JALTECH

Fund Management

JALTECH'S SOUTH AFRICAN **SOLAR INDUSTRY SURVEY REPORT**

Executive summary

Jaltech conducted a survey of 288 South African solar installers and Engineering, Procurement, and Construction companies (“the Participants / Solar Companies”). The survey aimed to gain insights into the local landscape, including key factors such as market focus, operation and maintenance (“O&M”) services offered, and preferred suppliers (amongst others).

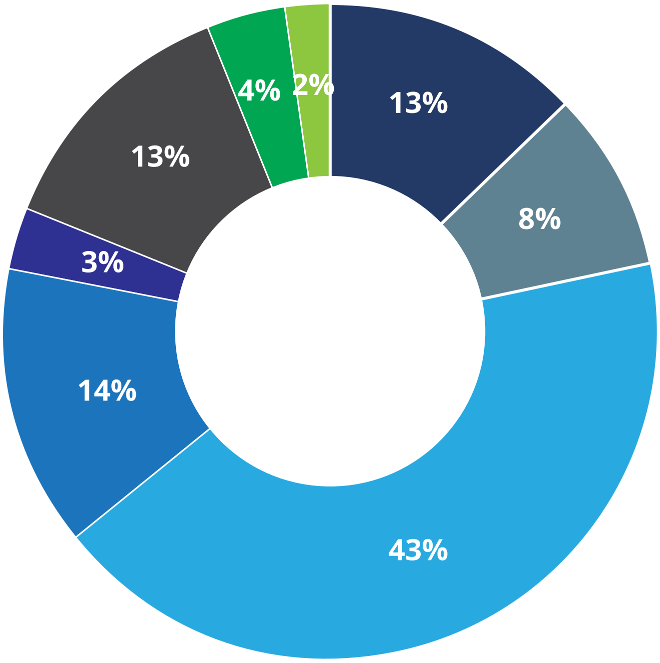
Methodology

Jaltech conducted the survey, which was promoted through various media partners and direct communication channels. None of the respondents were remunerated for their participation, however, participants were entered into a lucky draw to win a prize.

Survey Results

MARKET FOCUS

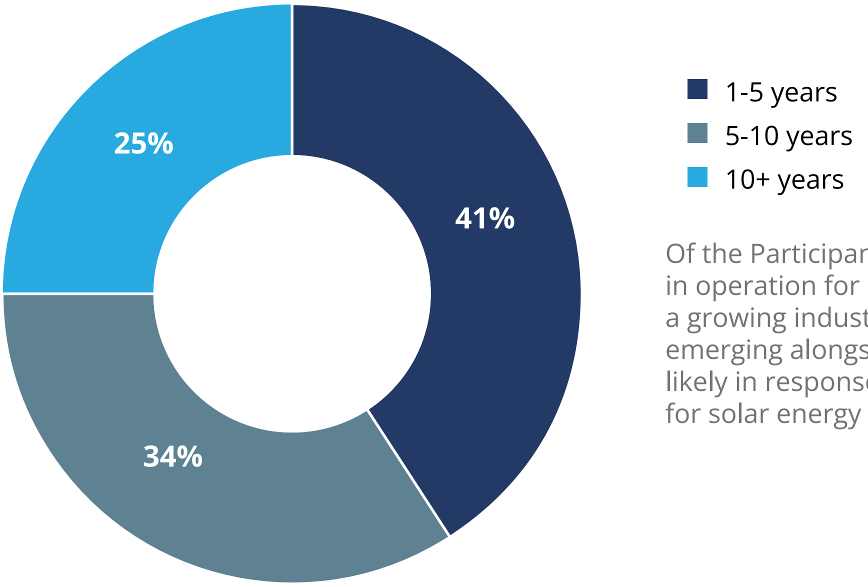
The below chart demonstrates the specific sector focus and/or overlap by the Participants.



- C&I
- C&I, Large scale solar / IPP
- C&I, Residential
- C&I, Large scale solar/ IPP, Residential
- C&I, Large scale solar/ IPP
- Residential
- Large scale solar/IPP, Residential
- IPP (Independent Power Producer)

The data shows that over 70% of Participants focus their business across multiple sectors of the market rather than specialising in just one sector. The largest group operates in the Commercial & Industrial (C&I) and Residential sectors. While some companies focus on Large-Scale Solar and Independent Power Producers (IPP), these remain smaller niche markets, likely due to the complexity and high investment required.

