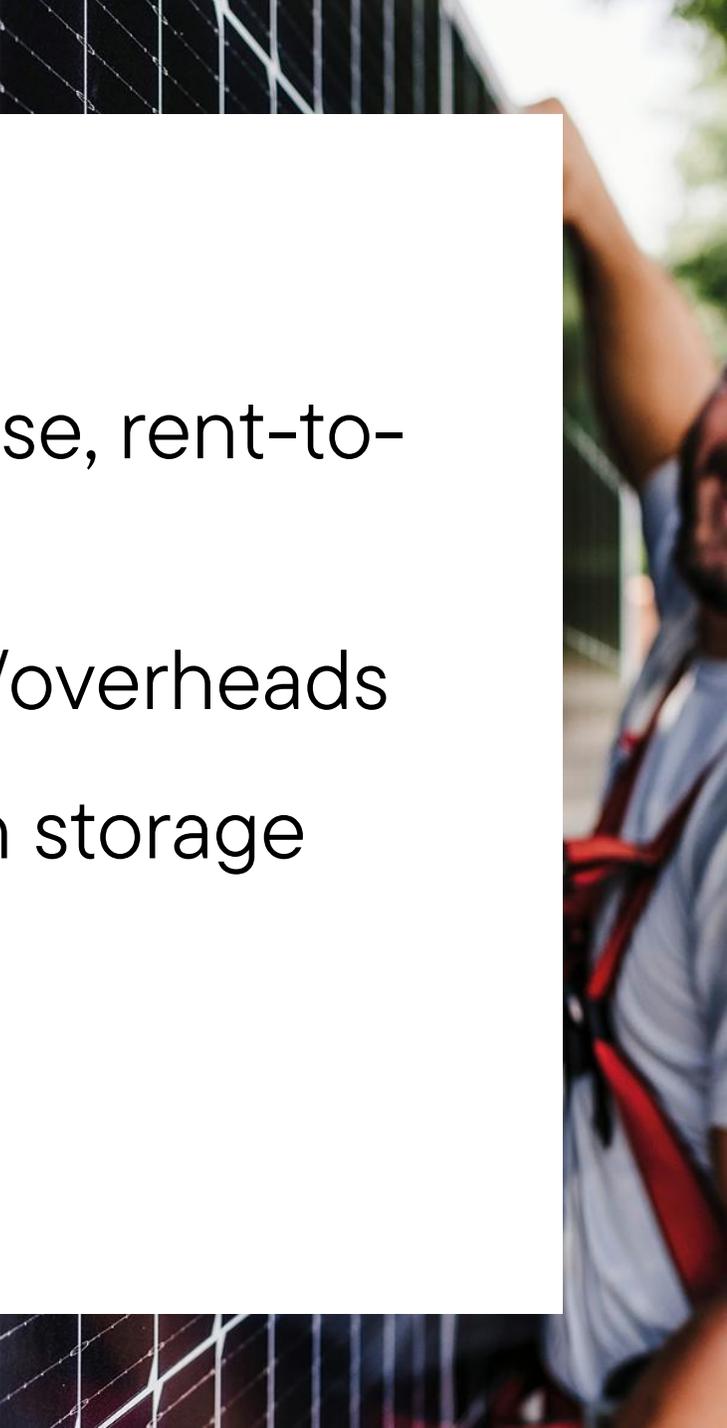




# Funding Solutions

Reducing Risk. Improving Delivery.





## Challenges faced by installers today

- ✓ **Client decision paralysis** – cash, debt, lease, rent-to-own, PPA, wheeling...
- ✓ **Cashflow** constraints due to procurement/overheads
- ✓ Project **complexity and cost** increase with storage
- ✓ Equipment and **after-sales** service

The background of the slide features a photograph of a person in a safety harness and helmet working on a solar panel array. The person is positioned on the right side of the frame, with their arms raised as they work on the panels. The solar panels are dark with visible grid lines. The overall scene is outdoors, suggesting a construction or installation site.

The **solution** for installers is...

