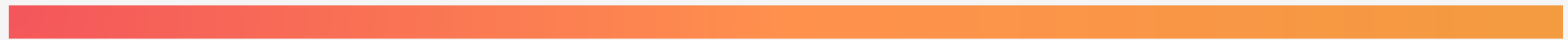


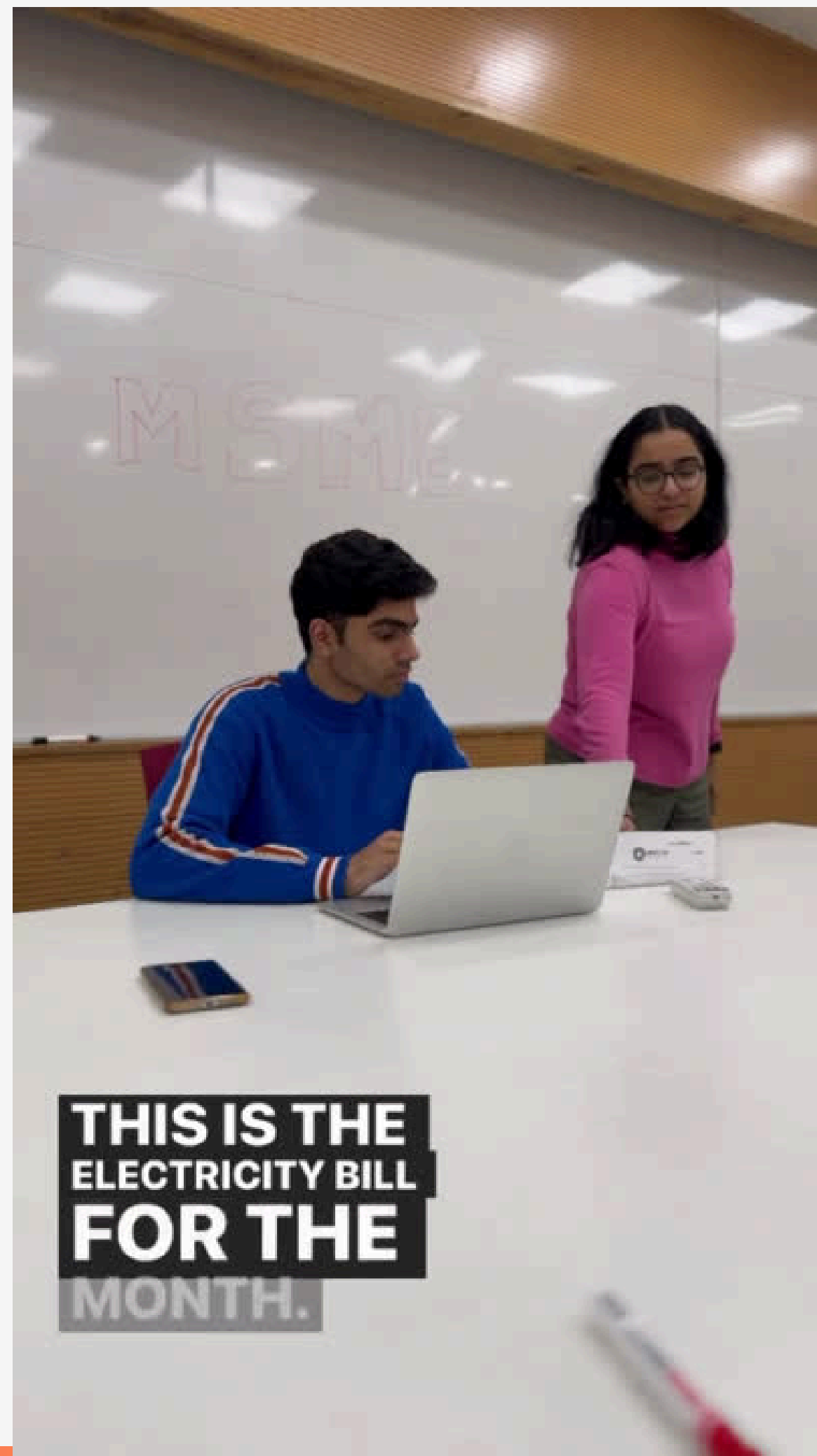


AEREM



# Aerem Solutions

**Tech Platform Driving Solar RT Finance, Marketplace & Solutions**



# Problems

01

The Glaring Product Gap: Lack of Financing for Rooftop Solar in MSMEs

02

The Broken and Fragmented Ecosystem Significant Hurdle for Existing Banks.

