



Smart Financing for Homeowners

July 2023



Ashish Kashyap

CEO and Founder

ashish@scrollfinance.com



SCROLL 

is building the embedded finance
layer for the decarbonisation of the
built environment.

UK homes are the least well-insulated in Western Europe, causing 21% of total carbon emissions.

Old and uncomfortable - some home truths*

- Over half of all UK homes were built pre-1965.
- 19m homes (over 60%) are rated below the minimum acceptable standard (EPC rating 'C').
- A typical home loses 3°C every 5 hours.
- c.9% of annual household income is spent on energy.

* Source: "Insulation Nation" report



The massive Net Zero policy push is leading to development of the retrofit market.

Significant government commitment

- Target to achieve EPC rating C by 2035 (2025 for privately rented properties), at estimated cost of £300bn.
- Over £5bn funding has been committed under various schemes, primarily targeted at social housing and low-income households in least-efficient properties.

* Source: TrustMark



Significant upfront cost is the biggest hurdle for homeowners considering retrofit and home improvement.

The funding challenge:

- Significant upfront costs (5K - 25K) with long payback (over 10 years)
 - Available options include a 6-12 week mortgage process or an expensive and unaffordable personal loan; several customer segments can access no financing option.
 - Disjointed customer journey between financing and retrofit.
-



"Audit" challenge is restricting Green capital investment to fund retrofits.

Why investors are worried about Greenwashing?

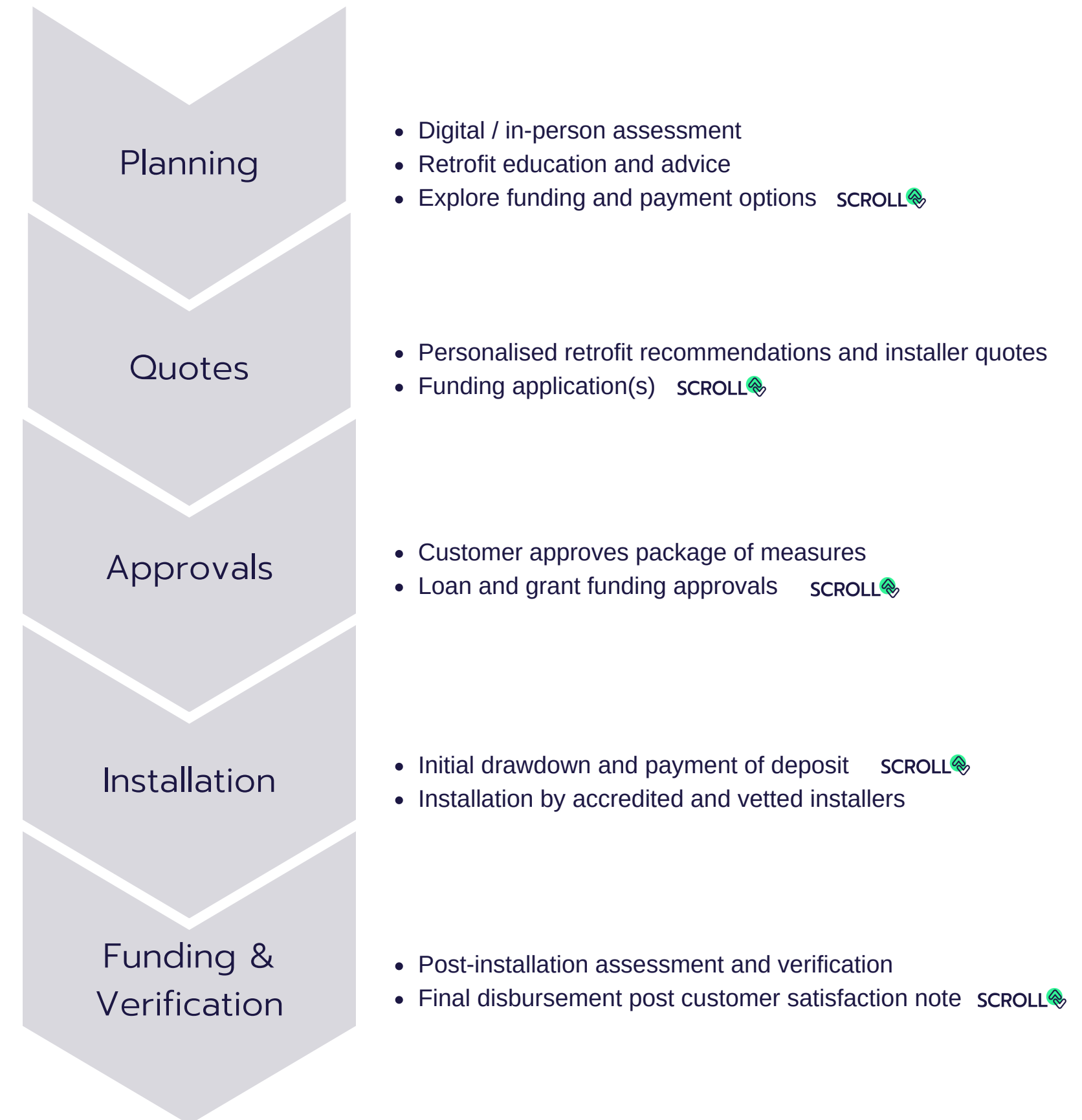
- Lenders struggle to verify funds have been used for Green purposes
- "Point-of-sale" finance products are limited to single intervention (Solar or Heat Pumps)
- Lenders struggle to measure improvements for the customer



