The Twelve B

Green Energy Fund IV



twelveb
green energy fund

Overview

01 South Africa faces ongoing energy instability and rising electricity costs

02 Strong demand from commercial and industrial energy users

03 Businesses are actively shifting to embedded solar solutions

04 Renewable energy assets generate predictable, long-term cash flows



Investment Opportunity

Up to 225% tax deduction on equity

Qualify for enhanced 12B tax saving through the use of gearing

Fees

No upfront fees and ongoing management fees (only performance fees above budgeted profits)

Commercial Solar Projects

Invest in income-generating solar PV infrastructure

Return

2.32 x Money

10-Year Investment horizon

Long-term contracted revenue from energy offtake agreements

Risk

Derisk up to 100% of capital outlay in year 1

Distribution & Returns

- Semi-annual distributions paid to investors every Feb and Aug
- Years 1–4: 7% p.a. on Capital Contribution
- Years 5–10: 8% p.a. on Capital Contribution
- Shortfall accumulates with Money Market Rate interest
- Investors paid in full before any GP distributions

Investor Protections

- Liability limited to Capital Contribution
- PPAs of 10–20 years at CPI + 1% annual escalation
- ESG-conscious investment mandate
- Independent auditors: RWFC Financial Consultants



Fund Structure and Terms

01 En commandite partnership structure

02 General Partner manages and controls the fund

03 Investors participate as limited partners

04 Capital deployed into solar infrastructure assets

05 Liability of investors is limited to their capital contribution

06 Semi-annual reporting and distributions

07 Gearing facility, bolstering tax allowance

Target fund size

R70m

Minimum investment

R100k

Fund term

10 years



The 12B allowance

Illustrative Example

Total Asset Value
R2,250,000

Investor Equity
R1,000,000

Debt Financing (55.56% LTV)
R1,250,000

Section 12B Tax Benefit

Tax Deduction
± R2,250,000

Tax Saving (45%)
± R1,012,500

Tax Saving

Initial Investment
R1,000,000

Less Upfront Tax Saving
R1,012,500

Net Capital at Risk
R0

Invest R1m → Exposure to R2.25m of assets → 100% capital recovered in Year 1

Cash Flow Waterfall



Revenue from energy sale



Operating costs



Debt funding obligations



Distributions to investors

No fees paid to the manager prior to the priority profit share



Financial Model

		0	1	2	3	4	5	6	7	8	9	10
Capital Contribution		(1,000,000)										
Debt Financing	55.56%	(1,250,000)										
Section 12B Allowance	45.00%	1,012,500										
Net position after tax saving		12,500										
Budgeted Profit Rate (%)			*7.00%*	*7.00%*	*7.00%*	*7.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*
Profit Share			70,000	70,000	70,000	70,000	80,000	80,000	80,000	80,000	80,000	80,000
Exit Proceeds												550,000
Pre-Tax Cash Flow			**70,000**	**70,000**	**70,000**	**70,000**	**80,000**	**80,000**	**80,000**	**80,000**	**80,000**	**630,000**
Tax	45.00%		(31,500)	(31,500)	(31,500)	(31,500)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(283,500)
Post-Tax Cash Flow			**38,500**	**38,500**	**38,500**	**38,500**	**44,000**	**44,000**	**44,000**	**44,000**	**44,000**	**346,500**

Values in ZAR



Invest now

Limited capacity available

Minimum investment

R100k

Target fund size

R70m

Contact Twelve B Fund Managers for participation

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