- ✓ **Speed up decision-making** by offering clear energy cost savings with the least risk and no CAPEX
- ✓ **Mitigate cashflow constraints** by partnering with IBC and funders in projects

*All parties focus on **core competencies!***

# A **hypothetical** example of a funded PV project

- ✓ A hybrid PV + BESS solution with equipment supplied by IBC
- ✓ Installer designs, installs and commissions on behalf of the funder (asset owner)
- ✓ Client signs a PPA with the funder directly, and the installer does ongoing O&M with an SLA in place

Project Example	Values	
IBC SOLAR Invoice (CAPEX for PV, Inverter & Storage)	R9,686,582	
<i>EPC equipment margin added</i>	<i>R968,658</i>	<i>10%</i>
<i>EPC installation costs added</i>	<i>R1,065,524</i>	<i>10%</i>
Installer GP	R2,034,182	<i>17%</i>
<b>Project Total Cost</b>	<b>R11,720,764</b>	

Standard Funded Business Model	Installer		
Milestones	%	Payments	
Milestone 0 (less any deposit)	5%	R586,038	<i>Preliminary approvals and contracts</i>
Milestone 1	35%	R4,102,267	<i>Notice To Proceed provided</i>
Milestone 2	30%	R3,516,229	<i>Purchase orders received for equipment</i>
Milestone 3	10%	R1,172,076	<i>Mounting and modules secured and installed</i>
Milestone 4	10%	R1,172,076	<i>Practical Completion</i>
Milestone 5 (Less Hold Back)	10%	R1,172,076	<i>COD Notice Date - Tests - Performance Guarantee</i>
<b>Project Total Cost</b>	<b>100%</b>	<b>R11,720,764</b>	

# An alternative collaboration

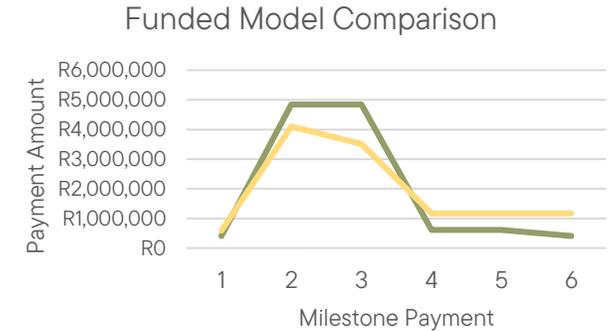
- ✓ Demonstrates how all the parties benefit by ensuring that each focuses on their strengths
- ✓ Hedges the funder's risk between the installer and IBC
- ✓ Protects installer's cashflow with the same project net return

Project Example	Values
IBC SOLAR Invoice (CAPEX for PV, Inverter & Storage)	R9,686,582
<i>EPC equipment margin added</i>	<i>R968,658</i>
<i>EPC installation costs added</i>	<i>R1,065,524</i>
Installer GP	R2,034,182
<b>Project Total Cost</b>	<b>R11,720,764</b>

10%  
10%  
17%

Standard Funded Business Model	Installer	
Milestones	%	Payments
Milestone 0 (less any deposit)	5%	R586,038
Milestone 1	35%	R4,102,267
Milestone 2	30%	R3,516,229
Milestone 3	10%	R1,172,076
Milestone 4	10%	R1,172,076
Milestone 5 (Less Hold Back)	10%	R1,172,076
<b>Project Total Cost</b>	<b>100%</b>	<b>R11,720,764</b>