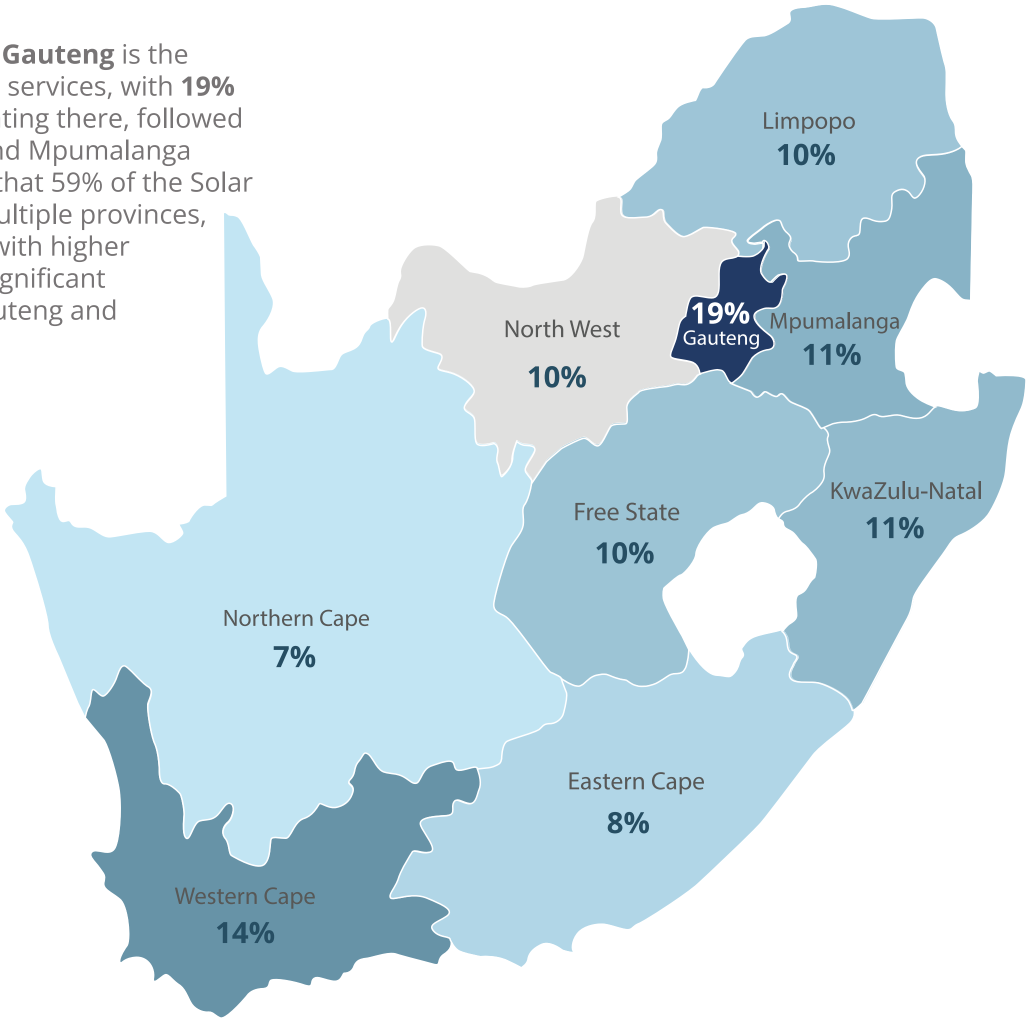
YEARS OF EXPERIENCE



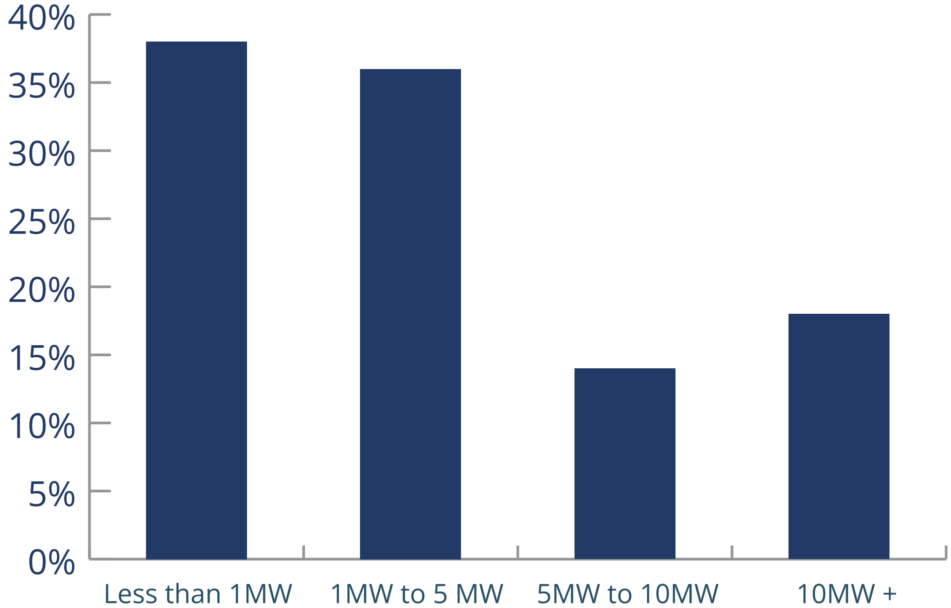
Of the Participants surveyed, 41% have been in operation for 5 years or less. This reflects a growing industry, with newer companies emerging alongside more established firms, likely in response to the growing demand for solar energy solutions.

