



VICTORY HILL

Enabling the energy transition

VH GLOBAL SUSTAINABLE
ENERGY OPPORTUNITIES PLC

Interim Report and Accounts

For the period ended 30 June 2023

3 Overview

3 About the Company

5 Highlights

6 Interim Management Report

6 Chair's Statement

10 Investment Manager's Report

22 Sustainability

22 Our Approach to Sustainability & ESG

24 Operational ESG Performance &
Sustainability Impact Delivered in H1 2023

28 Case Study

30 Governance

30 Directors' Responsibility Statement

31 Financial Statements

32 Independent Review Report

34 Condensed Statement
of Comprehensive Income

35 Condensed Statement
of Financial Position

36 Condensed Statement of
Changes in Shareholders' Equity

37 Condensed Statement of Cash Flows

38 Notes to the Condensed
Financial Statements

52 Alternative Performance Measures

54 Additional Information

54 Glossary

55 Company Information

ABOUT THE COMPANY

A specialist mandate to support the global energy transition

VH Global Sustainable Energy Opportunities plc's ("GSEO" or the "Company") investment objective is to generate stable returns, principally in the form of income distributions, by investing in a diversified portfolio of global sustainable energy infrastructure assets, predominantly in countries that are members of the EU, OECD, OECD Key Partner countries or OECD Accession Countries.

The Company's investment policy states that it aims to achieve diversification principally by making a range of sustainable energy infrastructure investments across a number of distinct geographies and a mix of proven technologies that align with the UN Sustainable Development Goals ("SDGs"). The investments

are a direct contributor to the acceleration of the energy transition towards a net zero carbon world.

The Company's investment in proven technologies may include exposure to power generation (renewable and conventional), biomass, transmission, distribution, storage and waste-to-energy. These investments are operational, in construction or 'ready-to-build' but do not include assets that are under development or in pre-consent stage.

No investment is made in extraction projects involving either fossil fuels or minerals.

WHY INVEST IN GSEO?

A vehicle presenting a distinctive combination of access, return and impact.



Access

- Access to global private markets energy investments
- A geographically and technologically diversified portfolio of actively managed, high-impact investments which aim to ensure an effective and just climate transition



Return

- Targeting attractive risk-adjusted returns from around the world
- A highly diversified mix of assets driving both long-term capital growth and income generation
- High degree of inflation linkage with over 90% of revenues that are inflation-linked



Impact

- Creating environmental and social impact transforming lives and communities without compromising on returns
- Transparent impact reporting
- SFDR Article 9 fund



HIGHLIGHTS

FINANCIAL

£465.6m

Net asset value
as at 30 June 2023

110.21p

NAV per share*
as at 30 June 2023

1.3X

Cash dividend coverage*
as at 30 June 2023

5.52p

Progressive dividend target
per share reaffirmed for 2023

8.2%

Total annualised NAV return
since IPO* (Feb 2021)

2.2%

Total leverage of the
Company as a percentage of
NAV as at 30 June 2023

>90%

% of revenues contracted and
inflation-linked

92.8%

% of portfolio committed or
deployed as at 30 June 2023

ESG

516,585 MWh

Clean energy generated and
injected into the grid

53,423

Tonnes of Carbon avoided

11,359

Tonnes of Sulphur Oxides
avoided**

138,458

Equivalent UK homes powered
annually by clean energy

* This disclosure is considered to represent the Company's alternative performance measures ("APMs") and other performance measures used, together with how these measures have been calculated can be found on pages 52 and 53.

** Additional environmental disclosures are available on pages 24 and 25.

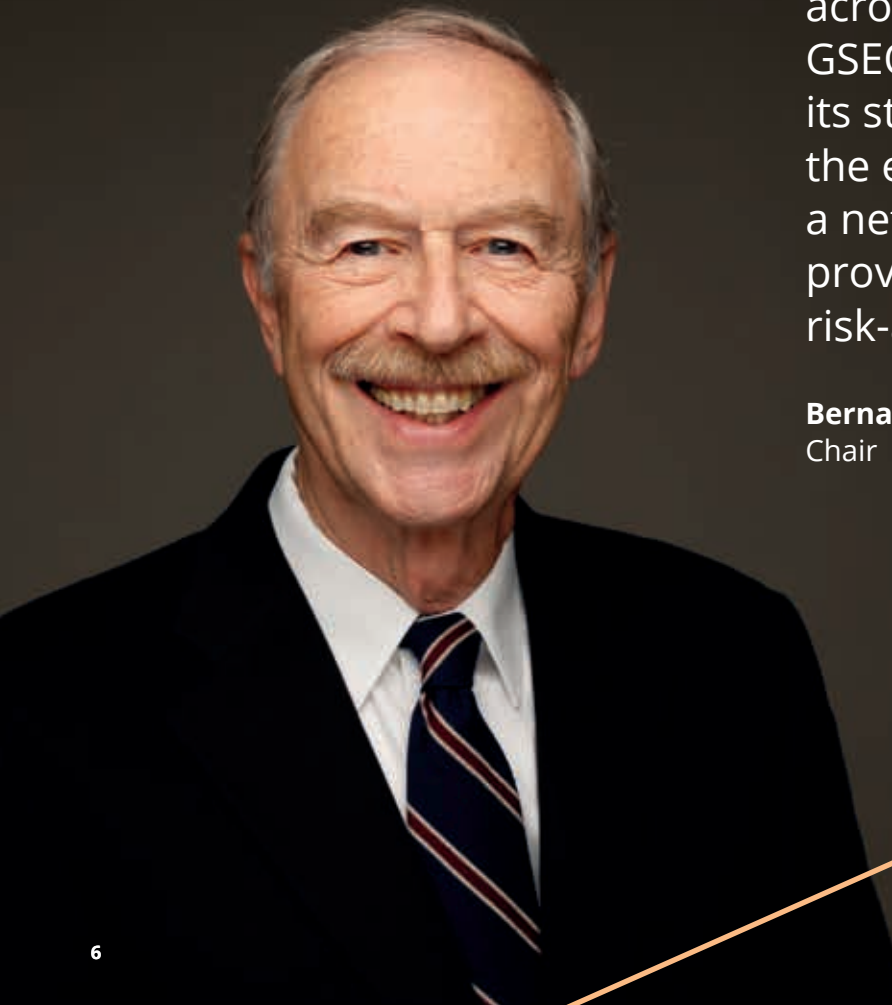
CHAIR'S STATEMENT

Leading the energy transition and driving positive impact on the environment and society

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By investing globally in a diverse range of proven technologies across the energy value chain, GSEO continues to work towards its strategic goals of accelerating the energy transition towards a net zero carbon world and providing shareholders attractive risk-adjusted returns.

Bernard Bulkin
Chair



On behalf of the Board, I am pleased to present our Interim Report for VH Global Sustainable Energy Opportunities plc (the "Company" or "GSEO") for the six months to 30 June 2023.

The half year under review has seen continued growth in clean energy investments despite macroeconomic headwinds. However, there are still two main challenges that need to be addressed to meet planned net zero targets at a global level: (1) energy security and grid stability, and (2) a balanced capital investment approach for developed and developing economies. By investing globally in a diverse range of proven technologies across the energy value chain, GSEO continues to work towards its strategic goals of accelerating the energy transition towards a net zero carbon world and providing shareholders with attractive risk-adjusted returns.

The macroeconomic, regulatory and political uncertainties that have shaped the market turbulence in 2023 so far, highlight some of the Company's unique and market-enduring features:

- Higher interest rates have had limited impact on the Company's asset performance as it continues to employ minimal leverage at the asset level (limited to one asset, and equivalent to 2.2% of NAV at Company level) and no leverage at fund level.
- With over 90% of the contracted revenues at asset level being inflation-linked, the expected weakening of power prices has had a limited impact on revenues and NAV whilst higher inflation has had a positive effect on both.

FINANCIAL PERFORMANCE

The Company's financial performance has been resilient throughout the period under review and GSEO's NAV total return (including dividends paid) for the six-month period to 30 June 2023 was 4.6%. As additional assets under construction become operational, we expect that GSEO will benefit from further capital growth.

GSEO's profit before tax for the six-month period to 30 June 2023 was £20.1m resulting in earnings per share of 4.8p.

Net cash flows from the underlying projects remain robust, covering the cash dividend 1.3 times. In line with the dividend target for the year ending 31 December 2023 of 5.52p per Ordinary Share, the Company has paid a quarterly dividend of 1.38p per share with respect to Q1 2023 as well as a dividend of the same amount per share with respect to Q2 2023, giving a total of 2.76p per share for the period, compared to 2.5p per share for the first half of 2022, an increase of over 10%.

As at 30 June 2023, the Company is one of the lowest geared real asset investment trusts in the sector. Consequently, the Board is of the opinion that interest rate risk is not currently considered to be a material concern.

The Board was disappointed to see the share price fall to a 16.3% discount to NAV at the end of the period. The discount has widened further since the period end and the Board is acutely aware of the impact this has on GSEO's shareholders' returns. The Board continually evaluates the optimum capital allocation strategy for the company

balancing the need to maintain a strong balance sheet in order to support existing portfolio assets alongside further investment opportunities and returning capital to shareholders via dividends or share buybacks. In this regard the Board will commit to undertake share buybacks when it believes those to be in the best interests of shareholders.

INVESTMENT ACTIVITY AND PORTFOLIO PERFORMANCE

Victory Hill, the Investment Manager of the Company, places a significant emphasis on active asset management of the portfolio, not only to protect the value of each investment but also to seek opportunities to create additional value for shareholders.

Performance of operating assets continues to exceed expectations:

- The Brazilian hydro facility has performed ahead of expectations, benefitting from a combination of higher hydro resource availability, high inflation impacting PPA prices positively and an optimisation of operating costs during the period.
- The Australian solar PV asset also outperformed during the period, with a performance 5.7% above budget.
- The US terminal storage assets continued to deliver a strong performance driven by higher than expected throughput volumes and corresponding higher ancillary revenues.

During the period ending 30 June 2023, the Company has continued to deploy capital towards sustainable energy infrastructure that drives the global transition towards cleaner and more sustainable sources of power. Investment activities and updates during the period include:

- The completion of the construction of the first upgraded solar and storage hybrid system in Australia, through the addition of a 2-hour 4.95MW battery energy storage system ("BESS"), which is connected to the existing operational solar PV site in Mobilon, South Australia.
- For the Brazilian solar PV assets, the completion of the 10th solar site brings the total operational capacity of the Brazilian sites to 27.3 MW. These sites benefit from 20-year average life and inflation-linked Power Purchase Agreements ("PPAs") with creditworthy corporate energy offtakers.

One of the EPC contractors has faced financial difficulties which required us to halt delivery of two of the projects that we were looking to relocate. As a result of this, a write off has been made for these assets in the amount of £4.5m.

The Company is contracting a new engineering procurement and construction ("EPC") company to finalise the construction of the six remaining solar sites in two phases. Three sites are expected to commence operations in the first quarter of 2024 as part of Phase I, following which construction will commence for the remaining three sites under Phase II.

- Despite the need to replace the incumbent EPC contractor, construction of the first UK flexible power site

CHAIR'S STATEMENT CONTINUED

is well advanced, and first power is expected by the end of the year while full commissioning of the integrated plant with carbon capture & re-use ("CCR") technology is expected to be reached in Q1 2024.

SHAREHOLDER ENGAGEMENT AND CORPORATE GOVERNANCE

At the April 2023 AGM, the Board was pleased to announce that all the ordinary resolutions and special resolutions, as set out in the Notice of AGM, were approved by shareholders.

The Board and I were delighted to welcome Daniella Carneiro to the Board of GSEO as an independent non-executive Director in January, bringing extensive experience in advising governments and companies on how to integrate ESG ("Environmental, Social and Governance") principles into business practice.

SUSTAINABILITY AND ESG

GSEO focuses on sustainable energy investments that are a direct contributor to the acceleration of the energy transition towards a net zero carbon world. The Company deploys capital into sustainable energy projects around the world and ensures that ESG criteria are incorporated into all of its investment decisions. This is reflected across GSEO's investment philosophy and approach, including its Investment Manager, Victory Hill, which is dedicated to the energy transition. As a signatory to the UN Principles for Responsible Investment and the Net Zero Asset Managers Initiative, Victory Hill has integrated ESG risks as well as opportunity assessments across every single stage of its investment process in sustainable energy investments around the world.

The Board recognises that transparency is becoming increasingly important in the current market environment and a stronger focus has been put on supply chain transparency and traceability, but also on transparent reporting, making it easier for shareholders to assess and quantify the positive impact that GSEO is having on the environment and communities.

