



# Enabling the energy transition

**Annual Results Update**  
April 2024



# Investment Manager Presentation Team

Highly experienced and multi-disciplinary team having worked together for over 6 years

Experienced investment principals with an average of over 27 years energy experience completing over 94 energy deals across 33 jurisdictions

Established team track record across M&A and capital markets in the energy sector



**Richard Lum**  
Co-Chief Investment Officer

**Skills and experience**

Richard heads up the firm's infrastructure investment activities. He chairs the firm's Investment Committee and represents the Company's interests on the boards of portfolio companies. He has 29 years' experience in financing and investing in energy infrastructure globally.



**Eduardo Monteiro**  
Co-Chief Investment Officer

**Skills and experience**

Eduardo co-manages the firm's investment activities and is a voting member of the Investment Committee. He represents the Company's interests on the boards of portfolio companies. Eduardo has 24 years' experience in advising and investing in energy transactions globally.



**Eleanor Fraser-Smith**  
Head of Sustainability

**Skills and experience**

Eleanor heads-up sustainability for the firm and its funds. She has 20 years' experience in corporate responsibility and sustainability strategy and management in energy, aerospace and finance sectors.



**Navin Chauhan**  
Chief Commercial Officer

**Skills and experience**

Navin heads-up the sales activities and investor relations for the firm. He has over 17 years' experience in the fund management industry working across both the buy and sell-side.



**Michael Egan, CA, CFA**  
Chief Financial Officer

**Skills and experience**

Michael heads-up the finance and risk function of the firm. He is a voting member of the Investment Committee. Michael represents the Company's interest on the Board of the portfolio companies. He has 23 years' experience in M&A, financing and risk functions.

# VH Global Sustainable Energy Opportunities ("GSEO" or the "Fund") - Overview

<b>Diverse opportunity set</b>	<ul style="list-style-type: none"> <li>• Proven sustainable energy technologies: - power generation, biomass, transmission, distribution, storage and waste-to-energy</li> <li>• EU, OECD, OECD Key Partner countries or OECD Accession countries</li> <li>• Operational, in construction or "ready-to-build" stages               <ul style="list-style-type: none"> <li>◦ No development risk</li> </ul> </li> <li>➔ Broad mandate providing <b>flexibility to adapt in challenging market conditions</b></li> </ul>
<b>Sector-leading target returns</b>	<ul style="list-style-type: none"> <li>• <b>Target total NAV return of 10% per annum*</b>, net of costs and expenses</li> <li>• Progressive and covered annual dividend per share, paid quarterly               <ul style="list-style-type: none"> <li>◦ Dividend per share declared for FY 2023: 5.56p</li> <li>◦ Dividend target for FY 2024: 5.68p</li> </ul> </li> </ul>
<b>Strong revenue visibility &amp; inflation protection</b>	<ul style="list-style-type: none"> <li>• Inflation-linked revenues, protecting real returns</li> <li>• &gt;90% of revenues contracted under long-term PPAs with credit-worthy counterparties</li> </ul>
<b>Minimal interest rate risk &amp; no exposure to subsidies</b>	<ul style="list-style-type: none"> <li>• <b>Lowest level of gearing in the sector</b></li> <li>• Subsidies not required to generate returns</li> </ul>
<b>High impact portfolio</b>	<ul style="list-style-type: none"> <li>• <b>SFDR Article 9 fund</b></li> <li>• SDGs as the blueprint for driving GSEO's investment strategy</li> </ul>





**Note:**

\*This is a target and is based on current market conditions as at the date of this presentation only and not a profit forecast. There can be no assurance that this target will be met or that GSEO will make any distributions at all. This target return should not be taken as an indication of the Fund's expected or actual current or future return.

# GSEO - Highlights

As at 31 December 2023

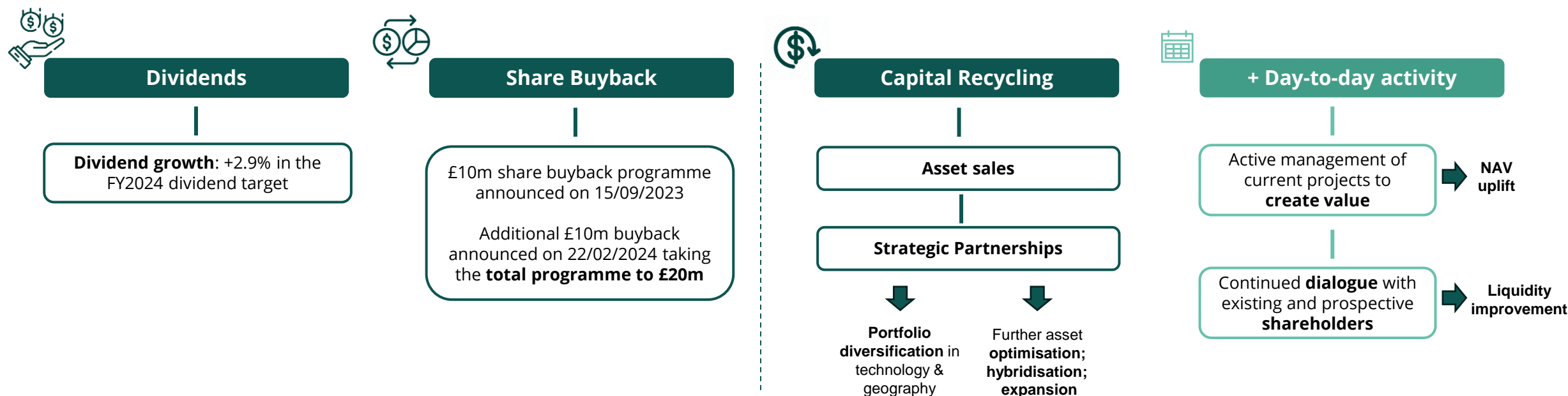
116.46p	£483.8m	1.1X	5.68p	10.0%	1.9%
Net Asset Value per share	Portfolio Net Asset Value	Dividend coverage	Target dividend distribution for the full year 2024	Total annualised NAV return since IPO (Feb 2021)	Total gearing as a % of NAV

122,530t		844,434 MWh		312,750		19,332t	
Tonnes of carbon dioxide equivalent avoided in 2023		Clean energy generated and injected into the grid in 2023		Approximate equivalent UK homes powered annually by clean energy		Tonnes of sulfur oxides displaced	

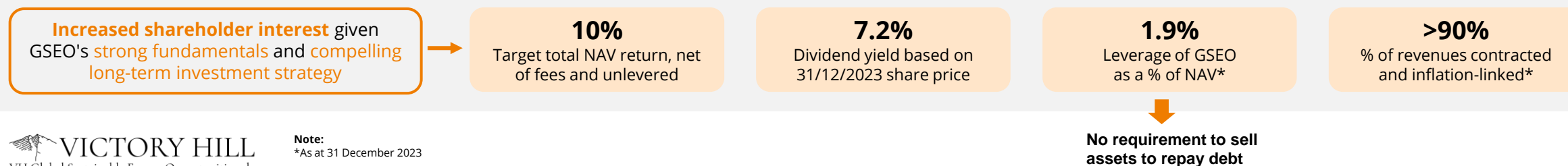
# Capital Allocation

Discount to NAV as at 31 Dec. 2023: **(33.7)%** → **materially undervalues GSEO**

## Actions



## Expected Result



# Unique and Global Operating Model

Joint-venture model which levers multiple local operating partners with unique insights in local energy markets



# Active Asset Management

## Case Study: US terminal storage assets



### Value creation initiatives since acquisition in 2021:

- ✓ Renegotiated contracts with better terms
- ✓ Increased utilisation and ancillary services
- ✓ Asset expansion to complete the footprint

### Further value creation potential:

- ✓ Ability to add new clients
- ✓ Further asset expansion
- ✓ Ability to repurpose the tanks to accommodate storage of biofuels