OPERATIONAL FOOTPRINT

The results demonstrate that **Gauteng** is the most active province for solar services, with **19%** of the Solar Companies operating there, followed by the Western Cape (14%) and Mpumalanga (11%). It is important to note that 59% of the Solar Companies operate across multiple provinces, focusing strongly on regions with higher population density or more significant industrial activity, such as Gauteng and the Western Cape.



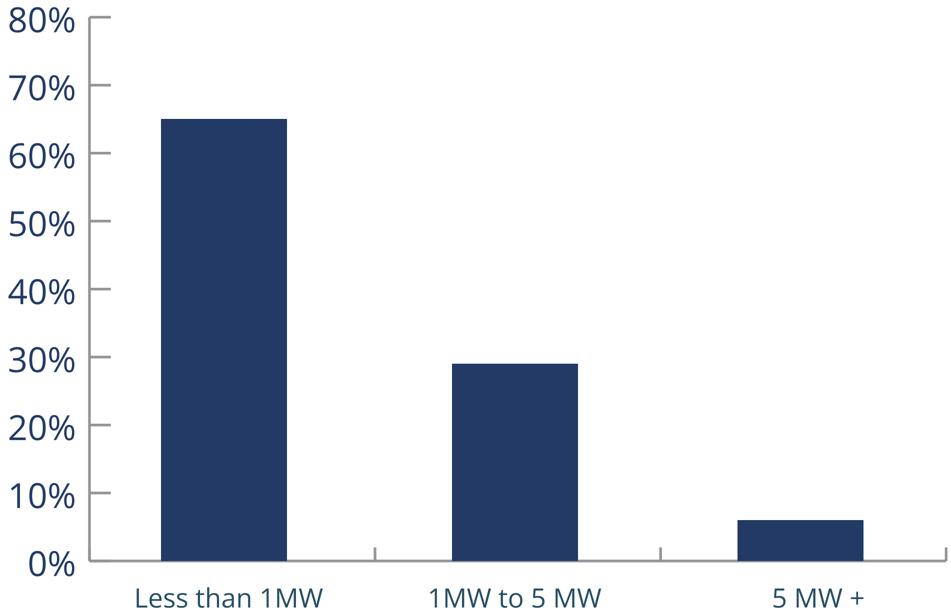
MEGAWATTS (MW) OF PV INSTALLED IN 2023



38% of the Solar Companies installed less than 1MW of photovoltaic (PV) capacity in 2023, and **36% installed between 1MW and 5MW.**

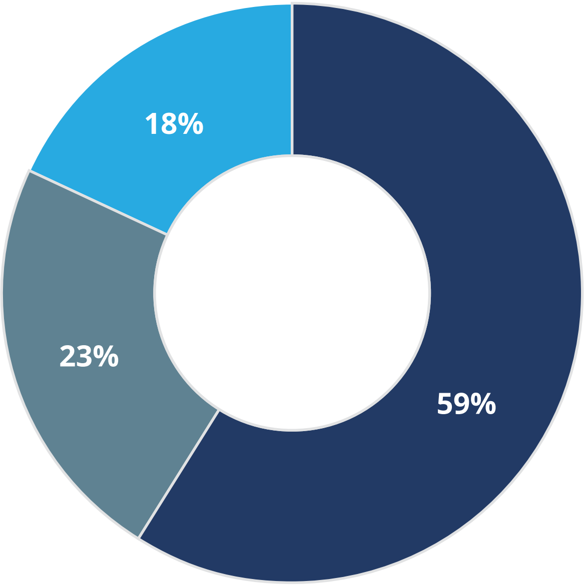
This indicates most installations are small—to medium-sized projects. While there is some activity in large-scale solar projects, it is no surprise that the market is primarily driven by smaller installations.

