

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



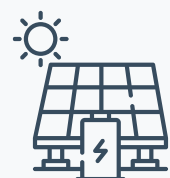
Up to 200% Section 12B deduction

Qualify for 12B tax saving



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

42% IRR
1.62 x Money



10-Year Investment horizon

Long-term contracted revenue from
energy offtake agreements



Risk

Derisk up to 90% 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
R2,000,000

Investor Equity
R1,000,000

Debt Financing (50% LTV)
R1,000,000

Section 12B Tax Benefit

Tax Deduction
± R2,000,000

Tax Saving (45%)
± R900,000

Tax Saving

Initial Investment
R1,000,000

Less Upfront Tax Saving
R900,000

Net Capital at Risk
± R100,000

Invest R1m → Exposure to R2m of assets → c.90% capital recovered in Year 0

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	50.00%	(1,000,000)										
Section 12B Allowance	45.00%	900,000										
Risk Capital		(100,000)										
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		(100,000)	70,000	70,000	70,000	70,000	80,000	80,000	80,000	80,000	80,000	630,000
Tax	45.00%	0	(31,500)	(31,500)	(31,500)	(31,500)	(36,000)	(36,000)	(36,000)	(36,000)	(36,000)	(283,500)
Post-Tax Cash Flow		(100,000)	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

R1000k

Target fund size

R70m

Contact Twelve B Fund Managers for participation

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