## Section 1

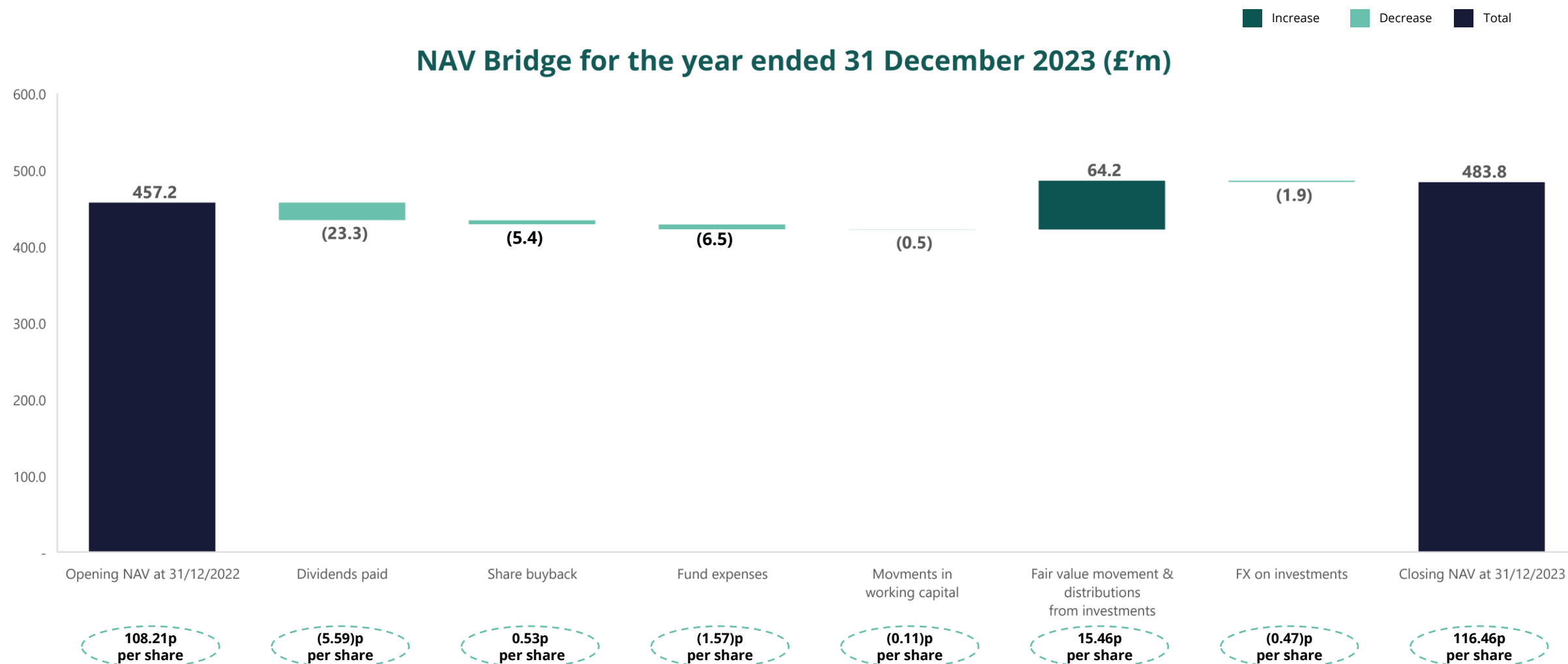
# Financial Highlights



# Financial Highlights

For year ended 31 December 2023

## NAV Bridge for the year ended 31 December 2023 (£'m)



# NAV Sensitivity Analysis

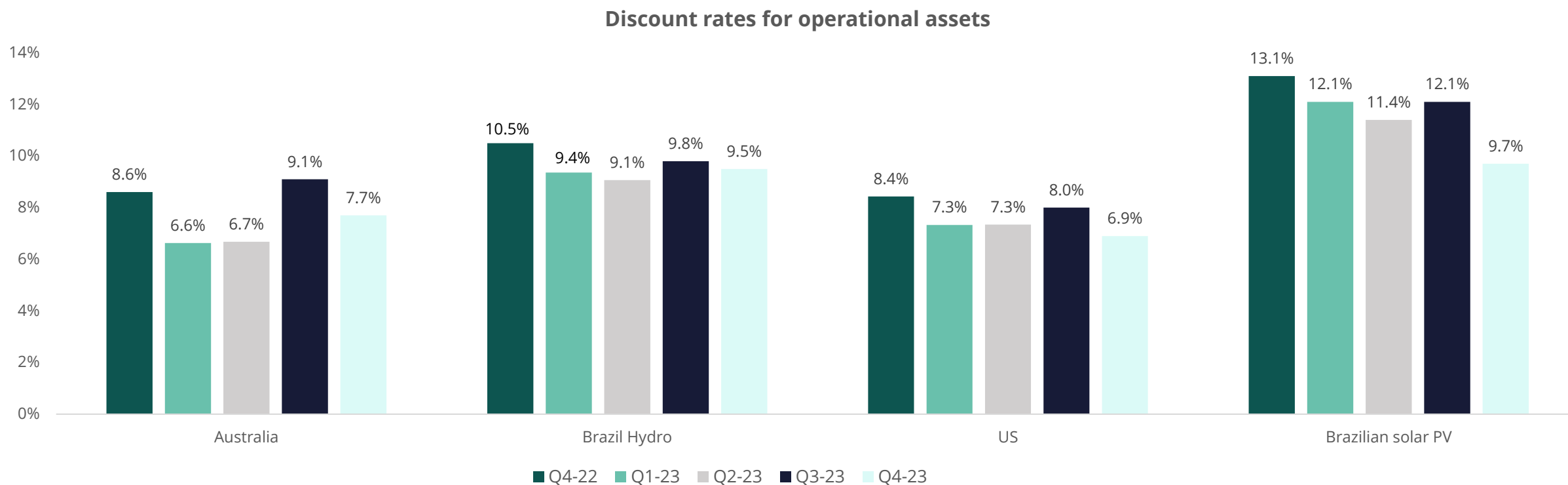
## NAV per share sensitivity

- **Discount rates** for operational assets: 6.2% in the US, 7.7% in Australia, 9.5% for the Brazilian hydro facility and 9.7% for the Brazilian solar PV assets.
- The **Inflation** base case: 1.6% for the US, 2.4% for Australia and 3.0% for Brazil
- **Asset life:** 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.
- Low **resource risk sensitivity**

Discount rate (+1.5%/-1.5%)	(8.34)p -7.17%	10.42p 8.95%
Inflation (-1.0%/+1.0%)	(6.25)p -5.37%	7.31p 6.28%
Operating expenses (+5.0%/-5.0%)	(1.95)p -1.67%	1.94p 1.67%
FX (+10.0%/-10.0%)	(7.15)p -6.14%	8.74p 7.50%
Asset life (-1 yr/+1 yr)	(1.23)p -1.06%	1.18p 1.01%

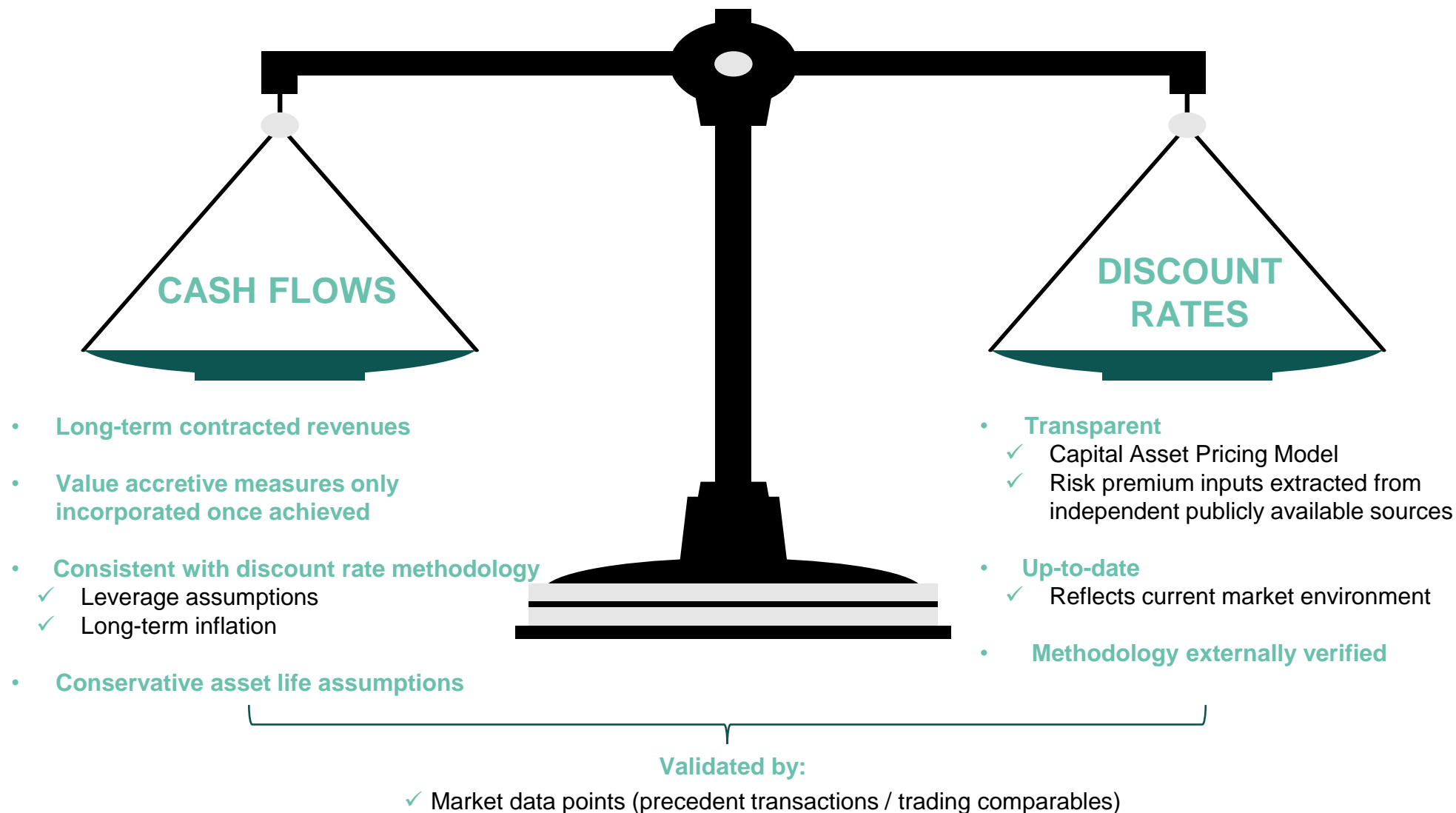
# Discount Rates

Discount rates had been compressing during **Q1/Q2 2023** - driven by a reduction in industry betas, equity and country risk premia; countered by an increase in the risk-free rate – then picked up briefly in **Q3 2023** due to an increase in the risk-free rate of 83bps, before reducing once again in **Q4 2023** due to lower risk-free rates, and a drop in country risk premia