LARGEST SOLAR INSTALLATION DURING 2023



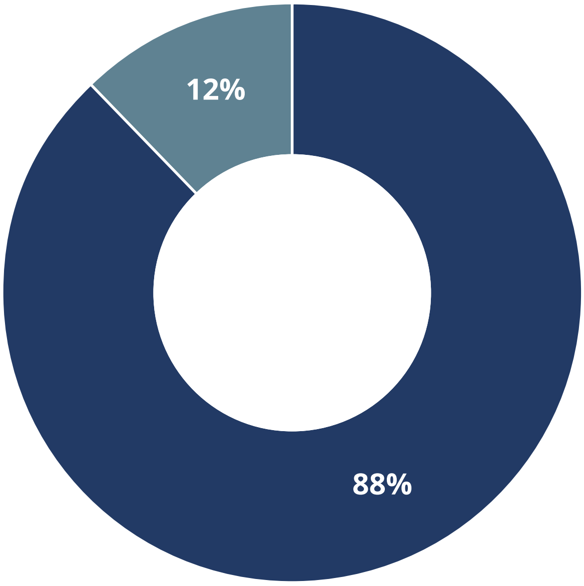
Based on the survey data, the majority of respondents **(65%)** reported that their largest single installation in the past 12 months was **less than 1MW**. While only 6% managed installations exceeding 5MW. This distribution suggests that most projects are relatively **modest in scale**, with larger installations being less common.

PERCENTAGE OF DEALS AFFECTED BY CUSTOMER FUNDING ELIGIBILITY



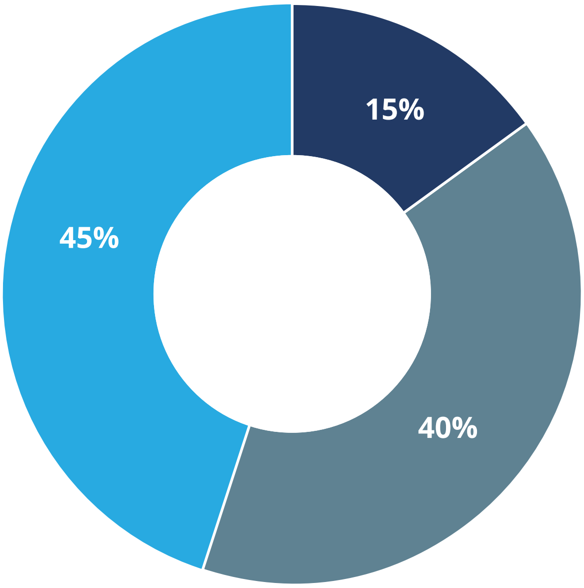
Most respondents (59%) report that less than 25% of deals fall through due to customers failing to qualify for funding, indicating that funding qualification is not a significant obstacle for most businesses/deals.

OPERATIONS AND MAINTENANCE (O&M) SERVICES PROVIDED



88% of the Solar Companies surveyed provide O&M services, indicating that these services are standard offerings within the industry..

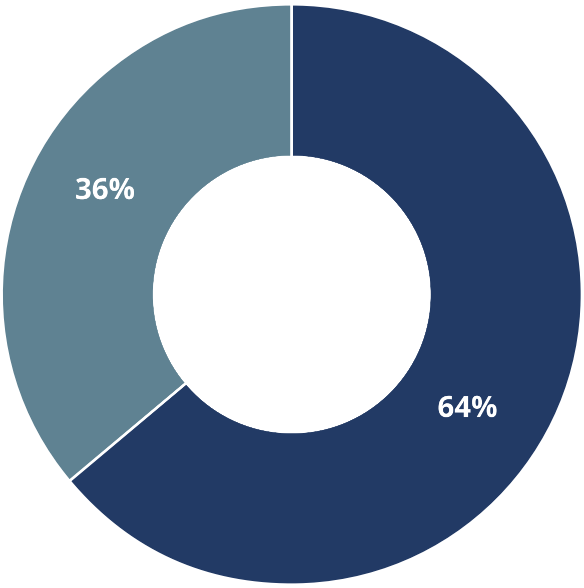
MAIN REASONS FOR OFFERING O&M SERVICES



- Sales support and ensuring customer satisfaction
- Significant source of income
- Critical to securing the deal

45% of the Solar Companies primarily offer O&M services to secure deals, positioning themselves as a “one-stop shop” and highlighting the strategic importance of O&M services when acquiring business.

