

Solar Funding 101

Matching the Right Funding Solution to the Right Customer

Presented by Jonty Sacks | Partner, Jaltech Fund Managers

About Jaltech

R1bn+

Deployed in 2025

250+

C&I Solar projects

140 MW+

PV and BESS funded

What Makes Us Different

Fast Funding Decisions

Indicative solar finance terms in 12-24 hours; credit decisions fast-tracked so projects don't stall

Flexible Solar Structures

Funding tailored to solar projects

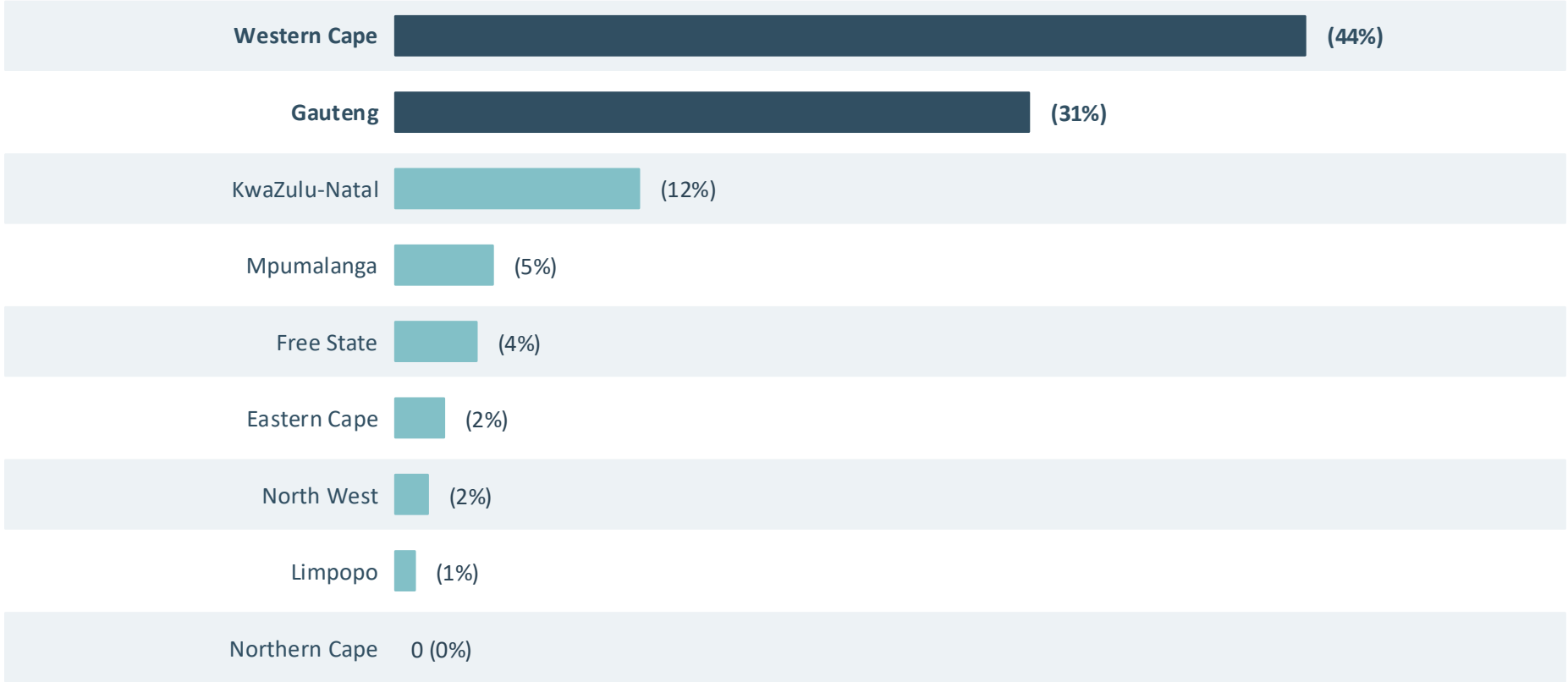
End-to-End Capability

From site assessment to financial close - we support the full project lifecycle

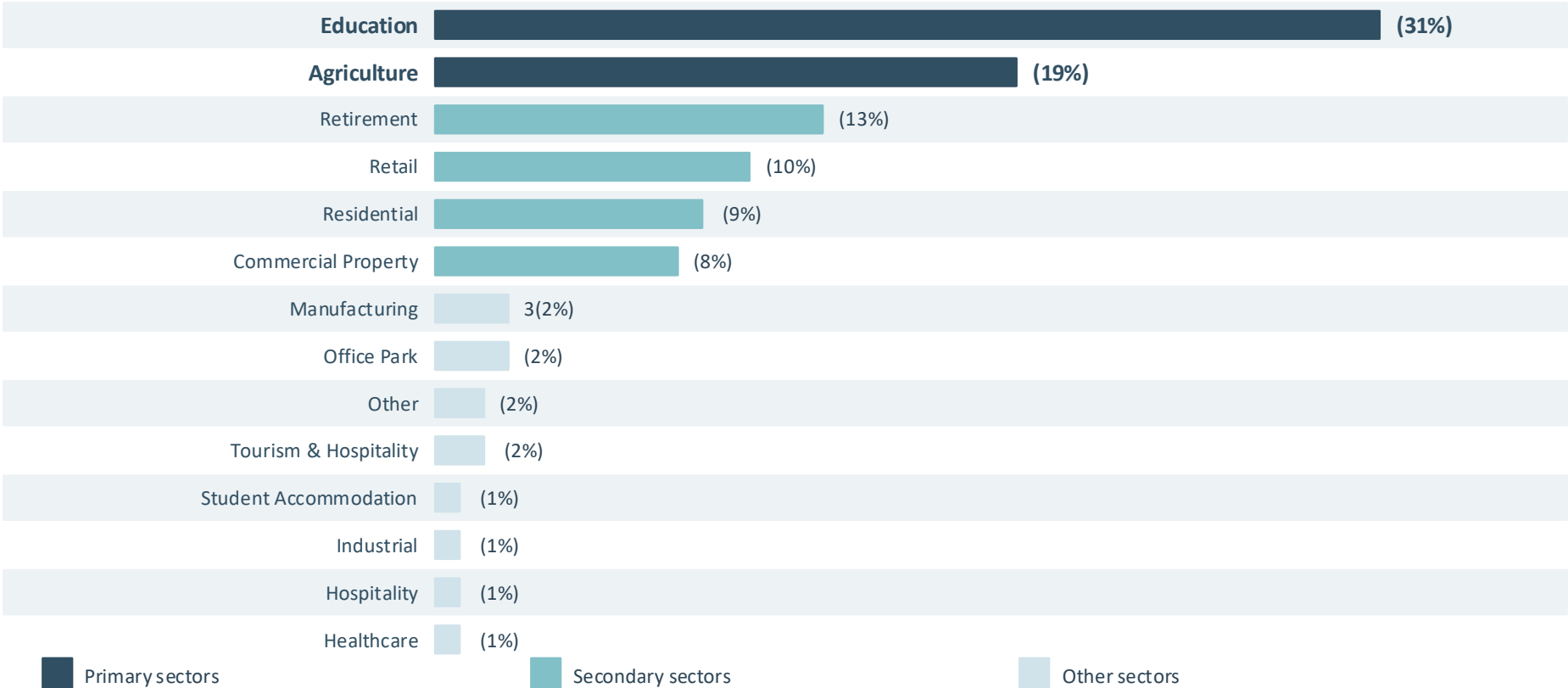
Built for EPCs

Our model is designed around EPC success - faster deals, fewer conditions, shared returns

Systems Spread Per Province



Systems Spread Per Sector



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The Funding Gap

The Numbers

R3m – R8+m

typical capex for a 300- 500 kWp C&I system

Most mid-market businesses can't or won't allocate balance sheet capital to non-core infrastructure.

What Customers Actually Want

Most customers don't want to own solar panels — they want a lower electricity bill.

The EPC's Role in the Funding Conversation

01

Wider Market

Customers who can't afford upfront capex are no longer lost deals — they become fundable.

02

Larger Systems

Customers can opt for larger systems which can result in more savings.

03

Higher Close Rates

Bundled funding removes the most common objection in the sales process.

04

One Level Up

Even if a customer pays cash, having a funding option builds confidence and credibility.