# Valuation Methodology

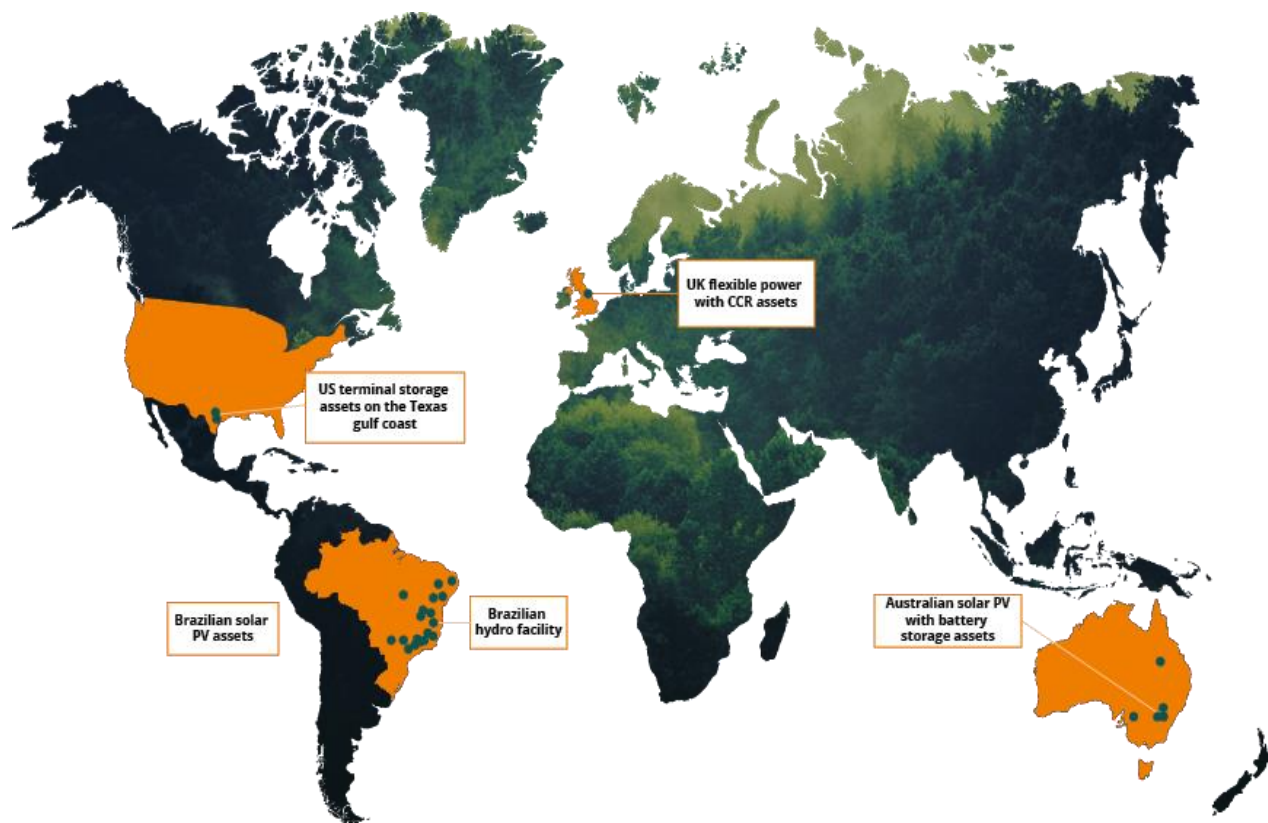


## Section 2

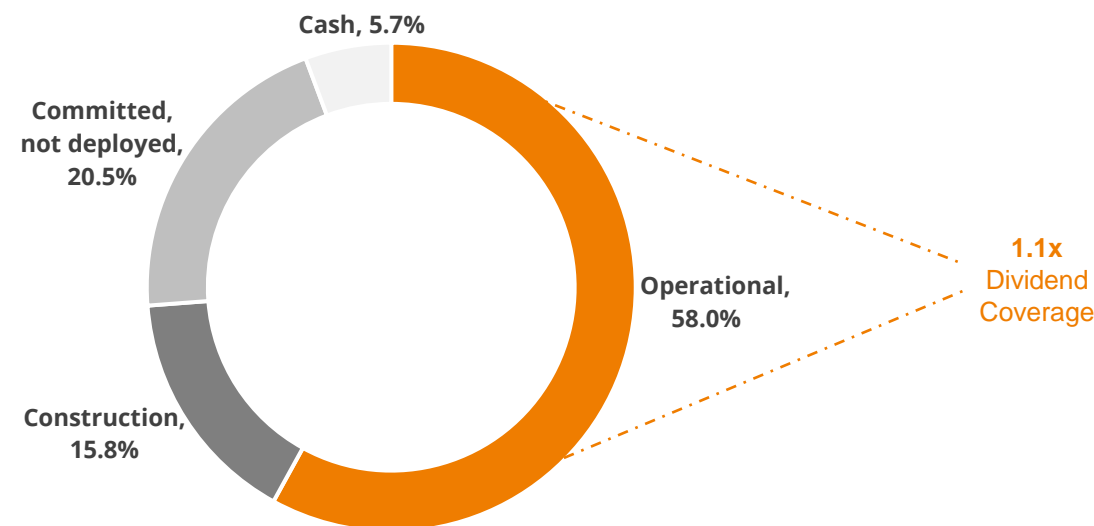
# Portfolio Update

# Fund Portfolio Composition (1/2)

Portfolio as at 31 December 2023 (by value)



Portfolio Status by Deployment



42% of the portfolio will benefit from **construction uplift**

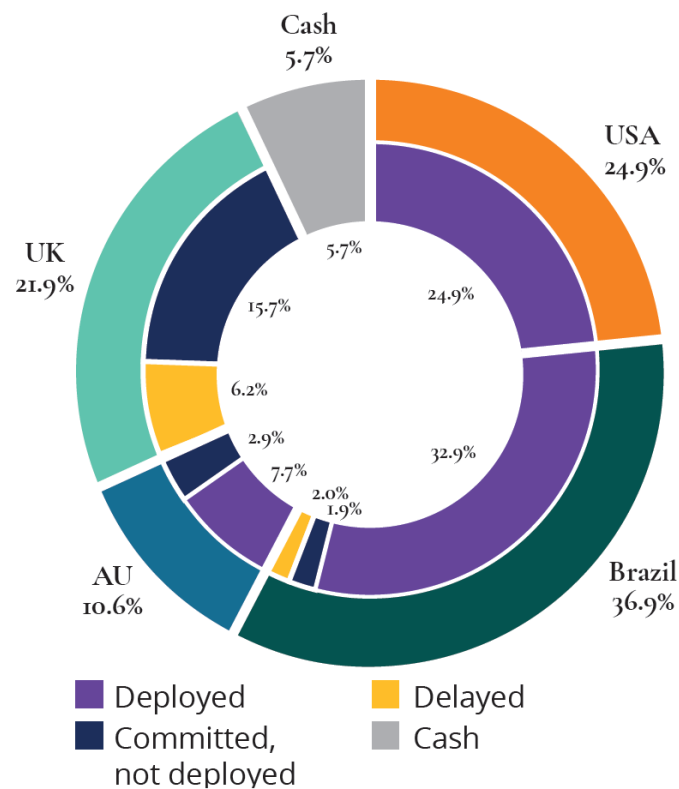
High quality portfolio with ongoing opportunities for **value creation**



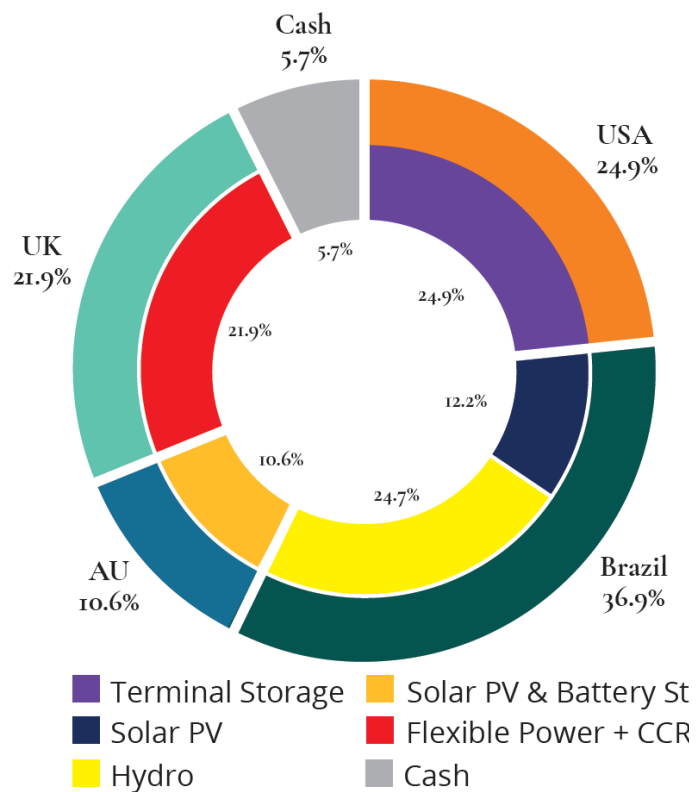
# Fund Portfolio Composition (2/2)

