**CapEnergyInsights™ · Outside-In Deep Dive**

# Readiness Diagnostic — Kestrel Thermal

*Framework v1.0 | Tier A, Outside-In Deep Dive (scored from public sources only, multi-source verified, no company-provided data)*

| | | | |
|---|---|---|---|
| PREPARED FOR | the founders of Kestrel Thermal | PREPARED BY | Capital Energy |
| EVIDENCE DATE | July 30, 2026 | DATABASE RECORD | locked, 346-company benchmark |
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| EDITION | SAMPLE EDITION · Independent research and analytical opinion. Prepared as a worked example of Step 1 of the Capital Energy process. | | |

THE CAPITAL ENERGY PROCESS

| STEP 1 *this report* | STEP 2 *Sample Report 2* | STEP 3 *Sample Report 3* |
|---|---|---|
| Outside-In Deep Dive | Inside Review | Peer Comparison |

**ABOUT THIS SAMPLE.**

Kestrel Thermal is a composite. Its story, its numbers, and its sources are drawn from real companies and real events in the CapEnergyInsights™ database, and then mixed. Names, places, and identifying details have been changed to protect every company involved. The benchmark figures (the 346-company database, the accelerator and sector averages, and the stage bands) are real. The company is not, but everything that happens to it has happened to someone.

**HOW TO READ THIS EDITION.**

An Outside-In score is what the public record supports today: what an investor, a journalist, a customer, or an AI search summary would conclude in the first ninety seconds. It is not what the company knows about itself. The distance between the two is the perception gap, and Step 2 of the process (the Inside Review) measures it. Sample Report 2 shows that step, and Sample Report 3 places the company among its peers.

IN THIS REPORT

# 01 WHAT TO DO NEXT

**We lead with what to do. The evidence follows.** Every Capital Energy report opens with the moves, ordered by leverage (points moved per unit of founder time), because that is the page founders read twice. The score, the benchmark, and the category-by-category evidence behind each move are in Sections 02 through 05. Numbers 1 through 3 below are website and disclosure work. Numbers 4 through 6 ride on relationships that already exist.

| # | THE MOVE | WHY IT IS THE LEVER | SCORE IT MOVES | WHEN |
|---|---|---|---|---|
| 1 | **Pick one message and put the owner in it.** Lead with the building owner's problem (a boiler that is expensive to run and impossible to replace mid-winter), then the promise (the heat pump carries the load, the boiler stays as backup). Retire the other two taglines. | The single largest gap between what the company does and what a stranger understands. Three messages read as no message. | Message 5 to 6.5 · Story | This month |
| 2 | **Bring the pilot numbers home.** The 22 percent gas reduction and the 91 percent heat pump share belong on the homepage with the utility named as the sponsor, not in a PDF two clicks past a state agency search page. | Search engines and AI summaries answer from the company's own pages first. Right now the best evidence in the record is invisible to them. | Commercial 6 to 6.5 · Technical holds at 7 · Story | This month |
| 3 | **Shape the capital story before someone else guesses it.** One line on the investor surface: what the pre-seed and the grant funded, and what the next round is for. Announce the grant properly. | Silence on capital is read as distress by the people whose read matters most. A stated plan converts the same facts into discipline. | Capital 4 to 5 | This month, ahead of any raise |
| 4 | **Turn two building owners into named references with numbers.** A property manager quoting their own gas bill is worth more than any spec table. | The story lands as an engineering story today. Owners make it a business story. | Story 5 to 6.5 · Commercial | Next 60 days |
| 5 | **Publish the pricing model, not necessarily the price.** Hardware per building, software per unit per month, and what the utility incentive covers. | A buyer who cannot find a price assumes they cannot afford it. A pricing model answers the question without committing the number. | Commercial 6.5 to 7 | Next 60 days |
| 6 | **Name the install network.** The two-day certified install is a fear until the partner is visible. The partner exists. | Deployment friction is the objection a skeptic raises second. Showing the partner and the install count answers it. | Pilot 6 to 6.5 | Next quarter |

# 02 THE BOTTOM LINE

| OVERALL | CONFIDENCE | CAPITAL STRATEGY READ |
|---|---|---|
| **5.7** / 10 | **High** | **Watch** |

**Where Kestrel stands (346-company database):**

- above the top of the Seed stage band (4 to 5.5)
- at the full-database mean (5.7) and above the accelerator mean (5.6)
- below the buildings-sector mean (6.0) and the Tier A deep-dive average (6.2)
- one of the strongest technical records in the Seed set, paired with one of the weakest capital signals.

