

°Project Bundling in B2C Energy Efficiency Investments

Excursus: Who is Thermondo?



What is the problem we want to solve?

- There is a **lack of energy efficiency investments** in a **B2C** (= private home owner) context
- **One factor** causing this is the **scarcity** of customer friendly **financing options**
- This scarcity is mainly caused by the following factors
 - **High heterogeneity** and complexity of investments
 - **Small tickets sizes** and hence low attractiveness for banks
 - **High transactions costs** due to high complexity

Project bundling is a potential solution to this problem

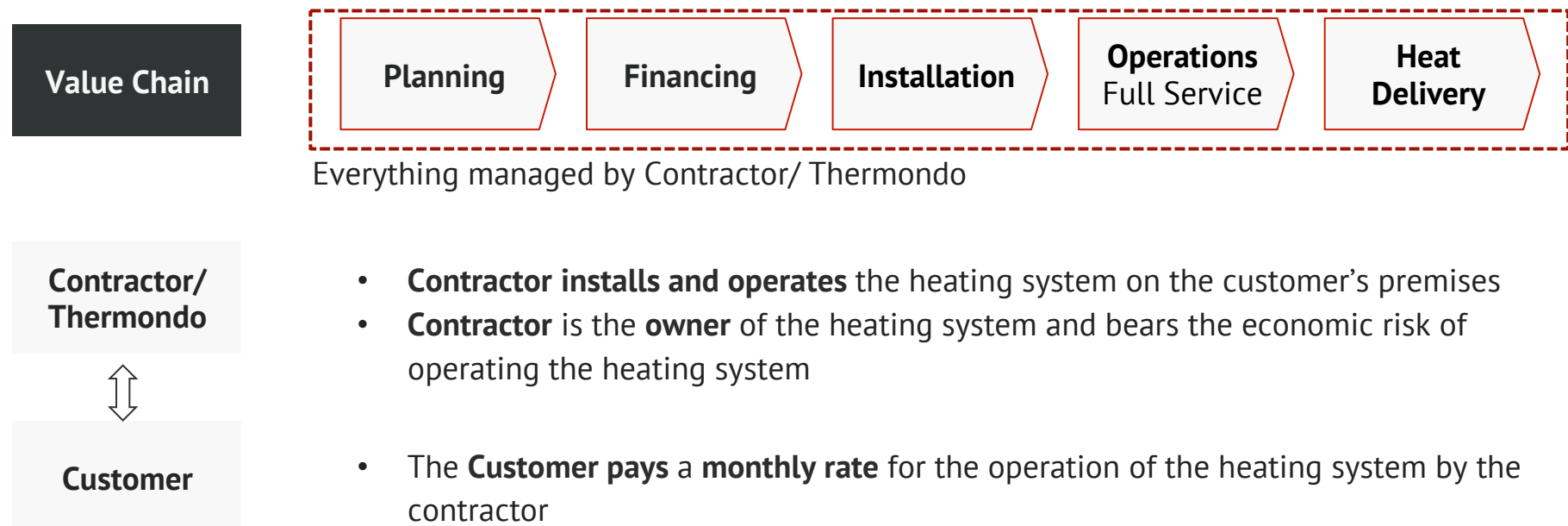
- **Project bundling** refers to the bundling of small, homogenous energy efficiency projects
- These small projects are then **collectively financed** by one larger loan
- Project bundling partially **addresses** the problem of **heterogeneity and complexity** in B2C energy efficiency transactions
- **Transaction costs** for customer and **financing costs** remain **unsolved** by regular project bundling