Portfolio as at 31 December 2023 (by value)

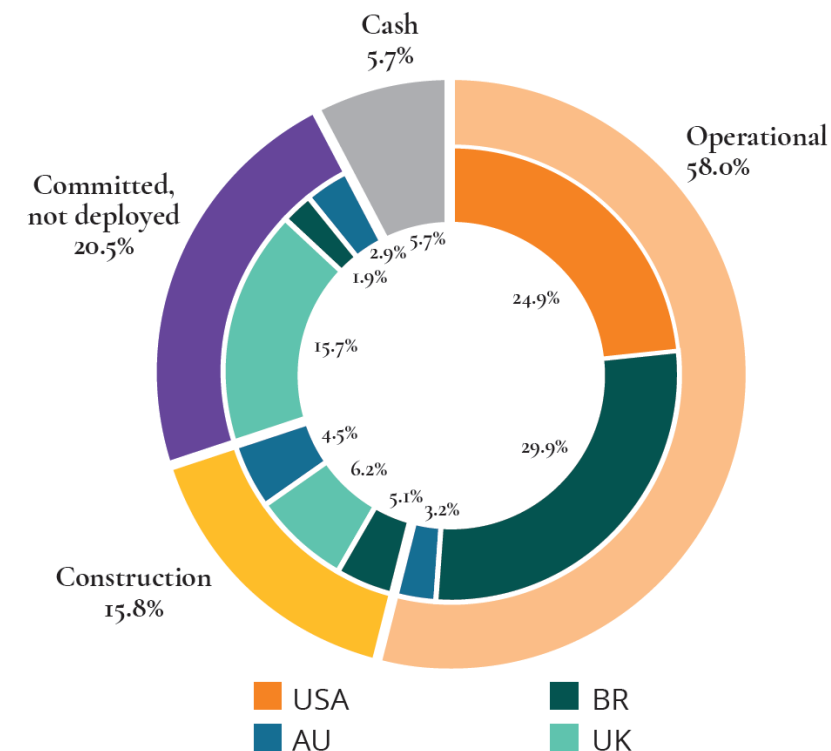
Portfolio by Geography and Deployment



Portfolio by Geography and Technology



Portfolio by Deployment and Currency



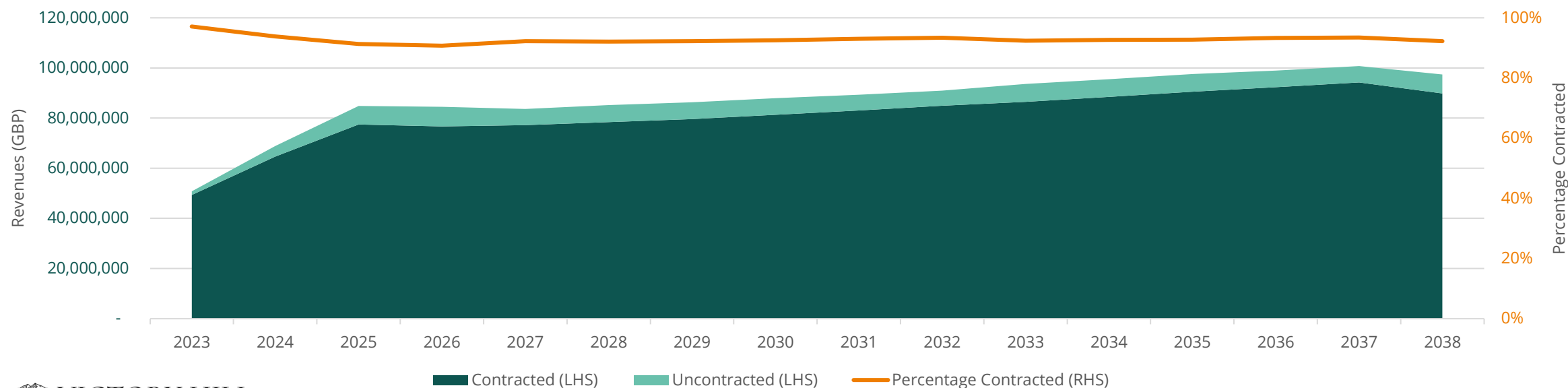
# Cash Generation From Underlying Programmes

Stable, growing revenue streams





## Operating & financial performance

<i>As at 31 December 2023</i>	US Terminal Storage Assets	Brazilian Solar PV Assets	Australian Solar PV with Battery Storage Assets	Brazilian Hydro Facility
Number of Operational Assets	2	10	2	1
Number of Assets under Construction	0	6	3	0
Production/Throughput	12,831,553 bbls	41,602 MWh	19,227 MWh	789,654 MWh
Revenues (GBP million)	18.6	2.1	1.5	28.6
Average Revenue per Production Unit	1.45	49.65	75.79	36.20

## Expected revenue analysis



# Highly Contracted Portfolio with Credit-Worthy 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. EDP	up to 15 years	25 years
US terminal storage assets	 COMERCIO INTERNACIONAL	3 years rolling	30 years
UK flexible power with CCR assets	 	15 years	25 years
Australian solar PV with BESS assets	Local Australian utilities – e.g. Diamond Energy	Targeting contracted revenues of up to 50% - the remainder is intentionally left as merchant to capture the peak margin opportunity in Australia	25 years



# Brazilian Solar PV Assets

16 distributed generation solar plants offering clean and affordable electricity

## Asset overview

Asset description	
Country	Brazil
Technology	Solar PV
Capacity	50 Megawatts (MW)
Revenue type(s)	Fixed Price Corporate PPA
Revenue currency	BRL
Investment summary	
Invested to date	GBP 42mn
Leverage (D/E)	Nil
Target IRR <sup>1</sup>	10%

## Project update

- Construction of the 10<sup>th</sup> site was completed bringing the total operational capacity to 27.3MW
  - These sites supply energy to creditworthy commercial and industrial energy users, and large multinational corporations
- Construction of three of the remaining six solar sites is progressing, and commissioning is expected in H1 2024
- Construction of the last three sites will commence upon completion of the three sites currently under construction
- One of the project's EPC contractors faced financial difficulties during the year, which required halting delivery of two of the sites that were initially intended to be relocated.
  - As a result a provision had been recognised for these assets for £4.5m
  - Together with the operating partner, Victory Hill acted decisively in finding a replacement EPC contractor to finalise the six remaining projects in an orderly manner



# Brazilian Hydro Facility

Sustaining renewable power generation in the Brazilian energy mix

## Asset overview

Asset description	
Country	Brazil
Technology	Hydro power generation
Capacity	198 MW
Revenue type(s)	Fixed Price PPA / Merchant
Revenue currency	BRL

Investment summary	
Invested to date	BRL 708mn / GBP 115mn <sup>1</sup>
Leverage (D/E)	Nil
Target IRR <sup>2</sup>	12%

## Project update

- Successful completion of the full transition of operations from the vendor, EDP, at a lower cost than anticipated and in a shorter than expected time frame.
- Successful implementation of value creation efforts, notably:
  - Tax incentives were secured for a further 8 years
  - Operating costs were optimised
- Assessment of the market to implement our value-creating commercial strategy for the uncontracted volumes from 2027 onwards.
  - The volatility of the PPA market in Brazil offers windows of opportunity to secure attractive terms in the long-run
  - We are seeing positive signs with recent improvements in PPA prices that have been low due to unusual high levels of rain in the Southeast region of the country

# US Terminal Storage Assets

Reducing the sulfur content of Mexico's fuel supply chain

## Asset overview

Asset description	
Country	United States
Technology	Liquid fuel storage
Capacity	Acquisition: 525,000 Barrels (bbls); post Motus T2 Expansion: 865,000 bbls; post Motus T1 Expansion Phase I : 895,000 bbls <sup>1</sup>
Revenue type(s)	Availability – based
Revenue currency	USD
Investment summary	
Invested amount to date	USD 104mn
Leverage (D/E)	7.5%
Target IRR <sup>2</sup>	12%

## Project update

- The US terminal assets continued their strong performance since acquisition in April 2021
- EBITDA has increased through implementation of a buy, expand and optimise strategy:
  - Operational optimisation initiatives during the period include:
    - ✓ Reducing overtime expenses
    - ✓ Enhancing operational software and equipment to automate the terminals' operations



# UK Flexible Power with CCR Asset

Sustainable solution for problems in intermittency and stabilisation of the grid

## Asset overview

Asset description	
Country	United Kingdom
Technology	Flexible Power with carbon capture and reuse
Capacity	10MW (approved capacity)
Revenue type(s)	Long term PPA and fixed-price CPI-linked CO2 offtake agreement
Revenue currency	GBP
Investment summary	
Invested amount to date	GBP 36.6mn
Leverage (D/E)	Nil
Target IRR <sup>1</sup>	c.7%

## Project update

- Construction of the 10MW site is well advanced, with the Rolls Royce reciprocating engines, Turboden High Temperature ORC Turbines, and ASCO CO2 capture and purification units on site
- First power is expected in the next few weeks<sup>2</sup>, and commissioning of the integrated plant with CCR is expected over the summer
- Following the issues faced by the project's incumbent EPC contractor in Q2 2023, the Company hired a new EPC contractor to complete construction
  - The need to complete the civil works at the project site resulted in a payment of additional premia, contributing to an overall increase in CAPEX of £16m for the project
- Despite this increase, the Investment Manager still expects returns to be in line with original expectations at c.7%, due to firmer expectations for additional revenue streams of the project



