

# Enabling the energy transition

**VH GLOBAL SUSTAINABLE  
ENERGY OPPORTUNITIES PLC**

**Interim Report and Accounts**

For the period ended 30 June 2024







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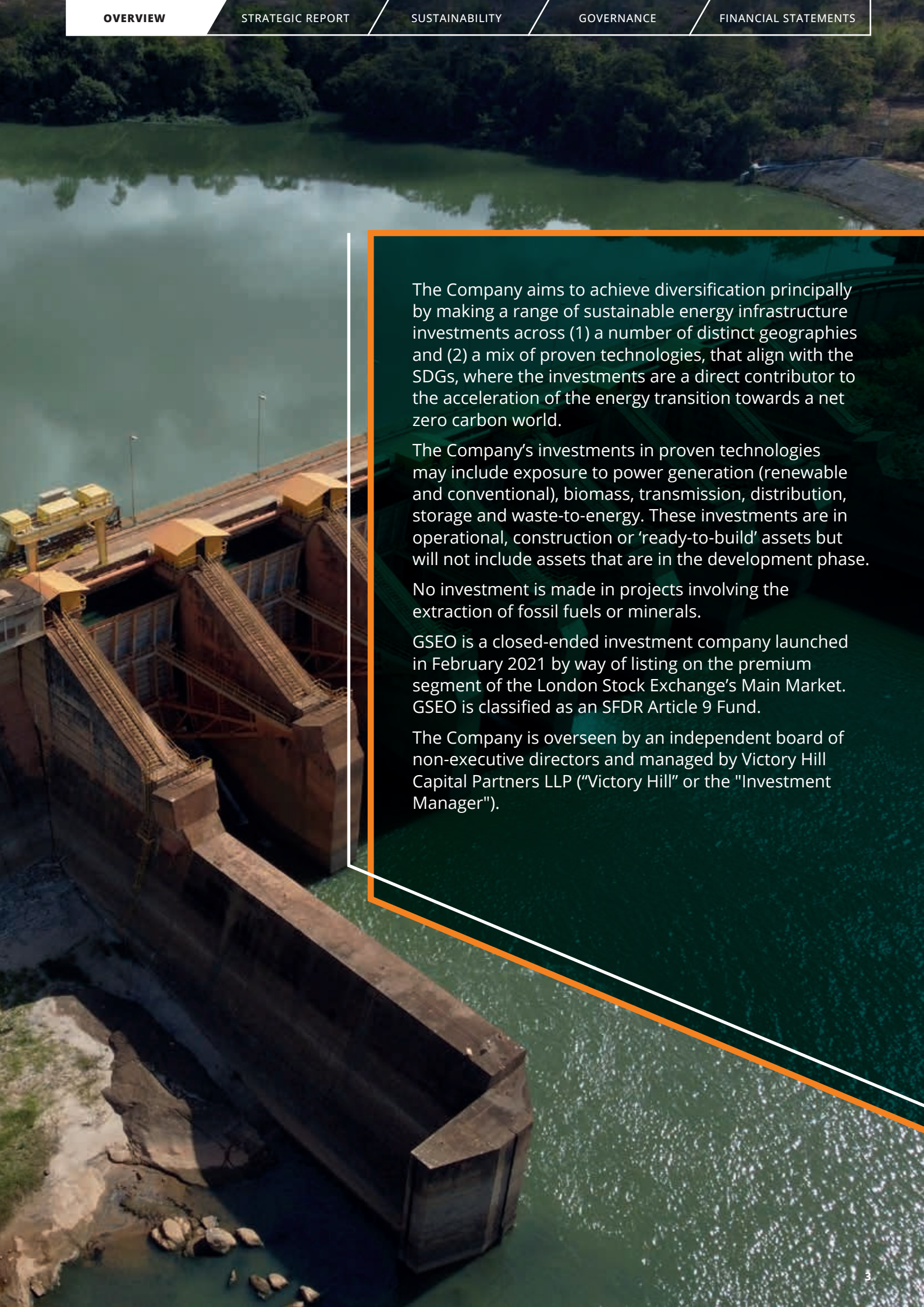
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## ABOUT GSEO

# Investment company with a specialist mandate to support the global energy transition

VH Global Sustainable Energy Opportunities plc ("GSEO" or the "Company") is an investment company that provides exposure to a globally and technologically diversified portfolio of sustainable energy infrastructure assets that support the Sustainable Development Goals ("SDGs") and are essential for the global transition towards net zero.





The Company aims to achieve diversification principally by making a range of sustainable energy infrastructure investments across (1) a number of distinct geographies and (2) a mix of proven technologies, that align with the SDGs, where the investments are a direct contributor to the acceleration of the energy transition towards a net zero carbon world.

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

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

GSEO is a closed-ended investment company launched in February 2021 by way of listing on the premium segment of the London Stock Exchange's Main Market. GSEO is classified as an SFDR Article 9 Fund.

The Company is overseen by an independent board of non-executive directors and managed by Victory Hill Capital Partners LLP ("Victory Hill" or the "Investment Manager").

## ABOUT VICTORY HILL

# Experienced and focused leadership

Victory Hill's experienced team brings decades of knowledge and practice dedicated to energy finance and investment.

Victory Hill is 100% owned by its five co-founders, who have focused on shaping the business in pursuit of long term value for its clients. With a multitude of nationalities within the wider team, Victory Hill has a highly-skilled and diverse team focused on taking the necessary approach to sustainable energy investing, with localised insight and understanding.



## 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 (as at 30 June 2024)

Net Asset Value

**£447.7m**

31 Dec 23: £483.8m

NAV per share\*

**110.84p**

31 Dec 23: 116.46p

Total leverage of GSEO  
as a % of NAV\***1.9%**

31 Dec 23: 1.9%

Dividend coverage\*

**1.1x**

31 Dec 23: 1.1x

Dividend target per share  
for FY 2024**5.68p**

FY 2023: 5.52p

Total annualised NAV return  
since IPO (Feb 2021)\***8.0%**

31 Dec 23: 10.0%

Total annualised NAV return  
for H1-24\***(1.2%)**

30 Jun 23: 4.6%

% of revenues contracted  
and inflation linked**>90%**

31 Dec 23: &gt;90%

## Sustainability (for the six-month period ending 30 June 2024)

**512,233 MWh**Clean energy generated  
and injected into the grid

30 Jun 23: 516,585 MWh

**130,000**Approximate equivalent  
UK homes powered annually  
by clean energy

30 Jun 23: 138,458

**80,734\* tonnes**of carbon dioxide equivalent  
emissions avoided

30 Jun 23: 53,423 tonnes

**10,862 tonnes**

of sulfur oxides displaced

30 Jun 23: 11,359 tonnes



\*Alternative performance measures are defined on pages 50 and 51.



PORTFOLIO AT A GLANCE

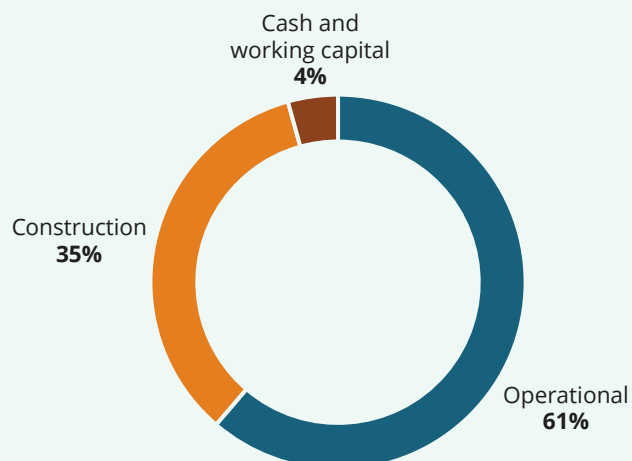
# 36 assets, 6 technologies, 7 jurisdictions across the globe



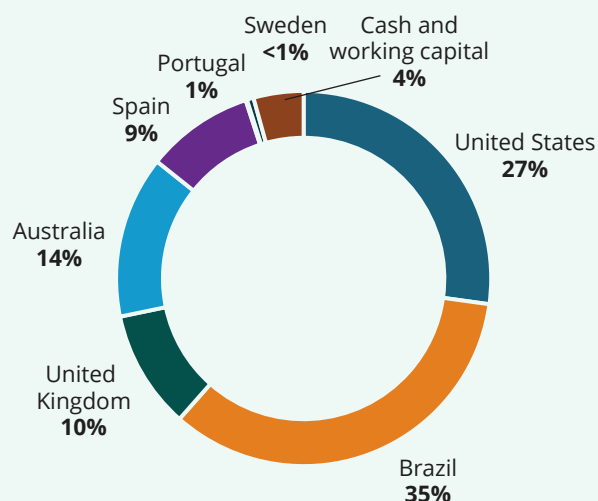


**Note:** These illustrative pie charts and map include the Company's investment in the 248.4MW solar & onshore wind portfolio in Spain, Portugal and Sweden announced on 25 July 2024.

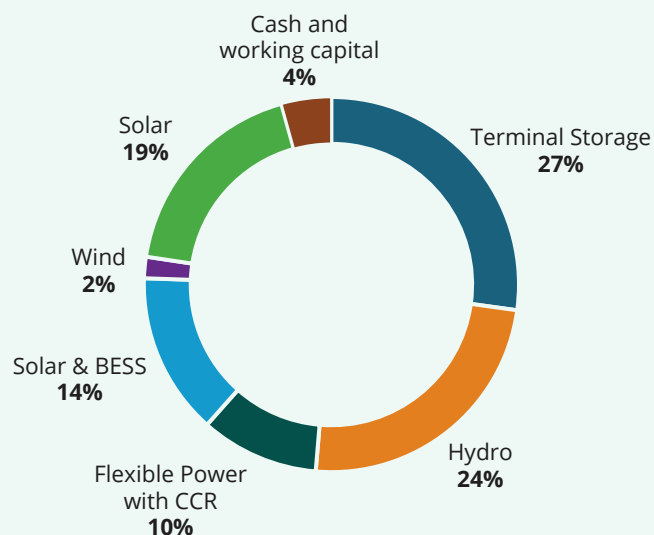
### Portfolio by status



### Portfolio by geography



### Portfolio by technology



**Australian solar  
PV and battery  
storage assets**

**CASE STUDY P.20**

## CHAIR'S STATEMENT



**Bernard Bulkin**  
Chair

“

The Company's differentiated portfolio continues to generate predictable and healthy income to support GSEO's attractive dividends, while providing strong potential for capital growth.

On behalf of the Board, I am pleased to present the Interim Report for VH Global Sustainable Energy Opportunities plc (the “Company” or “GSEO”) for the six months to 30 June 2024.

Whilst we are experiencing the second consecutive financial year of turbulent market conditions, GSEO continues to show resilience relative to the wider market, achieving key milestones during the period under review.

GSEO delivered a total annualised Net Asset Value (“NAV”) return since IPO to the end of the reporting period of 8.0%, and a fully cash-covered dividend. This reflects the Company's differentiated portfolio, which continues to generate predictable and healthy income to support GSEO's attractive dividends, while providing strong potential for capital growth through a combination of highly diversified and actively managed operational assets, and assets in construction providing scope for capital growth.



## Financial performance

As at 30 June 2024, the Company's NAV per share was 110.84, a decrease of 5% during the six-month period under review. The primary driver of the decrease in NAV per share was unrealised foreign exchange movements on the Company's investments.