USE OF EXTERNAL PROVIDERS FOR O&M SERVICES

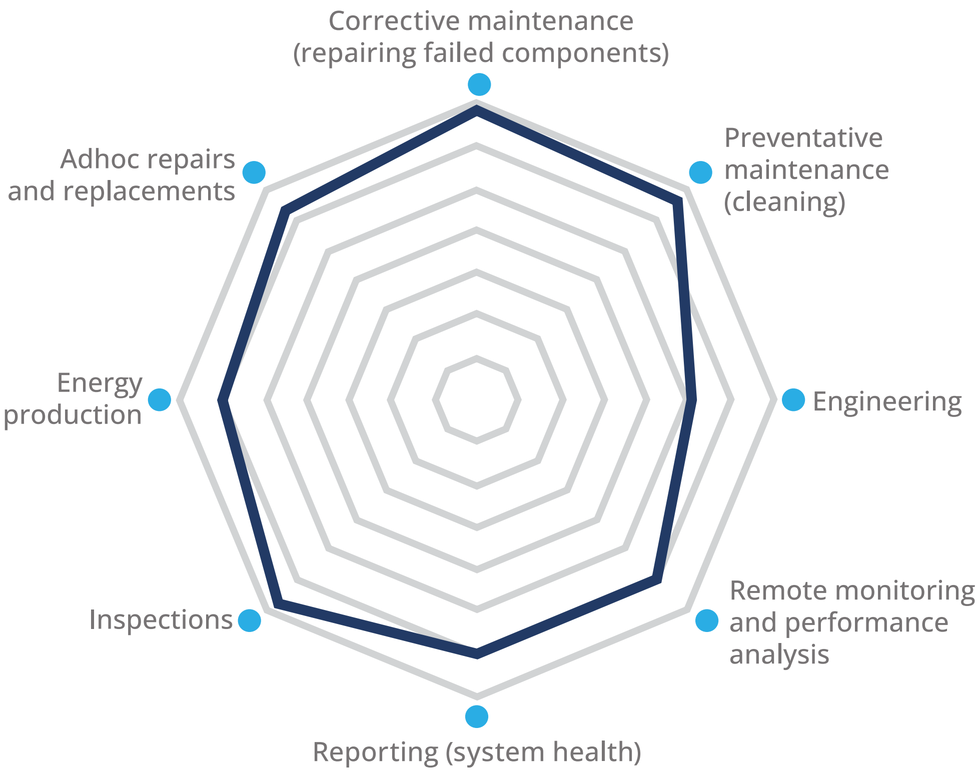


- No
- Yes

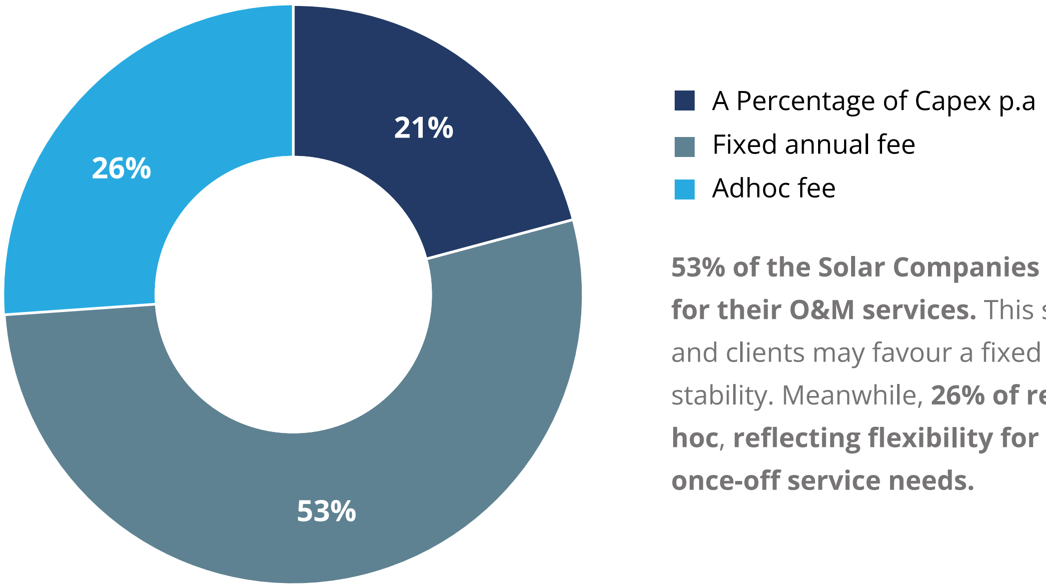
The survey results reveal that **64% of the Solar Companies** do not outsource any aspect of their O&M services, suggesting a preference for handling O&M internally to **maintain control over quality and service delivery.**

O&M SERVICES PROVIDED

Companies offer a **wide variety of O&M services**, with no single service standing out as the primary offering in the results.