SECTION 2

Four Ways to Fund Solar

Cash

Finance

Rental

PPA

Cash / Outright Purchase

Simplest option — customer pays EPC directly and owns the asset from day 1.

How it works

Customer funds from cash reserves or working capital. EPC designs and installs; customer takes ownership immediately on commissioning. All savings, tax benefits and risks accrue to the customer.

Pros

- Cheaper— no financing margin
- Section 12B deduction

Cons

- R500k to R6m+ upfront capex commitment
- Opportunity cost of capital
- Performance and technology risk carried by the customer

Ideal for

- Cash-rich customer
- Customer who owns the property
- Customers with sufficient taxable income to utilise 12B

Finance

Familiar product — customer owns the asset and services a term loan.

How it works

Bank provides a term loan (typically 5–7 years) or asset finance. Customer owns the asset and services the debt. Ownership and Section 12B benefit remain with the customer.

Pros

- Customer retains ownership and 12B benefit
- Shorter commitment than a PPA
- Familiar product — easy to explain

Cons

- Many customers don't have great credit
- Deposit requirement often 10%–30%
- Adds debt to balance sheet
- Performance and technology risk carried by the customer
- Slow approval (2–4 months)

Ideal for

- Established corporates with strong credit
- Low existing gearing
- Customers with sufficient taxable income to utilise 12B

Rental

Funder owns the asset; customer pays a fixed monthly rental.

How it works

Funder buys and owns the asset. Customer pays a fixed monthly rental over an agreed term (typically 5–7 years). At end of term the customer can purchase, extend, or return the system.

Pros

- Fixed, predictable monthly cost
- Rentals fully tax deductible
- Off balance sheet
- Faster approval than a bank
- No upfront capex

Cons

- No ownership during the term
- Typically higher all-in cost than cash or bank finance
- Performance and technology risk carried by the customer

Ideal for

- SMEs and mid-market businesses
- Customers valuing cost predictability
- Customers who don't want to use a bank facility or balance sheet
- Shorter site tenure

PPA Funding

Funder owns and operates the system; customer pays only for energy consumed.

How it works

Funder designs, finances, installs, owns and operates the system. Customer signs a PPA for 10–20 years, paying an agreed R/kWh tariff with annual escalation (CPI or fixed 4–6%). EPC is typically retained by the funder for O&M.

Pros

- Fixed, predictable monthly cost
- Tariff generally below Eskom from day 1
- Tariff escalation typically below Eskom — savings widen over time
- No upfront capital required
- Performance risk sits with funder
- Off balance sheet;

Cons

- Long lock-in period (10–20 years)
- Reliant on third party to perform

Ideal for

- Customers who want no solar risk
- Off balance sheet solutions
- Long-term site tenure (owned or long-lease)
- Customers who can't fully utilise Section 12B

Side-by-Side Comparison

Dimension	Cash	Finance	Rental	PPA
Upfront capital	100%	10–30% deposit	Nil	Nil
Ownership during term	Customer	Customer	Funder	Funder
Balance sheet impact	Asset	Asset + debt	Often off	Off
Tax treatment	Section 12B	Section 12B	Rental deductible	Tariff deductible
Typical tenor	n/a	5–7 years	5–7 years	10–20 years
Performance risk	Customer	Customer	Customer	Funder

SECTION 3

Matching the Right Solution

Qualifying Questions Every EPC Should Ask

1

What is your appetite for upfront capex?

2

Is the facility owned or leased? How long remaining?

3

Do you want ownership, or just the energy savings?

4

Can you utilise the Section 12B tax benefit?

5

How long will you operate from this site?

6

What is your credit profile (years trading, gearing, earnings)?

Decision Framework

Capex available + wants ownership + can use 12B

Cash

Wants ownership + strong credit + debt capacity

Finance

No capex + shorter horizon + wants predictability

Rental

No capex + long tenure + zero risk appetite + strong credit

PPA

SECTION 4

PPA

benefits for EPCs

PPA Benefits for EPCs

01 Long-term O&M Revenue

10–20 year O&M contract bundled with every install - no end-customer debtors.

02 Recurring vs Once-off

An annuity stream compounds across your portfolio. One PPA is income for a decade.