# Australian Solar PV with Battery Storage Assets

Enhancing Australia's grid system by addressing market shortfalls

## Asset overview

Asset description	
Country	Australia
Technology	Solar PV & battery storage
Capacity	37 MW / 60 Megawatts hour (MWh)
Revenue type(s)	Targeting Fixed Price PPA (50%) + Merchant (50%)
Revenue currency	AUD
Investment summary	
Invested amount to date	GBP <sup>1</sup> 38mn
Leverage (D/E)	Nil
Target IRR <sup>1</sup>	9%

## Project update

- In Q2 2023, GSEO delivered on time and on budget one of the first hybrid solar and battery energy storage systems ("BESS") in **South Australia**, by adding a two hour 4.95MW BESS
  - Following the completion of this project, the solar and storage hybrid system captured attractive power prices in the intraday market. In November 2023, the average captured price for BESS was over A\$200/MWh, which is 4 times higher than the average captured prices for solar during the same period
- The programme was further expanded with **three** new assets in **New South Wales (NSW)**
  - The solar farm components of these three sites completed commissioning post-period and became operational
  - The decision was made to hybridise the three solar farms to access a wider range of revenue streams, capturing power price volatility through time shifting and the need for frequency management services
    - ✓ Installation works for the co-located BESS commenced post-period and the sites are expected to be hybridised in Q4 2024
- Post-period, **two** additional fully-permitted solar PV sites with co-located BESS in **NSW** were acquired, bringing the total capacity of the programme to 37MW/60MWh, across seven assets
  - The construction of these two hybrid sites is expected to begin in Q2 2024, with completion expected in early 2025
  - As NSW markets continue to experience a disorderly energy transition, GSEO expects to benefit from additional energy arbitrage value via BESS hybridisation





## Section 3

# ESG

# Sustainability Impact

## Annual highlights

Sustainable Development Goal	Indicator	Performance 2022	Performance 2023
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> <li>MWh of clean energy generated</li> <li>Tonnes of CO<sub>2</sub>e avoided</li> </ul>	<ul style="list-style-type: none"> <li><b>35,117 MWh</b> generated in 2022</li> <li><b>14,349 tonnes CO<sub>2</sub></b> avoided</li> <li>Equivalency: 9000 UK homes</li> </ul>	<ul style="list-style-type: none"> <li><b>844,434 MWh</b></li> <li><b>122,530 tonnes CO<sub>2</sub></b> avoided</li> <li>Equivalency: 312,750 UK homes</li> </ul>
<b>13</b> CLIMATE ACTION 	<ul style="list-style-type: none"> <li>Carbon footprint (Scope 1 &amp; 2)</li> <li>Weighted Average Carbon Intensity (WACI)</li> <li>Embodied emissions pay back</li> </ul>	<ul style="list-style-type: none"> <li><b>4,420 tonnes CO<sub>2</sub>e</b> footprint</li> <li><b>65 tCO<sub>2</sub>/\$m</b> Carbon intensity</li> <li><b>4 years<sup>1</sup></b> Carbon payback</li> </ul>	<ul style="list-style-type: none"> <li><b>3,789 tonnes CO<sub>2</sub>e</b> footprint</li> <li><b>42 tCO<sub>2</sub>/\$m</b> Carbon intensity</li> <li><b>3 years<sup>1</sup></b> Carbon payback</li> </ul>
<b>3</b> GOOD HEALTH AND WELL-BEING <b>4</b> 	<ul style="list-style-type: none"> <li>Tonnes (t) of pollutive compounds avoided</li> <li>Health &amp; safety incident rate</li> </ul>	<ul style="list-style-type: none"> <li><b>SOX: 20,613</b> tonnes displaced</li> <li>PM10: 1,049t,</li> <li>NOX: 2,048t</li> <li><b>Zero</b> injuries in operating assets</li> </ul>	<ul style="list-style-type: none"> <li><b>SOX: 19,332</b> tonnes displaced</li> <li>PM 10: 984</li> <li>NOX: 1,921</li> <li><b>Zero</b> injuries in operating assets</li> </ul>

# ESG Performance

## Active asset management informed by frameworks and regulations

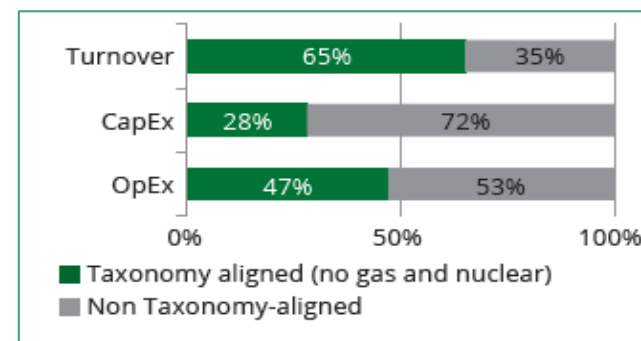
- **Sustainability action plans** implemented focused on strengthening governance, management systems and reporting
  - **Enhanced due diligence** of solar supply chains for construction assets
  - **ISO certification** at US terminal storage and Brazilian hydro facility (45001 & 14001)
  - **Stakeholder engagement** plan toolkit for operating partners focused on community and employee engagement strategies
- 2023 ESG data assurance opinion on key metrics

## Reporting milestones and improvements

- **Net zero target** published
- Scope 3 emission data collection improved

## EU Sustainable Finance Disclosure Regulation

- Completed technical screening for all newly acquired and constructed assets.
- Over 50% alignment with the EU Taxonomy of sustainable economic activities by value



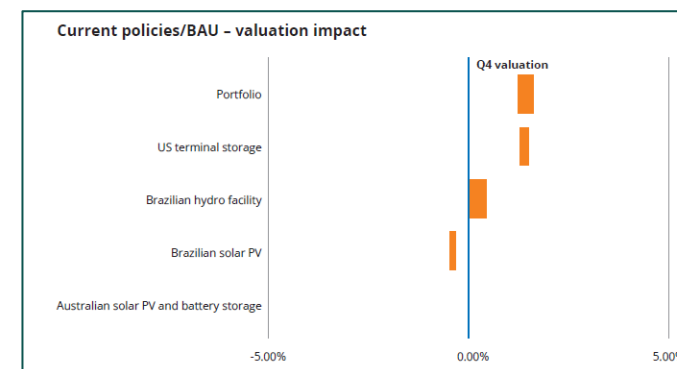
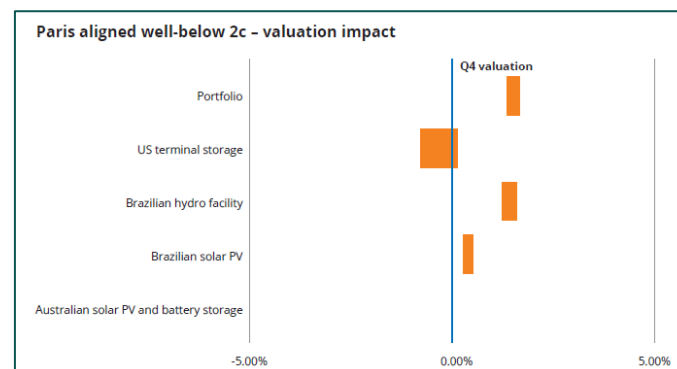
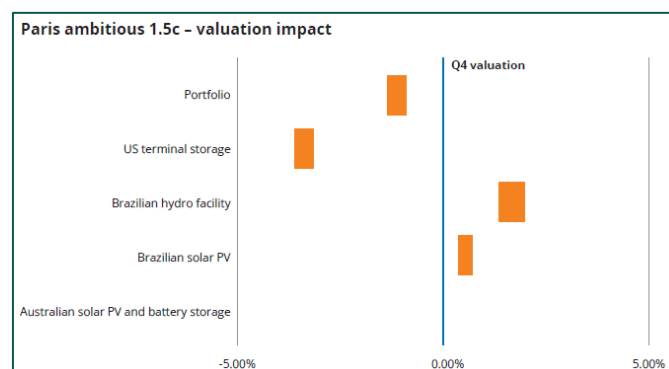


# Enhanced TCFD & Carbon reporting



TCFD carbon footprinting and exposure metrics	Unit	2022	2023	Total life cycle emissions	540,230 tCO <sub>2</sub> e
Portfolio's exposure to carbon-intensive companies, expressed in tonnes CO <sub>2</sub> e/\$M revenue	t CO <sub>2</sub> e/\$M	65	42 <sup>‡</sup>	Lifetime avoided emissions	10,239,092 tCO <sub>2</sub> e
The absolute greenhouse gas emissions associated with a portfolio, expressed in tonnes CO <sub>2</sub> e	t CO <sub>2</sub> e	3,636	3,199 <sup>‡</sup>	Estimated emissions payback	4 years
Total carbon emissions for a portfolio normalised by the market value of the portfolio, expressed in tonnes CO <sub>2</sub> e/\$M invested	t CO <sub>2</sub> e/\$M	6	5 <sup>‡</sup>	Avoided emissions since acquisition	136,879 tCO <sub>2</sub> e
Volume of carbon emissions by million dollar of revenues	t CO <sub>2</sub> e/\$M	273	192 <sup>‡</sup>	Payback remaining	3 years

## Portfolio and programme valuation impact: Transition Risk



Climate value at risk methodology developed and applied.