*An average company overall, and nothing about it is average by category.*

**Key takeaways:**

**The engineering is ahead of the story.** A utility-funded pilot across eight buildings produced a published interim result (a 22 percent reduction in winter gas use, with the heat pump carrying 91 percent of heating hours above 20°F), a conference paper co-authored by the CTO, a patent application with a cited number, and UL-listed hardware. That is a Series A technical record on a Seed-stage company.

**Nobody would know it from the website.** The homepage runs three different taglines (one about decarbonization, one about savings, one about comfort), the pilot results live in a PDF on a state agency site, and the customer the product actually serves, the owner of a 5 to 50 unit building with an aging boiler, is never addressed directly.

**The capital signal is the risk an outsider sees first.** A $1.4M pre-seed closed in February 2025. Seventeen months later there is no disclosed follow-on, the two engineering postings that were open in the fall are closed, and the only new money on the record is a $250K state grant. None of that proves anything about runway. All of it reads as runway to a skeptic, and the company is not shaping that read.

**Real commercial traction exists, in the wrong place.** Twelve buildings across two states, a housing authority letter of intent, and a named installation partner are all findable, but only by someone who already knows to look.

**The bottom line:** Kestrel Thermal is a Seed company with a verified product and an unverified story. The score is a floor. Four of the seven categories can move within a quarter without a single new engineering result, because the evidence already exists and simply is not on the public surface.

# 03 DIAGNOSTIC SCORECARD, FRAMEWORK v1.0

*Capital Strategy Read legend. OK: funding structure matches business model and stage. Watch: a structural capital risk worth monitoring. Rubric and stage bands are in Appendix A. Scores are locked to the database record. New evidence since the evidence date appears in Section 05.*

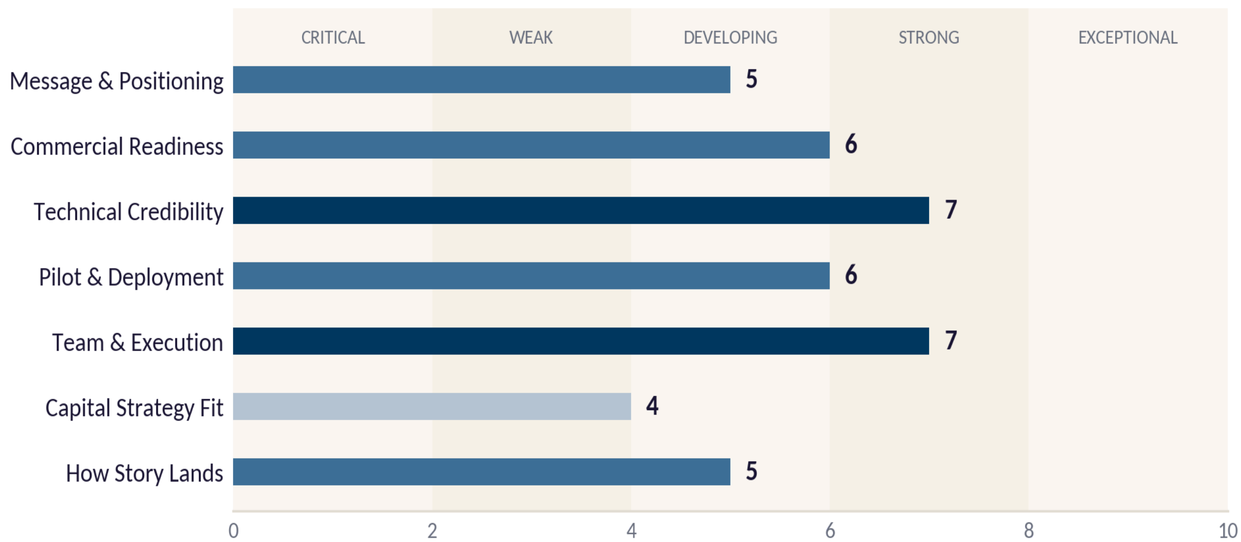


*Figure 1. Seven category scores against the Framework v1.0 rubric bands. Kestrel Thermal is Strong in two categories, Developing in four, and Weak in one.*