Net cash flows from the underlying projects remain robust, covering the cash dividend 1.1 times. In line with the dividend target for the year ending 31 December 2024 of 5.68p per Ordinary Share, the Company has paid a quarterly dividend of 1.42p per share with respect to Q1 2024 as well as a dividend of the same amount per share with respect to Q2 2024, giving a total of 2.84p per share for the period, compared to 2.76p per share for the first half of 2023, an increase of c.3%.

While the Board is disappointed to see the Company trade on a discount to NAV of 31.8%, it does believe this discount materially undervalues the Company, especially considering the covered 7.5% dividend yield based on the share price as at 30 June 2024.

## Investment activity

In Australia, an agreement to acquire and build two new fully-permitted solar PV sites with co-located battery energy storage systems ("BESS") in New South Wales ("NSW") was signed on 28 March 2024 and the construction phase started as planned in the first half of the year, with completion expected in the next twelve months. The solar farm components of the first three NSW sites also completed commissioning during the period and the construction of the co-located BESS on these sites has begun and is progressing in line with expectations.

In Brazil, three of the remaining six solar sites have entered the final stages of construction during the period, and all 16 assets are expected to be fully operational by the end of 2025.

Post-period, a major milestone was reached for the 10MW UK flexible power with Carbon Capture and Reuse ("CCR") asset, with the successful completion of a series of hot commissioning tests of the four Rolls Royce 16V engines. The testing and integration of the CCR element of the asset is on track to be completed by the end of 2024.

Furthermore, GSEO announced post-period the commitment to acquire and construct a 59.8MW portfolio of five-operating, ready-to-build ("RTB") and under construction solar and onshore wind generation assets in Spain, Portugal and Sweden,

for a total consideration of EUR53m. In addition, the Company has acquired the project rights for an additional 188.6MW of four RTB solar PV assets in Spain, the construction of which is expected to be funded by a co-investor and project finance debt.

This programme completes the investment of undeployed funds and allows the Company to further strengthen and diversify its portfolio by adding one new technology and three core Western European energy markets.

The GSEO portfolio is expected to be fully operational during the course of 2025.

Please refer to the Investment Manager's Report for further details on the investment activity.

## Sustainability and ESG

The Company continues to deploy capital into sustainable energy projects around the world and ensures that ESG criteria are incorporated into all its investment decisions.

During the period under review, GSEO's assets have generated a total of 512,233 MWh of renewable energy, equivalent to powering over 130,000 average UK homes annually. A total of 80,734 tonnes of greenhouse gas emissions were avoided in the first half of 2024, and 10,862 tonnes of sulfur oxides were displaced in the same period, attributable to the US terminal storage assets.

The Company aims to implement market-leading standards for transparency and disclosure. GSEO discloses as an Article 9 Fund under the EU's Sustainable Finance Disclosure Regulation and reports voluntarily its practice under the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations and requirements. The European Securities and Markets Authority recently published final guidelines on the use of ESG related terms in fund names. The Company is reviewing the implications of the guidelines and will seek compliance under any resulting regulation. Further details will be found in the Sustainability section of this report.

GSEO remains committed to strengthening climate-related financial disclosures over time, continuously improving its data infrastructure tools to monitor the sustainable impact of its investments efficiently. This also ensures accurate reporting on key metrics, including carbon emissions avoided, renewable energy generated, and life cycle analysis.

## Discount management

While the Company continues to perform well, the Board acknowledges that the prolonged share

## CHAIR'S STATEMENT CONTINUED

price discount to NAV has presented several challenges for shareholders which both the Board and the Investment Manager are continuing to address.

A £10 million share buyback programme was announced on 15 September 2023, and was increased by a further £10 million on 22 February 2024. As at 30 June 2024, the Company had bought back a total of £13.8 million worth of its own shares, and remains active in executing this programme. The Board continually reviews the capital allocation options available to the Company, particularly in relation to weighing up investing in new assets, or supporting current assets, against the benefits of buying back the Company's shares at a discount. It is our primary objective to deliver on the Company's financial objectives of achieving a 10% total NAV return inclusive of an attractive and progressive dividend, and playing a role in funding the global energy transition.

While the minimal level of gearing does not require the Company to sell assets to repay debt, the Board and the Investment Manager are always looking for asset sale opportunities that increase shareholder value. In pursuing a

prudent capital allocation policy, the Investment Manager and the Board remain actively involved in increasing marketability and liquidity of GSEO's shares by attracting new institutional and retail investors to the shareholder register.

The Board will continue to ensure the Company is doing everything it can to manage its discount and is fully focussed on delivering long-term value for shareholders.

The Board and the Investment Manager, alongside Deutsche Numis, the Company's broker, continue to have an active dialogue with both existing and prospective shareholders. They also have initiatives in place to continue targeting retail investors. These investor relation and marketing initiatives continue to showcase the attractiveness of GSEO, creating new buying in the Company's shares with the objective of ultimately returning to trading at a premium to NAV as merited by diversification, expectation of future value from bringing projects to operations, anticipated revenue growth and long-term inflation linked cashflows backed by real assets that are fundamental to the country in which they are operating.





## Outlook

As one of the first listed global Infrastructure funds to formally link the origination of its investments to the sustainability agenda as defined by the UN Sustainable Development Goals ("SDGs"), GSEO remains very well positioned to play an important role in accelerating the world's energy transition to net zero, while offering its shareholders differentiated and sustainable returns over the long-term.

The Board and I are confident that the Company's share price will recover over time. We remain focused on disciplined capital allocation to optimise and enhance shareholder returns.

For the remainder of the year, the Investment Manager's focus will be on enhancing the portfolio's value by completing the construction of existing assets and continuing to create additional value through active management of the operational assets.

On behalf of the Board, I would like to thank shareholders for their continued support, and the Investment Manager, Victory Hill, for its hard work in continuing to deliver on the Company's investment objective.

**Bernard Bulkin, PhD, OBE**

**Chair**

10 September 2024



## INVESTMENT MANAGER'S REPORT

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



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

Traditional views on the underlying drivers for increased power usage, including electrification, decarbonisation of industry and electrification of transportation, have been disrupted by the growth of data centres, cryptocurrency and notably artificial intelligence (AI) technology.

**Richard Lum**

Victory Hill takes a holistic approach to addressing the energy transition, across the energy value chain and across borders, and we designed GSEO in order to meet the growing demands for power and midstream infrastructure brought about by the global phenomena for more energy.

Our investments are thematically aimed at supporting the energy transition as energy markets globally internalise this phenomena, leading to local market dislocations. GSEO's investment in the UK is geared towards providing dependable and carbon free flexible and baseload power in a system constrained by intermittent renewables. We expect greater demand from AI driven data centres to create further market constraints and potentially interesting margin opportunities for our UK project to access.

### Market backdrop & outlook

According to the International Energy Agency's (IEA) World Energy Investment report for 2024, investment across the global energy sector is due to exceed US\$3 trillion dollars for the first time in 2024, with 60% of it going into clean energy technologies and infrastructure, demonstrating the centrality of energy to the global economy. As population growth continues to trend upwards and global economies continue on their pathway out of the post-covid slump, demand for energy will continue to grow.

It is clear that growth in electricity's share of final energy consumption has also played a key role in stimulating the overall demand growth for energy. According to the IEA, electricity demand globally is expected to rise at a faster rate over the next three years, at an average of 3.4% annually to 2026, and its share of final energy consumption is expected to increase to 30% in 2030 from 20% currently.

A behavioural shift in the type of final energy economies consumed has therefore been a key factor in the energy transition to net zero as we had previously observed.



Generative AI technology is a relatively new phenomenon with potentially profound benefits for global society, but at a cost of significant energy demand, and potentially large emissions. AI processes are broken down into two phases: firstly training, where large amounts of data are collated and consumed, and secondly inference, where an AI model utilises its training to reason and make predictions when presented with a request, in a way which mimics human ability. The training phase of AI models consumes significant amounts of energy. Indeed, it is estimated that, overall, a ChatGPT query may consume anywhere between 6 to 10 times more energy than a similar Google search.

The IEA estimates that data centres alone consumed an estimated 460 terawatt-hours (TWh) of electricity in 2022, and its consumption of electricity could reach more than 1,000 TWh in 2026, equivalent to Japan's electricity consumption.

Global data centre demand for electricity driven by AI is expected to result in a generational growth in power demand, with some analysts (Goldman Sachs Equity Research April 2024) estimating a 160% increase in data centre power demand by the end of 2030, with data centres share of global power demand rising to 3-4% of global power demand by the end of the decade. If all predicted data centre power demand growth was concentrated in a single country, according to analysts, it would be among the top 10 power consuming countries in the world.

All of this demand for power will have significant implications for the energy transition to net zero. Firstly, unless all of the supply of additional electricity comes from renewable sources, there is likely to be an impact in emissions growth. Data centre requirements for power cannot be met with intermittent power sources such as renewable generation alone. Centres operate irrespective of the time of day and whether there is sufficient wind or solar resource to power their mission. Conventional sources of power will therefore still have a role to play in enabling this technology over the medium term.

Some analysts predict that the jump in carbon dioxide emitted from data centre requirements will be equivalent to a 100% increase in 2030 over 2022 (equivalent to 215-220 million tons), predicated on power from renewable PPA sources accounting for up to 30% of the requirement, with the balance provided by natural gas generation. Natural gas has 50% less carbon dioxide when combusted compared to coal and is increasingly seen as a decarbonising fuel source particularly in the US where cheap supplies of domestically produced natural gas is abundant.

A Goldman Sachs report estimates that 47 GW of incremental power generation capacity will be required in the USA to support US data centre power demand growth cumulatively through 2030, met with about 60% gas and 40% renewable sources. This is expected to translate to an additional \$50 billion of capital investment in US power generation capacity cumulatively through 2030. Further capital will also be required to upgrade transmission infrastructure, and indeed gas processing, storage and distribution channels.

In Europe, it is anticipated that electricity could account for up to 55% of primary energy over the coming decade. Much of this growth in power demand is expected to come from data centres located (a) in countries such as the Nordics, Spain and France, where baseload power from nuclear, wind, hydro and solar is relatively cheap and well supplied; and (b) as well as countries with large financial and service centres, or countries that offer tax incentives such as Germany, the UK and Ireland. It is estimated that AI-driven consumption of power will add around 220TWh of electricity demand in Europe.

In continental Europe, the recently announced acquisition and build out of a renewables platform in Spain, Portugal and Sweden will target opportunities for favourable private PPAs as supply side constraints are addressed.

In the US, GSEO's midstream infrastructure platform is well placed to access further opportunities arising from the need to increase infrastructure build out to support gas fired power generation, and in Australia, regional data centre demand is anticipated to place further pressure on a constrained power market, leading to more opportunities for margin access and frequency support services from our solar and BESS storage hybrid projects.

**The IEA estimates that data centres alone consumed an estimated**

**460**

terawatt-hours (TWh) of electricity in 2022

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**220TWh**

of electricity demand in Europe

## INVESTMENT MANAGER'S REPORT CONTINUED

### Investment updates

1



#### **Brazilian solar PV assets**

This programme is building a portfolio of distributed generation plants across Brazil. There are currently 16 assets under this portfolio, 10 of which are operational with the remaining six currently under construction. All assets have useful lives of 25 years and are fully contracted with a combination of investment-grade offtakers or a consortium of offtakers. All 16 assets are expected to be fully operational by the end of 2025.

#### **Update:**

- During the period under review, we replaced the contractor working on three of the construction assets due to their below-expected performance and to prevent further delays.
- Performance of the operational assets is improving towards the target levels from the original design as the Operations & Maintenance teams continue to optimise their services.