Below 3% NAV impact for 3 scenarios

**Note:** the blue line represents the portfolio valuation as at 31st December 2023. The orange boxes represent the % range of impact on the portfolio and programme valuation under the different scenarios.

## Section 4

# GSEO Summary

# Conclusion



**Sector-leading target returns:**  
**10%** Target total NAV return per annum, net of fees and unlevered, with 10% annualised NAV return achieved since IPO



**Minimal leverage maintained**, implying limited impact of higher rates on GSEO returns



**High cash generative** nature of the portfolio: maintained **>90%** of revenues inflation linked and contracted<sup>(1)</sup>, leading to **1.1x** dividend cover in 2023



Potential **NAV uplift** from:  
 1. **Construction** assets becoming **operational**  
 2. **Active Management** of the assets to **create additional value**



**Highly experienced management team** with the right expertise & skillset to select higher returns opportunities



Continue to demonstrate **strong investment stewardship**



# Appendix, Disclaimers, & Risk Factors

# GSEO Investment Approach

A unique investment approach that supports the energy transition from all angles, leading to differentiated returns

## TECHNOLOGY

- ✓ **Proven** technologies
- ✓ Beyond renewables : **sustainable energy technologies** - power generation, biomass, transmission, distribution, storage and waste-to-energy

- ✓ Focus on meeting a structural demand gap when making investment decisions, to drive differentiated returns

## GEOGRAPHY

- ✓ Includes: **EU, OECD, OECD Key Partner countries or OECD Accession countries**
- ✓ Excludes: China, India, Russia

- ✓ Unique JV model with experienced local operating partners all around the world allows investments in multiple jurisdictions

## STAGE

- ✓ Includes: **operational, in construction or “ready-to-build”** stages
- ✓ Excludes: development or pre-consent stage

- ✓ Construction/ “ready-to-build” assets drive underlying capital growth by reaching operational stage
- ✓ Operational assets are actively managed to create additional value



# Investment Decision Process

We do not aim to tie investments to sustainability rather we start with sustainability and look for investments

## GSEO – SPECIFIC UN SDGs



## GSEO – INVESTMENT PATHWAYS

Climate change

Energy access

Energy efficiency

Market liberalisation

## INVESTMENT DECISION GATES

### Gate 1

Assessment of opportunity and relevance to the Company's Investment Pathways

### Gate 2

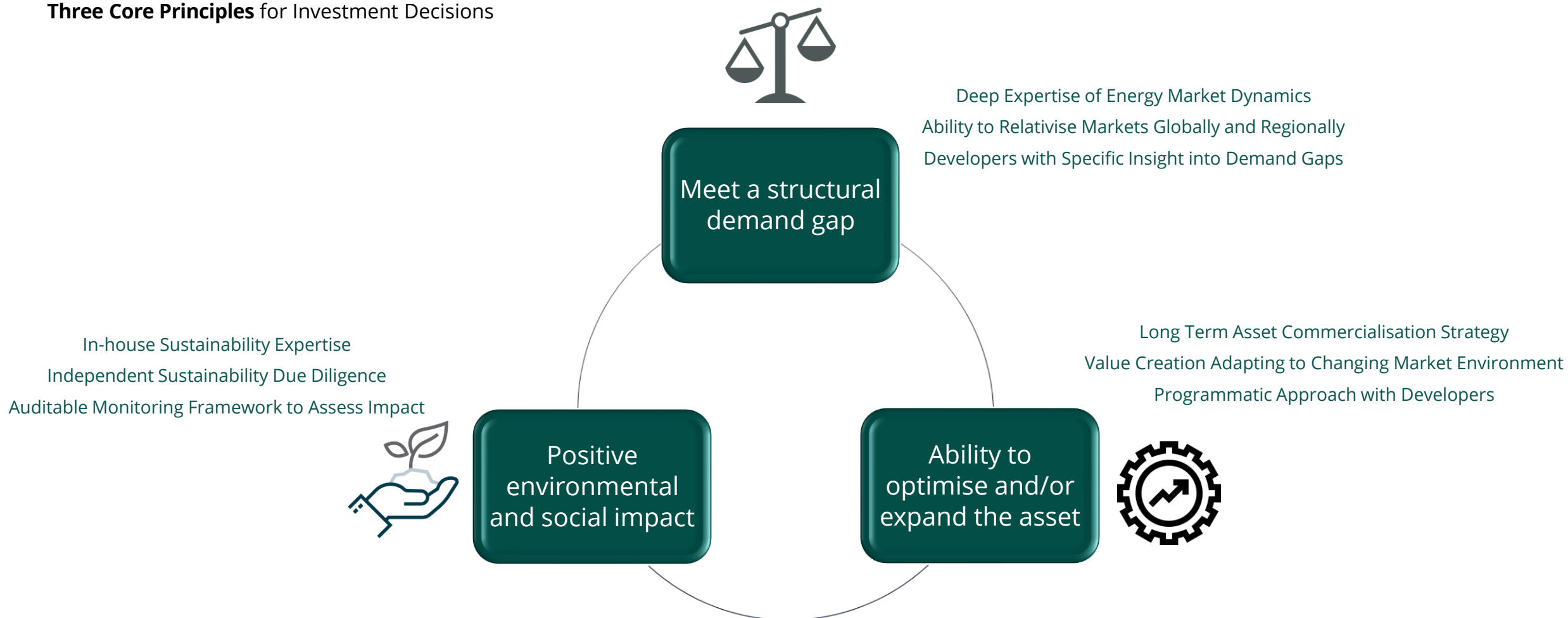
Assessment of whether there is any material breach of non-core UN SDGs

### Gate 3

Assessment of the investment itself

# Investment Criteria

## Three Core Principles for Investment Decisions



# Providing experienced and focused leadership



**Bernard Bulkin, PHD, OBE**

Chair of the Board and Chair of the Nomination Committee

Over 35 years in the energy industry. Experienced board member and chair. Currently a director of ATN International Inc, a NASDAQ-listed company. Business and commercial roles including chief scientist of BP, former member of the UK Sustainable Development Commission and Chair of The Office of Renewable Energy of UK Government.



**Margaret Stephens**

Chair of the Audit Committee

Qualified Chartered Accountant and a 28-year career with KPMG. 16 years as a partner focused on global infrastructure and international M&A. Currently, Trustee Director and Chair of Audit of the Nuclear Liabilities Fund, Non-Executive Director and Chair of the Remuneration Committee of AVI Japan Opportunity Trust plc. Formerly, a non-executive board member and Chair of the Audit and Risk Committee at the Department for Exiting the European Union.



**Louise Kingham, CBE**

Non-executive Director

Over 30 years' experience in the energy sector. Currently BP's UK Head of Country and Senior Vice President for Europe. Prior to this, Louise was CEO of the Energy Institute. She was previously a non-executive board member of the Energy Saving Trust and Chair of its charitable Foundation. She is also an Ambassador for the POWERful Women and 25x25 gender diversity initiatives and chair of Business in the Community's Climate Action leadership team.



**Richard Horlick**

Senior Independent Director and Chair of the Management Engagement Committee

Over 40 years' experience in the investment management industry. Currently the Chair of CCLA Investment Management, Chair of BH Macro Ltd and Chair of Riverstone Energy Limited. Former roles at Newton Investment Management, Fidelity International, including CEO of Fidelity Management Trust Company and main board member, Global Head of Investments at Schroders plc.



**Daniella Carneiro**

Chair of the Remuneration Committee

Over 30 years of global experience in project development, governance, strategy, tax and M&A with major companies including KPMG and Shell. A non-executive director and Chair of the Energy & Decarbonisation Committee of the Brazilian Chamber of Commerce in Great Britain. She is also Chair of the UK Trade Wing of the global gender equality network G100 and a specialist advisor at the Department for Business and Trade.

# GSEO Investment Policy

## Risk Diversification

The Fund aims to achieve diversification principally through investing in a range of portfolio assets across a number of distinct geographies and a mix of technologies that facilitate the achievement of the UN SDGs by way of sustainable energy infrastructure investments.

**The Fund will observe the following investment restrictions (calculated at the time of investment) when making investments:**

- No more than 25% of its Gross Asset Value (GAV) (including cash) shall be invested in any single asset;
- No more than 40% of GAV shall be invested in a single technology;
- No more than 35% of GAV shall be invested in assets that are in construction or “ready-to-build”;
- No more than 40% of GAV shall be invested in assets located in any one country;
- No more than 30% of its GAV shall be invested in assets owned or operated by a single developer;
- No more than 10% of its GAV shall be invested in assets located outside of OECD, OECD Key Partner or Accession countries;
- No investments will be made in fossil fuel or mineral extraction projects.

### **Gearing:**

- Up to 60% of GAV on a long-term basis. Ability to borrow in aggregate up to 30% of GAV on a short-term basis (i.e. less than 365 days) if considered appropriate

### **Hedging:**

- The Fund does not intend to use hedging or derivatives for investment purposes but may from time to time use risk management instruments such as forward contracts and swaps to protect the Fund from any fluctuations in the relative value of currencies against Pound Sterling

Source: The Fund's prospectus.



