Custodian. Cash and portfolio holdings are independently reconciled to the Custodian's records by the Managers. The Custodian's internal controls assurance reports are reviewed by Baillie Gifford's Business Risk Department and a summary of the key points is reported to the Audit Committee and any concerns investigated.	Risk level: Low This risk is considered to be unchanged. All control procedures were working effectively.
What is the risk?	**How is it managed?**	**Current assessment of risk**
Operational risk: Failure of Baillie Gifford's systems or those of other third party service providers could lead to an inability to provide accurate reporting and monitoring or a misappropriation of assets.	To mitigate this risk, Baillie Gifford has a comprehensive business continuity plan which facilitates continued operation of the business in the event of a service disruption or major disaster. The Audit Committee reviews Baillie Gifford's Report on Internal Controls and reports by other key third party providers are reviewed by Baillie Gifford on behalf of the Board and a summary of the key points is reported to the Audit Committee and any concerns investigated. The other key third party service providers have not experienced significant operational difficulties affecting their respective services to the Company.	Risk level: Low This risk is considered to be unchanged. All control procedures were working effectively.
What is the risk?	**How is it managed?**	**Current assessment of risk**
Leverage risk: The Company may borrow money for investment purposes (sometimes known as 'gearing' or 'leverage'). If the investments fall in value, any borrowings will magnify the extent of this loss. If loan covenants are breached, the Company may have to sell investments to repay borrowings. The Company can also make use of derivative contracts	To mitigate this risk, all borrowings require the prior approval of the Board and leverage levels are discussed by the Board and Managers at every meeting and covenant levels are monitored regularly. Details of the Company's current borrowings can be found in note 12 on page 99 of the Annual Report and Financial Statements. The majority of the	Risk level: Low This risk is considered to be unchanged. The Company has long term borrowings in place in form of its loan notes, which have maturity dates in 2036, 2045 and 2049.

derivative contracts.	Company's investments are in quoted securities that are readily realisable. Further information on leverage can be found on page 116 and the glossary of terms and alternative performance measures on pages 122 to 124 of the Annual Report and Financial Statements.	
What is the risk?	**How is it managed?**	**Current assessment of risk**
Political risk: Political change in areas in which the Company invests or may invest may have practical consequences for the Company.	Political developments are closely monitored and considered by the Board and Managers. The Board continues to assess the potential consequences for the Company's future activities including those which may arise from growing protectionism. The Board also remains watchful of broader geopolitical tensions and the associated potential for armed conflict. The Board considers the nature and diversification of the Company's investments provides a good degree of protection against such political risks.	Risk level: High This risk is considered to be increasing as governments and consumers around the world continue to assess the impact of heightened geopolitical tensions and conflicts as well as challenging macroeconomic conditions.

What is the risk?	How is it managed?	Current assessment of risk
Cyber security risk: A cyber attack on Baillie Gifford's network or that of a third party service provider could impact the confidentiality, integrity or availability of data and systems. Emerging technologies, including AI and quantum computing capabilities, may introduce new, and increase existing information security risks that impact operations.	To mitigate this risk, the Audit Committee reviews Reports on Internal Controls published by Baillie Gifford and other third party service providers. Baillie Gifford's Business Risk Department report to the Audit Committee on the effectiveness of information security controls in place at Baillie Gifford and its business continuity framework. Cyber security due diligence is performed by Baillie Gifford on third party service providers which includes a review of crisis management and business continuity frameworks.	Risk level: Moderate This risk is considered to be increasing due to recent indications that the continuation of geopolitical tensions and an observed increase in malign cyber activity. Emerging technologies, including AI, could potentially increase information security risks. In addition, service providers operate a hybrid approach of remote and office working, thereby increasing the potential of a cyber security threat.
Emerging risks: As explained on pages 68 and 69 of the Annual Report and Financial Statements, the Board has regular discussions on principal risks and uncertainties, including any risks which are not an immediate threat but could arise in the longer term. The Board considers that the key emerging risks arise from the interconnectedness of global economies and the related exposure of the investment portfolio to external and emerging threats such as escalating geopolitical tensions, cyber security risks including developing AI and quantum computing capabilities, and new coronavirus variants or similar public health threats. This is mitigated by the Board discussing at each Board meeting global economic and geopolitical factors and how these might impact the Company. The Board also considers the Investment Managers' close links to the investee companies and its ability to ask questions on contingency plans. The Investment Manager believes the impact of such events may be to slow growth rather than to invalidate the investment rationale. The Managers monitor certain emerging risks and have established a group to manage the response to any future events that might result in heightened levels of market volatility. Regular exercises are carried out to test the Managers' response to various scenarios.		

Baillie Gifford & Co Limited
Company Secretaries
5 March 2025

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