OUTLOOK

Focusing on sustainable infrastructure globally has never been more relevant, as the need for energy security and decarbonisation continues to rise. The Company is investing in the global energy transition and the Investment Manager continues to work both to preserve and enhance the portfolio's value through its asset value creation strategy for the operational assets but also as it continues to focus on constructing new sustainable energy infrastructure.

Construction assets are already funded through committed capital and in time, as these assets become operational, we expect improved dividend coverage as well as an enhancement to the value of these assets.

The pipeline continues to grow based on the strong origination capabilities of the Investment Manager, and the Board looks forward to further acquisitions which enhance the value of the existing portfolio, with a continued focus on geographical and technological diversification.

On behalf of the Board, I would like to thank shareholders for their continued support, and I look forward to seeing GSEO pursuing its strong growth while continuing to generate sustainable returns and capital growth for its shareholders.

Bernard Bulkin, PhD, OBE
Chair

14 September 2023

ABOUT VICTORY HILL

Victory Hill is based in London and was founded in May 2020 by an experienced team of energy financiers that spun-out of a large established global project finance banking group. The team has participated in more than \$200bn in transaction values across 91 conventional and renewable energy-related transactions in over 30 jurisdictions worldwide. Victory Hill is the Investment Manager of the Company.

The Victory Hill team deploys its experience across different financial disciplines in order to assess investments holistically. The firm pursues operational stability and well-designed corporate governance to generate sustainable positive returns for investors. It focuses on supporting and accelerating the energy transition and the attainment of the UN Sustainable Development Goals.

Victory Hill supports investors by identifying energy market dislocations, structural gaps, arbitrage opportunities and trends.

Victory Hill's activities are entirely focused on energy and energy-related investments, across infrastructure and private equity investment solutions.

INVESTMENT MANAGER'S REPORT

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We have always believed in the importance of demand side dynamics, both as a philosophy related to the efficient function of energy markets, and also as a tool to ensure the orderly and just transition of the world to net zero.

Richard Lum
Co-CIO

MARKET BACKDROP AND OUTLOOK

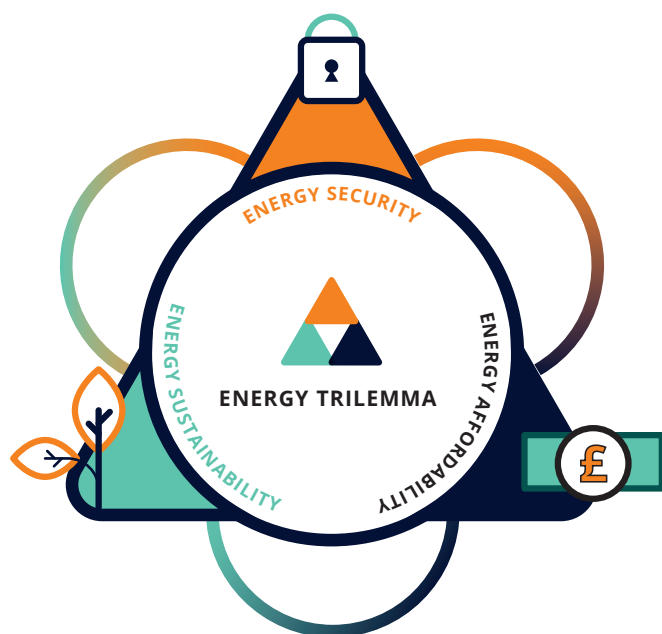
As 2022 turned into the first half of 2023, much of the world was affected by issues related to the “Energy Trilemma”, a concept familiar to policy makers worldwide. In essence this revolves around the need for society to prioritise between the equally important, yet sometimes conflicting issues of achieving energy security, enabling access to clean energy, and ensuring that energy produced is affordable.

Many observers saw 2022 as the year in which this concept was tested to the limits, as Russia’s invasion of Ukraine undeniably made energy security and affordability key issues for the majority of the public living in the West. Energy prices skyrocketed as Russian gas supply dwindled at the same time as European grids demanded more baseload power given seasonal weather factors, and key nuclear power supply in France came offline for maintenance.

Richard Lum
Co-Chief Investment Officer
Victory Hill Capital Partners LLP

Eduardo Monteiro
Co-Chief Investment Officer
Victory Hill Capital Partners LLP





Whilst some market experts believed this marked the end or at least the rebalancing of attention away from the energy transition, it has become clear in the first half of 2023, that, contrary to this belief, the invasion of Ukraine had hastened the transition. It has been suggested that the invasion may have accelerated the transition by five to ten years. Indeed, according to DNV's Energy Insights Report 2023: "Recent responses by countries, and businesses reflect the fact that the energy transition is now directly tied to competitiveness. It is a way to win in this new world where clean energy technologies are a solution to ensuring energy security and economic growth".

The global energy order (or at least its European chapter) has come to terms with placing Russian gas outside of its remit and, together with a milder winter, energy prices have abated noticeably in the first half of 2023. Beyond this, however, we find the roots of a more fundamental change in the world order.

In 2022, it was widely accepted that ensuring a plentiful supply of natural gas was important to achieving the last leg of the Energy Trilemma, that of energy affordability. Coming into 2023, the focus is now on the different leg of the Energy Trilemma, namely energy security. Natural gas is critical to energy security in many grids throughout the world, but focussing on ensuring a plentiful supply of it is not the answer to achieving energy security. Rather, the focus needs to be on recalibrating the place it has in the overall pantheon of energy demand. It is only by reducing demand for natural gas, through sourcing alternatives such as green gases, synthetic methane and biogas, as well as making the consumption of gas much more efficient in homes and industry, that we can ensure energy security in a world without Russian gas supply. It also happens to be that such conservation measures fit perfectly into the sustainability objectives of the energy transition, as reducing demand for natural gas through the introduction of alternatives means that the transition can occur without the disruption which a strict focus on eliminating its supply would cause.

Victory Hill has always believed in the importance of demand side dynamics, both as a philosophy related to the efficient function of energy markets, and also as a tool to ensure the orderly and just transition of the world to net zero.

In the context of our prior observations (in the 2022 annual report) on the growth of electricity as a share of final energy consumption, demand dynamics mean that a much less disruptive way to decarbonise our power systems is not to focus solely on eliminating supply of "dirty" electrons (from coal fired and gas fired power plants) in favour of "clean" electrons from renewable generation, but rather through implementing measures which reduce demand on dirty electrons without disruption.

These measures also align with the Energy Trilemma limbs, such as energy security. For example, we can call on flexible power plants which utilise carbon capture and are therefore net zero to provide stability in the grid, and storage technologies such as BESS and hydro facilities, all of which provide for supply flexibility in markets with prominent supply of renewable power and therefore high intermittency. Technologies such as BESS and hydro facilities have energy storage properties, and hence are able to "recycle" clean electrons for users, and therefore also meet with the Energy Trilemma leg of access to clean energy.

Victory Hill's investment thesis for GSEO distils the essence of the energy transition into four manifestations, and these, unsurprisingly, draw heavily on the Energy Trilemma. We had concluded at the outset of our journey, that in order to make a true impact in global sustainable energy, we had to invest in assets which promoted or are linked to the phenomena of: i) addressing climate change; ii) access to clean and affordable energy; iii) energy efficiency; and iv) market liberalisation.

Achievement of energy efficiency in our power grids continues to be a huge objective in the energy transition. The power grid (transmission and distribution) and its transformation to be more efficient in the transportation of electrons from production to consumption, is a bigger issue for the energy industry and for the race to beat climate change. According to DNV, the rate of expansion in renewables generation is quicker than the rate at which the grid can adapt to accommodate the growth, as it cannot yet adequately connect sources of renewable energy to areas of high demand. Ageing power grid infrastructure is a significant barrier to greater use of renewables, and therefore continued and increased investment in this area is important.

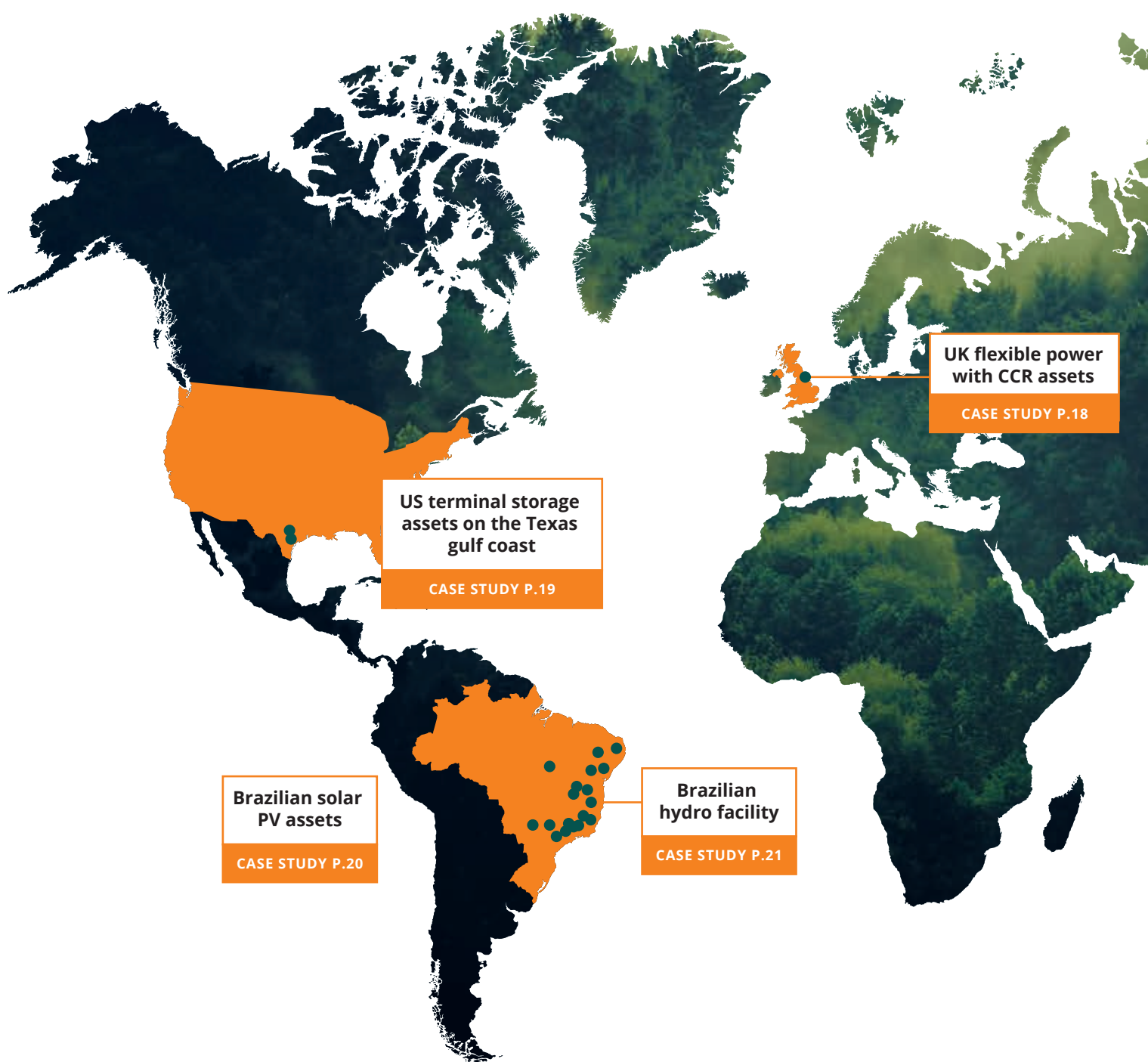
Meanwhile, global supply chain issues have abated somewhat in 2023. Whilst the price of solar PV modules is expected to fall this year as supply rebounds from several setbacks over the past few years, the local content regulations of the Inflation Reduction Act of 2022 in the US will place new pressures on the industry as it will take some time before the local supply chain takes shape or has the capabilities of other regions in the world (for example, China).

The road to net zero has an obvious need for very large sums in investments. This unprecedented requirement for mobilisation of capital into the energy infrastructure has to come primarily from private sources. Victory Hill firmly believes that the key to the success in this endeavor is to not only focus on quantity of capital but also on ensuring that investments are done intelligently. The Energy Trilemma is a complex equation to solve and without the correct understanding of the realities in each market, large investments may not deliver the desired outcome. Our mission is to make this journey a success.