2



#### **Brazilian hydro facility**

The 198MW run-of-river hydropower plant was acquired in 2022 from EDP Group. The facility is located in the state of Espírito Santo, has been operational since 1974 and went through a major repowering in 2011. The plant ownership was awarded under a concession framework with three years remaining from previous cycle and renewal planned for another 20 years thereafter. This facility benefits from a portfolio of over 30 long-term inflation linked PPAs with creditworthy counterparts in the regulated utilities market. It also has the potential to commercialise power with large energy consumers in the self-consumption segment of the energy market.

#### **Update:**

- The hydro facility in Brazil remains a strong performer in the portfolio, exceeding expectations in the first half of the year.
- In June the asset marked its 50th anniversary since commercial operations started.



The milestone was celebrated by Paraty Energia, the operating partner, with a series of events designed to honour the plant's history, recognise the contributions of its employees over the decades of operation, and engage with the local community. The celebration included speeches, a documentary screening, community activities and a commemorative plaque unveiling, recognising the plant's significance to the region.

Over 200 villagers attended the celebration reflecting the community interest and involvement.

The final day of celebrations focused on promoting family and community connection, particularly aimed at the children and families of employees and former employees. The latter underlined a sense of continuity over the 50 year history. The workforce was acknowledged, and the contributions of past and present employees recognised in supporting successful plant operations.

The 50th anniversary of the Mascarenhas Hydroelectric Plant was a landmark event that celebrated the plant's rich history and its deep connection with the community. Paraty Energia demonstrated its commitment to honouring the past while looking forward to continued success and community engagement in the future.



3



### **US terminal storage assets**

In 2021, the Company acquired two operating liquid storage terminals located in the Port of Brownsville, Texas, with the objective to displace highly-pollutive fuel sources produced in Mexico. Since acquisition, the capacity of the terminals has been expanded from 525,000 barrels to 895,000 barrels. The sites have a useful life of at least 30 years, and the operating partner is Motus Energy LLC, which combines the team that built and operated the assets from the previous owner and an established cross-border fuel exporter.

#### **Update:**

- During the period under review, the Company continued to implement operational optimisations and preventive maintenance. Terminal 1 tank inspections and preventive services were implemented, without interrupting the terminal's normal operations.
- The programme's operating partner, Motus, obtained the ISO 45001 health and safety management system certification as well as ISO 14001 environmental management certification on its operations, leading to safer and improved operational practices. Motus was also awarded the ILTA (International Liquid Terminals Association) 2024 Safety Award.

4



### **Australian solar PV with battery storage assets**

This programme is building a portfolio of decentralised hybrid distributed solar and battery assets, providing additional renewable energy and energy storage capacity, both critically needed by the energy system in Australia. GSEO has two operating assets in South Australia and Queensland totalling 17MWDC, with a 2-hour BESS on one of the assets to enhance its commercial potential. The Company also owns three ready to build sites in New South Wales ("NSW") of 4.95MW solar with a 2-hour BESS. The solar farm component of these sites has completed construction and construction of BESS is ongoing.

#### **Update:**

- The solar farm component of the three NSW sites completed commissioning during the period and are operational. Construction of the co-located BESS is progressing in line with expectations.
- During the period, we acquired two additional ready to build projects in NSW comprised of 4.95MW solar PV sites with co-located 2-hour BESS. Construction of the two hybrid sites has begun with completion expected in the next 12 months.
- Once completed, the total capacity of the Australian programme will be 37MW/60MWh, across seven assets.

5



### **UK flexible power with CCR asset**

This programme consists of a flexible power generation asset that provides a compelling solution to enable further renewable energy penetration in the UK. It does so by providing a source of dependable flexible energy, which enables the grid to respond to intermittency issues caused by wind and solar power generation. The project has a 15-year power offtake and gas supply agreement with a major European utility, Axpo, as well as a 15-year offtake agreement for food-grade CO<sub>2</sub> with Buse, a specialist industrial gases group. Additional sources of revenues for the asset include grid ancillary services (i.e. balancing mechanism, and capacity market payments). There is also optionality for the asset to provide private wire power to local businesses. This has not been assumed in the investment base case.

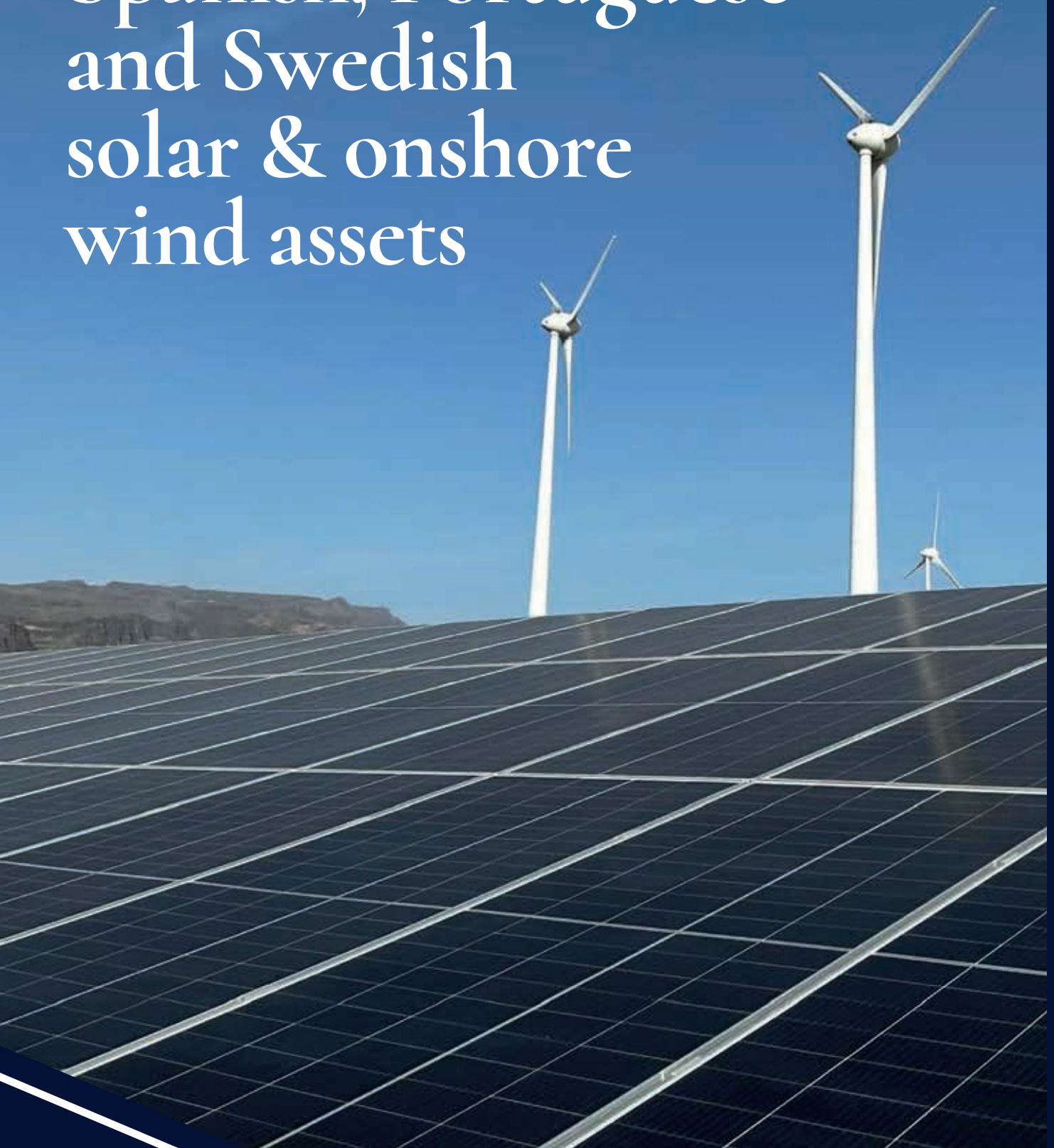
#### **Update:**

- During the period, the four Rolls Royce 16V engines were fully commissioned and have been generating power in the course of testing, enabling the site operational phase processes. Whilst current construction phase insurance prevents the 16V operations from being ramped up to full capacity until the overall integrated project reaches completion, power generated during this period was transmitted to the grid and revenues were earned. Meanwhile, the construction work continues based on the agreed construction plan in the new EPC contract.
- The full commissioning of the plant with the CCR element is progressing and completion is still expected in the second half of the year.

**INVESTMENT MANAGER'S REPORT** CONTINUED

6

Post-period investment:  
**Spanish, Portuguese  
and Swedish  
solar & onshore  
wind assets**





## Post-period, we completed the acquisition of a new programme of renewable energy assets focused on supporting the anticipated increase in demand for power on the European continent.

The aim of this programme is to continue to support the global energy transition by identifying market dislocations and providing investors with a differentiated return. The three markets targeted in this programme are widely acknowledged to be at the front-end of significant electricity demand in the coming years due to increased electrification of the country, the implementation of aggressive decarbonisation targets and the build out of new energy intensive sectors including data centres and AI technology's significant demand for power.

In Spain, the nationally mandated need to ensure quick penetration of solar and wind generation, the accelerated decommissioning of baseload generation sources such as nuclear power, coupled with a limited interconnection with continental Europe, ensure conditions are aligning to allow investors to secure differentiated returns through pursuing private commercial revenue contracts.

Portugal's decarbonisation strategy centres around electrification and the expansion of renewables as part of the electricity generation mix. As part of its National Energy and Climate Plan (NECP), the country is targeting 80% of electricity generation to come from renewables by 2030 and aims to reach a 47% share of renewables in final energy consumption and 20% share of renewables for transportation. Portugal has set technology-specific renewable capacity targets for 2030 in its latest NECP to guide the expansion of clean energy.

Sweden is a global leader in decarbonisation and has targets to cut greenhouse gas emissions by 59% by 2030 compared with 2005 and have 100% renewables in its energy mix. Sweden was the first country to introduce carbon pricing and is one of the countries with highest carbon price in the world, which has proven effective at driving decarbonisation. Major grid upgrades will catalyse market integration and efficiency, alleviating existing bottlenecks in the country and support higher, stable pricing in the long term with higher wind captured prices. The latter is accompanied by increased power demand in North Sweden. A major growth in industrial demand in northern

Sweden is predicted, primarily driven by an agenda to decarbonise energy intensive industries by locating these close to cheap sources of renewable energy, such as AI-driven data centres, EV battery manufacturers, and green steel which are expected to increase demand by 19TWh of clean energy.

GSEO is partnering with Spanish Power SL, a specialised developer and operator established in 1998, with a track record of constructing over 540MW of projects and has developed and sold around 1.8GW of solar and onshore wind projects. Spanish Power SL will own 20% of this programme.

The Company acquired a 59.8MW portfolio of five operating, ready-to-build ("RTB") and under construction solar and onshore wind generation assets in Spain, Portugal and Sweden, for a total consideration of EUR53m. In addition, the Company has acquired the project rights for 188.6MW of four RTB solar PV assets in Spain, construction of which is expected to be fully funded by a European strategic fund and project-level debt, giving a total program size of 248.4MW across nine assets.