# Statement of Comprehensive Income

For the year ended 31 December 2023

		For the year ended 31 December 2023			For the year ended 31 December 2022		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Income</b>							
Gains on investments	7	-	32,517	32,517	-	4,131	4,131
Investment income	4	29,326	-	29,326	28,823	-	28,823
<b>Total income and gains</b>		29,326	32,517	61,843	28,823	4,131	32,954
Investment management fees	15	(4,372)	-	(4,372)	(3,810)	-	(3,810)
Other expenses	5	(2,132)	-	(2,132)	(940)	-	(940)
<b>Profit/(loss) for the year before taxation</b>		22,822	32,517	55,339	24,073	4,131	28,204
Taxation	6	-	-	-	-	-	-
<b>Profit/(loss) for the year after taxation</b>		22,822	32,517	55,339	24,073	4,131	28,204
<b>Profit and total comprehensive income attributable to:</b>							
<b>Equity holders of the Company</b>		22,822	32,517	55,339	24,073	4,131	28,204
<b>Earnings/(loss) per share – basic and diluted (p)</b>	17	5.42	7.72	13.14	6.55	1.12	7.67

# Statement of Financial Position

As at 31 December 2023

	Note	As at 31 December 2023 £'000	As at 31 December 2022 £'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss	7	369,047	315,133
<b>Total non-current assets</b>		<b>369,047</b>	<b>315,133</b>
<b>Current assets</b>			
Cash and cash equivalents	10	74,258	141,791
Cash receivable	9	40,367	-
Other receivables	9	441	740
<b>Total current assets</b>		<b>115,066</b>	<b>142,531</b>
<b>Total assets</b>		<b>484,113</b>	<b>457,664</b>
<b>Current liabilities</b>			
Accounts payable and accrued expenses	11	(270)	(491)
<b>Total current liabilities</b>		<b>(270)</b>	<b>(491)</b>
<b>Total liabilities</b>		<b>(270)</b>	<b>(491)</b>
<b>Net assets</b>	18	<b>483,843</b>	<b>457,173</b>
<b>Capital and reserves</b>			
Share capital	13	4,225	4,225
Share premium	13	186,368	186,368
Special distributable reserve	13	227,067	232,467
Capital reserve		58,694	26,177
Revenue reserve		7,489	7,936
<b>Total capital and reserves attributable to equity holders of the Company</b>		<b>483,843</b>	<b>457,173</b>
<b>Net asset value per ordinary share (p)</b>	18	<b>116.46</b>	<b>108.21</b>

# Statement of Changes in Shareholders' Equity

For the year ended 31 December 2023

For the year ended 31 December 2023	Note	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance		4,225	186,368	232,467	26,177	7,936	457,173
Shares bought back	13	-	-	(5,400)	-	-	(5,400)
<b>Total comprehensive income for the year</b>		-	-	-	32,517	22,822	55,339
Interim dividends paid during the year	14	-	-	-	-	(23,269)	(23,269)
<b>Balance at 31 December 2023</b>		4,225	186,368	227,067	58,694	7,489	483,843

For the year ended 31 December 2022	Note	Share capital £'000	Share premium account £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance		3,116	67,949	232,467	22,046	(1,680)	323,898
Issue of share capital	13	1,109	120,891	-	-	-	122,000
Cost of issue of shares	13	-	(2,472)	-	-	-	(2,472)
<b>Total comprehensive income for the year</b>		-	-	-	4,131	24,073	28,204
Interim dividends paid during the year		-	-	-	-	(14,457)	(14,457)
<b>Balance at 31 December 2022</b>		4,225	186,368	232,467	26,177	7,936	457,173

# Key Valuation Assumptions

			31 December 2023	31 December 2022
Discount rate	Weighted Average	US terminal storage assets	<b>6.91%</b>	8.43%
	Weighted Average	Australian solar PV with battery storage assets	<b>7.74%</b>	8.55%
	Weighted Average	Brazilian solar PV assets	<b>9.67%</b>	13.09%
	Weighted Average	Brazilian hydro facility	<b>9.54%</b>	10.48%
Long-term inflation <sup>1</sup>	United States	US terminal storage assets	<b>1.62%</b>	2.0%
	Australia	Australian solar PV with battery storage assets	<b>2.42%</b>	2.5%
	Brazil	Brazilian solar PV assets & Brazilian hydro facility	<b>3.03%</b>	3.0%
Total asset life <sup>2</sup>	Years	US terminal storage assets	<b>30 years</b>	30 years
	Years	Australian solar PV with battery storage assets	<b>25 years</b>	25 years
	Years	Brazilian solar PV assets	<b>25 years</b>	25 years
	Years	Brazilian hydro facility	<b>25 years</b>	25 years
Exchange rate	GBP:USD	US terminal storage assets	<b>1:1.2732</b>	1:1.210
	GBP:BRL	Brazilian solar PV assets & Brazilian hydro facility	<b>1:6.1771</b>	1:6.386
	GBP:AUD	Australian solar PV with battery storage assets	<b>1:1.8689</b>	1:1.775



# GSEO Discount Control Mechanisms

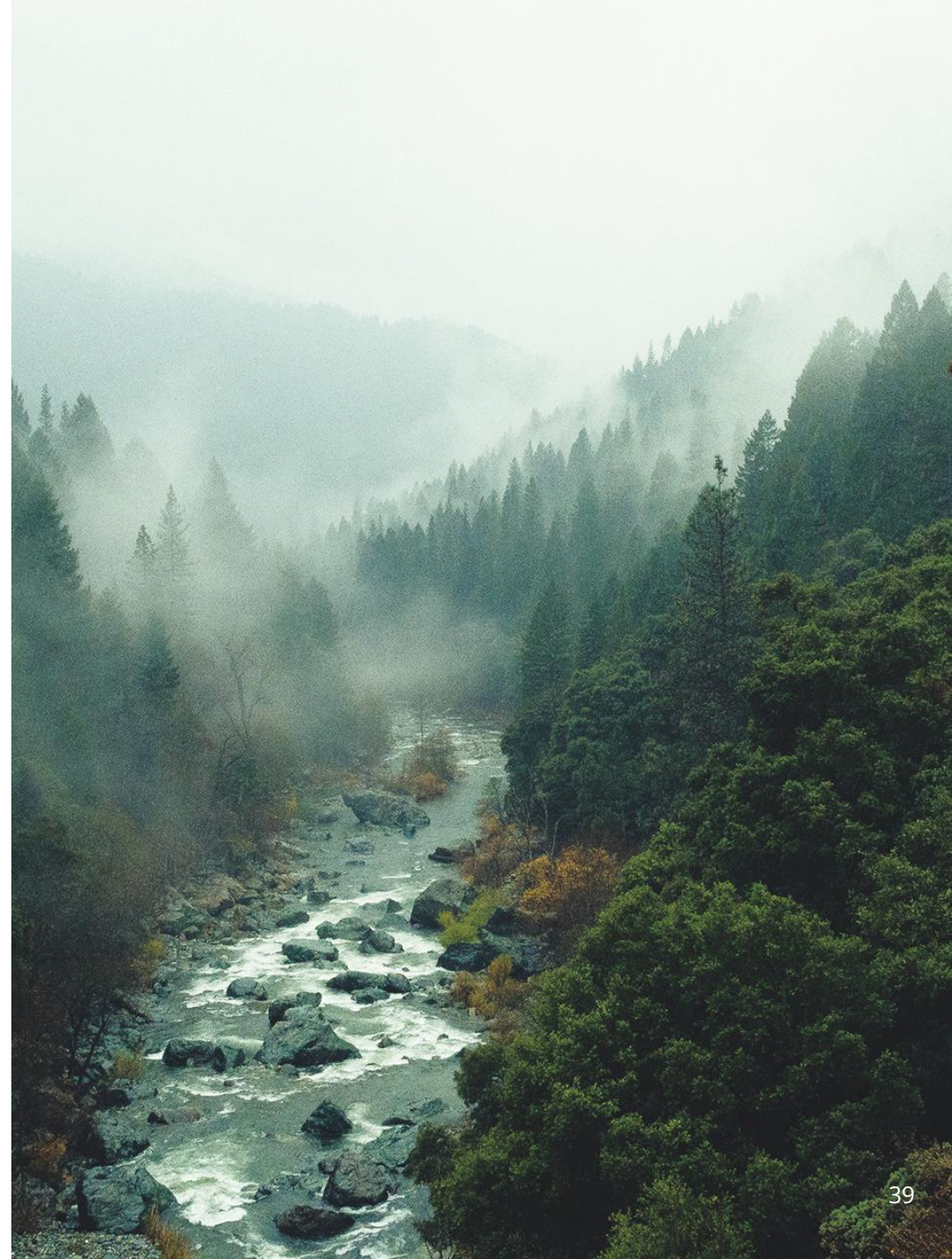
## Discount Control Mechanism

- The Directors have the authority to purchase in the market up to 14.99% of the aggregate number of ordinary shares in issue
- If, in any 3-month rolling period, the ordinary shares have, on average, traded at a discount in excess of 5 per cent to the NAV per ordinary share, the Fund intends to use 50% of net cashflows to repurchase ordinary shares
- Share buybacks are subject always to the impact that such repurchase may have on the ability of the Fund to meet its target dividend or target net total return or other economic factors that the Board consider it prudent to take into account at the relevant time

## Continuation Vote

- The Directors shall propose an ordinary resolution on the continuation of the Fund at the AGM of the Fund to be held in 2026 and, if passed, at every fifth AGM thereafter

Source: The Fund's prospectus.