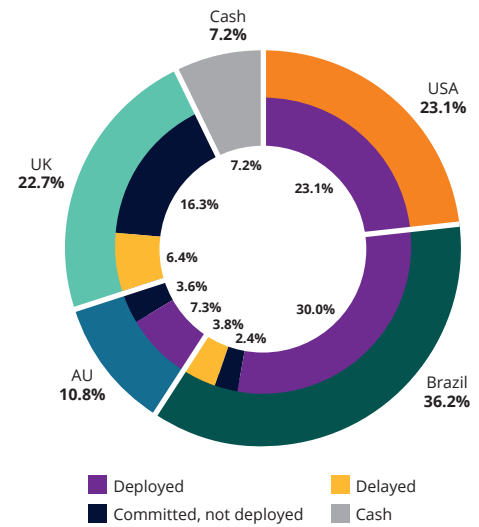
INVESTMENT MANAGER'S REPORT CONTINUED

PORTFOLIO UPDATE

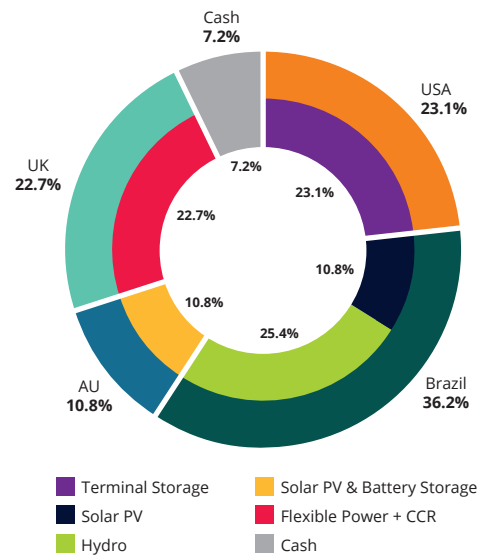
26 assets, 5 technologies, 4 jurisdictions across the globe



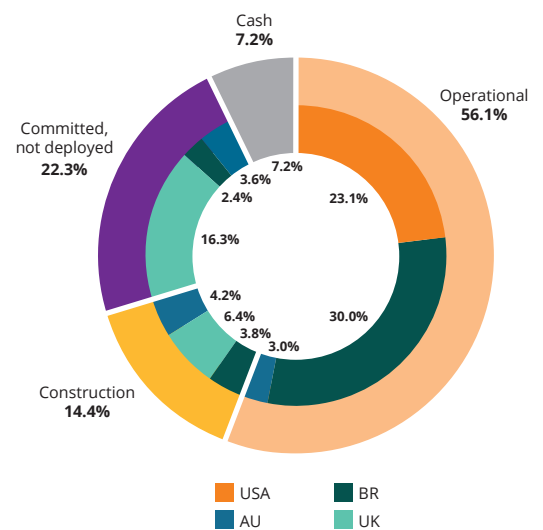
Portfolio by geography and deployment



Portfolio by geography and technology



Portfolio status by deployment and geography

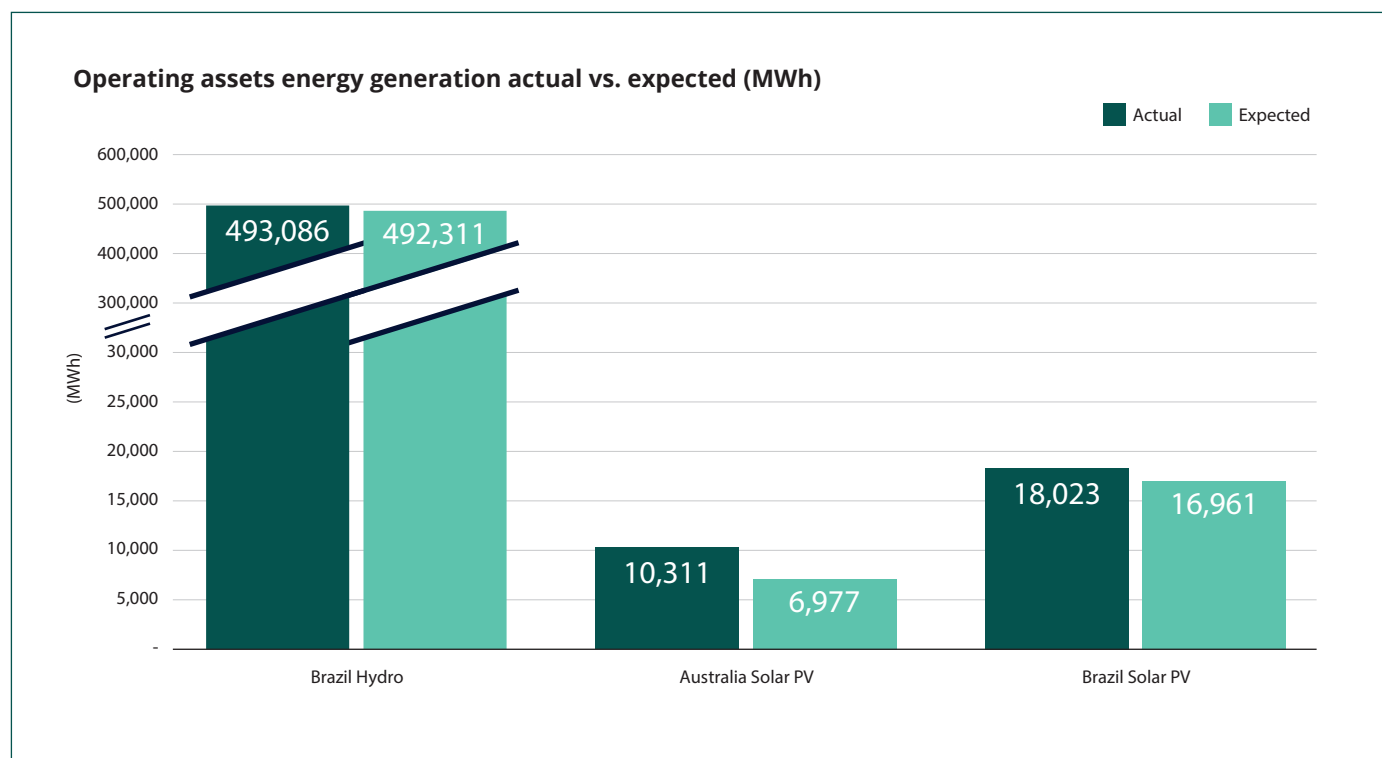


Australian solar PV
with battery
storage assets

CASE STUDY P.19

INVESTMENT MANAGER'S REPORT CONTINUED

Highlights & Performance



The operating assets' actual energy generation is broadly above budget for the six-month period to 30 June 2023.

- For the Brazilian hydro facility, generation has slightly outperformed budget due to the higher hydro resource availability and low performance of wind assets in the Brazilian energy mix.
- In terms of the Australian solar PV assets, strong operational performance of the assets has led to actual energy production exceeding budget. An upgrade initially planned for Q1 2023 by the network was postponed to Q2 2023 which led to a shift of the related period of network partial unavailability. Overall this shift contributed to a higher power export than anticipated.
- The power generation of the Brazilian solar PV sites exceeded budget as a result of the operational sites reaching their full generation capacity ahead of expectation.

Portfolio Optimisation

During the period, the first project of the UK programme successfully won the UK's Capacity Market Auction T-4 at a price of £63/kW/year indexed to inflation. Given the high reliability, efficiency and flexibility of this plant, this 15-year contract provides an additional source of long-term inflation linked revenues to the project.

Regarding the Brazilian hydro facility, our operating partner has successfully completed the transfer of the operations from the vendor at a lower cost than anticipated in a shorter than expected time frame. As we look to the future, we continue to work with our operating partner in identifying additional areas for greater efficiency in the operation of the asset.

ASSETS UNDER CONSTRUCTION

As at 30 June 2023, 14.4% of the portfolio is under construction, compared to 62% in June 2022. As additional projects become operational, the Company should continue to benefit from a NAV uplift as a result of more assets moving from being under construction to operational phases as well as a stronger dividend coverage ratio.

In Brazil, the 10th site was completed during the period to bring the operational capacity to 27.3MW. A replacement EPC contractor has been identified to complete the construction of the remaining six assets by 2024 (three of which in Q1 2024).

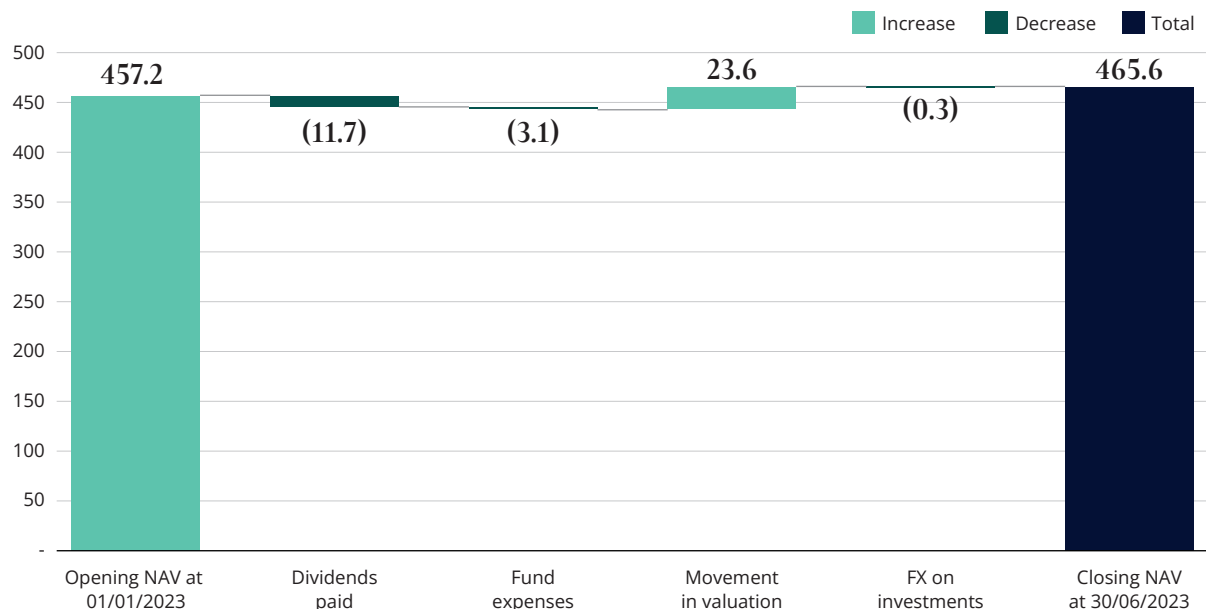
In the UK, construction of the first gas-fired power plant with carbon capture and re-use ("CCR") technology has progressed steadily and reached significant milestones with key equipment installed on site. The incumbent EPC contractor has faced financial issues in connection with

unrelated assets and prompt measures were taken to protect the interests of the project, and continue delivery of the programme on site while mobilising a replacement contractor to complete construction. First power is expected by the end of the year and full commissioning of the integrated plant with CCR is expected by Q1 2024.

The Australian programme has successfully delivered one of the first hybrid solar and battery energy storage systems in South Australia to access a range of revenue streams, capturing power price volatility and the need for frequency management services. Construction was completed on time and on budget in Q2 2023. The programme was further expanded with three new assets in New South Wales. The construction of these three solar farms commenced in Q4 2022 and is expected to complete in line with budget. The solar farms are expected to be completed in H2 2023 and the addition of battery storage is under development by the operating partner.

NET ASSET VALUE

NAV Bridge for the period ended 30 June 2023 (£'m)



Shares in issue	422,498,890	422,498,890
NAV/share (pence)	108.21	110.21

The NAV of the Company increased from £457.2m at 31 December 2022 to £465.6m on 30 June 2023. The key NAV drivers were:

- A net increase in the value of investments of £23.6m, mainly driven by a reduction of discount rates by 136bps across the portfolio due to lower risk-free rates and sector risk premia, strong operational performance in cash generative assets, notably in the Brazilian hydro facility, had contributed in an upward revaluation in the portfolio. Total fair value gains, including an additional Brazilian solar site and Australian solar PV asset becoming operational during the period, offset a fair value loss of £4.5m in the Brazilian solar PV assets.
- During the period, GBP strengthened versus the USD and AUD by 5.0% and 7.3% respectively but weakened against the BRL by 4.7%. A net strengthening of GBP against the portfolio currencies resulted in a marginal decrease in FX. The Company has a mandate to hedge the short-term distributions from investments from local currency to GBP.
- Total fund expenses for the period of £3.1m or 1.3% in ongoing charges ratio, showing cost discipline in the period.

