

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 which forms part of domestic law in the United Kingdom pursuant to The European Union Withdrawal Act 2018, as amended by The Market Abuse (Amendment) (EU Exit) Regulations 2019.

Scottish Mortgage Investment Trust PLC (SMT)

Legal Entity Identifier: 213800G37DCS3Q9IJM38

Board Announcement: Scottish Mortgage makes available at least £1 billion for buybacks over the next two years.

- The Company's public and private portfolio is delivering strong operational results.
- Over recent months, the Board has further strengthened the Company's balance sheet.
- The Board has now decided to make available at least £1 billion for buybacks over the next two years.

Scottish Mortgage's public and private portfolio is delivering strong operational results, evidenced in part by free cashflow from the portfolio companies having more than doubled over the past year. Collectively, portfolio companies have adapted to a higher cost of capital and are funding their future growth. Against this backdrop and having further strengthened the Company's balance sheet, the Board now intends to take more concerted action to address the discount to net asset value at which the Company's shares continue to trade.

When allocating capital, the Company considers a range of factors including, but not limited to, the level of gearing, exposure to private investments and general market conditions. Over recent months, the Board has further strengthened the Company's balance sheet via debt reduction, leaving invested borrowings at 13% of net assets, at an average interest rate cost of 3.2%. Meanwhile, Scottish Mortgage has continued to provide patient growth capital, including to private companies. Currently, private companies represent 26.2% of the portfolio, which would rise to 28.3%, assuming £1 billion of share repurchases at current market levels.

Share buybacks are a key component of capital allocation decisions. Buybacks provide shareholders with significant benefits including improved liquidity in the Company's shares, an immediate accretion to the net asset value per share and are a strong demonstration of confidence in the underlying valuation of the portfolio. Over the last two years the Company has bought back approximately £353m of its shares. During that period, the Board and Managers have been actively considering increasing the level of buybacks.

The Board has now decided to make available at least £1 billion for the purpose of purchasing its own shares over the next two years.

Justin Dowley, Chair of Scottish Mortgage Investment Trust PLC commented:

"We remain committed to using share repurchases strategically to enhance liquidity in our shares and to seek to facilitate trading around net asset value. Our Company has a strong balance sheet, and its portfolio companies are delivering strong operational results. We are acting upon this investment opportunity by materially increasing the capital available to our liquidity policy over the next two years with the aim of maximising returns for our shareholders."

Tom Slater, Manager of Scottish Mortgage Investment Trust PLC commented:

"In a volatile period for growth investment, we own a portfolio of established companies achieving rapid expansion, propelled by enduring structural trends. Advances in foundational technologies are unlocking exciting new products, services, and business models. These well-funded public and private companies are shaping the future of the economy. The stock market has yet to fully recognise their progress, which creates the opportunity for us to buy the portfolio for less than its market value. In doing so, we can provide liquidity and augment returns for our shareholders. We intend to pursue this opportunity with conviction."

Baillie Gifford & Co is responsible for arranging for the release of this announcement on behalf of the Company.

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Regulated Information Classification: Additional regulated information required to be disclosed under the laws of a Member State

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