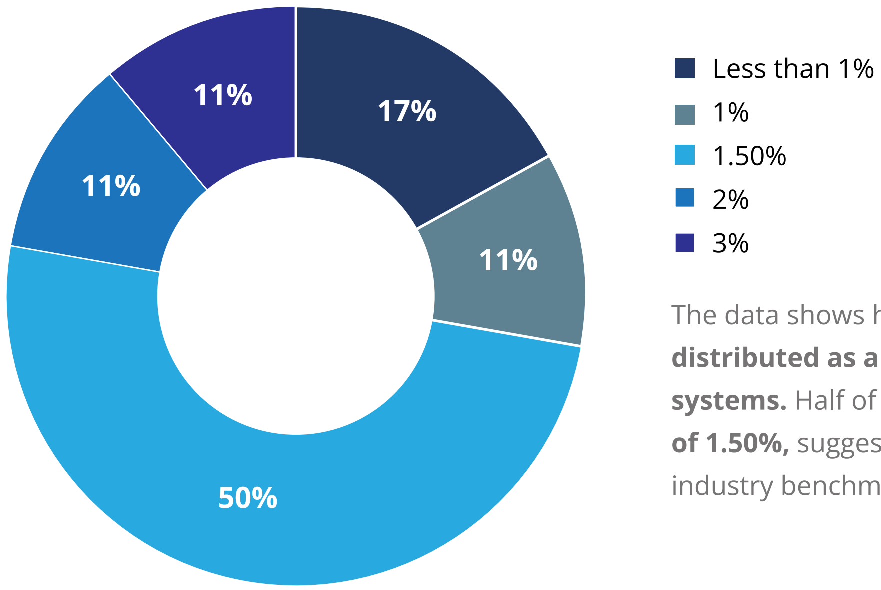


O&M SERVICE PRICING MODELS



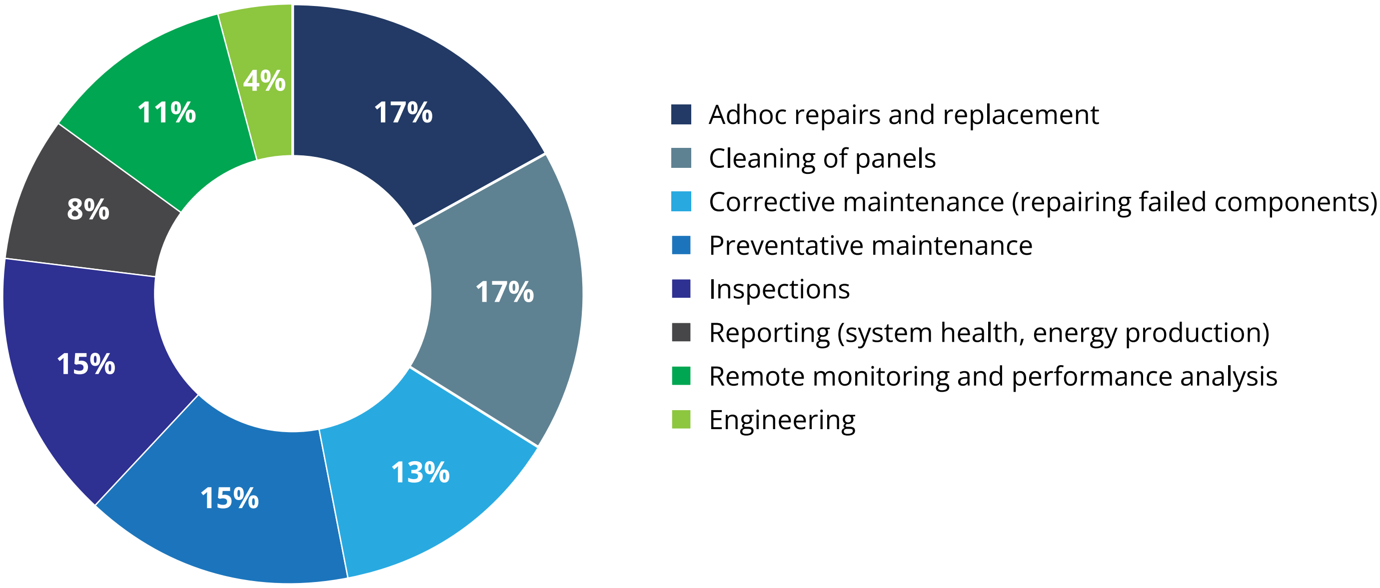
53% of the Solar Companies prefer a **fixed annual fee for their O&M services.** This suggests Solar Companies and clients may favour a fixed fee's predictability and stability. Meanwhile, **26% of respondents charge ad hoc**, **reflecting flexibility for handling irregular or once-off service needs.**