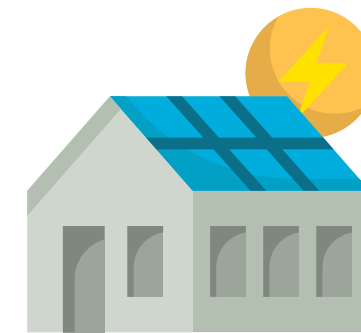
Scroll embeds financing in the installer's customer journey, giving homeowners confidence at every stage.

Scroll's embedded finance solution

- Frictionless customer journey + Point-of-sale / Real-time
- Offered through our partners (Green vendors and installers, financial advisers and lenders) in existing customer journeys; expected to increase sales conversion by 30%+
- "One-stop-solution" including assessment, install and assurance, through our integrated partnerships - attractive option for banks and other mortgage lenders to consider for their loan portfolios



Scroll removes financial complexity and barriers for customers and partners.



=

SCROLL 

Tools, technology, and support for all stakeholders

- Scroll works with financial institutions, regulators, payment networks, and intermediaries so that customers and partners don't have to



Scroll offers very affordable financing products, including flexible home equity loans.

Cheap and flexible financing

- Wide range of funding solutions, through Scroll's partnership with other lenders
- Mixing government grants (income and property based) with loans improves ROI and extremely appealing to homeowners
- Cheaper solutions - 5-10% over life of loan
 - reduced intermediation costs (2-5%)
 - access to "impact" funds (up to 1% p.a.)

Home Equity Line of Credit (HELOC)
a cheaper, more affordable way to finance retrofits