The programme is split into two deployment legs, the first of which, completed in July, was an investment from GSEO of EUR53m to fund a 59.8MW portfolio consisting of:

- A **3.7MW** operational solar PV plant in Spain
- A **6MW** operational onshore wind asset in Sweden
- A **20MW** solar PV plant under construction in Portugal
- A **10.3MW** solar PV plant under construction in Spain
- A **19.8MW** RTB onshore wind asset in Spain

The second leg consists of funding the construction of the 188.6MW RTB solar PV assets, for a total amount of EUR45m in Q4 of this year. Once the second leg is completed, GSEO will be the largest owner of the portfolio with an effective ownership of 43.5%, with the balance split between the equity co-investor and joint venture partners, Spanish Power.

This investment will bring the total number of assets in the GSEO portfolio to 36, split across seven countries and six technologies.

INVESTMENT MANAGER’S REPORT CONTINUED

Portfolio operational & financial performance

The operating assets' actual energy generation was broadly above budget for the six-month period to 30 June 2024:

1. 10 Brazilian solar PV assets

- The portfolio of 10 operational distributed solar PV assets in Brazil continues to generate power, albeit below full capacity, primarily due to overvoltage events during the first half of the year. This has now been remedied and we expect the budget deviation to improve in the second half of the year.

2. Brazilian hydro facility

- The Brazilian hydro facility continues to be a strong performer in the portfolio with earnings ahead of budget in the first half of the year.
- This was mainly driven by a combination of higher hydro resource availability, high inflation impacting PPA prices positively and an optimisation of operating costs during the period.

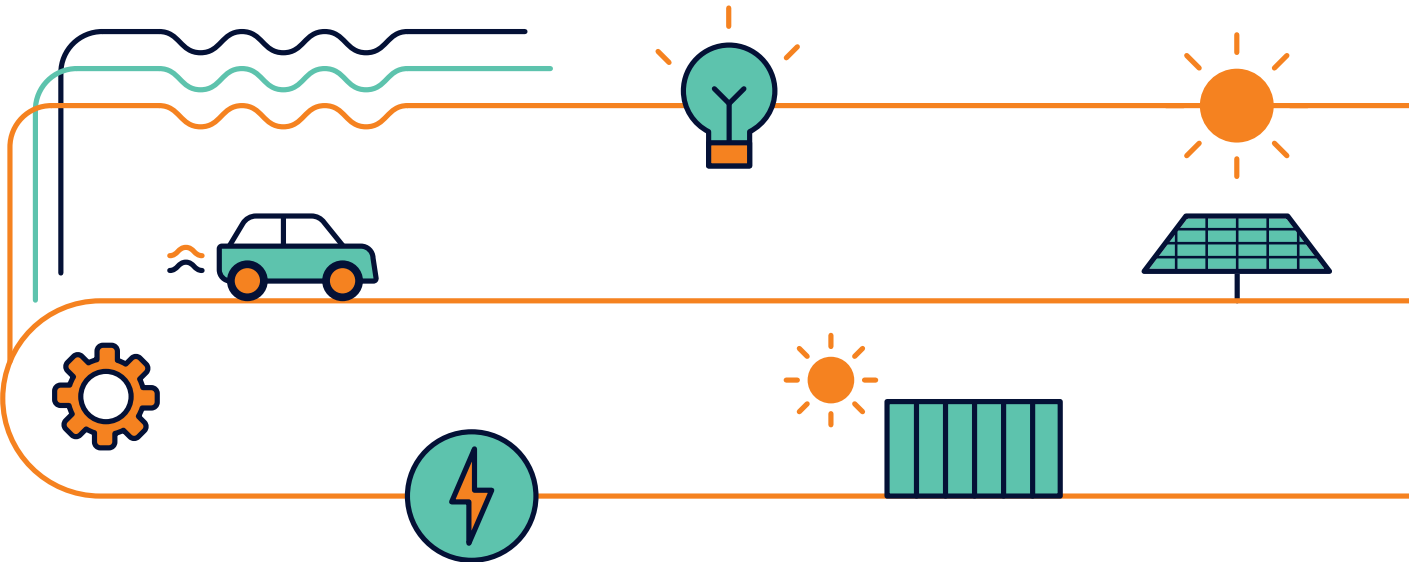
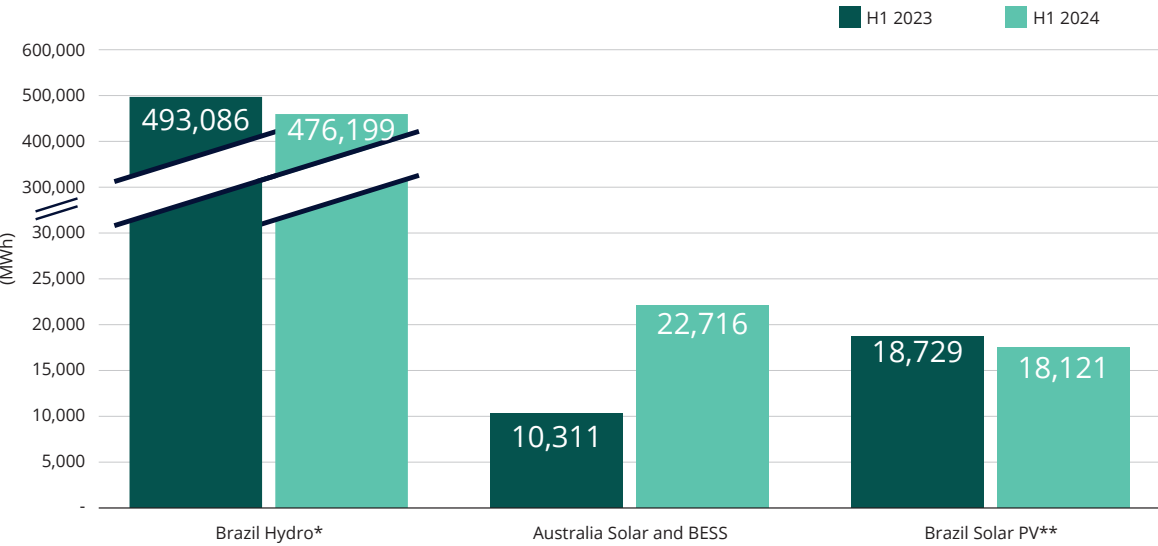
3. Five operating Australian solar PV with battery storage assets

- The Australian solar PV with battery storage programme exceeded expectations during the period, with performance above budget.
- Overall, revenues were supported by higher wholesale prices compared to the previous year, driven by increased demand from a colder winter in the region.

4. US terminal storage assets

- The H1 EBITDA for the terminal storage assets was below budget, owing to weather-related events in the Mexican Gulf Coast. This disrupted the rail system used to transport products from Mexico to the storage terminals, causing a backlog of product deliveries during the period.

Actual energy generation for operational assets (MWh)









\*Brazil Hydro generation represents gross power generation

\*\*Brazil Solar PV generation relates to production related to financial performance including that consumed by the plant

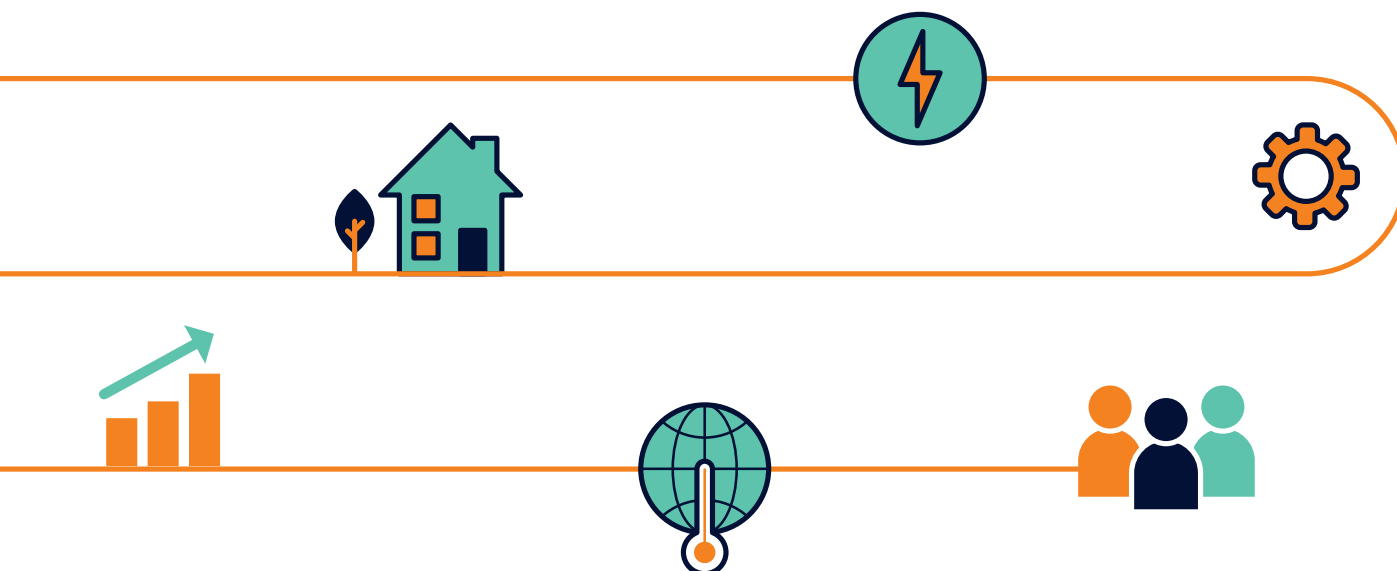


## Highly contracted portfolio with creditworthy counterparties

Programme	Key offtaker(s)	PPA term	Asset life
Brazilian solar PV assets	 	20 years	25 years
Brazilian hydro facility	More than 30 PPAs with blue-chip utilities counterparties – e.g. <b>EDP</b>	up to 15 years	25 years
US terminal storage assets	    *	3 years rolling	30 years
UK flexible power with CCR asset	 	15 years	25 years
Australian solar PV with battery storage assets	Local Australian utilities – e.g. <b>Diamond Energy</b>	Targeting contracted revenues of up to 50% – the remainder is intentionally left as merchant to capture the peak margin opportunity in Australia	25 years

**Note:** Asset life: since acquisition/commercial operational date ("COD")

\* PMI is a 100% subsidiary of PEMEX



## INVESTMENT MANAGER'S REPORT CONTINUED



### CASE STUDY

# The Australian power market

The Australian market is unique in that it has great renewable resource 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.