AVERAGE ANNUAL O&M FEE AS A PERCENTAGE OF SOLAR SYSTEM



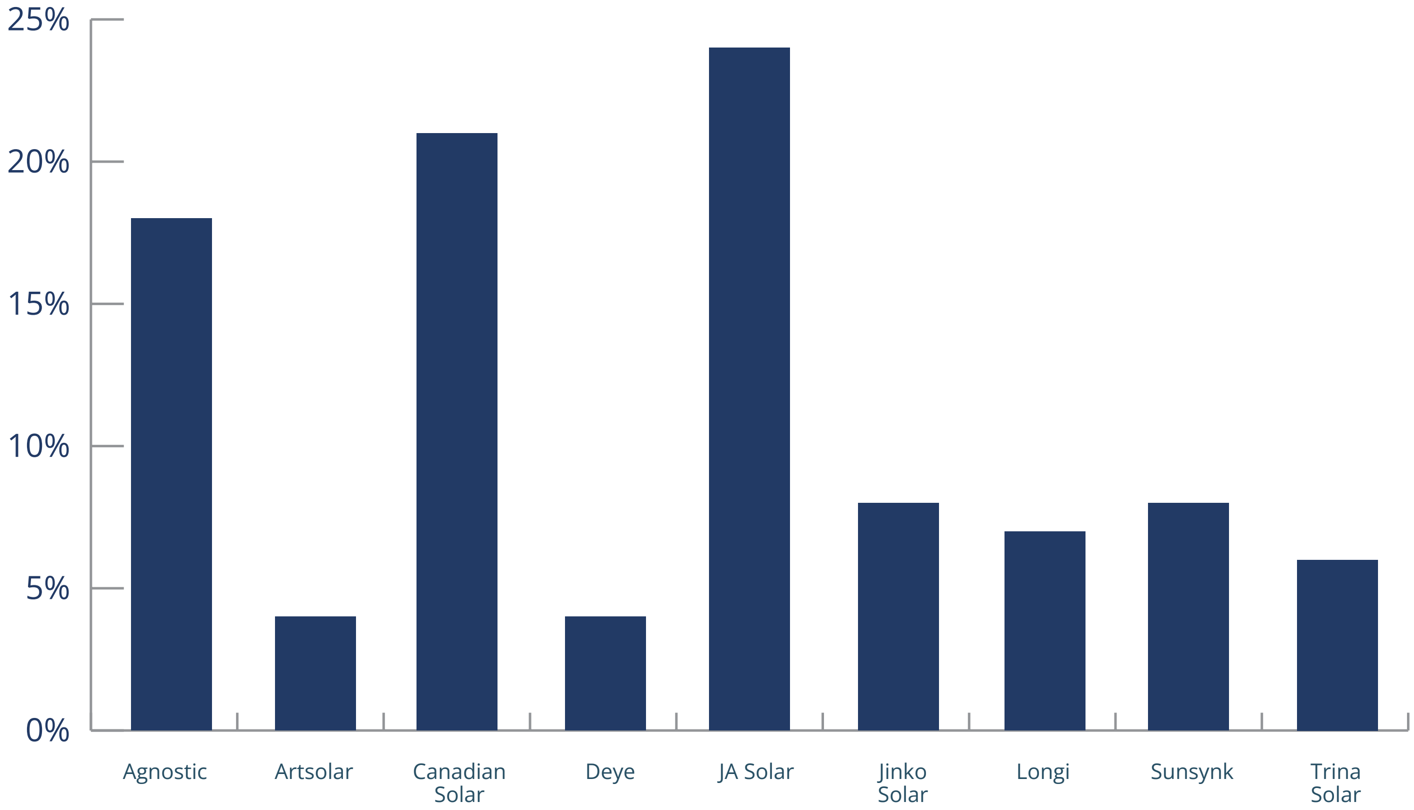
The data shows how average **annual O&M fees are distributed as a percentage of the value of solar systems.** Half of the respondents report an **O&M fee of 1.50%,** suggesting this rate is a standard industry benchmark.