03

No organized secondary marketplace for systems/components

# Solution: Integrated tech platform

01

Asset Finance

02

B2B Online Market Place

03

Installer Portal and AMC Platform

# Vision

Our mission is to be India's premier supplier of distributed solar asset and supply chain financing. We also aim to establish ourselves as a technology platform leader for financing distributed solar on a global scale.

# Background



## Fintech and the Renewable Energy Industry

# The Industry & Future Prospects



**TAM**  
~US \$70 bn

**SAM**  
~US \$8.0 bn

- **Government Initiatives:** Continued support from the government, like the International Solar Alliance (ISA), can boost cleantech-FinTech collaboration.
- **Innovation in Financial Models:** Expect more innovative financial products tailored to cleantech.
- **Sustainable Development Goals:** Alignment with SDGs will drive more investment.
- **Global Partnerships:** Increasing global partnerships for technology and financial exchange.
- **AI and Big Data:** These technologies will enhance risk assessment and project management in cleantech.

**Market Potential is \$200Billion just in MSME space**

# Rationale for Investment

Expanding Renewable  
Energy Market

Financial Inclusion and  
Accessibility



Proven Track Record  
and Strategic Positioning

Government Support  
and Incentives

# Analysis of Customer Behavior

**Cost-Sensitivity:** Customers are likely to prioritize savings provided by solar solutions.

**Technological Adoption:** Customers are becoming more and more comfortable with digital platforms for financial transactions and asset management.

**Environmental Consciousness:** A growing segment of customers is increasingly interested in sustainable energy solutions and environmental consciousness.

**Financing Needs:** Accessible and tailored financing solutions are in high demand for solar installations.

## POSSIBLE CUSTOMER SEGMENTS

- **Micro, Small, and Medium Enterprises (MSMEs)**
- **Large Corporations and Industrial Units**
- **Residential Segments**
- **Public Sector and Government Buildings**
- **Educational Institutions and Hospitals**

# Target Consumer

## Micro, Small, and Medium Enterprises (MSMEs)

Often own their premises, making them suitable for rooftop solar installations.

This segment presents a ripe opportunity due to their significant share in electricity consumption and the potential for operational cost savings.

MSMEs often face hurdles in accessing finance for solar installations, which Aerem can address.

Proprietorship Firms

Partnership Firms

Private Limited Companies

Public Limited companies






# Unit Economics

- Average Revenue per Unit (ARPU) = Loan size \* NIM \* Loan tenure / 12 months = Rs 13.2 lakh
- Contribution margin = ARPU \* (1 - COGS percentage) = Rs 12.54 lakh
- Payback period = Loan size / (Contribution margin - Fixed costs) = 4.90 months
- Life Time Value = ARPU \* (1 + Loan renewal rate) / (1 - Customer retention rate) = Rs 18.15 lakh
- Customer Acquisition Cost (CAC) = ARPU \* Churn rate / Customer retention rate = Rs 52.8 lakh
- LTV/CAC Ratio = LTV / CAC = 0.344

Assumptions:	
<b>Average loan size</b>	Rs 55 lakh (5 lakh-1 crore)
<b>Loan tenure</b>	48 months (36 months to 60 months)
<b>Net Interest Margin</b>	6%
<b>Customer retention rate</b>	20%
<b>Loan renewal rate</b>	10%
<b>COGS</b>	5% of loan size
<b>Fixed costs</b>	10% of annual revenue
<b>Churn rate</b>	Uniform across all segments'

# Unit Economics-Analysis



The contribution margin of Rs 12.54 lakh shows a healthy profit margin per loan, considering variable costs.

The payback period of 4.90 months is relatively short, indicating the efficiency of the business model in recovering acquisition costs.

The LTV/CAC ratio of 0.344 indicates that the company obtains customers at a cost that is less than their lifetime value. This highlights the potential for long-term profitability.