# Disclaimers

This presentation, its contents and any information provided or discussed in connection with it are strictly private and confidential and may not be reproduced, referenced, distributed, transmitted or otherwise communicated to others, directly or indirectly, in whole or in part, without the express consent of Victory Hill Capital Partners LLP or any of its affiliates ("Victory Hill"). This presentation does not constitute an offer or invitation or solicitation of any security, product or service, including shares in the Fund. Offers for shares in the Fund can be made only by the Fund's prospectus (the "Prospectus"), which contains additional information about the Fund, and in compliance with applicable law. Prospective investors must read the applicable Prospectus and Key Information Document which contain additional information about an investment in the Fund. Distribution may be restricted in certain jurisdictions.

Unless otherwise noted, information included herein is presented as of the dates indicated and may differ from the terms and provisions respecting an investment in the Fund which are more fully set forth in the Prospectus and the applicable constituent governing documentation of the Fund. This presentation is not complete and is provided for information purposes only. The information contained herein may change at any time without notice. Victory Hill does not have any responsibility to update the presentation to account for such changes. Victory Hill gives no guarantee or other assurances (express or implied) and makes no representation or warranty, expressed or implied, with respect to the accuracy, reasonableness, or completeness of any of the information contained herein, including, but not limited to, information obtained from third parties. Victory Hill assumes no liability or responsibility and owes no duty of care for any consequences of any person acting in reliance on the information contained in this presentation or for any decision based on it. Victory Hill does not undertake to provide any recipient with access to any additional information or to update this presentation or to correct any inaccuracies in it which may become apparent.

Victory Hill does not act for you and is not responsible for providing you with protections afforded its clients. The information contained herein is not intended to provide, and should not be relied upon for, accounting, legal or tax advice or investment recommendations. Investors should make an independent investigation of the investment described herein, including consulting their tax, legal, accounting or other advisors, about the matters discussed herein.

Information contained herein may include information respecting prior investment performance of one or more funds or investments including gross and/or net internal rates of return ("IRRs"). Information respecting prior performance, while a useful tool in evaluating a fund's investment activities, is not necessarily indicative of actual results that may be achieved for unrealized investments. The realization of such performance is dependent upon many factors, many of which are beyond the control of Victory Hill. Further, there can be no assurance that the indicated valuations for unrealized investments accurately reflect the amounts for which the subject investments could be sold. Unless otherwise noted, all IRR amounts described herein are calculated as of the dates indicated. "Gross IRR" of the Fund represents the cumulative investment-related cash flows for all of the investors in the Fund on the basis of the actual timing of investment inflows and outflows (for unrealized investment assuming disposition of the respective "as of" dates referenced) aggregated on a gross basis quarterly, and the return is annualized and compounded before management fees, carried interest and certain other fund expenses (including interest incurred by the fund itself) and measures the returns on the Fund's investments as a whole without regard to whether all of the returns would, if distributed, be payable to the Fund's investors. Investing in a Fund is speculative and involves a substantial degree of risk. Risks include, but are not limited to, the

fact that the Fund has or may have: a limited or no operating history; volatile performance; leverage use; limited liquidity; high fees and expenses; and a dependence on Victory Hill, which will manage the Fund's investments. Prospective investors should carefully consider all risks described in the applicable Prospectus in determining whether an investment in the Fund is suitable. There can be no assurance that the investment objectives described herein will be achieved. Nothing herein is intended to imply that the Fund's investment methodology may be considered "conservative", "safe", "risk free", or "risk averse". Economic, market and other conditions could also cause the Fund to alter its investment objectives, guidelines and restrictions. Investment losses may occur. "Case studies" have been provided for discussion purposes only and are no guarantee of future results or that such investment opportunities will become available to the Fund.

Past performance is not indicative nor a guarantee of future returns. The value on investments may fall as well as rise and investors may not get back the amount invested. Changes in rates of foreign exchange may cause the value of investments to go up or down. No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided.

Certain information contained herein may be "forward-looking" in nature. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking information. As such, undue reliance should not be placed on such information. Forward-looking statements may be identified by the use of terminology including, but not limited to, "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Yield data is shown for illustrative purposes only and has limitations when used for comparison or for other purposes due to, among other matters, volatility, credit or other factors (such as number and types of securities).

This presentation has not been submitted to or approved by the securities regulatory authority of any state of jurisdiction. This presentation is intended for distribution in the United Kingdom only to persons who: (i) have professional experience in matters relating to investments, (ii) are investment professionals, high net worth companies or high net worth unincorporated associations, or other investors).

Victory Hill Capital Partners LLP is authorised and regulated by the Financial Conduct Authority (FRN 961570). Victory Hill is the investment manager of the Fund.

This Presentation is only directed at "professional investors" and retail investors may not rely on the information contained within.

# Risk factors

An investment in the Fund entails substantial risks, including, but not limited to, those listed below. Prospective investors should carefully consider the following summary of risk factors and carefully read the Fund's Prospectus and Key Information Document for additional information and risk factors in determining whether an investment in the Fund is suitable:

**Potential loss of investment** – No guarantee or representation is made that the Fund's investment programme will be successful. An investment in the Fund is speculative and involves a high degree of risk. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment in the Fund. An investment in the Fund is not suitable for all investors. Investors could lose part or all of an investment and the Fund may incur losses in markets where major indices are rising and falling. Only qualified eligible investors may invest in the Fund. Results may be volatile. Accordingly, investors should understand that past performance is not indicative nor a guarantee of future results.

**Use of leverage** – The Fund may utilise leverage and may also invest in forward contracts, options, swaps and over-the-counter derivative instruments, among others. Like other leveraged investments, trading in these securities may result in losses in excess of the amount invested.

**Valuations** – The net asset value of the Fund may be determined by its manager, as applicable, based on information reported from underlying portfolio companies. Certain portfolio assets may be illiquid and without a readily ascertainable market value. Valuations of portfolio companies may be difficult to verify.

**Fees and expenses** – The Fund is subject to substantial charges for management and other fees regardless of whether the Fund has a positive return. Please refer to the Fund's Prospectus for a more complete description of risks and a comprehensive description of expenses to be charged to the Fund.

**Lack of operating history** – The Fund has little or no operating history.

**Reliance on key persons** – The Investment Manager has discretionary management authority over the assets of the Fund and may be subject to various conflicts of interest. The death, disability or departure of certain individuals affiliated with Victory Hill may have a material effect on the Fund.

**Concentration** – The Fund may hold only a limited number of investments, which could mean a lack of diversification and higher risk.

**Counterparty and bankruptcy risk** – Although Victory Hill will attempt to limit its transactions to counterparties which are established, well-capitalized and creditworthy, the Fund may be subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes, which could subject the Fund to substantial losses.

**Limited liquidity** – Investments in the Fund may be illiquid and it may be difficult for shareholders to realise their investment as there may not be a liquid market in the Fund's shares. Only variable levels of secondary market liquidity exist for the sale of the Funds' shares, nor is a more liquid market likely or expected to develop.

**Volatile markets** – Market prices are difficult to predict and are influenced by many factors, including: changes in interest rates, weather conditions, government intervention and changes in national and international political and economic events.

**Potential IRR Information** – Potential IRR information is hypothetical in nature and is shown for illustrative, informational purposes only. This material is not intended to forecast or predict future events, but rather to demonstrate Victory Hill's investment and decision-making process. It does not reflect the actual returns of any portfolio strategy or holding and does not guarantee future results. Unless otherwise indicated, the potential IRRs are the good faith views of Victory Hill as of the date indicated based on a number of assumptions/factors, including but not limited to, current monetary policy, inflation expectations and other fundamental and technical factors that determine interest rate levels in applicable markets and likelihood of default. Victory Hill makes no representation as to the reasonableness of the assumptions or that all assumptions have been stated or fully considered. Actual returns may vary significantly from those stated herein. Changes in the assumptions may have a material impact on the potential IRRs presented. All data is shown before fees, transaction costs and taxes. References herein to "target IRR" or comparable terminology are provided as indicators as to how Victory Hill intends to manage the strategy were it to be formed, and are not intended to be viewed as indicators of likely performance returns to investors. Target IRR and other similar information is based upon estimates and assumptions that a potential investment will yield a return equal to, or greater than, the target. There can be no assurance that target returns will be met or that Victory Hill will be successful in finding investment opportunities for the strategy that meet these anticipated return parameters. The estimate of potential return from a potential investment is not a guarantee as to the quality of the investment or a representation as to the adequacy of the methodology or assumptions used in estimating returns. The magnitude of market inefficiencies experienced over the course of the investment period of the strategy may partially dictate overall returns.

Unless otherwise indicated, target IRR is presented on a gross basis and does not reflect the effect of management fees, expenses or taxes that would be imposed, all of which would reduce returns.





**Victory Hill Capital Partners LLP**

4 Albemarle Street  
London W1S 4GA  
United Kingdom

T: +44 (0)20 7129 1141  
E: [info@victory-hill.com](mailto:info@victory-hill.com)  
W: [victory-hill.com](http://victory-hill.com)