INVESTMENT MANAGER'S REPORT CONTINUED

KEY SENSITIVITIES

The chart below illustrates the sensitivity of the Company's NAV per share to changes in key input assumptions for assets in operation as at period end. In performing the sensitivity analysis, it is assumed that potential changes occur independently of each other with no effect on any other assumption, and that the number of investments in the portfolio remains static throughout the modelled life.

NAV Sensitivity		
Discount rate (+1.0%/-1.0%)	-5.78p -5.52%	6.73p 6.10%
Inflation (-1.0%/+1.0%)	-4.83p -4.38%	5.53p 5.01%
Operating expenses (+5.0%/-5.0%)	-1.46p -1.32%	1.48p 1.35%
FX (+10.0%/-10.0%)	-6.65p -6.04%	8.13p 7.38%
Asset life (-1 yr/+1 yr)	-1.09p -0.99%	1.02p 0.92%

Discount rate

A range of discount rates is applied in calculating the fair value of the investments, considering risk free rate, country-specific and asset-specific risk premia and betas. Discount rates for operational assets at 30 June 2023 are 7.3% (31 December 2022: 8.4%) in the US, 6.7% (31 December 2022: 8.6%) in Australia, 9.1% (31 December 2022: 10.5%) for the Brazilian hydro facility and 11.4% (31 December 2022: 13.1%) for the Brazilian solar PV assets. A 1.0% increase (decrease) in discount rates across the portfolio decreases (increases) NAV by 5.78p (6.73p).

Inflation

The sensitivity assumes a 1% increase or decrease in long-term inflation relative to the base case of 1.6% for the US assets, 0.7% for the Australian assets and 3.0% for the Brazilian assets for each year of asset life. A 1.0% increase (decrease) in inflation rates across the portfolio increases (decreases) NAV by 5.53p (4.83p).

Operating expenses

The sensitivity assumes a 5% increase or decrease in operating expenses relative to respective contracts and budgets for each asset. A 5% increase (decrease) in operating expenses across the portfolio decreases (increases) NAV by 1.48p (1.46p).

Foreign exchange

The sensitivity assumes a 10% increase or decrease in foreign exchange movements against the sterling. The Company seeks to manage its exposure to foreign exchange movements by hedging short-term distributions from non-sterling investments but, due to long-term inflation-linked revenues stemming from these investments, the Company does not hedge the principal value of the investments. A 10% increase (decrease) in foreign exchange rates across the portfolio decreases (increases) NAV by 6.65p (8.13p).

Asset life

The sensitivity assumes a 1-year increase or decrease in asset life relative to the base cases of 30 years for the US terminal storage assets, 25 years for the Australian solar PV with battery storage assets, Brazilian solar PV assets and Brazilian hydro facility. A 1-year increase (decrease) in asset lives across the portfolio increases (decreases) NAV by 1.02p (1.09p).

Resource sensitivity

The portfolio has little resource risk sensitivity given the availability-based nature of the US terminal storage assets, the base load generation profile of the Brazilian hydro facility, and the addition of battery storage to the Australian solar PV assets to mitigate solar intermittency risk.

PIPELINE

- Our focus remains on delivering assets still in construction in the existing portfolio.
- We continue to originate new opportunities and weigh them against proceeding with capital that is committed but yet to be deployed for the current portfolio. The opportunity set to support the global transition to net zero is vast, and given our strategy is founded on a global approach that is technology agnostic, we consider a wide range of opportunities which we believe offer shareholders the ability to make an impact and derive sector leading returns.

INVESTMENT MANAGER'S REPORT CONTINUED

CASE STUDIES



UK flexible power with CCR assets:

- The programme targets the grid-balancing opportunities in the UK through a unique flexible power generation solution. This flexible power and carbon capture and re-use programme allows us to supply reliable baseload power without adding to carbon emissions. By combining a range of existing and proven technologies, this programme offers a very compelling solution to enable further renewable energy penetration in the UK mix.
- Construction of the first site is well advanced with key equipment delivered and installed at site.
- The incumbent EPC contractor has faced financial difficulties as a result of challenging macroeconomic conditions for the construction industry (high inflation, high interest rates and supply chain disruptions). The situation with the incumbent EPC contractor has served as a good test of the Victory Hill approach of having a local operating partner and discipline in negotiating protective measures in the EPC contracts.
- The model has been proven to work with the operating partner and Victory Hill acting quickly to identify a new EPC contractor to complete the construction.
- Due to the change in EPC contractor, first power is now expected by the end of 2023 and full commissioning of the integrated plant with CCR expected in Q1 2024.
- Key project partners including Rolls Royce, Mitsubishi Turboden, Climeon, Asco, Axpo and Buse Group remain involved in the project.
- All contracts including the carbon dioxide contract, power offtake contract, and a 15-year contract at £63/kW/year in the UK Capacity Markets Auction T-4 are unaffected.
- Asset continues to target returns aligned with the Company's expectation.



Australian solar PV with battery storage assets:

- The Australian market is unique in that it has one of the greatest renewable resources potential (land availability, wind and solar resources) but is predominantly positioned at the opposite end of the energy spectrum in having the majority of the country's energy needs generated by coal.
- This programme is on track, with delivery of the first hybridised solar and battery system in South Australia completed in the period. Construction of the solar farm component for three of the hybrid systems is progressing with all solar farms expected to reach commencement of operations ("COD") by H2 2023.
- The potential of a hybrid solar and battery system is compelling, with more revenue opportunities due to grid balancing services opening up and battery costs coming down.

US terminal storage assets:

- After exceeding financial performance in 2022, the two terminals are well positioned to meet their 2023 budget as the assets benefit from their inflation-linked "availability" contracts and from their ideal location in South Texas which is a key aggregation hub for the Mexico US cross-border product movements.
- For the first half of 2023, the terminals were 5% over budget for revenue and 1% for EBITDA. A strong Q2 as a result of higher throughput volumes at both T1 and T2 offset a slower than expected Q1 stemming from lower volumes at T2.

INVESTMENT MANAGER'S REPORT CONTINUED



Brazilian solar PV assets

- The Brazilian market has benefited from the growth of distributed generation (DG) with its unique commercial model for this type of energy source.
- 10 of the 16 sites are operational and generating energy according to expectations.
- One of the EPC contractors has faced financial difficulties which required us to halt delivery of two of the projects that we were looking to relocate. As a result of this, a write off has been recognised for these assets in the amount of £4.5m.
- Together with our operating partner, Victory Hill has acted decisively in finding a replacement EPC contractor to finalise the six remaining projects in an orderly manner.
- These six remaining sites will be finalised in two phases with the first one prioritising the three projects with which we have delivery time commitments with the offtakers. Phase one is expected to be completed by Q1 2024. Construction on the remaining three sites from phase two will commence immediately when the EPC contractor becomes available and completion is expected in 2024.
- As a result of active asset management, the programme remains on track to deliver returns above the fund's target total NAV return of 10%.

Brazilian hydro facility

- Brazil has one of the world's largest hydrological resources and is a global leader in hydropower generation. The country has attracted large amounts of capital investment in the hydropower sector making it one of the most established and prominent hydropower markets in the world. In Brazil, hydropower generation continues to have systemic importance. Hydropower plants provide a reliable and continuous source of clean energy for a power system which needs to meet ever-growing demand.
- This form of power generation can provide capacity firming and grid stability in times of heightened supply volatility caused by the growing penetration of intermittent power generation by solar and wind in the energy supply composition of the country. The penetration of intermittent renewables is still in its infancy in Brazil, yet it is the fastest growing source of power generation.
- Hydropower will continue to play a critical role in enabling further penetration of those intermittent yet necessary technologies to achieve what could become one of the world's most balanced and sustainable energy systems.
- In the period, our operating partner has successfully completed the full transition of operations from the vendor, EDP. This was a remarkable achievement in such a short timeframe and with no disruptions.
- Under the stewardship of our operating partner, the asset has already exceeded expectations as a result of strong hydrological conditions, inflation positively impacting PPAs and operational efficiencies.



OUR APPROACH TO SUSTAINABILITY & ESG



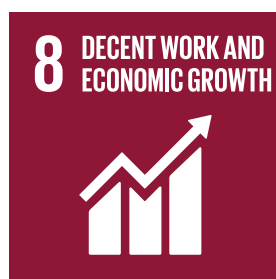
Eleanor Fraser-Smith
Head of Sustainability
Victory Hill Capital Partners LLP

"A successful energy transition needs to balance the 'energy triangle' of addressing environmental sustainability, providing energy security and access, and facilitating economic growth and development¹. The Company's approach to investment manifests this balance."

The Company's UN Sustainable Development Goals (SDGs) aligned investment strategy aims to support and accelerate the energy transition towards net zero through its sustainable energy infrastructure investments that serve communities around the world. To achieve these objectives the Investment Manager recognises the need to invest in a sustainable and responsible way and that social and environmental sustainability are interconnected and mutually reinforcing. The Investment Manager through the Company's investments seeks to address fundamental gaps in energy markets to support energy security, access and economic growth.

The Investment Manager is committed to managing investments aligned with the UN Global Compact principles. It does this by taking a risk-based approach focussed on external validation of SDG strategy alignment, assessment of doing no significant harm, ESG due diligence, materiality analysis, and risk and opportunity assessment. Any gaps in governance practices or management systems are identified. Material risks or opportunities to build sustainable value are prioritised. Mitigation actions covering these aspects are agreed in the investment specific sustainability action plan (SAP). The SAP is a dynamic document that is frequently reviewed and updated with the Company's operating partners.

Portfolio investments committed to positively contributing to the UN SDGs:



¹ <https://www.weforum.org/agenda/2020/07/a-beginners-guide-to-the-energy-transition/>

Regulatory compliance: EU Taxonomy alignment

Following the acquisition of the Brazilian hydro facility at the end of 2022, the Company can confirm the investment is aligned with the EU Taxonomy of sustainable economic activities. The Investment Manager has completed, with the support of a third party, an external assessment of EU Taxonomy alignment, including climate risk and vulnerability, embodied carbon life cycle analysis ("LCA") and do no significant harm criteria.

The hydro facility is run-of-river with a power density of 43 W/m² and life cycle GHG emissions comfortably below the 100g CO₂e/KWh threshold. The LCA methodology aligned with requirements of ISO14067 to provide third party verification of the emission calculations.

The climate risk and vulnerability assessment was completed in accordance with Appendix A of Annex 1 of the EU Taxonomy with adaptation measures taken.

The sustainable use and protection of water, marine resources, protection and restoration of biodiversity and ecosystems, are relevant to the do no significant harm assessment criteria for the investment. The current operating license has provisions requiring a schedule of monitoring and additional education programs to assess the health and quality of present biodiversity and

ecosystems. This consists of actively monitoring water resources, water quality, sediment quality, sedimentometric and ichthyofauna. Monitoring includes the diversity of fish species in different parts of the river and reservoir. The operating licence requires the manual transposition of fish species from downstream of the hydro facility to upstream to mitigate restrictions on fish migrations. The fish transposition schedule also removes exotic non-native fish to reduce the pressure on native fish populations where possible.

An environmental education plan for workers and local communities has been implemented to raise environmental awareness and highlight its importance. Due diligence has revealed no negative aspects from the monitoring programme to date.

In the facility's SAP, the Company has required the hydro facility to obtain the International Hydropower Association's sustainable standard certification which will further identify opportunities for community engagement and environmental protection.

As part of the Investment Manager's external validation of investment SDG alignment, human rights, labour, and health and wellbeing attributes are assessed. The investment meets social safeguard requirements, and the Investment Manager will continue to monitor the investment's performance.

OPERATIONAL ESG PERFORMANCE & SUSTAINABILITY IMPACT DELIVERED IN H1 2023

PORTFOLIO ENERGY USE AND GHG EMISSIONS

The energy and greenhouse gas emission metric is the principal way in which the Company assesses its impact. This data is collected at the site level and aggregated to the portfolio level.