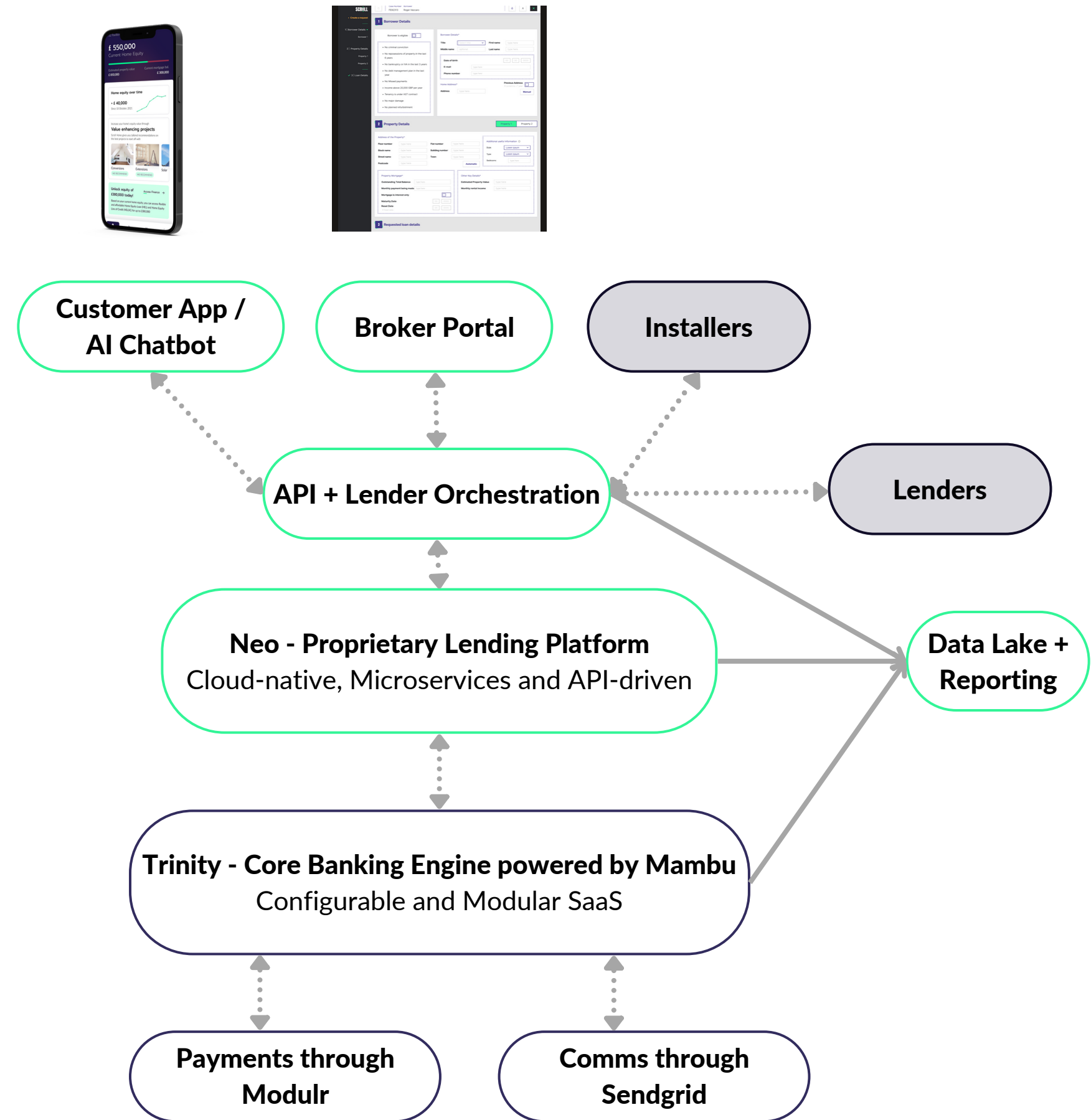
| | Personal Loan | HELOC |
|--------------------|---------------|------------------|
| Security | Unsecured | Mortgage |
| Typical APR | 13-15% | 7-9% |
| Term | up to 7 Years | up to 25 years |
| Loan Size | up to £25,000 | up to £1,000,000 |
| Features | | |
| Flexible drawdowns | X | ✓ |
| Debt Consolidation | X | ✓ |

In a survey of about 4,000 homeowners, over 2.5x preferred Scroll's HELOC product over a Personal Loan product to finance energy efficiency home improvement measures.

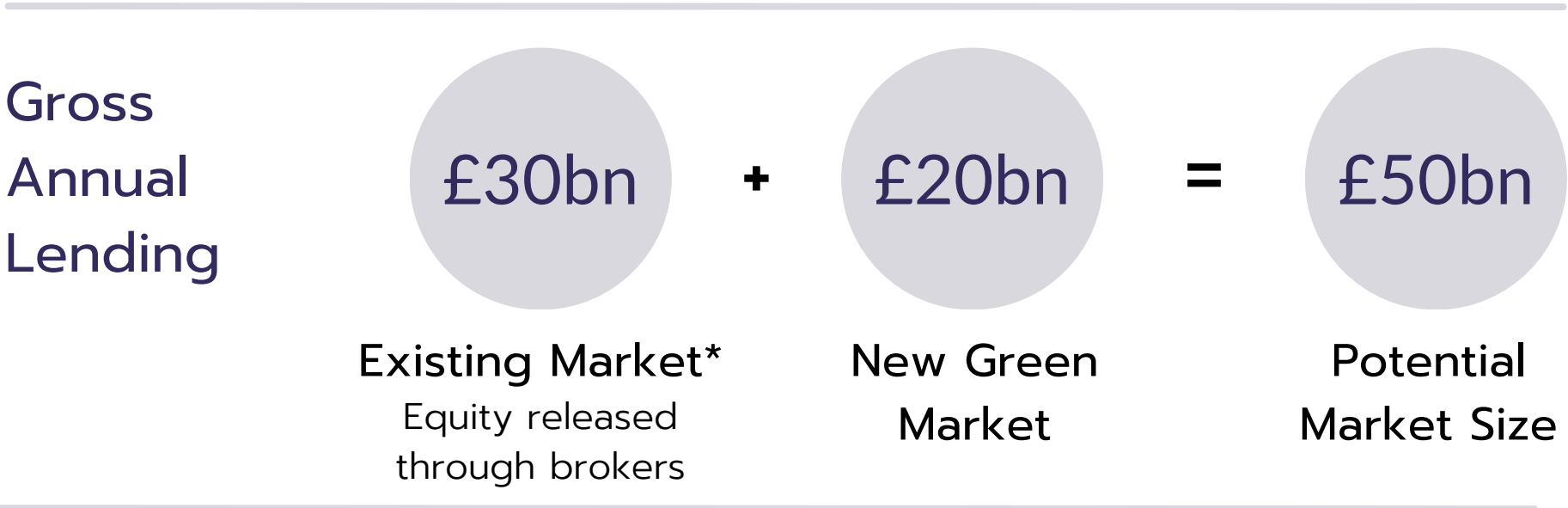
Our best-in-class Tech Stack underpins all innovation at Scroll.