# Marketplace: Gamechanger

## Benefits to Supplier (Manufacturer)

Access untapped markets

Improve Brand Visibility

Higher Sales

Marketing Platform

Secure Payment

Special offerings

## Aerem Market Place

- Eliminates the middle layer of distributors and re-sellers
- Transparent prices
- Quality and standardization
- Timely delivery and fulfillment

## Benefits to Buyer (Installers)

Access to Quality Material

Better Price

Transparency

Fast Delivery

Secured Payments

One Stop Solution

# Founding Team

## Aerem is worth Investing in because of the Founding team:

- Anand Jain is the Founder and CEO with 20 years of experience in solar and financial services. He has worked with organizations like Lehman/Barclays, ICICI, KPMG, and SunEdison.
- Praphul Sinha is a CTO with over 16 years of experience as a technology expert. He has built a strong team of 100+ engineers and is focused on delivering great online customer experience while driving tech innovations and product process.



**Anand Jain**

## Triple bottomline impact and ESG compliant

01

### Environmental benefit:

1MW of solar per year offsets  
~1,300 tonnes of CO<sub>2</sub>= ~65,000  
fully grown trees

02

### Financial performance:

Multiple monetization  
opportunities

03

### Social benefit:

Improved competitiveness  
for SMEs and more business  
for Installers

# EXIT OPTIONS

## Initial Public Offering (IPO)

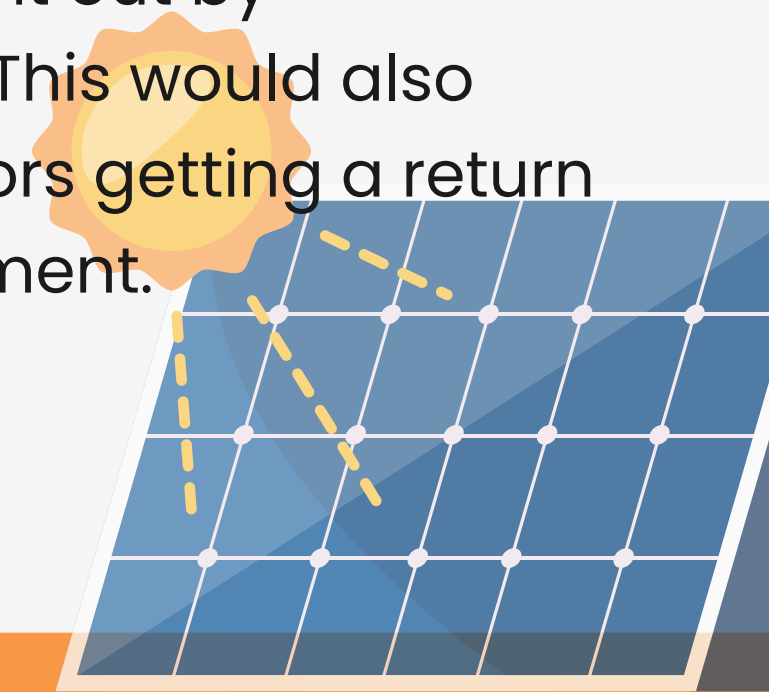
Aerem has the potential to go public and offer shares if the company shows consistent growth, profitability, and has a scalable business model. Investors could benefit from significant returns upon the sale of shares after the IPO.

## Merger with Another Company

Merging with a similar or complementary company is a good option if synergies can significantly enhance value or market position. Investors can benefit from shares or cash from the merged entity, with potential for increased value from synergies.

## Management Buy-Out (MBO)

The management team purchases the company from existing investors. Given that Aerem has a strong founding team with a passion for business. It can be bought out by Management. This would also result in investors getting a return on their investment.



# Risk Mitigants: Downside risk limited



## Asset Profile

- Assured savings make the loan inherently secure.
- Significant reduction in operating expenses and increase in earnings for SMEs.
- Electricity is an essential input, not a discretionary expense.
- Short project gestation period (2-3 months) minimizes construction risk.



## Pre-Disbursement

- Only owned locations are eligible for rooftop solar installations.
- End-use is ensured through direct payment to installers.
- Robust credit assessment based on cash flow
- Assessment of electricity bills provides historical data on cash flow.



## Post-Disbursement

- Self-financing: Savings generated exceed loan EMIs 3-fold.
- High credit scores (79+) incentivize timely repayments.
- Remote plant shutdown capability allows for prompt action in case of delinquency.
- Aerem interventions ensure quality (AQS).

**Thank You**