Scope	Energy use (MWh)	GHG emissions (tonne CO ₂ e)
Scope 1	11,309	2,075
Scope 2	1,531	487
Total operational emissions (1&2)	12,840	2,562
Scope 3	-	3,406
Total Scope 1, 2 and 3 emissions		5,968



Figure 1. Emissions avoided and equivalent emissions of a car in kilometres

² UK Government, <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023>

PORTFOLIO SUSTAINABILITY IMPACT

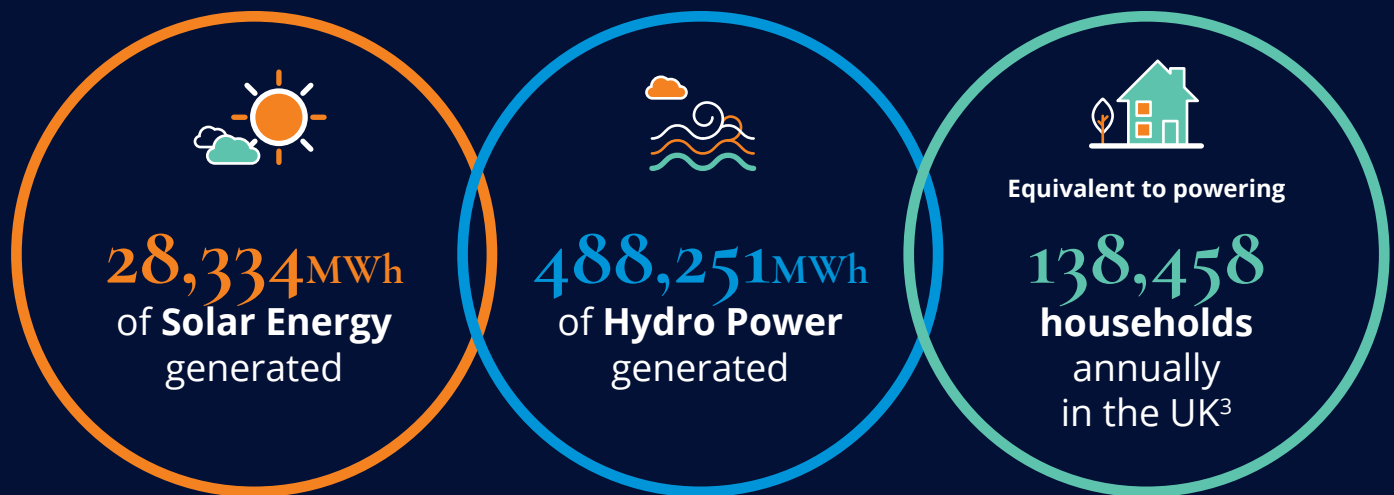


Figure 2. Total renewable energy generated and injected into the grid H1 2023 and equivalent to UK households power consumption annually

OPERATIONAL ESG PROGRESS

Environmental

The table below provides half-year absolute figures for 2023 of identified material environmental metrics. Water is used in operational processes and based on analyses none of the assets are in areas with high water stress. The waste produced in the USA is mostly due to construction and is collected for recycling from the US terminal storage. Operational solar renewable energy assets do not produce waste.

Environmental Metrics	Unit	Australia	Brazil (Solar PV)	Brazil (Hydro)	USA	Portfolio
Water	Megalitre	–	–	<1	14	14
Waste	Tonnes	–	–	6	60	66
NOx Avoided	Tonnes	–	–	–	1,129	1,129
SOx Avoided	Tonnes	–	–	–	11,359	11,359
PM10 Avoided	Tonnes	–	–	–	578	578
PM 2.5 Avoided	Tonnes	–	–	–	424	424

³ Department for Business, Energy & Industrial Strategy (BEIS), <https://www.gov.uk/government/statistics/energy-consumption-in-the-uk>

OPERATIONAL ESG PERFORMANCE & SUSTAINABILITY IMPACT DELIVERED IN H1 2023 CONTINUED

For the US terminal storage asset the Company reports on the avoided emissions of pollutants to indicate the positive benefits on human health and the environment from their removal; particularly because of their contribution to acid rain and associated respiratory diseases and ill health.

Social

The importance of a diverse workforce is recognised and prioritised through the Company's investments. It ensures the assets' operating partners provide equal opportunities for their employees irrespective of race, colour, religion, or belief, ethnic or national origins, gender, age, family status, sexual orientation, disability, or political opinion.

The operating partners are committed to improving workforce diversity. There is a high percentage of male workers on sites due to the industry being traditionally male dominated and the low employment required in the management of solar assets.

The Company places a high priority on the health and safety. The Company expects operating partners, where material, to implement management systems to ensure continuous improvement in this regard. All assets have health and safety policies in place. For the first half of the year the total case injury rate ("TCIR") for the portfolio was zero and one incident was reported, root cause investigations were conducted and addressed.

Metric	Unit	Australia	Brazil (Solar PV)	Brazil (Hydro)	USA	Total portfolio
Gender Diversity						
Male	% (Average Number FTE for FY2023)	100	100	96	96	98
Female		0	0	4	4	2
Other		0	0	0	0	0
Turnover	%	0	0	4	4	2
Total number of employees	FTE	2	12	23	24	61
Health and Safety						
Total Number of Incidents	Number of Incidents	0	0	0	1	1
TCIR	Total Number of recordable injuries x 200,000/annual hours worked	0	0	0	0	0

Net Zero Asset Managers Initiative

The portfolio target⁴ was submitted to NZAMi earlier this year which aligned with the investment manager's commitment to reduce scope 1 and scope 2 emissions and to the extent possible scope 3.

A third party used the science-based target initiative for financial institutions net zero standard to set an intensity target for all assets under management in the portfolio.

The mid-term to 2030 target is:

0.071 tonnes CO₂e/MWhp → 0.026 tonnes CO₂e/MWhp

The long term 2050 target is: 0.0035 tonnes CO₂e/MWhp which is a 95% reduction in total emissions.

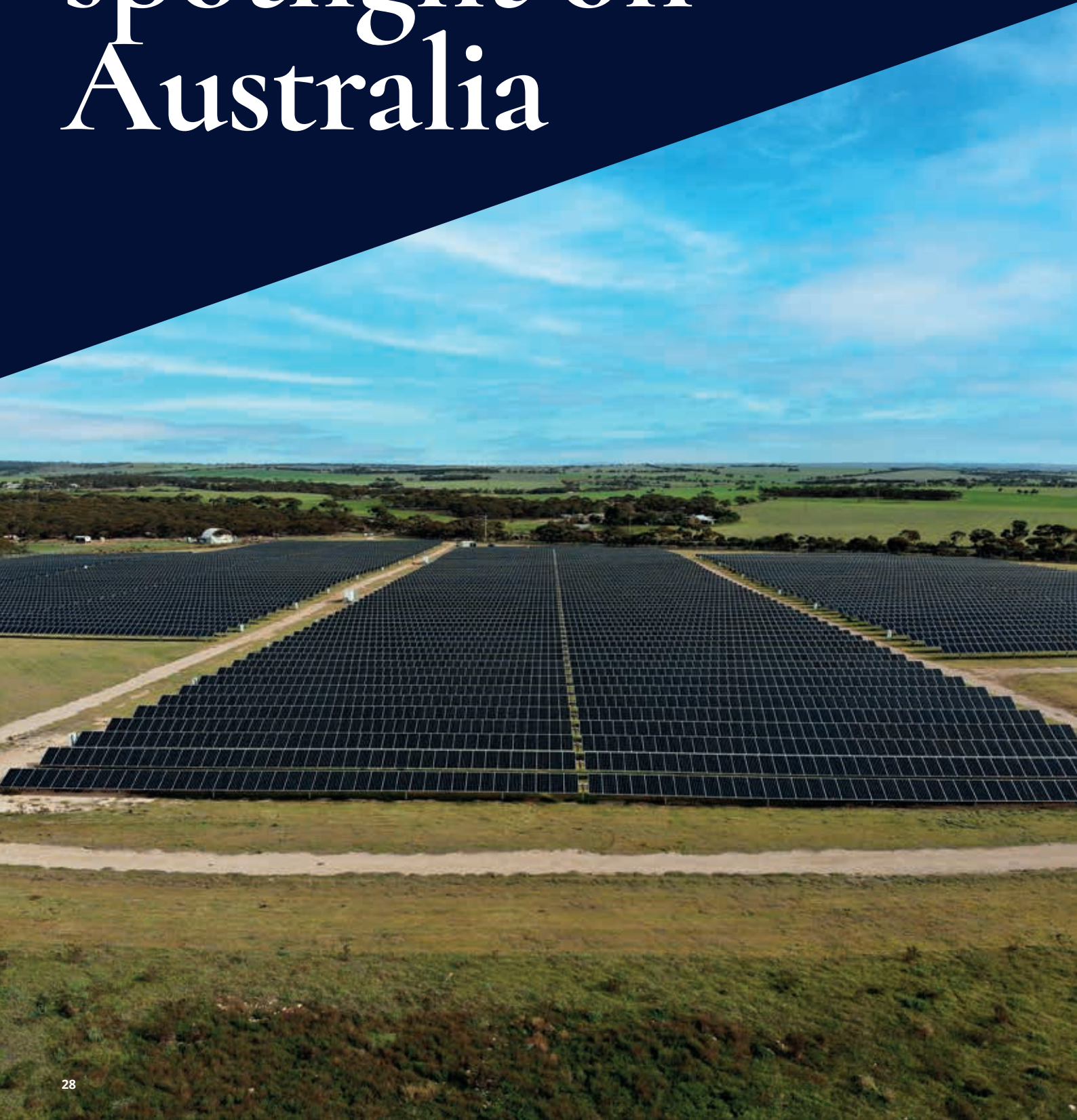
The initial medium-term target will focus on operational emissions which make up 78% of emissions with actions including assets pursuing renewable energy contracts, operational efficiencies, and carbon capture. Actions to achieve targets are included in asset SAPs.

⁴ <https://www.netzeroassetmanagers.org/signatories/victory-hill-capital-partners-llp/>



CASE STUDY

An ESG spotlight on Australia



Battery storage deployment: further supporting grid decarbonisation

South Australia's high irradiation levels means it is well-suited for solar generation, but this can fluctuate with weather conditions and diurnal variations. Battery storage can help smooth out these intermittent energy generation patterns by storing excess solar energy during the day and releasing it during periods of low or no solar production. This ensures a more reliable and consistent power supply, reducing the need for backup fossil fuel-based generation, which in South Australia is provided by gas and oil, and therefore facilitating and accelerating decarbonisation.

Responsible supply chain

Sustainability related challenges for solar and battery deployment include supply chain transparency and traceability. Understanding the origin of raw materials and components is the first step to assessing compliance with environmental and social standards and best practices.

The Company's solar PV operating partner in Australia is taking a proactive approach to supply chain management. Taking a human rights risk-based approach they assessed for labour risks in the supply chain. The analysis focussed on risks related to materials in the production of batteries such as cobalt, the use of polysilicon for the production of PV cells, as well as the use of migrant workers in construction.

The assessment found low risk in battery procurement as the favoured battery chemistry requires significantly less cobalt, and the preferred suppliers were found to have no record of exploitative practices. There is higher potential risk in solar panel procurement. To mitigate against this risk the operating partner requested a bill of material provenance and modern slavery compliance documentation from PV suppliers. The operating partner has also implemented a supplier code of conduct to protect migrant workers which will be enforced in all design, construction, engineering, and procurement contracts.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors acknowledge responsibility for the Interim Report and confirm that, to the best of their knowledge, these condensed financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position and profit of the Company, as required by DTR 4.2.4R. The Directors confirm that the Interim Management Report (including the Chair's Statement and the Investment Manager's Report) includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- An indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial period; and
- Material related party transactions that have taken place in the first six months and any material changes in the related party transactions described in the last Annual Report.

The Directors of the Company are noted on page 55.

The principal risks and uncertainties associated with the Company's business include, but are not limited to, the risks listed below. Information on these risks and how they are managed is set out on pages 42 to 49 of the 2022 Annual Report. In the view of the Board, the majority of the principal risks and uncertainties were unchanged over the last six months and remain applicable to the rest of the financial year.

Risks relating to the Company:

- Reliance on Investment Manager
- Reliance on third party service providers
- Currency risks

Risks relating to the portfolio investment strategy:

- Illiquidity of investments

Risks relating to investments:

- Construction risks
- Due diligence
- Demand, usage and throughput risks
- Meteorology risks
- Counterparty risks
- Uninsured loss and damage
- Curtailment risks
- Commodity price risks

Risks relating to the Company's shares:

- Discount to NAV

Risks relating to regulation:

- Regulatory risks

Operational risks:

- Operation and management risks of the portfolio of assets
- Valuation risks

Climate-related risks:

- Physical risks
- Transition risks

This Interim Report was approved by the Board of Directors and the above Responsibility Statement was signed on its behalf by:

Bernard Bulkin
Chair

14 September 2023



INDEPENDENT REVIEW REPORT TO VH GLOBAL SUSTAINABLE ENERGY OPPORTUNITIES PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the Condensed Statement of Comprehensive Income, Condensed Statement of Financial Position, Condensed Statement of Changes in Shareholders' Equity, Condensed Statement of Cash Flow and Notes to the Financial Statements.