Tech's role at Scroll

- Instant decision and completion in 1-5 days (vs 6-12 weeks for other secured lenders)
- Flexible drawdowns and fixed rate term (vs 2-year and 5-year fixed rate loan products)
- Machine-learning models driving pricing and underwriting steps

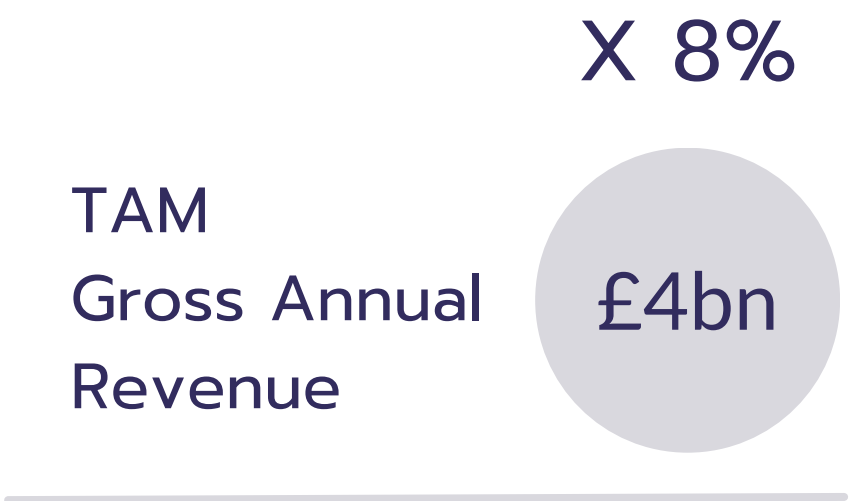


Significant market opportunity - c.£4.0bn TAM (UK)



Some facts on market size

- UK homeowners have £8.0 trillion equity in their homes.
- Over £200bn green investments required to retrofit UK homes
- About £30bn annual home equity lending through intermediaries
- Take-rate of c.8% for asset-light "platform" business model



* includes lending by banks and specialist lenders through cash-out re-mortgage, further advance, second mortgage, bridging and lifetime mortgage products; excludes Green Mortgage products which are typically lending for purchase of energy-efficient new-build homes.

Scroll has launched as a home equity lender, and is rapidly building the "embedded finance" solution for its Green partners

