



# INVESTING TODAY IN TOMORROW'S TECHNOLOGY

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An exclusive investment opportunity is available



**RenCell**

Authorised Financial Services Provider

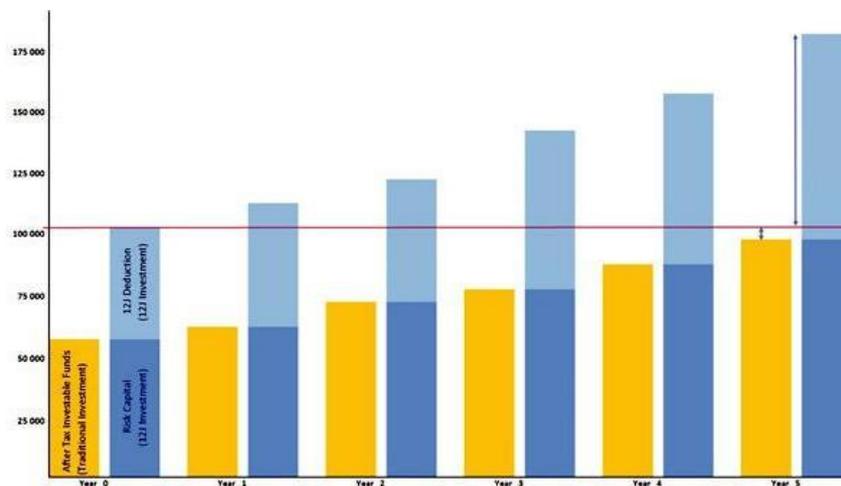
**Rencell** is a Section 12J solar energy Venture Capital Company (VCC) offering an innovative, first of its kind investment product which deploys funds into residential Solar installations.

Leveraging the investment benefits of Section 12J, 12B and the natural power of the sun, **Rencell** has partnered with **Regen Solar Solutions**, to provide a unique, short term **Power Purchase Agreement**, exclusive to residential consumers, while offering investors substantial financial returns by means of an asset backed annuity income. Consumers benefit from reduced reliance on traditional fossil fuel energy sources as they now have for the first time a choice as to their provider of electricity.

## WHAT IS SECTION 12J?

**Section 12J** of the Income Tax Act allows investors into a VCC registered company to deduct their entire investment made into the company from their taxable income. Affording investors the opportunity to invest their pre-tax earnings, whereas investors in traditional investments would only be able to invest their post-tax earnings. This has been done to stimulate economic growth, foster job creation and facilitate funding for SME and start-up businesses.

The below chart is a graphic representation comparing a traditional investment to that of a **Section 12J** investment.



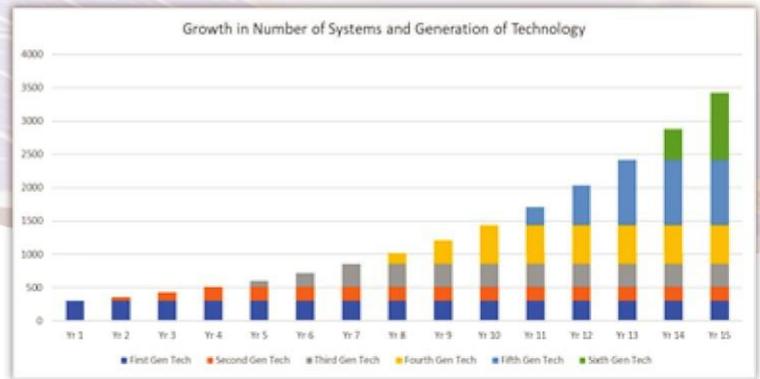
Graphic Comparison Between Investments

The graphic draws attention to the differences between traditional investments and Section 12J investments, with both investments yielding 12% annual growth. The traditional investment over a 5 year period does not reach the original pre-tax amount earned by the investor. The comparative Section 12J investment realises the investor a near 80% growth in their pre-tax earnings.

## WHAT IS SECTION 12B?

**Section 12B** of the Income Tax Act allows companies to depreciate investments into renewable technology entirely in the **first year**.