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" ("ISRE (UK) 2410"). 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.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with UK adopted International Accounting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

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 of Directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, 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.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London, UK

14 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period 1 January 2023 to 30 June 2023

		For the six-month period ended 30 June 2023 (unaudited)			For the six-month period ended 30 June 2022 (unaudited)		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income							
Gains on investments	6	–	7,862	7,862	–	20,708	20,708
Investment income	3	15,356	–	15,356	13,562	–	13,562
Total income and gains		15,356	7,862	23,218	13,562	20,708	34,270
Investment management fees	13	(2,181)	–	(2,181)	(1,569)	–	(1,569)
Other expenses	4	(917)	–	(917)	(315)	–	(315)
Profit for the period before taxation		12,258	7,862	20,120	11,678	20,708	32,386
Taxation	5	–	–	–	–	–	–
Profit for the period after taxation		12,258	7,862	20,120	11,678	20,708	32,386
Profit and total comprehensive income attributable to:							
Equity holders of the Company		12,258	7,862	20,120	11,678	20,708	32,386
Earnings per share – basic and diluted (pence)	15	2.90	1.86	4.76	3.75	6.65	10.40

The total column of the Statement of Comprehensive Income is the profit and loss account of the Company. The supplementary revenue return and capital columns have been prepared in accordance with the Association of Investment Companies Statement of Recommended Practice (AIC SORP).

All revenue and capital items in the above statement derive from continuing operations, no items are determined to be unusual by their nature, size or incidence.

The above Statement of Comprehensive Income includes all recognised gains and losses.

The notes on pages 38 to 51 form part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	As at 30 June 2023 (unaudited) £'000	As at 31 December 2022 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss	6	329,381	315,133
Total non-current assets		329,381	315,133
Current assets			
Cash and cash equivalents	9	136,079	141,791
Other receivables	8	646	740
Total current assets		136,725	142,531
Total assets		466,106	457,664
Current liabilities			
Accounts payable and accrued expenses	10	(474)	(491)
Total current liabilities		(474)	(491)
Total liabilities		(474)	(491)
Net assets		465,632	457,173
Capital and reserves			
Share capital	11	4,225	4,225
Share premium	11	186,368	186,368
Special distributable reserve	11	232,467	232,467
Capital reserve		34,039	26,177
Revenue reserve		8,533	7,936
Total capital and reserves attributable to equity holders of the Company		465,632	457,173
Net asset value per ordinary share		110.21	108.21

The financial statements were approved and authorised for issue by the Board of Directors on 14 September 2023 and signed on its behalf by:

Bernard Bulkin
Chair

Company Registration Number 12986255

The notes on pages 38 to 51 form part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

As at 30 June 2023

For the six-month period ended 30 June 2023	Note	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance		4,225	186,368	232,467	26,177	7,936	457,173
Total comprehensive income for the period		-	-	-	7,862	12,258	20,120
Interim dividends paid during the period	12	-	-	-	-	(11,661)	(11,661)
Balance at 30 June 2023		4,225	186,368	232,467	34,039	8,533	465,632

For the six-month period ended 30 June 2022	Note	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance		3,116	67,949	232,467	22,046	(1,680)	323,898
Total comprehensive income/(loss) for the period		-	-	-	20,708	11,678	32,386
Interim dividends paid during the period		-	-	-	-	(3,896)	(3,896)
Balance at 30 June 2022		3,116	67,949	232,467	42,754	6,102	352,388

A total of 422,498,890 ordinary shares were issued since its incorporation to 30 June 2023.

The capital reserve represents the unrealised gains or losses on the revaluation of investments. The unrealised element of the capital reserve is not distributable. The special distributable reserve was created on court cancellation of the share premium account. Distributable reserves comprise, revenue, special distributable and realised capital reserves, which are distributable by way of dividend. The total distributable reserves as at 30 June 2023 was £241,000,184 (30 June 2022: £238,569,770).

The notes on pages 38 to 51 form part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Note	For the six-months period ended 30 June 2023 (unaudited) £'000	For the six-months period ended 30 June 2022 (unaudited) £'000
Cash flows from operating activities			
Profit before tax		20,120	32,386
Adjustment for:			
Movement in fair value of investments	6	(7,346)	(19,816)
Interest on cash deposits	3	(2,776)	–
Operating result before working capital changes		9,998	12,570
Decrease in prepayments and other receivables		94	464
Decrease in accounts payable and accrued expenses		(17)	(175)
Net cash flow generated from operating activities		10,075	12,859
Cash flows from investing activities			
Purchase of investments	6	(6,902)	(11,108)
Interest on cash deposits	3	2,776	–
Net cash used in investing activities		(4,126)	(11,108)
Cash flows from financing activities			
Dividend paid in the period	12	(11,661)	(3,896)
Net cash generated from financing activities		(11,661)	(3,896)
Net decrease in cash and cash equivalents		(5,712)	(2,145)
Cash and cash equivalents at beginning of the period	9	141,791	163,810
Cash and cash equivalents at end of the period	9	136,079	161,665

The notes on pages 38 to 51 form part of these financial statements.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. General information

VH Global Sustainable Energy Opportunities plc (the “Company”) is a closed-ended investment company, incorporated in England and Wales on 30 October 2020 and registered as a public company limited under the Companies Act 2006 with registered number 12986255. The Company commenced operations on 2 February 2021 when its shares commenced trading on the London Stock Exchange.

The Company has registered, and intends to carry on business, as an investment trust with an investment objective to generate stable returns, principally in the form of income distributions, by investing in a diversified portfolio of global sustainable energy infrastructure assets, predominantly in countries that are members of the EU, OECD, OECD Key Partner and OECD Accession Countries.

The interim condensed financial statements comprise only the results of the Company for the six-month period ended 30 June 2023, as its investment in VH GSEO UK Holdings Limited (“GSEO Holdings”) is measured at fair value through profit or loss in line with IFRS 10 as explained in note 2.

The annual financial statements of the Company for the year ended 31 December 2022 were approved by the Directors on 27 March 2023 and are prepared in accordance with UK adopted International Accounting Standards. The annual financial statements are available on the Company’s website <https://www.vh-gseo.com/>.

2. Significant accounting policies

2.1 Basis of preparation

The condensed financial statements (“financial statements”) included in this Interim Report have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The financial statements have been prepared on the historical cost basis, as modified for the measurement of certain financial instruments at fair value through profit or loss. The principal accounting policies are set out in Note 2.

The financial statements have also been prepared as far as is relevant and applicable to the Company in accordance with the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts (“SORP”) issued in July 2022 by the Association of Investment Companies (“AIC”).

The financial statements are presented in sterling, which is the Company’s functional currency and are rounded to the nearest thousand, unless otherwise stated.

The accounting policies, significant judgements, key assumptions and estimates are consistent with those used in the latest audited financial statements to 31 December 2022. These condensed financial statements do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and, therefore, do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2022. The audited annual accounts for the year ended 31 December 2022 have been delivered to the Registrar of Companies. The Auditor’s report thereon was unqualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

2.2 Review

This Interim Report has been reviewed by the Company’s Auditor in accordance with the International Standard on Review Engagements (ISREs).

2.3 Going concern

The Directors have reviewed the financial position of the Company and its future cash flow requirements, taking into consideration current and potential funding sources, investment into existing and near-term projects and the Company’s working capital requirements.

The Company continues to meet day-to-day liquidity needs through its cash resources. As at 30 June 2023, the Company had net current assets of £136.3m and cash balances of £136.1m, which are sufficient to meet current obligations as they fall due. There is no external debt at the Company as at period end.

The major cash outflows of the Company are the payment of dividends and costs relating to the acquisition of new assets, both of which are discretionary, and the Company's ongoing operating costs and the fulfillment of remaining commitments made as laid out in note 14.

The Directors have reviewed Company forecasts and pipeline projections which cover a period of at least 12 months from the date of approval of this report, considering foreseeable changes in investment and the wider pipeline, which show that the Company has sufficient financial resources to continue in operation for at least the next 12 months from the date of approval of this report. Furthermore, the Directors have considered a worst case scenario in which the Company is assumed to meet all of its remaining investment commitments within the next 12 months, in addition to dividend payments and ongoing operating expenses. Even in this unlikely scenario, the Company has sufficient headroom to meet all expected cash outflows with its existing cash balances.

The Directors have considered factors relating to the wider global macroeconomic environment in 2023, in particular changes in inflation and interest rates. As the Company's income is primarily inflation-linked, a rise in inflation would have a positive impact on cashflows from operating assets and an uplift in valuation of the investment portfolio. An increase in interest rates may result in an increase in risk-free rates, therefore negatively impacting valuation of investments. Furthermore, the Company has no physical assets in Ukraine, Russia or Eastern Europe and therefore, regional geopolitical factors have an immaterial impact on the Company.

Based on its assessment above, the Directors have a reasonable expectation that the Company has sufficient resources to continue in operation for at least 12 months from the date of the approval of these financial statements. The Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

2.4 Critical accounting judgements, estimates and assumptions

The preparation of the interim financial statements requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future. The estimates and underlying assumptions underpinning our investments are reviewed on an ongoing basis by both the Directors and the Investment Manager. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Significant estimates, judgements and assumptions for the period are set out as follows:

Key estimation and uncertainty: Fair value estimation for investments at fair value

Fair value is calculated by discounting at an appropriate discount rate future cash flows expected to be received by the Company's intermediate holdings from investments. The discount rates used in the valuation exercise represent the Investment Manager's and the Board's assessment of the rate of return in the market for assets with similar characteristics and risk profile. The discount rates are reviewed quarterly and updated, where appropriate, to reflect changes in the market and in the project risk characteristics. The estimates and assumptions that are used in the calculation of the fair value of investments is disclosed in note 6.

Key judgement: Equity and debt investment in VH GSEO UK Holdings

In applying their judgement, the Directors have satisfied themselves that the equity and debt investments into its direct wholly owned subsidiary, VH GSEO UK Holdings, share the same investment characteristics and, as such, constitute a single asset class for IFRS 7 disclosure purposes.

Key judgement: Investment entity and basis of non-consolidation

The Company has adopted the amendments to IFRS 10 which states that investment entities should measure all of their subsidiaries that are themselves investment entities at fair value (in accordance with IFRS 9 Financial Instruments: Recognition and Measurement, and IFRS 13 Fair Value Measurement). Being investment entities, GSEO and its wholly owned direct subsidiary, GSEO Holdings are measured at fair value as opposed to being consolidated on a line-by-line basis, meaning their cash and working capital balances are included in the fair value of investments rather than the Group's current assets. The Directors believe the treatment outlined above provides the most relevant information to investors.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS CONTINUED

2.5 Segmental reporting

The Board of Directors is of the opinion that the Company is engaged in a single segment of business, being investment in global sustainable energy opportunities. The Company has no single major customer. The internal financial information to be used by the chief operating decision maker ("CODM") on a quarterly basis to allocate resources, assess performance and manage the Company will present the business as a single segment comprising the portfolio of investments in energy efficiency assets. The financial information used by the Board to manage the Company presents the business as a single segment.

3. Investment Income

	For the six-months period ended 30 June 2023			For the six-months period ended 30 June 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on cash deposits	2,776	–	2,776	476	–	476
Interest income from investments	3,080	–	3,080	1,979	–	1,979
Dividend income	9,500	–	9,500	11,107	–	11,107
Investment income	15,356	–	15,356	13,562	–	13,562

4. Operating expenses

	For the six months period ended 30 June 2023 £'000	For the six months period ended 30 June 2022 £'000
Fees payable to the Company's auditor (exclusive of VAT) for the:		
Interim assurance review	70	50
AIFM fees	36	36
Directors' fees	166	118
Other expenses	650	441
Unrealised FX gains and losses	(5)	(330)
Total operating expenses	917	315

Fees with respect to the Investment Manager are set out in note 13, related parties transactions.

The Company had no employees during the period. Full detail on Directors' fees are disclosed note 13. There were no other emoluments during the period.

The fees to the Company's Auditor for the period ended 30 June 2023 include £70,000 (30 June 2022: £50,000) payable in relation to a limited review of the Interim Report and estimated accruals proportioned across the year for the audit of the statutory financial statements.

5. Taxation

Taxable income during the period was offset by management expenses and the tax charge for the period ended 30 June 2023 is £nil (30 June 2022: £nil).