03 Higher Close Rates

Bundled funding removes the most common objection. You beat capex-only competitors.

04 Bigger Systems

Customers size on savings, not capex. Funding unlocks larger tickets and bigger margins.

05 Funder Pays You

O&M is paid by the funder, not collected from the customer. Cleaner revenue, less credit risk.

SECTION 5

What Jaltech Offers

What We Offer

PPA – Fixed

- 5–20 years
- Fixed monthly amount
- Annual escalation (CPI or fixed rate)

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PPA – Output

- 5–20 years
- R/kWp pricing
- Performance risk on Jaltch

What We Offer

PPA – Fixed

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PPA – Output

- 5–20 years
- R/kWp pricing
- Performance risk on Jaltech

Projects We Fund

- R1m to R100m+
- PV or PV + BESS
- South Africa only
- New and existing systems

JALTECH

Solar funding

Launching Our New Solar Funding Strategy

Purpose-built for R1m – R5m projects

Jonty Sacks | Partner, Jaltech

01

Lowest Funding Rates

Shorter Sales Cycles

Competitive rates reduce client hesitation and speed up sign-off.

Higher Close Rates

Clients are less likely to delay or request alternative quotes.

Four Structured Funding Options

FIXED PPA

10 Years

Fixed monthly payment for 10 years. Predictable cost, full certainty for the client's budget planning.

FIXED PPA

15 Years

Lower monthly payment over a longer term. Maximises monthly cash flow savings for the client.

TARIFF-BASED PPA

10 Years

Per-kWh pricing tied to a base tariff. Client pays for what they use — ideal for variable consumption.

TARIFF-BASED PPA

15 Years

Lowest per-kWh rate over 15 years. Best long-term value for consistent, high-volume energy consumers.

50% Tariff Rebate

50%

TARIFF REBATE

for qualifying clients

The Jaltech EPC Portal

The screenshot displays the Jaltech EPC Portal interface. At the top, the Jaltech Fund Management logo is on the left, and navigation links for 'New proposal', 'My proposals', and 'Admin' are on the right. The main heading is 'New indicative proposal - R1m to R5m projects', with a subtext stating: 'Within three simple steps, you can immediately generate a funding proposal for your customers.' The form is divided into three numbered steps:

- 1 Customer**
Fields: Customer / company name, Project name
- 2 System**
Fields: System size (kWp), System type (Choose...), Battery size (Optional) (kWh), Annual production / system designed output (kWh/yr)
- 3 Capex breakdown**
Fields: Total PV system capex (ex BESS), Battery capex (Optional)

Three Steps. Instant Proposal.

1

Customer

Enter company name and project details.

2

System

Input system size, type, and annual production.

3

Capex

Add the PV and battery capex breakdown.

SECTION 6

Partner With Us

We Partner with EPCs

WE PROFIT TOGETHER

Profit Share

We agree upfront how profits are shared. Your success is our success — the model is built on alignment.

WE PARTNER FOR THE FULL TERM

Long-Term Relationship

Whether the customer wants a 5-year or 20-year term, we partner together for the life of the contract.

NOT OUR GAME

O&M

We rely on our EPC partners to perform all O&M services. Your expertise, our capital — that's the model.

TIER 1 SUPPLY CHAIN

Procurement Margin

EPC partners earn their standard market-related procurement margin.

First step

For an Indicative proposal (12–24 hrs)

- Customer quote
- Helioscope

EXCLUSIVE PARTNER INCENTIVE

Rugby World Cup

2027
with Jaltech

We're offering the opportunity to join us for the quarter-finals and semi-finals at the Rugby World Cup in Australia.

Get in touch

HOW IT WORKS

Refer new solar projects, or an existing solar portfolio for us to acquire or refinance, that result in **R25 million or more** of funding being made available, and you'll qualify for one ticket. Every additional R25 million secures an additional ticket.

WHAT'S INCLUDED

Return flights

Quarter-final & semi-final tickets

Accommodation

Airport transfers

KEY TERMS

- Projects must be commissioned and generating electricity by 28 February 2027
- Not transferable or exchangeable for cash
- If tickets or flights can't be secured, the incentive will be paid in cash
- One ticket is issued per project exceeding R25 million or group of projects exceeding R25 million.

Contact

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