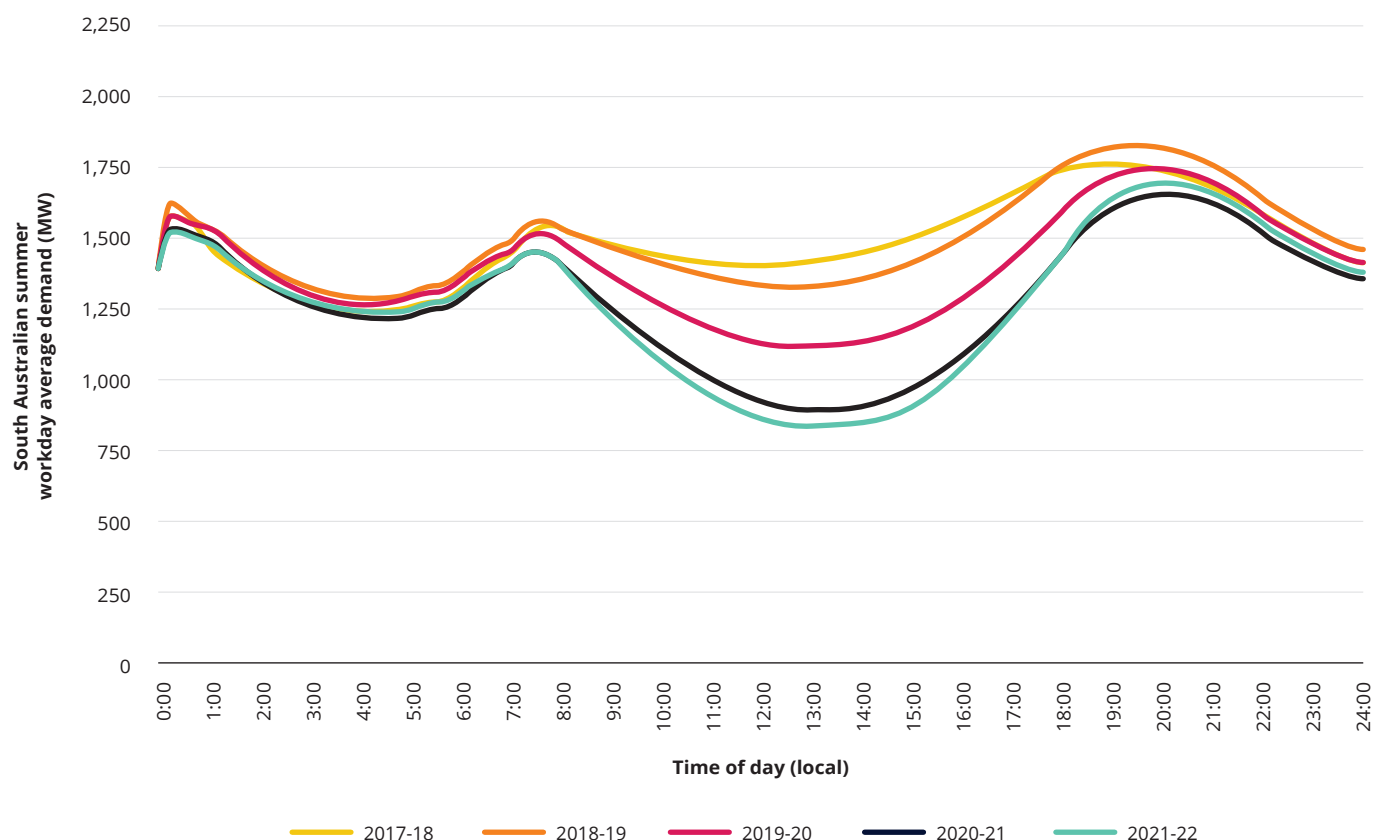


As the country advances its policy to move away from coal and introduce more renewable energy to the grid, the issue of grid stability increases. On cloudy days with no breeze, renewables raise concerns about energy supply security and price stability. Even when the sun is shining and the wind is blowing, solar power and other intermittent renewables can be problematic for energy grids.

Co-locating solar PV and BESS provides the system with additional renewable energy. It also supports grid stability with the storage solution, allowing the assets to better serve the needs of the Australian power market in its energy transition.

Notably, GSEO expects to gain access to additional energy arbitrage as well as frequency stability services revenue streams from the co-located BESS.

### Summer workday average operational demand profiles



Source: 2022 South Australian Electricity Report

The above chart shows the average demand in South Australia during the summer workday from 2017 to 2022. Demand volume for the network operator has been declining during daylight hours due to increasing rooftop solar PV generation. Intense energy production from rooftop solar PV throughout the day, followed by a sharp drop in power production when the sun sets, does little to meet energy demand which ramps up sharply in the afternoon. This phenomenon is called the "duck curve". The duck curve – named due to its shape – helps us understand the challenge of renewables integration and the potential a storage solution like co-located BESS has in such market.

Following the completion of the construction of our co-located 2 hour 4.95MW BESS, the solar and storage hybrid system in South Australia is capturing attractive power prices in the intraday market. During H1 2024, the monthly average captured price for BESS was over A\$200/MWh, which is more than 4 times higher than the average captured prices for solar

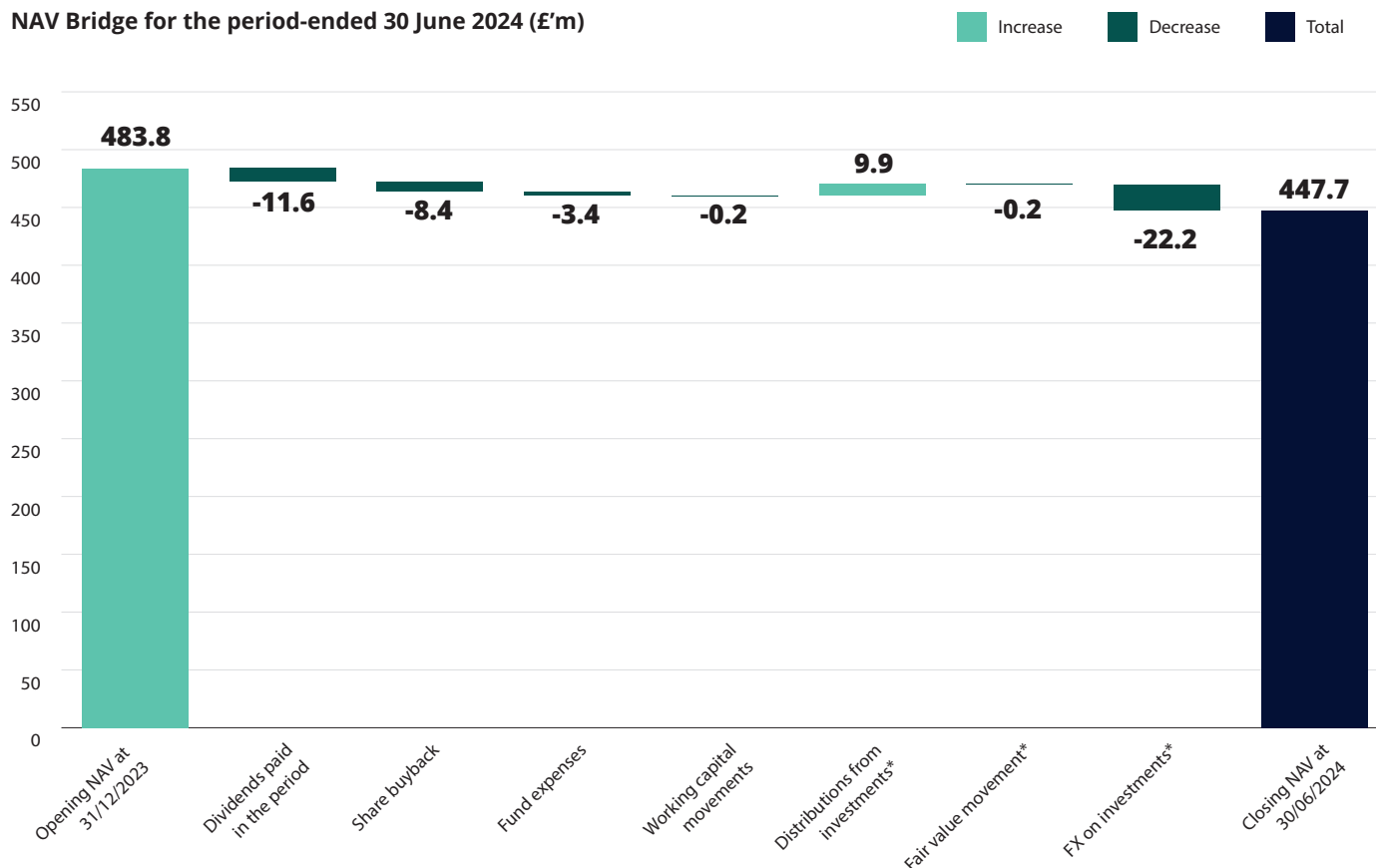
during the same period. This showcases how the asset is able to optimally shift its power dispatch profile to capture high peak power prices in the early morning and afternoon.

Furthermore, during H1 2024, South Australia experienced electricity prices above A\$1,000/MWh 42 times, reaching at times the market cap price of A\$16,600/MWh. Similarly in New South Wales, we have observed events in May where prices were above A\$15,000/MWh. The reasons for such price spikes varied, including variable renewable energy generation, weather, bushfires and restricted import capacity from neighbouring regions. However, we believe this trend will continue as this is an indication of prices being highly sensitive to supply and demand fluctuations due to grid constraints and increased intermittent renewable energy. This continues to support our thesis on having flexible capacity within the programme.

## INVESTMENT MANAGER'S REPORT CONTINUED

### Net Asset Value

NAV Bridge for the period-ended 30 June 2024 (£'m)



\* includes movements at the Company's immediate subsidiary (VH GSEO UK Holdings Limited) of which distributions from investments of £9.1m were received by the Company and the remainder is reflected in the fair value movement of investments.

The NAV of the Company decreased from £483.8m at 31 December 2023 to £447.7m at 30 June 2024. The key drivers for the NAV decrease were:

- An unrealised foreign exchange loss of £22.2m mainly driven by a 14.5% weakening of BRL against GBP during the period.
- £8.4m was spent by the Company during the period on the ongoing share buybacks bringing the total number of shares bought back to 18.6m.
- The decrease in NAV was partially offset by the £9.9m received in distributions from the underlying investments.
- The fair value movement on investments was -£0.2m as the weighted average discount rate applied to operational assets decreased by a moderate 9bps offset by an updated inflation outlook.
- Total fund expenses for the period of £3.4m or 1.5% in an ongoing charges ratio.



## Key sensitivities

### NAV sensitivities 30 June 2024

Discount rate (+1.5%/-1.5%)	-8.2p -7.4%	10.2p 9.2%
Inflation (-1.0%/+1.0%)	-5.8p -5.2%	7.0p 6.3%
Operating expenses (+5.0%/-5.0%)	-2.1p -1.9%	2.1p 1.9%
FX (+10.0%/-10.0%)	-7.5p -6.8%	9.2p 8.3%
Asset life (-1 yr/+1 yr)	-1.2p -1.1%	1.3p 1.1%

#### Discount rate

A range of discount rates are 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 2024 are 7.07% (31 December 2023: 6.91%) in the US, 7.65% (31 December 2023: 7.74%) in Australia, 9.40% (31 December 2023: 9.54%) for the Brazilian hydro facility and 9.46% (31 December 2023: 9.67%) for the Brazilian solar PV assets. A 1.5% increase (decrease) in discount rates across the portfolio decreases (increases) NAV by 8.2p (10.2p).

#### Inflation

The sensitivity assumes a 1% increase or decrease in long-term inflation relative to the base case of 2.15% for the US assets, 2.63% for the Australian assets and 3.00% 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 7.0p (5.8p).

#### 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 2.1p (2.1p).

#### 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 7.5p (9.2p).

#### 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 1.3p (1.2p).

#### 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.

## SUSTAINABILITY



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

“

The Company recognises that achieving a successful energy transition involves balancing three key aspects: environmental sustainability, energy security and access, and economic growth and development.

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In the first half of 2024, the Company's investment and asset management strategy maintained its impact and focus on achieving this balanced approach. Investments continued to support the phasing out of pollutive energy sources and supply of clean energy to power grids to serve communities and business. The Company also implemented operational improvements, generating meaningful local environmental and social benefits through engagement with its operating partners.