6. Investments at fair value through profit or loss

As set out in note 2.6, the Company designates its interest in its wholly owned direct subsidiary GSEO Holdings as an investment at fair value through profit or loss at each balance sheet date in accordance with IFRS 13, which recognises a variety of fair value inputs depending upon the nature of the investment. Specifically:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

The Company classifies all assets measured at fair value as below:

Fair value hierarchy

	Total £'000	Quoted prices in active markets (level 1) £'000	Significant Observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000
As at 30 June 2023				
Assets measured at fair value:				
Non-current assets				
Investments held at fair value through profit or loss	329,381	–	–	329,381
As at 31 December 2022				
	Total £'000	Quoted prices in active markets (level 1) £'000	Significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000
Assets measured at fair value:				
Non-current assets				
Investments held at fair value through profit or loss	315,133	–	–	315,133

NOTES TO THE CONDENSED FINANCIAL STATEMENTS CONTINUED

All of the Company's investments have been classified as Level 3 and there have been no transfers between levels during the period ended 30 June 2023.

	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Opening balance at beginning of the period/year	315,133	159,618
Additions during the period at cost	6,902	151,367
	322,035	310,985
Fair value movement on investments:		
Change in fair value of equity investments ¹	7,989	4,144
Interest on loan investments ²	(643)	4
Total fair value movement on investments	7,346	4,148
Closing balance	329,381	315,133

¹The £7,862k in the Statement of Comprehensive Income within other expenses/ income and Statement of Changes in Equity is made up of unrealised fair value gains of £7,989k per this note and a realised foreign exchange loss of £127k during the period.

²This is the amount related to the unpaid shareholder loan interest income as at the period end.

Further information on the basis of valuation is detailed in note 2 to the financial statements.

Valuation methodology

As disclosed on pages 124 to 127 of the Company's Annual Report for the year ended 31 December 2022, IFRS 13 "Fair Value Measurement" requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities ranges from level 1 to level 3 and is determined on the basis of the lowest level input that is significant to the fair value measurement. The fair value of the Company's investments is net asset value of VH GSEO UK Holdings Limited by calculating and aggregating the fair value of each of the individual investments in which the Company holds an indirect investment. Due to their nature, they are always expected to be classified as level 3 as the investments are not traded and contain unobservable inputs. There have been no transfers between levels during the six months ended 30 June 2023.

Valuation Assumptions

The following economic assumptions were used in the valuation of operating assets.

Discount rates	The discount rate used in the valuations is derived according to internationally recognised methods.
	Typical components of the discount rate are risk free rates, country-specific and asset-specific risk premia. The latter comprise the risks inherent to the respective asset class as well as specific premia for other risks such as construction.
Power price	Power prices are based on power price forecasts from leading market consultants adjusted for expected deployment of energy transition assets.
Energy yield	Estimated based on energy yield assessments from leading technical consultants as well as operational performance data (where applicable).
Inflation rates	Long-term inflation is based on International Monetary Fund (IMF) forecasts for the respective jurisdiction.
Asset life	Refer to the table below for details. In individual cases a longer operating life may be assumed where the contractual set-up supports such assumption.
Operating expenses	The operating expenses are primarily based on the respective contracts and budgets.
Taxation rates	The underlying country-specific tax rates are derived from leading tax consulting firms.
Capital expenditure	Based on the contractual arrangements (e.g. EPC agreement), where applicable.

Key Assumptions

30 June 2023

Discount rate	Weighted Average	US terminal storage assets	7.3%
	Weighted Average	Australian solar PV with battery storage assets	6.7%
	Weighted Average	Brazilian solar PV assets	11.4%
	Weighted Average	Brazilian hydro facility	9.1%
Long-term inflation	United States	US terminal storage assets	2.0%
	Australia	Australian solar PV with battery storage assets	0.7%
	Brazil	Brazilian solar PV assets & Brazilian hydro facility	3.0%
Total Asset Life	Years	US terminal storage assets	30 years
	Years	Australian solar PV with battery storage assets	25 years
	Years	Brazilian solar PV assets	25 years
	Years	Brazilian hydro facility	25 years
Exchange rates	GBP:USD	US terminal storage assets	1:1.2697
	GBP:BRL	Brazilian solar PV assets & Brazilian hydro facility	1:6.0838
	GBP:AUD	Australian solar PV with battery storage assets	1:1.9051

NOTES TO THE CONDENSED FINANCIAL STATEMENTS CONTINUED

Valuation sensitivity

The key sensitivities in the DCF valuation are considered to be the discount rate used in the DCF valuation and long-term assumptions in relation to inflation, operating expenses and asset life.

The discount rate applied in the valuation of the operating assets are as per the table above, which is considered to be an appropriate base case for sensitivity analysis. A variance of +/-1% is considered to be a reasonable range of alternative assumptions for discount rate.

The base case long term inflation rate assumption depends on the geographical location for assets in operation. These are disclosed in the table above. A variance of +/-1% is considered to be a reasonable range of alternative assumptions for inflation.

For assets in construction, the Company has only sensitised the impact of foreign exchange fluctuations. A variance of +/-10% is considered to be a reasonable range of alternative assumptions for foreign exchange.

The analysis below shows the sensitivity of the investments value (and impact on NAV) to changes in key assumptions. All sensitivity calculations have been performed on the basis that each of the other assumptions remains constant and unchanged.

As at 30 June 2023

	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
Discount rate – US terminal storage assets	-1.00%	12,432	2.94
	1.00%	(10,604)	-2.51
Discount rate – Australian solar PV with battery storage assets	-1.00%	1,145	0.27
	1.00%	(1,000)	-0.24
Discount rate – Brazilian solar PV assets	-1.00%	1,744	0.41
	1.00%	(1,536)	-0.36
Discount rate – Brazilian hydro facility	-1.00%	13,102	3.10
	1.00%	(11,293)	-2.67
Discount rate – All	-1.00%	28,422	6.73
	1.00%	(24,433)	-5.78
	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
Inflation – US terminal storage assets	-1.00%	(9,095)	-2.15
	1.00%	10,444	2.47
Inflation – Australian solar PV with battery storage assets	-1.00%	(1,003)	-0.24
	1.00%	1,225	0.29
Inflation – Brazilian solar PV assets	-1.00%	(1,530)	-0.36
	1.00%	1,723	0.41
Inflation – Brazilian hydro facility	-1.00%	(8,766)	-2.07
	1.00%	9,956	2.36
Long-term Inflation – All	-1.00%	(20,394)	-4.83
	1.00%	23,348	5.53
	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
Asset life – US terminal storage assets	-1 year	(1,738)	-0.41
	+1 year	1,540	0.36
Asset life – Australian solar PV with battery storage assets	-1 year	(222)	-0.05
	+1 year	188	0.04
Asset life – Brazilian solar PV assets	-1 year	(258)	-0.06
	+1 year	237	0.06
Asset life – Brazilian hydro facility	-1 year	(2,372)	-0.56
	+1 year	2,337	0.55
Asset life – All	-1 year	(4,591)	-1.09
	+1 year	4,303	1.02
	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
Operating expenses – US terminal storage assets	-5.00%	3,727	0.88
	5.00%	(4,012)	-0.95
Operating expenses – Australian solar PV with battery storage assets	-5.00%	253	0.06
	5.00%	(260)	-0.06
Operating expenses – Brazilian solar PV assets	-5.00%	644	0.15
	5.00%	(602)	-0.14
Operating expenses – Brazilian hydro facility	-5.00%	1,648	0.39
	5.00%	(1,284)	-0.30
Operating expenses – All	-5.00%	6,272	1.48
	5.00%	(6,157)	-1.46
	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
FX (GBP:USD)	-10.00%	12,642	2.99
	10.00%	(10,344)	-2.45
FX (GBP:BRL)	-10.00%	17,643	4.18
	10.00%	(14,435)	-3.42
FX (GBP:AUD)	-10.00%	4,065	0.96
	10.00%	(3,326)	-0.79
FX – All	-10.00%	34,350	8.13
	10.00%	(28,105)	-6.65

The sensitivities above are assumed to be independent of each other. Combined sensitivities are not presented.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS CONTINUED

7. Unconsolidated Subsidiaries

The following table shows subsidiaries of the Company. As the Company is regarded as an investment entity, these subsidiaries have not been consolidated in the preparation of the financial statements.

Investments	Place of Business	Ownership interests as at 30 June 2023
VH GSEO UK Holdings Limited	United Kingdom	100.00%
Victory Hill Distributed Energy Investments Limited	United Kingdom	100.00%
Victory Hill Flexible Power Limited	United Kingdom	100.00%
Rhodesia Power Limited	United Kingdom	100.00%
Victory Hill Holdings Brasil S.A.	Brazil	99.99%
Energiea Itaguaí I Ltda. *	Brazil	100.00%
Energiea Itaguaí II Ltda. *	Brazil	100.00%
Energiea Itaguaí III Ltda. *	Brazil	100.00%
Energiea Nova Friburgo Ltda. *	Brazil	100.00%
Energiea Itabaiana Ltda. *	Brazil	100.00%
Energiea Nova Cruz Ltda. *	Brazil	100.00%
Energiea Redenção Ltda. *	Brazil	100.00%
Energiea Itaporanga Ltda. *	Brazil	100.00%
Energiea Bataguassu Ltda. *	Brazil	100.00%
Energiea Palmas S.A. *	Brazil	100.00%
Energiea Itacarambi Ltda. *	Brazil	100.00%
Energiea Vassouras I Ltda. *	Brazil	100.00%
Energiea Seropédica Ltda. *	Brazil	100.00%
Energiea Paraíba do Sul Ltda. *	Brazil	100.00%
Energiea Taquaritinga Ltda. *	Brazil	100.00%
VH Participacoes Hidreletricas do Brasil Ltda	Brazil	98.25%
VH Hydro Brasil Holding S.A.	Brazil	100.00%
Energest S.A.	Brazil	100.00%
Victory Hill USA Holdings LLC	United States	100.00%
Victory Hill Midstream Investments LLC	United States	100.00%
Victory Hill Midstream Energy LLC	United States	100.00%
Motus T1 LLC	United States	100.00%
Motus T2 LLC	United States	100.00%
Victory Hill Australia Investments Pty Ltd	Australia	100.00%
Victory Hill Distributed Power Pty Ltd	Australia	100.00%
Mobilong Solar Farm Pty Ltd	Australia	100.00%
Dunblane Solar Pty Ltd	Australia	100.00%
Dubbo Solar Project Pty Ltd	Australia	100.00%
Narrandera Solar Project Pty Ltd	Australia	100.00%
Coleambally East Solar Farm Pty Ltd	Australia	100.00%
Dubbo Solar Project Unit Trust	Australia	100.00%
Narrandera Solar Project Unit Trust	Australia	100.00%
Greentech Solar Project No 1 Unit Trust	Australia	100.00%

At 30 June 2023 the Company had one direct subsidiary and owned 100% of GSEO Holdings. The Company owns investments in the other entities per the table above through its ownership of GSEO Holdings. GSEO Holdings owns 100% of Victory Hill USA Holdings LLC, Victory Hill Australia Investments Pty Ltd, Victory Hill Distributed Energy Investments Limited and Victory Hill Flexible Power Limited and 98.25% of VH Participacoes Hidreletricas do Brasil Ltda.

The Company's investments in Victory Hill Midstream Investments LLC, Victory Hill Midstream Energy LLC, Motus T1 LLC and Motus T2 LLC are held through Victory Hill USA Holdings LLC. These relate to the US terminal storage assets.

The Company's investments in the Brazilian solar PV assets are held through Victory Hill Distributed Energy Investments Limited, which holds 99.99% of Victory Hill Holdings Brasil S.A. The holdings of Victory Hill Holdings Brasil S.A. are indicated by an asterisk ("*") in the list of unconsolidated subsidiaries on the previous page.

The Company's investments in VH Hydro Brasil Holding S.A. and Energest S.A. are held through VH Participacoes Hidreletricas do Brasil LTDA. These relate to the Brazilian hydro facility.

The Company's investments in Victory Hill Distributed Power Pty Ltd, Mobilong Solar Farm Pty Ltd, Dubbo Solar Project Pty Ltd, Narrandera Solar Project Pty Ltd, Coleambally East Solar Farm Pty Ltd, Dunblane Solar Pty Ltd, Greentech Solar Project No 1 Unit Trust, Dubbo Solar Project Unit Trust and Narrandera Solar Project Unit Trust are held through Victory Hill Australia Investments Pty Ltd. These relate to the Australian solar PV with battery storage assets.

The Company's investment in Rhodesia Power Limited is held through Victory Hill Flexible Power Limited. This relates to the UK flexible power with CCR assets.