| CATEGORY | SCORE | WHY THIS SCORE / WHY IT MATTERS | BENCHMARK |
|---|---|---|---|
| **1. Message & Positioning** | 5 DEV. | **Why this score:** three competing taglines, an engineer's vocabulary ("hybrid hydronic sequencing" appears above the fold), and no named customer.<br>**Why it matters:** the product is easy to explain and the company is not explaining it. This is the cheapest point on the board. | Buildings sector 6.0 |
| **2. Commercial Readiness** | 6 DEV. | **Why this score:** twelve buildings live across two states, a housing authority letter of intent disclosed in the accelerator profile, and a named installation partner. No public pricing, no public volume, no public revenue.<br>**Why it matters:** the record supports a real business at small scale. What is missing is a way for a buyer to self-qualify. | Peer stratum ~5.5 |
| **3. Technical Credibility** | 7 STRONG | **Why this score:** a utility-sponsored eight-building pilot with published interim results, a conference paper, a patent application with a cited number, and UL-listed components.<br>**Why it matters:** this is the category most Seed hardware companies fail, and Kestrel passes it. The remaining gap is a full-winter result and a third-party measurement of the cold-day cutoff. | Cluster avg ~7, matched |

| CATEGORY | SCORE | WHY THIS SCORE / WHY IT MATTERS | BENCHMARK |
|---|---|---|---|
| **4. Pilot & Deployment** | 6 DEV. | **Why this score:** installs are real and documented, but each takes two days and a certified contractor, and the record shows one partner in one state.<br>**Why it matters:** the pilot loop works. The scaling question, who installs building 100, is unanswered in public. | — |
| **5. Team & Execution** | 7 STRONG | **Why this score:** two named founders with directly relevant backgrounds (nine years running utility efficiency and heat pump programs, twelve years in building automation), six people on the team page, two named advisors.<br>**Why it matters:** the bench is credible and visible. The only gap is that no one on it is named for sales. | Above cluster |
| **6. Capital Strategy Fit** | 4 WEAK | **Why this score:** a disclosed $1.4M pre-seed (February 2025) and a $250K state grant. No disclosed follow-on seventeen months later, engineering postings closed since November, and a hardware inventory need the current capital does not visibly cover.<br>**Why it matters:** the pattern reads as runway pressure to any outsider. The company may well be fine, but the record does not say so. | Watch |
| **7. How Story Lands** | 5 DEV. | **Why this score:** a skeptic's ninety-second read is "serious engineers, real pilot, unclear customer, quiet on money." The founders' origin (a utility program manager who watched heat pump rebates go unused in the buildings that needed them most) is on a podcast, not on the site.<br>**Why it matters:** the story exists and is good. It is told everywhere except where people look. | — |

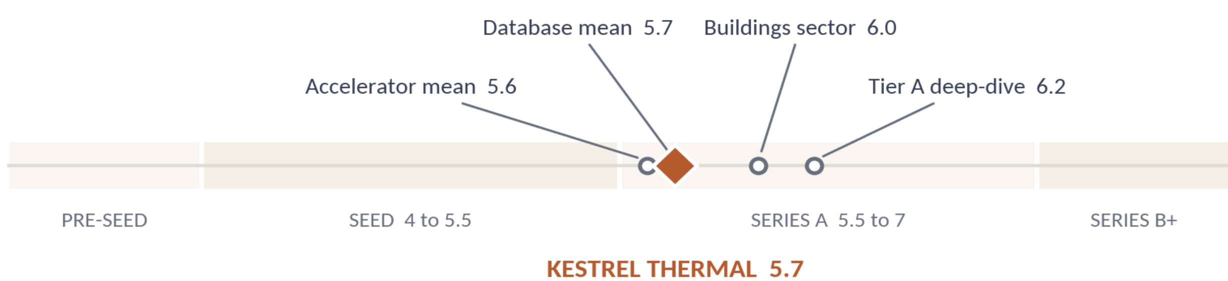


*Figure 2. Where the overall score sits. Above the Seed band, at the database mean, below the buildings sector and the Tier A deep-dive average.*

# 04 CATEGORY EVALUATIONS

**5** /10
DEVELOPING

## 1. Message & Positioning

The product is a retrofit control and sensor kit that lets a small or mid-size multifamily building run an air-source heat pump alongside its existing boiler, with the controller handing the load between the two by outdoor temperature and price. That is a one-sentence idea, and it is nowhere on the homepage. Instead the visitor meets three taglines in sequence (“Decarbonize the missing middle,” “Cut heating costs by 30 percent,” and “Comfort on the coldest nights”), each true, each aimed at a different reader, and none of them naming the person who signs the purchase order. The accelerator profile uses a fourth. Message discipline is the cheapest point available to this company, and it is the point most Seed hardware companies in the database leave on the table.