## ESG Regulation & Framework Alignment

The Company's investment strategy, designed to align with the UN Sustainable Development Goals (SDGs), focuses on promoting and hastening the energy transition by investing in sustainable energy infrastructure that benefits communities globally. To reach these goals, the Investment Manager recognises the importance of responsible and sustainable investment, acknowledging the interconnectedness and mutual reinforcement of social and environmental sustainability. Through the Company's investments, the Investment Manager aims to bridge critical gaps in energy markets, supporting energy security, accessibility, and economic growth.

The Investment Manager is committed to adhering to the principles of the UN Global Compact. This involves employing a risk-based methodology to Company investments that prioritises external validation of SDG strategy alignment, ensuring no significant harm to SDG goals, and includes comprehensive ESG due diligence, and materiality and risk-opportunity assessments.

Governance or management system gaps are identified, and significant risks or opportunities to create sustainable value are prioritised. Actions to mitigate these issues are outlined in each investment-specific Sustainability Action Plan (SAP). The SAP is an evolving document that is consistently reviewed and updated in collaboration with the Company's operating partners. Performance against these plans form part of an annual operating partner assessment.

The Company's investment objective reflects its commitment to sustainability, making it subject to the EU Sustainable Finance Disclosure Regulation ("SFDR"). Disclosures are available on the Company's website.

The European Securities and Markets Authority ("ESMA") recently published final guidelines on the use of ESG related terms in fund names. The Company is reviewing the guidelines' terminology proscriptions and restrictions within the context of its sustainability objective and underlying investments.

The Company is pursuing a label under the new FCA Sustainable Disclosure Regulation ("SDR") and has explicitly updated its investment objective to highlight sustainability goals previously identified in the investment policy, with approval from the Board and Investment Manager governance committees. The Company is evaluating label options and preparing necessary documentation to meet the December 2024 application deadline.

## H1 2024 Sustainability Highlights



Solar energy generated

**40,838 MWh**

30 June 2023: 28,334 MWh



Hydro power generated

**471,395\* MWh**

30 June 2023: 488,251 MWh



Equivalent to powering over

**130,000**

houses annually in the UK\*\*

30 June 2023: 138,458 households



Sulfur oxides displaced

**10,862 tonnes**

30 June 2023: 11,359 tonnes



CO2e emissions avoided

**80,734\*\*\* tonnes**

30 June 2023: 53,423 tCO2e



The equivalent of removing over

**44,074**

average sized cars from UK roads

30 June 2023: 26,100

\* Hydro generation represents the power injected into the grid only.

\*\* References for equivalency calculations:  
UK energy use - [www.ofgem.gov.uk](http://www.ofgem.gov.uk)  
UK mileage - [www.dft.gov.uk](http://www.dft.gov.uk)

\*\*\* Increase in avoided emissions (2023 interim comparison) is attributed to increased carbon intensity of Brazilian grid (IEA published emission factors).

## H1-24 ESG OPERATIONAL PERFORMANCE

### Half year 2024 ESG operational performance<sup>1</sup>

#### Portfolio energy use and GHG emissions<sup>2</sup>

Scope	Energy use (MWh) H1 2024	Energy use (MWh) H1 2023	GHG emission (t CO <sub>2</sub> e) H1 2024	GHG emission (t CO <sub>2</sub> e) H1 2023
Scope 1	8,831	10,730±	1,597	1,963±
Scope 2	1,345	910±	366	269±
<b>Total operational emissions (Scope 1&amp;2)</b>	10,176	11,640±	1,963	2,232±
Scope 3	-	-	23,278	16,827±
<b>Total Scope emissions</b>	-	-	25,242	19,059±

The Company has reported progress against the net zero asset managers target for the portfolio reporting a 12% reduction in scope 1&2 emissions from H1 2023 to H1 2024. This was driven primarily by efficiency gains in the terminal storage asset.

There has been a slight increase in operational emissions due to additional operational assets, including the Australian solar PV with battery storage assets. The increase in Scope 2 is due primarily to the commissioning of the BESS assets in Australia and increase in imported grid electricity. Improvements in Scope 3 data capture and reporting is reflected in the increased emissions data.

#### Operational environmental and social data

##### Environmental

Metric	Units	2024 H1	2023 H1
Water Use	kilolitres	14,706	14,000
Water Quality Index – Hydro	WQI	Good	Good
Waste	tonnes	7	66
NOX avoided	tonnes	1,078	1,129
PM 10 & 2.5 avoided	tonnes	960	1,002

Environmental performance is comparable to H1 2023 despite the additional assets. Avoided air emissions metrics reflect a slight reduction in HSFO flow through the US terminal storage asset.

## Social

Metric	Units	2024 H1	2023 H1
<b>Gender Diversity</b>			
Male	% of average	98	98
Female	% of average	2	2
Other	% of average	0	0
Staff turnover	% of average	21	2
Total number of employees (asset)	Full time equivalent (FTE)	67.5	61
Total number of employees (operator)	Full time equivalent (FTE)	57	NR
<b>Health and Safety</b>			
Total incident number <sup>3</sup>	Number of incidents	3	1
Total case injury rate <sup>4</sup>	Total number of recordable injuries	2	0

Staff turnover remains a challenge in the US where the workforce is transient and the local labour market is competitive. The operator is continuing to implement policies to support labour retention. The Brazilian hydro facility also saw some turnover in Q2 following a period of workforce stability.

Improving diversity for small mid-market operators remains a challenge particularly in female representation. Recruitment pipelines continue to draw from local talent pools that lack diversity and the operators often lack resources for robust diversity initiatives. The Company is committed to working with the operators to overcome challenges and create a more diverse workforce.

The Company is pleased that health and safety continues to be a focus for operating partners. Root cause review of two traffic related incidents in the Brazilian solar PV programme has led to improved practices by the operating partner and the Company continues to monitor progress.

<sup>1</sup> ESG data is not assured. Limited assurance is achieved on end of year data. For the most up to date assured ESG data please see the 2023 annual report and accounts.

<sup>2</sup> Data with ± symbol is restated from 2023 interim report following correction of energy use reporting at US terminal storage asset and improved reporting with increase in Scope 3 categories included.

<sup>3</sup> This includes near miss and those resulting in employee injury.

<sup>4</sup> Number of recordable injuries reported.



CASE STUDY

# Enhancing operations and community engagement in the Brazilian distributed solar portfolio

The Company's solar PV footprint in Brazil continues to grow with ten operating solar sites and six currently under construction. These are distributed across nine regions in Brazil.



The Investment Manager works with its operating partners to build capacity on sustainability and ESG topics and provides guidance on environmental and social aspects of operations. This collaboration supported the Company's operating partner, Energea, in its efforts to improve ESG practices.

### **Strengthening health and safety practices**

In collaboration with Victory Hill, Energea has prioritised health and safety across all sites with key initiatives including:

- **Policy and procedures:** updating the health and safety manual to reflect best practices.
- **Training programs:** implementing training sessions for O&M specialists focusing on best practices, emergency procedures and hazard recognition.
- **Distribution of personal protective equipment (PPE):** ensuring all team members are equipped with the necessary PPE to perform their duties safely.
- **Site risk analysis:** conducting in-depth risk assessments for each site with expert external support to identify potential hazards and implement corrective measures.

### **Addressing transportation risks**

Transportation between sites has been identified as a key safety risk due to the significant distances involved. In the first half of the year, two traffic-related incidents, fortunately resulting in no serious injuries, prompted a thorough review of transportation practices. Evaluation of current practices led to the development of more stringent transportation protocols, including:

- **Appropriate vehicles:** Ensuring that all vehicles used are company-provided and suitable for the terrain and conditions of the routes between sites.
- **Employee awareness:** Reinforcing transportation procedures through training and communication, emphasising the use of company-provided vehicles only.
- **Vehicle maintenance:** Regular maintenance schedules to keep the fleet in optimal condition, ensuring safety and reliability.

Energea provides transportation for all site-based teams and stipulates only company-owned vehicles can be used during working hours. This policy not only enhances safety but also ensures that vehicle maintenance is consistent and up to date.

### **Employee and community engagement**

In addition to focusing on internal operations, Energea has taken significant steps to improve its engagement with local communities:

- **Improved signage:** Installation of clear, visible signage around all sites, highlighting potential dangers and providing contact details for the site operator.
- **Community outreach:** Active engagement with local businesses and residents to raise awareness of the sites and their benefits.
- **Stakeholder engagement plan:** Using an Investment Manager provided tool and guidance, Energea initiated interviews with local community members to gather feedback on the impact of the sites. Key themes included better signage, recruitment opportunities, and infrastructure improvements such as roads, drainage and access to renewable energy.

### **Outcomes and future plans**

Energea's proactive approach has enhanced local safety culture, improved employee engagement and started to create stronger community relationships through increased engagement and responsiveness to community feedback.

The asset Sustainability Action Plan, agreed between Energea and the Investment Manager, identifies priorities in 2024. The operator will continue to focus on health, safety and security, transportation safety, and community engagement. The operator is committed to ongoing improvement, ensuring that its operations benefit both employees and the surrounding communities.

The Investment Manager is working with Energea to set the standard for responsible and sustainable renewable energy operations.

## 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" and 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 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 53.

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 49 to 56 of the 2023 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
- Liquidity risks

Risks relating to the portfolio investment strategy:

- Illiquidity of investments
- Market conditions
- Concentration risk

Risks relating to investments:

- Construction risks
- Due diligence
- Counterparty risks
- Uninsured loss and damage
- Curtailment risks
- Commodity price risks
- ESG risks

Risks relating to the Company's shares:

- Discount to NAV

Risks relating to regulation:

- Regulation

Operational risks:

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

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**

10 September 2024





## 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 2024 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 2024 which comprises 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 Revised International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410 (Revised)"). 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 paragraph 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 (Revised), 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

10 September 2024

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 2024 to 30 June 2024**

		For the six-month period ended 30 June 2024 (unaudited)			For the six-month period ended 30 June 2023 (unaudited)		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Income</b>							
(Loss) / Gain on investments	6	–	(23,229)	(23,229)	–	7,862	7,862
Investment income	3	10,514	–	10,514	15,356	–	15,356
<b>Total income and (losses) / gains</b>		10,514	(23,229)	(12,715)	15,356	7,862	23,218
Investment management fees	13	(2,218)	–	(2,218)	(2,181)	–	(2,181)
Other expenses	4	(1,156)	–	(1,156)	(917)	–	(917)
<b>Profit / (loss) for the period before taxation</b>		7,140	(23,229)	(16,089)	12,258	7,862	20,120
Taxation	5	–	–	–	–	–	–
<b>Profit / (loss) for the period after taxation</b>		7,140	(23,229)	(16,089)	12,258	7,862	20,120
<b>Profit / (loss) and total comprehensive income attributable to:</b>							
<b>Equity holders of the Company</b>		7,140	(23,229)	(16,089)	12,258	7,862	20,120
<b>(Loss) / earnings per share – basic and diluted (pence)</b>	15	1.75	(5.68)	(3.93)	2.90	1.86	4.76

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 49 form part of these financial statements.