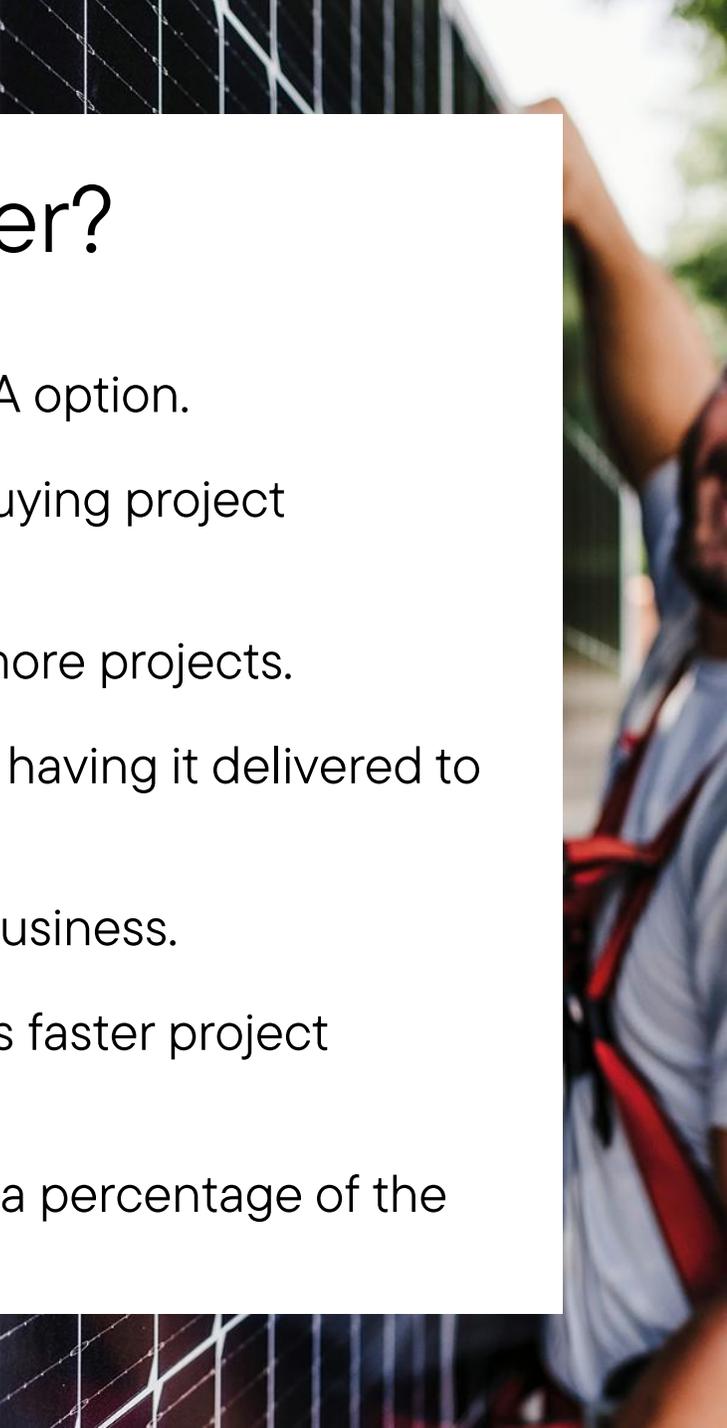
Standard J...  
Preliminary approvals and contracts  
Notice To Proceed provided  
Purchase orders received for equipment  
Mounting and modules secured and installed  
Practical Completion  
COD Notice Date - Tests - Performance Guarantee



Alternative Collaborative Business Model	Installer		IBC SOLAR		Combined	Std Milestones		
	Milestones	%	Payments	%	Payments	Payments	Variance	
Milestone 0 (less any deposit)		20%	R406,836	0%	R0	R406,836	R586,038	R179,202
Milestone 1		0%	R0	50%	R4,843,291	R4,843,291	R4,102,267	-R741,023
Milestone 2		0%	R0	50%	R4,843,291	R4,843,291	R3,516,229	-R1,327,062
Milestone 3		30%	R610,255	0%	R0	R610,255	R1,172,076	R561,822
Milestone 4		30%	R610,255	0%	R0	R610,255	R1,172,076	R561,822
Milestone 5 (Less Hold Back)		20%	R406,836	0%	R0	R406,836	R1,172,076	R765,240
<b>Project Total Cost</b>		<b>100%</b>	<b>R2,034,182</b>	<b>100%</b>	<b>R9,686,582</b>	<b>R11,720,764</b>	<b>R11,720,764</b>	<b>R0</b>

# What's the **process in summary?**

- ✓ The installer shares a prospective opportunity with IBC SOLAR, and if it qualifies, it is shared with the funder for a go/no-go response for funding.
- ✓ The prospective client shares basic information (historical billing, meter data, SLD's etc.) to determine project parameters for assessment by the funder.
- ✓ The installer shares its required documents to meet the funder's due diligence process, as well as agrees to an NDA and non-circumvention agreement to protect all parties' interests in the project.
- ✓ All information is shared with the funder, and they return an estimated lease/PPA tariff for the client to consider.
- ✓ If the client is interested in a formal proposal, a signed LOI is typically required, and the installer submits final costing and designs for approval by the funder.
- ✓ The funder will present its offering to the client along with the installer, and if the client agrees, will then proceed to sign the lease/PPA agreement with the funder.
- ✓ The funder and the installer agree to the installation and O&M contract, and the project begins.
- ✓ Payment milestones will then follow the alternative model as described in the slide before.