8. Other receivables

	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Other receivables	95	96
Interest receivable on loan	518	270
Receivable from affiliates	–	356
Prepayments	33	19
Total other receivables	646	740

The Directors have analysed the expected credit loss in respect of receivables and concluded that there was no material exposure for the period/year ended 30 June 2023 and 31 December 2022.

9. Cash and cash equivalents

	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Cash at bank ¹	42,363	48,075
Cash on deposit	93,716	93,716
Total cash at bank	136,079	141,791

¹Cash at bank includes money market investments of £36.4m (31 December 2022: Nil).

Cash on deposit consists of funds held in a 32-day notice deposit account with Barclays Bank plc.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS CONTINUED

10. Accounts payable and accrued expenses

	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Accrued expenses	461	491
Other payables	13	–
Accounts payable and accrued expenses	474	491

The Directors consider that the carrying amount of trade and other payables matches their fair value.

11. Share Capital

Date	Issued and fully paid	Number of shares	Share Capital (A) £'000	Share premium (B) £'000	Special Distributable Reserve (C) £'000	Total (A+B+C) £'000
Opening balance		311,589,799	3,116	67,949	232,467	303,532
1 July 2022	Ordinary shares	110,909,091	1,109	120,891	–	122,000
1 July 2022	Share issue costs	–	–	(2,472)	–	(2,472)
At 31 December 2022 (audited)		422,498,890	4,225	186,368	232,467	423,060
30 June 2023 (unaudited)		422,498,890	4,225	186,368	232,467	423,060

On 1 July 2022, the Company raised additional gross proceeds of £122m through the issue of 110,909,091 Ordinary Shares at an issue price of 110 pence per Ordinary Share.

Shareholders are entitled to all dividends paid by the Company and on a winding up, provided that the Company has satisfied all its liabilities, the shareholders are entitled to all of the residual assets of the Company.

12. Dividends

	Pence per Ordinary Share	Total dividend	Date paid
1 October 2022 – 31 December 2022	1.38p	£5.8m	31 March 2023
1 January 2023 – 31 March 2023	1.38p	£5.8m	30 June 2023

13. Transactions with AIFM, Investment Manager and Related Parties

AIFM

On 3 May 2023 the Company entered into an Alternative Investment Fund Management Agreement (“AIFM Agreement”) with Victory Hill Capital Partners LLP (the “AIFM”) replacing G10 Capital Limited. Victory Hill Capital Partners LLP is acting as the Company’s AIFM with overall responsibility for the risk management and portfolio management of the Company, providing alternative investment fund management services and ensuring compliance with the requirements of the AIFM Rules, subject to the overall supervision of the Board of Directors in accordance with the policies set by the Directors from time to time and the investment restrictions as set out in the AIFM Agreement.

The AIFM Agreement provides that the Company will pay to the AIFM a fixed monthly fee of £7,000, exclusive of VAT. The Company will also reimburse the AIFM for reasonable expenses properly incurred by the AIFM in the performance of its obligations under the AIFM Agreement.

The AIFM Agreement may be terminated by the Company or the AIFM giving not less than four months’ written notice. The AIFM Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or in the event of a material and continuing breach.

The Investment Manager is entitled to receive from the Company an annual fee to be calculated as percentages of the Company's net assets, 1% on the first £250m of NAV, 0.9% on NAV in excess of £250m and up to and including £500m and 0.8% on NAV in excess of £500m exclusive of VAT.

Furthermore, if in any fee period, the annual fee paid to the Investment Manager exceeds:

- a) £3.5m, the Investment Manager shall apply 8% of the annual fee, subject to a maximum amount of £400,000, to subscribe for or acquire ordinary shares of £0.01 each in the capital of the Company.
- b) £2.5m, the Investment Manager shall apply 2% of the annual fee to be paid as a charitable donation to a suitable registered charity aimed at promoting sustainable energy, as selected by the Investment Manager, provided that if, following the Investment Manager's reasonable endeavours, a suitable charity cannot be found, this 2% portion of the annual fee (net of any applicable taxes) will be applied to the subscription for or acquisition of ordinary shares.

The Investment Management Agreement may be terminated on 12 months' written notice, provided that such notice may not be served before 2 February 2025. The Investment Management Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or in the event of a material and continuing breach.

The Investment management fees for the period ended 30 June 2023 amounted to £2,180,809 (for 30 June 2022: £1,569,187) (including VAT) of which £167,623 was outstanding and included in accounts payable and accrued expenses at the end of the period.

Directors

The Directors have been entitled to aggregate annual remuneration (excluding expenses) payable:

	For the six month period ended 30 June 2023 £'000	For the six month period ended 30 June 2022 £'000
Bernard Bulkin OBE	41	35
Margaret Stephens	29	25
Richard Horlick	29	25
Louise Kingham CBE	29	25
Daniella Carneiro	27	0
	155	110

The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. There is no amount set aside or accrued by the Company in respect of contingent or deferred compensation payments or any benefits in kind payable to the Directors.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS CONTINUED

The Directors held the following beneficial interests in the ordinary shares of the Company as at 30 June 2023.

As at 30 June 2023		
	Number of ordinary shares held	% of ordinary shares in issue
Bernard Bulkin OBE	38,181	0.009
Margaret Stephens	28,181	0.007
Richard Horlick	300,000	0.071
Louise Kingham CBE	20,000	0.005

Other balances with related parties

The Company entered into intercompany loan agreements with GSEO Holdings, which entered into further intercompany loan agreements with the following subsidiary companies these balances form part of the investments balance in the Statement of Financial position.

- Victory Hill USA Holdings LLC US\$64,686,291 (31 December 2022: USD\$63,665,000)
- Victory Hill Australia Investments Pty Ltd A\$40,290,000 (31 December 2022: A\$35,400,000)
- Victory Hill Flexible Power Ltd £14,924,400 (31 December 2022: £14,924,400)

As at the period-end, the Company held receivables from affiliates of £nil, and a payable balance to affiliates of £13,200 (31 December 2022: £355,000).

14. Contingent liabilities and commitments

As at 30 June 2023, the Company had no contingent liabilities.

Of the existing commitments, the following amounts are outstanding as at 30 June 2023:

- £11m (31 December 2022: £14m) to the Brazilian solar PV programme.
- £12m (31 December 2022: £17m) to the Australian solar PV with BESS programme.
- £80m (31 December 2022: 80m) to the UK flexible power with CCR programme.

15. Earnings per share

Earnings per share ("EPS") is calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue on 1 January 2023 to 30 June 2023. Amounts shown below are both basic and diluted measures as there were no dilutive instruments in issue throughout the period.

	For the period ended 30 June 2023			For the period ended 30 June 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Earnings (£'000)	12,258	7,862	20,120	11,678	20,708	32,386
Weighted average number of ordinary shares	422,498,890	422,498,890	422,498,890	311,589,799	311,589,799	311,589,799
EPS (p)	2.90	1.86	4.76	3.75	6.65	10.39

16. Net asset value per share

Net asset value per share is calculated by dividing the net assets attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding at the reporting date. Amounts shown below are both basic and diluted measures as there were no dilutive instruments in issue throughout the current period.

	Period ended 30 June 2023 £'000	Year ended 31 December 2022 £'000
NAV (£'000)	465,632	457,173
Number of ordinary shares	422,498,890	422,498,890
NAV per share (p)	110.21	108.21

17. Post balance sheet events

On 2 August 2023, the Company declared an interim dividend in respect of the period from 1 April 2023 to 30 June 2023 of 1.38 pence per Ordinary Share, paid on 14 September 2023 to Shareholders on the register on 11 August 2023. On that record date, the number of Ordinary Shares in issue was 422,498,890 and the total dividend paid to Shareholders amounted to £5.8m.

ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures (APMs) are often used to describe the performance of investment companies although they are not specifically defined under IFRS. Calculations for APMs used by the Company are shown below.

In reporting financial information APMs are not defined or specified under the requirements of IFRS. The Company believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the Company.

The APMs presented in this report are shown below:

NAV per share

NAV per share is calculated by dividing the Company's NAV by the total number of outstanding shares at year end.

	Page
NAV as at 30 June 2023	465,631,856
Total number of outstanding shares as at 30 June 2023	422,498,890
NAV per share	5 110.21p

Ongoing charges

A measure expressed as a percentage of average net assets, of the regular, recurring annual costs of running an investment company, calculated in accordance with the AIC methodology.

	Page
Average undiluted NAV (in £'m)	470,096,297
Recurring costs in year	6,185,514
Ongoing charges	15 1.32%

Total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of any dividends paid out by the Company, with reinvestment on ex-dividend date.

Period ended 30 June 2023		Page	NAV
Opening as at 1 January 2023	a		108.21p
Closing as at 30 June 2023	b		110.21p
Dividends paid during the period			2.76p
Dividend adjustment factor	c		1.027
Adjusted closing	d = b x c		113.22
Total return for the period ended 30 June 2023 (%)	d / a - 1	7	4.6%
From IPO to 30 June 2023		Page	NAV
Opening as at 2 February 2021	a		98.00p
Closing as at 30 June 2023	b		110.21p
Dividends paid to date since IPO			7.76p
Dividend adjustment factor	c		1.074
Adjusted closing	d = b x c		118.41
Total return since IPO (%)	e = d/a - 1		20.8%
Number of years from IPO to 30 June 2023	f		2.41
Total annualised NAV return since IPO (%)	(1+e)^(1/f)-1	5	8.2%

Dividend cover

The dividend cover ratio is calculated by using the Company's distributable profits for the year, divided by the amount of dividends paid during the period ending 30 June 2023.

Profit for the period at VH Global Sustainable Energy Opportunities plc	£12,258,165
Net distributions withheld at VH GSEO UK Holdings Limited	£3,183,052
Total new distributions received from underlying investments	£15,441,217

Dividend paid during the period ended 30 June 2023 (2.76p per ordinary share x Number of shares outstanding as at 30 June 2023 of 422,498,890)	£11,660,969
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Dividend cover	1.3x
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GLOSSARY

AIC	Association of Investment Companies
AIFM	Victory Hill Capital Partners LLP
Annual General Meeting or AGM	A meeting held once a year which shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask directors questions about the company in which they are invested
COD	Commercial Operations Date
Company	VH Global Sustainable Energy Opportunities plc
Discount	The amount, expressed as a percentage, by which the share price is less than the net asset value per share
Dividend	Income receivable from an investment in shares
EPC	Engineering, procurement and construction
ESG	Environmental, social and governance
EU	European Union
Ex-dividend date	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to shareholders
Financial Conduct Authority	The independent body that regulates the financial services industry in the UK
Gearing	A way to magnify income and capital returns, but which can also magnify losses
GHG	Green House Gases
Investment Manager / Victory Hill	Victory Hill Capital Partners LLP
Investment Company	A company formed to invest in a diversified portfolio of assets
Investment Trust	An investment company which is based in the UK and which meets certain tax conditions which enables it to be exempt from UK corporation tax on its capital gains. The Company is an investment trust
IPO	Initial Public Offering
MW	Megawatt
MWh	Megawatt Hour
NAV per ordinary share	NAV divided by the number of ordinary shares in issue (excluding any shares held in treasury)
Net asset value or NAV	An investment company's assets less its liabilities
OECD	Organisation for Economic Co-operation and Development
Ongoing charge	The 'ongoing charges' ratio is an indicator of the costs incurred in the day-to-day management of the Company, expressed as a percentage of average net assets. This ratio calculation is based on Association of Investment Companies ('AIC') recommended methodology
Ordinary shares	The Company's ordinary shares in issue
PPA	Power Purchase Agreement
PV	Photovoltaic
SDG	UN Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
Share premium	The amount, expressed as a percentage, by which the share price is more than the net asset value per share
Share price	The price of a share as determined by a relevant stock market
TCFD	Task Force on Climate-Related Financial Disclosures

COMPANY INFORMATION

Non-Executive Directors	Bernard Bulkin OBE (Chair) Daniella Carneiro Richard Horlick Louise Kingham CBE Margaret Stephens
Registered Office	6 th Floor 125 London Wall London EC2Y 5AS
Investment Manager	Victory Hill Capital Partners LLP 4 Albemarle Street London W1S 4GA
Corporate Broker	Numis Securities Limited 45 Gresham Street London EC2V 7BF
Legal Adviser	Eversheds Sutherland (International) LLP One Wood Street London EC2V 7WS
Administrator and Company Secretary	Apex Fund and Corporate Services (UK) Limited 6 th Floor 125 London Wall London EC2Y 5AS
Depository	Apex Depository (UK) Limited 6 th Floor 125 London Wall London EC2Y 5AS
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZY
Auditor	BDO LLP 55 Baker Street London W1U 7EU

Company number: 12986255

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