## CONDENSED STATEMENT OF FINANCIAL POSITION

**As at 30 June 2024**

	Note	As at 30 June 2024 (unaudited) £'000	As at 31 December 2023 (audited) £'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss	6	371,956	369,047
<b>Total non-current assets</b>		<b>371,956</b>	369,047
<b>Current assets</b>			
Cash and cash equivalents	9	75,771	74,258
Cash receivable	8	-	40,367
Other receivables	8	541	441
<b>Total current assets</b>		<b>76,312</b>	115,066
<b>Total assets</b>		<b>448,268</b>	484,113
<b>Current liabilities</b>			
Accounts payable and accrued expenses	10	(573)	(270)
<b>Total current liabilities</b>		<b>(573)</b>	(270)
<b>Total liabilities</b>		<b>(573)</b>	(270)
Net assets		<b>447,695</b>	483,843
<b>Capital and reserves</b>			
Share capital	11	4,225	4,225
Share premium	11	186,368	186,368
Special distributable reserve	11	218,624	227,067
Capital reserve		35,466	58,694
Revenue reserve		3,012	7,489
<b>Total capital and reserves attributable to equity holders of the Company</b>		<b>447,695</b>	483,843
<b>Net asset value per ordinary share</b>		<b>110.84</b>	116.46

The financial statements were approved and authorised for issue by the Board of Directors on 10 September 2024 and signed on its behalf by:

**Bernard Bulkin**  
Chair

Company Registration Number 12986255

The notes on pages 38 to 49 form part of these financial statements.

## CONDENSED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

### As at 30 June 2024

For the six-month period ended 30 June 2024	Note	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
<b>Opening balance</b>		4,225	186,368	227,067	58,694	7,489	483,843
Shares bought back	11	-	-	(8,443)	-	-	(8,443)
<b>Total comprehensive income/(loss) for the period</b>		-	-	-	(23,229)	7,140	(16,089)
<b>Interim dividends paid during the period</b>	12	-	-	-	-	(11,616)	(11,616)
<b>Balance at 30 June 2024</b>		4,225	186,368	218,624	35,465	3,013	447,695

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
<b>Opening balance</b>		4,225	186,368	232,467	26,177	7,936	457,173
<b>Total comprehensive income for the period</b>		-	-	-	7,862	12,258	20,120
<b>Interim dividends paid during the period</b>	12	-	-	-	-	(11,661)	(11,661)
<b>Balance at 30 June 2023</b>		4,225	186,368	232,467	34,039	8,533	465,632

A total of 422,498,890 ordinary shares were issued since its incorporation to 30 June 2024.

During the period, the Company purchased for treasury a total of 11,568,147 ordinary shares.

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 and revenue reserves are distributable to Shareholders of the Company.

The notes on pages 38 to 49 form part of these financial statements.



## CONDENSED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2024

	Note	For the six-months period ended 30 June 2024 (unaudited) £'000	For the six-months period ended 30 June 2023 (unaudited) £'000
<b>Cash flows from operating activities</b>			
(Loss) / profit before tax		(16,089)	20,120
<b>Adjustment for:</b>			
Movement in fair value of investments	6	23,217	(7,346)
Interest on cash deposits	3	(1,417)	(2,776)
<b>Operating result before working capital changes</b>		<b>5,711</b>	9,998
Decrease in prepayments and other receivables		40,267	94
Increase / (decrease) in accounts payable and accrued expenses		303	(17)
<b>Net cash flow generated from operating activities</b>		<b>46,281</b>	10,075
<b>Cash flows from investing activities</b>			
Purchase of investments	6	(26,126)	(6,902)
Interest on cash deposits	3	1,417	2,776
<b>Net cash used in investing activities</b>		<b>(24,709)</b>	(4,126)
<b>Cash flows from financing activities</b>			
Share buybacks	11	(8,443)	–
Dividends paid in the period	12	(11,616)	(11,661)
<b>Net cash used in financing activities</b>		<b>(20,059)</b>	(11,661)
<b>Net decrease in cash and cash equivalents</b>		<b>1,513</b>	(5,712)
Cash and cash equivalents at beginning of the period	9	74,258	141,791
<b>Cash and cash equivalents at end of the period</b>	9	<b>75,771</b>	136,079

The notes on pages 38 to 49 form part of these financial statements.

## NOTES TO THE 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 2024, 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 2023 were approved by the Directors on 4 April 2024 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 2023. 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 2023. The audited annual accounts for the year ended 31 December 2023 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 2024, the Company had net current assets of £75.7m and cash balances of £75.8m, which are sufficient to meet current obligations as they fall due. There is no external debt at the Company as at period end.

The Company's major cash outflows include discretionary expenses such as dividend payments and costs related to acquiring new assets, as well as ongoing operating expenses.

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 2024, 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 the Middle East 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 are 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 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 2024			For the six-months period ended 30 June 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on cash deposits	1,417	–	1,417	2,776	–	2,776
Interest income from investments	3,926	–	3,926	3,080	–	3,080
Dividend income	5,171	–	5,171	9,500	–	9,500
<b>Investment income</b>	<b>10,514</b>	<b>–</b>	<b>10,514</b>	<b>15,356</b>	<b>–</b>	<b>15,356</b>

### 4. Operating expenses

	For the six months period ended 30 June 2024 £'000	For the six months period ended 30 June 2023 £'000
Fees payable to the Company's auditor (exclusive of VAT) for the:		
Interim assurance review	73	70
AIFM fees	37	36
Directors' fees	196	166
Other expenses	650	849
Unrealised FX gains and losses	–	(5)
<b>Total operating expenses</b>	<b>1,156</b>	<b>917</b>

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

The Company had no employees during the period. Details of Directors' fees are disclosed in note 13, with no other emoluments reported.

### 5. Taxation

Taxable income during the period was offset by expenses and the tax charge for the period ended 30 June 2024 is £nil (30 June 2023: £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 UK 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

As at 30 June 2024	Total £'000	Quoted prices in active markets (level 1) £'000	Significant Observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000
<b>Assets measured at fair value:</b>				
<b>Non-current assets</b>				
Investments held at fair value through profit or loss	371,956	–	–	371,956

As at 31 December 2023	Total £'000	Quoted prices in active markets (level 1) £'000	Significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000
<b>Assets measured at fair value:</b>				
<b>Non-current assets</b>				
Investments held at fair value through profit or loss	369,047	–	–	369,047

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 2024.

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Opening balance at beginning of the period/year	369,047	315,133
Additions during the period at cost	26,126	22,819
	395,173	337,952
<b>Fair value movement on investments:</b>		
Change in fair value of equity investments <sup>1</sup>	(23,229)	32,649
Interest on loan investments <sup>2</sup>	12	1,554
Total fair value movement on investments	(23,217)	31,095
<b>Closing balance</b>	<b>371,956</b>	369,047

<sup>1</sup> The £23,229k in the Statement of Comprehensive Income within other expenses/ income and Statement of Changes in Equity is made up of unrealised losses of £23,229k per this note and a realised foreign exchange loss of £nil during the period.

<sup>2</sup> This 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.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### Valuation methodology

As disclosed on pages 143 to 147 of the Company's Annual Report for the year ended 31 December 2023, 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 the 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 2024.

### Valuation Assumptions

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

<b>Discount rates</b>	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.
<b>Power price</b>	Power prices are based on power price forecasts from leading market consultants adjusted for expected deployment of energy transition assets.
<b>Energy yield</b>	Estimated based on energy yield assessments from leading technical consultants as well as operational performance data (where applicable).
<b>Inflation rates</b>	Long-term inflation is based on International Monetary Fund (IMF) forecasts for the respective jurisdiction.
<b>Asset life</b>	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.
<b>Operating expenses</b>	The operating expenses are primarily based on the respective contracts and budgets.
<b>Taxation rates</b>	The underlying country-specific tax rates are derived from leading tax consulting firms.
<b>Capital expenditure</b>	Based on the contractual arrangements (e.g. EPC agreement), where applicable.



## Key Assumptions

			30 June 2024
Discount rate	Weighted Average	US terminal storage assets	7.07%
	Weighted Average	Australian solar PV with battery storage assets	7.65%
	Weighted Average	Brazilian solar PV assets	9.46%
	Weighted Average	Brazilian hydro facility	9.40%
Long-term inflation	United States	US terminal storage assets	2.15%
	Australia	Australian solar PV with battery storage assets	2.63%
	Brazil	Brazilian solar PV assets & Brazilian hydro facility	3.00%
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	1:1.2645
	GBP:BRL	Brazilian solar PV assets & Brazilian hydro facility	1:7.0745
	GBP:AUD	Australian solar PV with battery storage assets	1:1.8960

### 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 +/-1.50% 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 2024	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
Discount rate – US terminal storage assets	-1.50%	21,854	5.41
	1.50%	(17,261)	-4.27
Discount rate – Australian solar PV with battery storage assets	-1.50%	2,440	0.60
	1.50%	(1,972)	-0.49
Discount rate – Brazilian solar PV assets	-1.50%	2,873	0.71
	1.50%	(2,361)	-0.58
Discount rate – Brazilian hydro facility	-1.50%	14,130	3.50
	1.50%	(11,516)	-2.85
<b>Discount rate – All</b>	<b>-1.50%</b>	<b>41,296</b>	<b>10.22</b>
	<b>1.50%</b>	<b>(33,110)</b>	<b>-8.20</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

As at 30 June 2024	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
Inflation – US terminal storage assets	-1.00%	(9,861)	-2.44
	1.00%	11,561	2.86
Inflation – Australian solar PV with battery storage assets	-1.00%	(1,295)	-0.32
	1.00%	1,269	0.31
Inflation – Brazilian solar PV assets	-1.00%	(1,797)	-0.45
	1.00%	2,114	0.52
Inflation – Brazilian hydro facility	-1.00%	(10,480)	-2.59
	1.00%	13,366	3.31
<b>Long-term Inflation – All</b>	<b>-1.00%</b>	<b>(23,432)</b>	<b>-5.80</b>
	<b>1.00%</b>	<b>28,310</b>	<b>7.01</b>

As at 30 June 2024	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
Asset life – US terminal storage assets	-1 year	(1,921)	-0.48
	+1 year	2,227	0.55
Asset life – Australian solar PV with battery storage assets	-1 year	(455)	-0.11
	+1 year	292	0.07
Asset life – Brazilian solar PV assets	-1 year	(368)	-0.09
	+1 year	344	0.09
Asset life – Brazilian hydro facility	-1 year	(2,238)	-0.55
	+1 year	2,241	0.55
<b>Asset life – All</b>	<b>-1 year</b>	<b>(4,982)</b>	<b>-1.23</b>
	<b>+1 year</b>	<b>5,104</b>	<b>1.26</b>

As at 30 June 2024	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
Operating expenses – US terminal storage assets	5.00%	(4,254)	-1.05
	-5.00%	4,273	1.06
Operating expenses – Australian solar PV with battery storage assets	5.00%	(251)	-0.06
	-5.00%	252	0.06
Operating expenses – Brazilian solar PV assets	5.00%	(775)	-0.19
	-5.00%	781	0.19
Operating expenses – Brazilian hydro facility	5.00%	(3,143)	-0.78
	-5.00%	3,143	0.78
<b>Operating expenses – All</b>	<b>5.00%</b>	<b>(8,423)</b>	<b>-2.09</b>
	<b>-5.00%</b>	<b>8,450</b>	<b>2.09</b>

As at 30 June 2024	Change in input	Changes in fair value of investments (£'000)	Change in NAV per share (pence)
FX (GBP:USD)	-10.00%	13,910	3.44
	10.00%	(11,381)	-2.82
FX (GBP:BRL)	-10.00%	19,520	4.83
	10.00%	(15,971)	-3.95
FX (GBP:AUD)	-10.00%	3,782	0.94
	10.00%	(3,095)	-0.77
<b>FX – All</b>	<b>-10.00%</b>	<b>37,212</b>	<b>9.21</b>
	<b>10.00%</b>	<b>(30,446)</b>	<b>-7.54</b>