Thermondo has developed an innovative project bundling solution

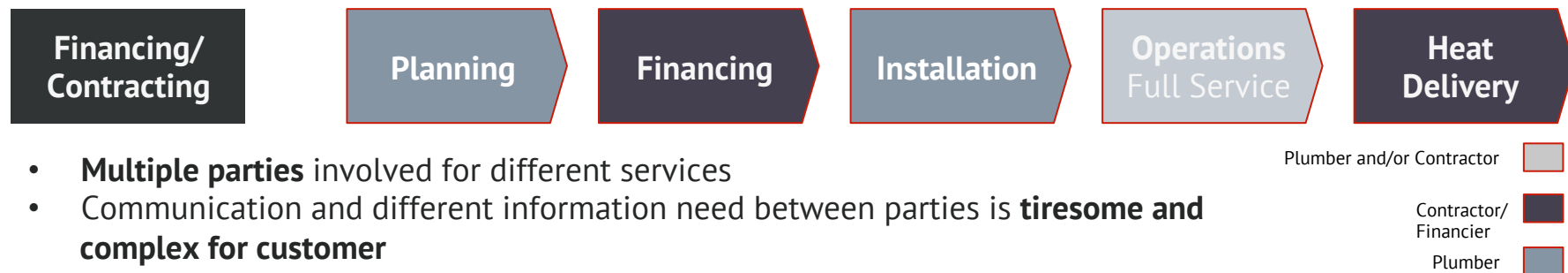
- Thermondo has developed a solution („Thermobdo 365“) for **heating system** renewals that **combines project bundling** with **public promotion programmes** for the customer's benefit
- What is **special** about this solution?
 1. It is a **one-stop-shop solution** and is hence more comfortable for the customer
→ **lower transaction costs**
 2. It **incorporates public promotion** programmes and is hence cheaper
→ **lower financing costs**
 3. This solution is based on **Contracting** („heat lease“)

Excursus: What is Contracting?

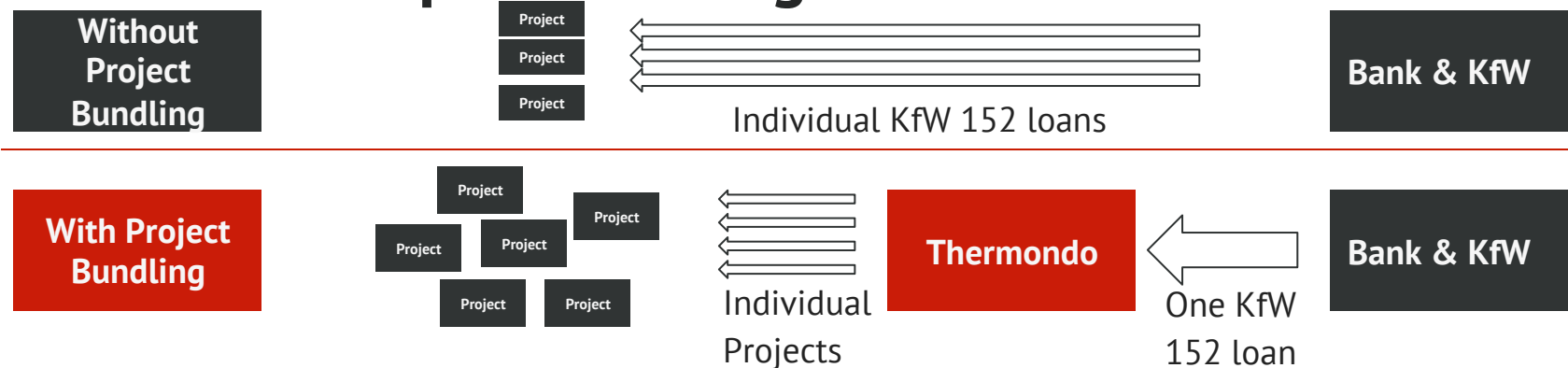
Heating system Contracting means that **all tasks** related to the **installation** and **maintenance** of a new heating system are performed by the contractor:



Thermondo is a One-Stop Shop for the entire B2C Contracting Value Chain for private customers



Project bundling and public promotion programmes enables cheaper financing costs



- **KfW 152** is an attractive **promotional loan** for heating system renewals offered by KfW
- Individual KfW152 loans are **often not economically viable** for banks due to high process costs
- **Thermondo bundles multiple projects** on a company level and **provides all services necessary** to receive KfW152 loan (incl. energy consultant, solvency and technical and legal feasibility check)

→ **Private customers make use** of the **promotional loan** via Thermondo and have a **lower monthly rate**

Thermondo 365 enlargens the market for B2C heating system renewals in Germany

- **Easier:** Thermondo as a one-stop-shop provides an easy way to access financing for a heating system renewal
- **Cheaper:** KfW152 financing enables people to renew their heating system which might otherwise not have been able to do it

First results: **It does enlargen the market**

→ 10 contracts were sold in the first week

→ **5 out of these 10 had previously canceled/ postponed their installation** because they were not able to obtain financing

The results and proof

- 10 new customers – in the first week alone
- Out of these 10 – 4 were previously unable, too lazy to modernize their heating system

→ Thermondo 365