**6** /10
DEVELOPING

## 2. Commercial Readiness

The public record supports a business: twelve buildings under management across Massachusetts and one neighboring state, a housing authority letter of intent for a further nine buildings disclosed in the accelerator profile, a named mechanical contractor as installation partner, and a utility program relationship strong enough to fund the pilot. What the record does not support is a buyer’s ability to act on any of it. There is no price, no pricing model, no volume, no revenue signal, and no way to request a quote that is not a generic contact form. Held at 6 rather than higher because traction that a buyer cannot find is traction that does not convert.

**7** /10
STRONG

## 3. Technical Credibility

This is the category where Kestrel is ahead of its stage. The utility-sponsored pilot published interim results in January 2026 through the state clean-energy agency: eight buildings, one heating season to date, a 22 percent reduction in winter gas consumption against the prior-year baseline, and the heat pump carrying 91 percent of heating hours above 20°F. The CTO co-authored a paper on the sequencing method at a regional building-performance conference in 2025. The patent application is cited by number. The hardware uses UL-listed components. The remaining gap is real: one winter is one winter, the cold-day cutoff has not been independently measured, and the 30 percent savings claim on the homepage is higher than the 22 percent the pilot has so far produced. That inconsistency is the one item in this category a diligence reader will catch.

6/10
DEVELOPING

## 4. Pilot & Deployment Readiness

Kestrel has done the unglamorous thing and installed in real buildings with real tenants through a real winter. The pilot doubled as a data program, which is why the results exist at all. The deployment question is what happens after the pilot: each install takes about two days, requires a certified contractor, and the only named partner works in one state. The housing authority letter of intent is the first test of whether the model scales past the founders' own supervision. No public evidence yet on either side.

7/10
STRONG

## 5. Team & Execution Signals

Two founders, both named, both with careers that explain the company. The CEO spent nine years running efficiency and heat pump incentive programs at a regional utility and has said on a podcast that the company exists because she watched rebates go unused in exactly the buildings that needed them. The CTO spent twelve years in commercial building automation. The team page shows six people and two advisors, one from the utility side and one from HVAC distribution. The execution record (a funded pilot, a published result, and a patent filing inside thirteen months of the pre-seed) matches the resumes. What is missing is anyone named for sales or customer success, which is the hire the commercial score is waiting for.

4/10
WEAK

## 6. Capital Strategy Fit

The disclosed capital is a $1.4M pre-seed announced in February 2025 in the regional business press and a $250K state grant listed on the agency's award page. The record then goes quiet. Seventeen months on, there is no follow-on round, the two engineering postings that were live in the fall of 2025 have closed, and a hardware business with a nine-building order in front of it has an inventory need that a $1.4M pre-seed does not obviously cover. The outside-in read is unavoidable: this looks like a company nearing the end of its first runway. It may not be. Grant funding, pilot revenue, or a quiet bridge could all be true. The score reflects what the record shows, and the record shows nothing, which is why this is the category the company should address first with words rather than money.

5/10
DEVELOPING

## 7. How the Story Lands

A skeptic finishes their ninety seconds respecting the engineering and unsure what to do next. There is no customer to identify with, no price to react to, and a silence on capital that invites the wrong assumption. The origin story, which is the best asset the company has for a non-technical reader, is available only to someone who finds the podcast. The two exit questions are "who is this for?" and "are they going to make it?" Both are answerable today with content the company already has.