This principle also alleviates the largest risk in the renewables industry, technology becoming outdated. As **Rencell** continues to reinvest excess revenue into acquiring new Solar Systems, it ensures that the average age of a Solar System in the portfolio never exceeds **6 years**, at any given point, and no less than **50%** of the assets in the portfolio will have been acquired in the past **5 years**.



This makes the portfolio more valuable to investors as the portfolio continues to self-diversify through gaining more clients as more systems are deployed, lowering risk while adopting new technology and as new systems are purchased over time there is a continued rejuvenation of the fund. This continued process of reinvesting goes beyond the financial realm as the assets that it accumulates result in ever larger CO2 savings, and a greater number of consumers are able to save money on their power bills.

## PARTNERSHIP WITH REGEN SOLAR SOLUTIONS (REGEN)

Through several years of investigation and real-world testing, RSS has formulated, refined and perfected a working model that enables residential Consumers to benefit from the savings through the adoption of Solar Photovoltaic technology.

Through the partnership between Rencell and Regen Solar Solutions, residential consumers are offered an alternative cheap source of electricity to supplement their energy consumption, saving consumers money and reducing their carbon footprint and their reliance on traditional energy sources. For the first time residential consumers are being given the freedom to choose when it comes to their supplier of electricity.

The system developed by Regen Solar Solutions includes added sensors with each installation that will alert consumers to faults like fridges not working, geysers leaking or about to burst, and live tracking of reduced CO2 emissions.

## ASSET BACK

**Rencell** is owned by its shareholders and in turn owns shares in the Qualifying Companies that own the solar assets. The underlying solar asset yields  $\pm 12.5\%$ . This yield is magnified to  $\pm 17\%$  with the 12J deduction and further magnified to  $\pm 21\%$  with the 12B deduction.

## DIVIDEND POLICY/ANNUITY INCOME

Since its inception, **Rencell** has paid a **5%** dividend on gross investment to shareholders per annum.

## RENCELL INVESTOR RETURNS

Rencell Investment	0	1	2	3	4	5	TOTAL
Income to be invested	- 1 000 000						- 1 000 000
Tax deduction	450 000						450 000
Net Investment Made	- 550 000						- 550 000
Gross Dividend		50 000	50 000	50 000	50 000	50 000	250 000
Net Capital Returned		-	-	-	-	984 000	984 000
Capital Returned		-	-	-	-	1 200 000	1 200 000
Capital Gains Tax		-	-	-	-	- 216 000	- 216 000
Total cash Received		50 000	50 000	50 000	50 000	1 034 000	1 234 000

Times Money 2.24  
Investor IRR 20%

# FREQUENTLY ASKED QUESTIONS

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## HOW TO CLAIM A SECTION 12J DEDUCTION

Section 12J of the income tax act Investors are given a Tax Certificate along with their Share Certificate once the capital raise has closed. This Tax Certificate needs to be attached to the investors tax returns to be eligible for the deduction.

## FUND MANAGERS FEES

The Fund Manager earns a once off capital raising fee to cover corporate finance and deployment costs of 3% of capital raised. The Fund Manager earns 2.5% annually to cover all operational costs of the fund (compliance, audits etc.)

## INVESTMENT TERMS

Investors are required by law to hold the investment for a period of 5 years to make the Section 12J deduction permanent. If an investor wishes to exit during this period the fund will endeavour to buy back their shares. This will however make the investor liable for a recoupment on the funds invested.

## UNDERLYING INVESTMENT

Rencell is mandated to invest the capital it raises into small scale renewable energy assets. These assets are to be installed at the homes of consumers that have entered into Power Purchase Agreements. This investment yields the investor their returns while generating enough free cash to reinvest into the portfolio of solar assets.

## FUND MANAGERS PERFORMANCE INCENTIVE

The manager is awarded a performance incentive to ensure alignment of investor and manager goals, the manager shares in the proceeds of the disposal of the portfolio of solar assets at the end of the 5th year.



## INVEST NOW

For more details on Rencell, please visit [www.rencell.co.za/rencell-solar](http://www.rencell.co.za/rencell-solar)

## OR GET IN TOUCH

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