

BR Sustainable Investments offers specialist sustainable investment advice and dealing services to investors and sponsors of sustainable projects. Equity, debt, derivatives, listed or unlisted.

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Please read the prospectus documents. ASX code TRC, bookbuild code TRCXBB.

### **We recommend the offer.**

- The levels of CO2 in the atmosphere and action being taken to limit further emissions are a driver for our recommendation.
- The world needs new ways to generate electricity.
- The solar resource is more than large enough to replace fossil fuels and will dominate global electricity production in the future in our view. Solar is also a much larger energy resource than wind, hydro and other sources of energy.
- The use of solar panels on roof tops is a well understood technology for both generating electricity and hot water. It is not a new or risky technology.
- Tractile embeds the technology in a roof tile, allowing coverage of the whole roof and better aesthetics. It doesn't change the technology.
- Trac Group will target sales in cities with populations of over 1 million people.
- Approximately 4,000 rooves per annum are built or replaced per 1 million people in such cities.
- There are 500 cities worldwide with populations over 1 million people.
- They will target architects who want a better look for upmarket houses and who like the sustainability aspect. The tiles use less energy and emit less CO2 compared to regular tiles in the production phase as well.

Execution risk is the key risk. Can they make the sales?

They have good management experience.

They have a good product and solar is the energy source of the future.

Investments should be a small part of your portfolio and we would recommend adding more if they start to perform. Keep some money in reserve for this one.

**This is a buy and hold prospect and could be substantially higher in value in the long term.**

#### **General Advice Warning**

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