OUTSOURCED ASPECTS O&M



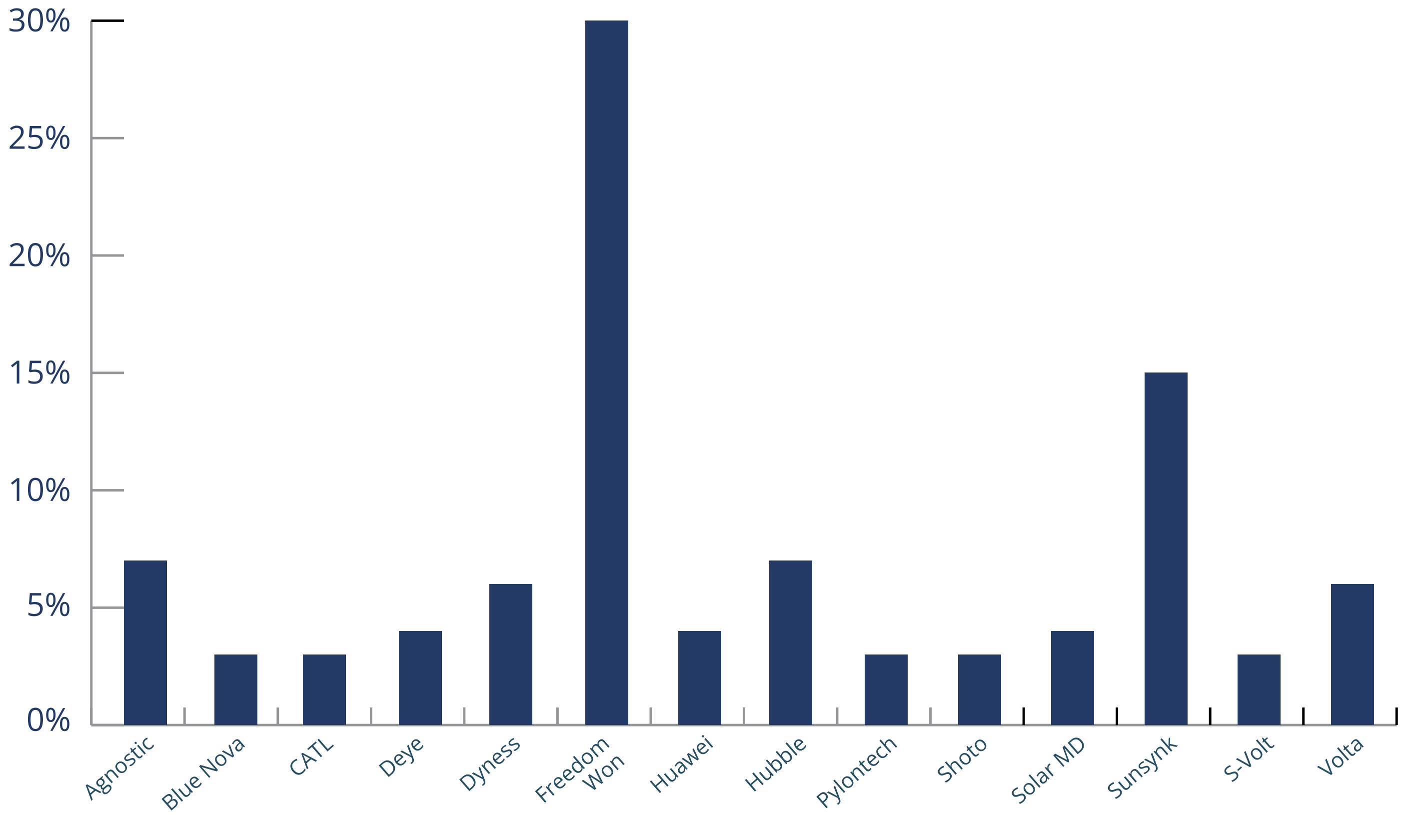
The survey results reveal diverse approaches to **outsourcing O&M services among Solar Companies**. The most outsourced services are **ad-hoc repairs and replacements (17%) and panel cleaning (17%)**. Corrective and preventative maintenance are also widely outsourced by 28% of companies. In contrast, engineering services, reporting, remote monitoring, and performance analysis are less frequently outsourced. This distribution highlights a tendency to outsource routine and corrective tasks while keeping more specialised functions in-house.

PREFERRED BRAND OF PV



The data reveals a diverse preference for photovoltaic (PV) brands, with a significant lean towards a few leading names. JA Solar is the top choice, favoured by 24% of respondents. Canadian Solar follows closely. 18% of the Solar Companies remain brand-agnostic.

PREFERRED BRAND OF BATTERY



The survey data on preferred battery brands reveals a distinct preference for certain brands while showing a broad range of options for others. Freedom Won stands out as the leading choice. Sunsynk also shows significant support. 8% of respondents are brand-agnostic, reflecting a degree of flexibility in battery selection.

JALTECH

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Founded in 2010, Jaltech is a boutique fund manager within the alternative investment market, with over R2 billion+ under management across 2500+ retail investors.

(+27) 11 880 0950

info@jaltech.co.za

Unit 19, 1 Melrose Blvd, Melrose Arch

www.jaltech.co.za