# 05 WATCH FLAGS AND VERIFICATION NOTES

| SEVERITY | FINDING |
|---|---|
| MED | **Capital pattern reads as runway pressure.** Pre-seed seventeen months old, no disclosed follow-on, engineering postings closed since November 2025, grant funding the only new money. Treat capital status as unknown rather than as distress. The fix is disclosure, not a round (move 3). |
| MED | **Savings claim ahead of the evidence.** The homepage states “cut heating costs by 30 percent.” The published pilot result is a 22 percent reduction in gas consumption, which is not the same measure. A diligence reader will find both numbers within five minutes. Align the claim to the evidence or label it as a design target. |
| LOW | **Pilot result is interim.** Eight of twelve buildings, one heating season, no independent measurement of the cold-day cutoff. Consistent with a genuine result, not yet a proven one. |
| LOW | **Install dependency.** One named installation partner in one state. The housing authority letter of intent is the first test of the model beyond that partner. |
| LOW | **Message drift across surfaces.** Four different taglines across the homepage, the accelerator profile, and the press. None wrong, none consistent. Move 1. |
| INFO | **Nothing to flag on IP or components.** Patent application cited by number and UL-listed hardware are both unusual at this stage and both verified. |

*No finding in this run contradicts the locked scores. The evidence is consistent with a technically strong Seed company that has not yet decided who it is talking to.*

# 06 MOMENTUM, MARKET TIMING, AND OUTLOOK

**Momentum read: positive on the evidence, flat on the surface.** The company produced its best public asset (the pilot result) in January and has not used it. The most recent change to the website in the record is a team page update in the fall. The momentum is real, but none of it is visible yet.

**Market momentum:** the market is moving toward Kestrel on three fronts. Municipal building-performance standards in its home market now put emissions limits on exactly the 5 to 50 unit buildings it serves, with the first compliance deadlines inside two years. Utility heat pump incentives for multifamily buildings were expanded again for the 2026 program year. And the winter of 2025 to 2026 produced the grid peak events that make hybrid control, rather than full electrification, the story utilities want to tell. Kestrel’s positioning names none of this.

**One caveat:** tailwinds strengthen the thesis, not the record. Nothing in the market moves the locked score. The catalysts to watch are a full-winter pilot result, the housing authority installs beginning, a disclosed round or a stated capital plan, and whether the company puts its own evidence on its own homepage.

**Next step in the process:** the Inside Review (Step 2). Two recorded working sessions with the founders, documents seen, and a second score on a parallel track that is never benchmarked against this one. The distance between the two is the perception gap, and closing it is the job.

## APPENDIX A FRAMEWORK v1.0 RUBRIC

**Scores:** 1 to 2 Critical · 3 to 4 Weak · 5 to 6 Developing · 7 to 8 Strong (evidence-backed, survives a first diligence pass) · 9 to 10 Exceptional. **Stage bands (expected overall range):** Pre-Seed 2 to 4 · Seed 4 to 5.5 · Series A 5.5 to 7 · Series B+ 7 to 9. Full category definitions available on request.

**Score track.** Outside-In (Tier A) is scored from public sources only, multi-source verified, with no company-provided data, and is the only track benchmarked against the CapEnergyInsights™ database. The Insider Perspective score produced in Step 2 lives on a parallel track and is never compared to the database.

## APPENDIX B METHODOLOGY AND SOURCE LOG

**Evidence date July 30, 2026.** Sources are real in kind and anonymized in name. Company website (homepage, product page, team page, careers page, and contact form), read July 30, 2026 · accelerator member profile (housing authority letter of intent, fourth tagline) · state clean-energy agency pilot summary, interim results, January 2026 (22 percent gas reduction, 91 percent heat pump share above 20°F, eight buildings) · state agency grant award page ($250K) · regional business-press funding note, February 2025 ($1.4M pre-seed, named lead investor) · regional building-performance trade publication profile, October 2025 · building-science podcast episode with the CEO, November 2025 (origin story) · regional building-performance conference proceedings, 2025 (CTO co-author) · USPTO application record (number cited on the product page) · archived job postings, September to November 2025 · founders' professional profiles.

**Benchmark reference.** CapEnergyInsights™ database, 346 scored companies across five climate-tech ecosystems, score locked at the evidence date. Full-database mean 5.7. Accelerator mean 5.6. Buildings-sector mean 6.0 (n=25). Pre-Seed and Seed hardware mean 5.6 (n=102). Tier A deep-dive average 6.2. Scores are analytical opinions based on public sources, not investment advice, ratings, or recommendations.

**Disclosure.** Capital Energy conducts independent outside-in research from public sources. This sample edition is a composite built from real companies and real events in the database, with names, places, and identifying details changed. No single company is depicted. The benchmark figures are real.