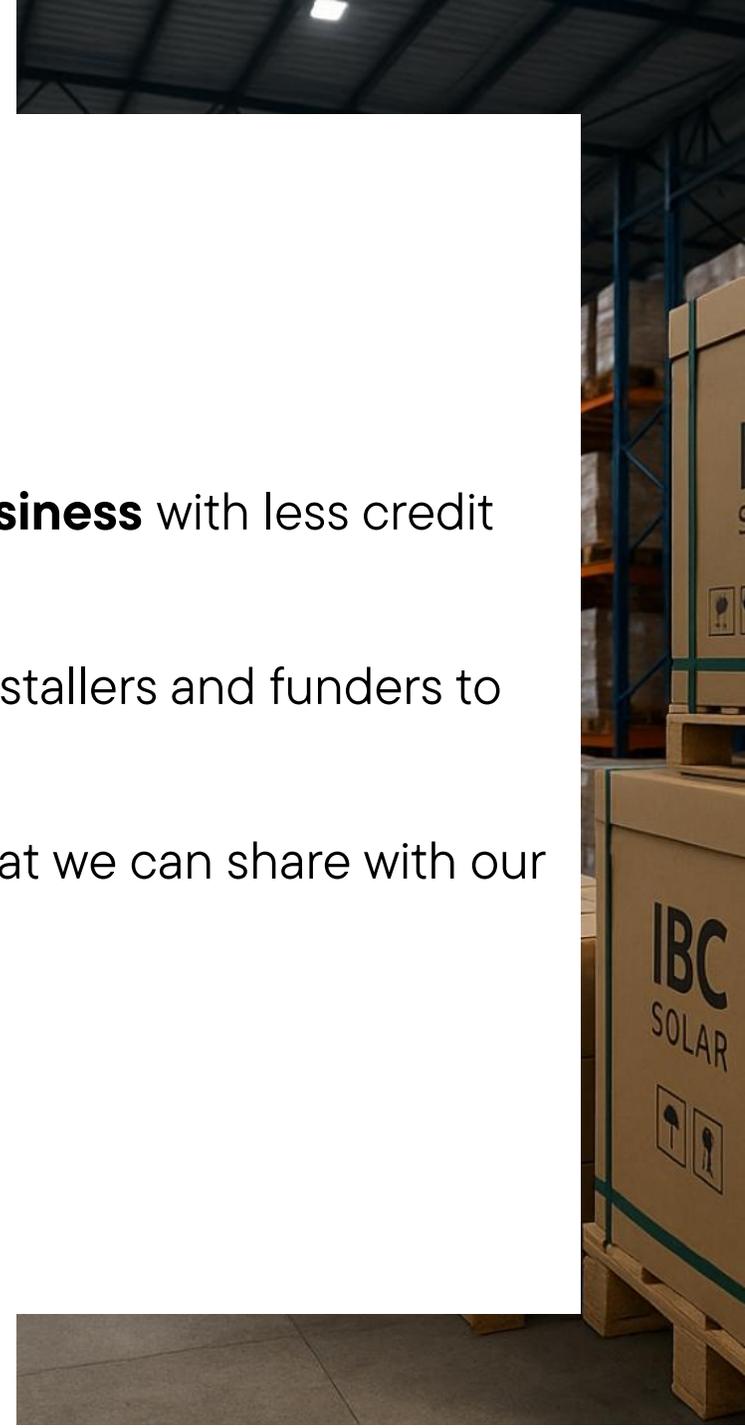


# How does this benefit **you** as the installer?

- ✓ Unlock latent project potential by offering a lease, rent-to-own or PPA option.
- ✓ **De-risk your business by reducing cash flow constraints** when buying project equipment.
- ✓ **Make better use of your available credit**, allowing you to take on more projects.
- ✓ **Save time** by getting all the project equipment from IBC SOLAR and having it delivered to the site.
- ✓ **Build a portfolio** of funded projects and develop an ongoing O&M business.
- ✓ You will be **vettted and approved** to work with a funder, which means faster project approval in future.
- ✓ **Project retention payments** will only reflect the work done and not a percentage of the equipment cost as well.

# How does this benefit **IBC SOLAR**?

- ✓ IBC SOLAR supplies the total basket of **primary equipment**.
- ✓ IBC SOLAR benefits from supporting its clients in **winning more business** with less credit risk.
- ✓ IBC SOLAR can **procure more strategically** in collaboration with installers and funders to ensure stock availability.
- ✓ With increased volume, IBC SOLAR can negotiate **better pricing** that we can share with our partners to be even more competitive and win more business.



# How does this benefit the **Funder**?

- ✓ The funder **hedges its financial risk** between the installer and supplier.
- ✓ IBC SOLAR and the installer act as a **sales channel** for the funder.
- ✓ IBC SOLAR collaborating with the installer **reduces the project risk** for the funder.
- ✓ The funder benefits from **portfolio pricing** from IBC SOLAR as a supplier.
- ✓ The funder takes **ownership of its equipment** upon delivery, and not after COD/handover.
- ✓ IBC SOLAR assists the funder in the **due diligence process** by collecting the required data from the installer and the client (off-taker).



# Have sun!

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