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

## 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 2024
VH GSEO UK Holdings Limited	United Kingdom	100%
Victory Hill Distributed Energy Investments Limited	United Kingdom	100%
Victory Hill Flexible Power Limited	United Kingdom	100%
Rhodesia Power Limited	United Kingdom	100%
Victory Hill USA Holdings LLC	United States	100%
Victory Hill Midstream Investments LLC	United States	100%
Victory Hill Midstream Energy LLC	United States	100%
Motus T1 LLC	United States	100%
Motus T2 LLC	United States	100%
Victory Hill Australia Investments Pty Ltd	Australia	100%
Victory Hill Distributed Power Pty Ltd	Australia	100%
Mobilong Solar Farm Pty Ltd	Australia	100%
Dunblane Solar Pty Ltd	Australia	100%
Dubbo Solar Project Pty Ltd	Australia	100%
Narrandera Solar Project Pty Ltd	Australia	100%
Coleambally East Solar Farm Pty Ltd	Australia	100%
Tabbita Solar Farm Pty Ltd	Australia	100%
Griffith Solar Pty Ltd	Australia	100%
VH Participacoes Hidreletricas do Brasil LTDA	Brazil	98.25%
VH Hydro Brasil Holding S.A.	Brazil	100%
Energest S.A.	Brazil	100%
Victory Hill Holdings Brasil S.A.	Brazil	99.99%
Energea Itaguaí I Ltda. *	Brazil	100%
Energea Itaguaí II Ltda. *	Brazil	100%
Energea Itaguaí III Ltda. *	Brazil	100%
Energea Nova Friburgo Ltda. *	Brazil	100%
Energea Itabaiana Ltda. *	Brazil	100%
Energea Redenção Ltda. *	Brazil	100%
Energea Itaporanga Ltda. *	Brazil	100%
Energea Bataguassu Ltda. *	Brazil	100%
Energea Palmas S.A. *	Brazil	100%
Energea Itacarambi Ltda. *	Brazil	100%
Energea Vassouras I Ltda. *	Brazil	100%
Energea Seropédica Ltda. *	Brazil	100%
Energea Paraíba do Sul Ltda. *	Brazil	100%
Energea Taquaritinga Ltda. *	Brazil	100%
Energea Nova Cruz Ltda. *	Brazil	100%



## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

At 30 June 2024, the Company has one direct subsidiary and owns 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 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 above.

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 and Dunblane Solar Pty Ltd 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. These relate to the UK flexible power with CCR asset.

### 8. Other receivables

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Other receivables	93	95
Interest receivable on loan	326	317
Receivable from affiliates	83	–
Prepayments	39	31
<b>Total other receivables</b>	<b>541</b>	<b>441</b>

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 2024 and 31 December 2023.

Cash of £nil is held on behalf of the Company by VH GSEO UK Holdings Limited (31 December 2023: £40,367k).

### 9. Cash and cash equivalents

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Cash at bank	4,805	30,542
Cash on deposit <sup>1</sup>	70,966	43,716
<b>Total cash at bank</b>	<b>75,771</b>	<b>74,258</b>

<sup>1</sup> Cash on deposit consists of funds held with State Street amounting to £70.8m (31 December 2023: £26.4m) and in a 32-day notice deposit account with Barclays Bank plc amounting to £0.2m (31 December 2023: £43.7m).

## 10. Accounts payable and accrued expenses

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Accrued expenses	421	270
Other payables	152	–
<b>Accounts payable and accrued expenses</b>	<b>573</b>	<b>270</b>

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		422,498,890	4,225	186,368	232,467	423,060
Buyback of Ordinary shares		–	–	–	(5,400)	(5,400)
<b>At 31 December 2023 (audited)</b>		422,498,890	4,225	186,368	227,067	417,660
Opening balance		422,498,890	4,225	186,368	227,067	417,660
Buyback of Ordinary shares		–	–	–	(8,443)	(8,443)
<b>At 30 June 2024 (unaudited)</b>		422,498,890	4,225	186,368	218,624	409,217

During the period under review, the Company purchased for treasury a total of 11,568,147 Ordinary Shares at an aggregate cost of £8,443,168 (including stamp duty and other fees) at an average price per Ordinary Share of 72.5p.

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 pf the residual assets of the Company.

## 12. Dividends

	Pence per Ordinary Share	Total dividend	Date paid
1 October 2023 – 31 December 2023	1.42p	£5.8m	22 March 2024
1 January 2024 – 31 March 2024	1.42p	£5.8m	25 June 2024

## 13. Transactions with the Investment Manager and Related Parties

### Investment Manager

Victory Hill is the Company's investment manager and AIFM with overall responsibility for the risk management and portfolio management of the Company, providing investment 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 Alternative Investment Fund Management Agreement ("AIFM Agreement").

The AIFM Agreement provides that the Company will pay to the Investment Manager a fixed monthly AIFM fee of £5,833, exclusive of VAT.

The Investment Manager is also entitled to receive from the Company an annual investment management 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.

## NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 AIFM Agreement may be terminated on 12 months' written notice, provided that such notice may not be served before 2 February 2025. 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 management fees for the period ended 30 June 2024 amounted to £2,217,913 (30 June 2023: £2,211,211) (including VAT) of which £nil (31 December 2023: £nil) was outstanding and included in accounts payable and accrued expenses at the end of the period.

The Company will also reimburse the Investment Manager for reasonable expenses properly incurred by the Investment Manager in the performance of its obligations under the AIFM Agreement.

### Directors

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

	For the six month period ended 30 June 2024 £'000	For the six month period ended 30 June 2023 £'000
Bernard Bulkin OBE	47	41
Margaret Stephens	36	29
Richard Horlick	32	29
Louise Kingham CBE	31	29
Daniella Carneiro	31	27
	177	155

The Directors are not eligible for bonuses, pension benefits, share options or long-term incentive schemes. 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.

The Directors held the following beneficial interests in the ordinary shares of the Company as at 30 June 2024.

	As at 30 June 2024	
	Number of ordinary shares held	% of ordinary shares in issue
Bernard Bulkin OBE	68,101	0.016
Margaret Stephens	56,960	0.013
Richard Horlick	300,000	0.071
Louise Kingham CBE	26,753	0.006



During the period, interest income totalling £4.0m was paid to the company in respect of the interest bearing loans between the Company and its subsidiaries.

## 14. Contingent liabilities and commitments

As at 30 June 2024, the Company had no contingencies or commitments.

## 15. (Loss) / 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 2024 to 30 June 2024. 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 2024			For the period ended 30 June 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Loss) / earnings (£'000)	7,140	(23,229)	(16,089)	12,258	7,862	20,120
Weighted average number of ordinary shares	409,063,127	409,063,127	409,063,127	422,498,890	422,498,890	422,498,890
EPS (p)	1.75	(5.68)	(3.93)	2.90	1.86	4.76

## 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 2024 £'000	Year ended 31 December 2023 £'000
NAV (£'000)	447,695	483,843
Number of ordinary shares	403,903,422	415,471,569
NAV per share (p)	110.84	116.46

## 17. Post balance sheet events

On 25 July 2024, the Company announced it had invested EUR 53m in a 248.4MW solar and onshore wind portfolio in Spain, Portugal and Sweden.

On 7 August 2024, the Company declared an interim dividend in respect of the period from 1 April 2024 to 30 June 2024 of 1.42 pence per Ordinary Share, will be paid on 13 September 2024 to Shareholders on the register on 16 August 2024.

Post period end, the Company had announced cumulative buybacks of 4,950,000 shares between 1 July 2024 and 10 September 2024.

## 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 2024	£447,694,992.00
Total number of outstanding shares as at 30 June 2024	£403,903,422.00
NAV per share	5 110.84

### 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	£463,669,875.00
Recurring costs in the year to date	£6,828,368.00
Ongoing charges	22 1.5%

### 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 2024		NAV
Opening as at 1 January 2024	a	116.46p
Closing as at 30 June 2024	b	110.84p
Dividends paid during the period		2.84p
Dividend adjustment factor	c	1.038p
Adjusted closing	d = b x c	115.04p
<b>Total return for the period (%)</b>	d / a - 1	-1.2%

From IPO to 30 June 2024		NAV
Opening as at 2 February 2021		98.00p
Closing as at 30 June 2024	b	110.84p
Dividends paid to date since IPO		13.3p
Dividend adjustment factor	c	1.15p
Adjusted closing	d = b x c	127.19p
Total return since IPO (%)	e = d/a - 1	29.8%
Number of years since IPO	f	3.40p
<b>Total annualised NAV return since IPO (%)</b>	(1 + e)^(1/f) - 1	8.0%

## Dividend cover

The dividend cover ratio is calculated by dividing the cash available for distribution by the dividends paid during the period ended 30 June 2024. Cash available for distribution comprises underlying asset earnings (post tax and profit share), net of interest expense and fund expenses.

Dividend cover	
Cash available for distribution	£16,643,478
Interest service cost	£411,383
Fund expenses	£3,414,186
Cash available for distribution	£12,817,909
Dividends paid	£11,616,275
<b>Dividend cover</b>	<b>1.10</b>

## Gearing

The total leverage percentage is calculated by dividing the GBP value of the debt held in the US terminal storage assets divided by the net asset value of the fund as at 30 June 2024.

Gearing	Page	
Debt (£'k)		8,300
Fund NAV (£'k)	35	447,695
Leverage	5	1.85%

## GLOSSARY

<b>AIC</b>	Association of Investment Companies
<b>AIFM</b>	Victory Hill Capital Partners LLP
<b>COD</b>	Commercial Operations Date
<b>Company</b>	VH Global Sustainable Energy Opportunities plc
<b>Discount</b>	The amount, expressed as a percentage, by which the share price is less than the net asset value per share
<b>Distribution</b>	Distributions consist of dividends, interest and returns of capital
<b>Dividend</b>	Income receivable from an investment in shares
<b>EPC</b>	Engineering, procurement and construction
<b>ESG</b>	Environmental, social and governance
<b>EU</b>	European Union
<b>Ex-dividend date</b>	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to shareholders
<b>Financial Conduct Authority</b>	The independent body that regulates the financial services industry in the UK
<b>Gearing</b>	A way to magnify income and capital returns, but which can also magnify losses
<b>GHG</b>	Green House Gases
<b>Investment Manager / Victory Hill</b>	Victory Hill Capital Partners LLP
<b>Investment Company</b>	A company formed to invest in a diversified portfolio of assets
<b>Investment Trust</b>	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
<b>IPO</b>	Initial Public Offering
<b>MW</b>	Megawatt
<b>MWh</b>	Megawatt Hour
<b>NAV per ordinary share</b>	NAV divided by the number of ordinary shares in issue (excluding any shares held in treasury)
<b>Net asset value or NAV</b>	An investment company's assets less its liabilities
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>Ongoing charge</b>	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
<b>Ordinary shares</b>	The Company's ordinary shares in issue
<b>PPA</b>	Power Purchase Agreement
<b>PV</b>	Photovoltaic
<b>SDG</b>	UN Sustainable Development Goals
<b>SFDR</b>	Sustainable Finance Disclosure Regulation
<b>Share premium</b>	The amount, expressed as a percentage, by which the share price is more than the net asset value per share
<b>Share price</b>	The price of a share as determined by a relevant stock market
<b>TCFD</b>	Task Force on Climate-Related Financial Disclosures



## COMPANY INFORMATION

### **Non-executive Directors**

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Daniella Carneiro  
Richard Horlick  
Louise Kingham CBE  
Margaret Stephens

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