Key metrics

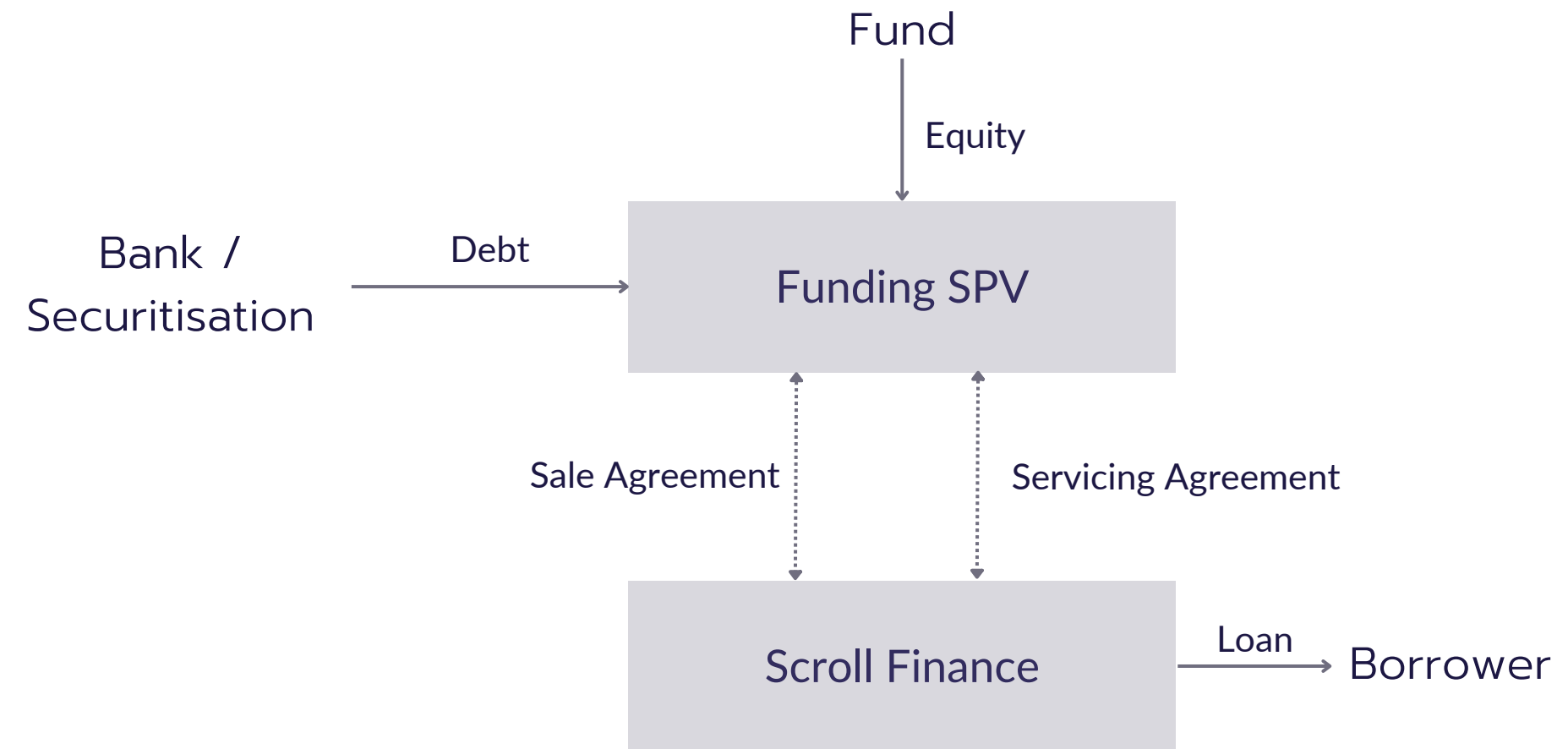
- Live with 50+ specialist mortgage brokers (c.60% of market)
- £10m+ quarterly loan applications
- £300K grant funding from UK Department for Energy Security and Net Zero, with further funding of £2m+ expected for 2024-25



We are adding scalable and capital-efficient institutional funding.

Funding transactions

- £25m forward flow funding for Green Secured Loans - terms being negotiated with an Impact fund
- £250m forward flow funding for Secured Loans (originated through intermediaries) - termsheet agreed with a UK PE Fund
- Lenders for our Embedded Finance platform
 - BNPL and personal loan lender
 - unsecured point-of-sale finance lender (wide credit range)
 - Mortgage lender with 0% Green further advance product
 - Equity release lender for 55+ years old homeowners
 - Access wider panel of lenders through our broker partner






Key terms of the forward flow

- **100% funding to Scroll.** No first-loss, working capital or other funding requirement for Scroll
- No re-underwriting by funder. Funder has approval rights over all major credit and pricing changes.

Ambitious roadmap to deepen our competitive advantage.

To achieve scale, Scroll will look to rapidly expand its ecosystem.

- Bolster our toolkit to add more value to our customers and partners
- Widen our financing range to include other underserved segments
- Deepen existing partnerships and forge new ones

| | |
|---|--|
|  Product | <ul style="list-style-type: none">• AI-powered loan matching and underwriting• Insurance-backed guarantee "wrapper"• Customer service & back-office tools• Green rewards / cashback |
|  Financing Solutions | <ul style="list-style-type: none">• Shared equity mortgages• Equity release• Un-encumbered mortgages• Green credit card |
|  Partnerships | <ul style="list-style-type: none">• Energy utilities• Financial institutions• Architects and home improvement contractors• Integrations with "one-stop shops" |

B2B2C Business model

- (a) 5%+ revenue
- (b) Zero marketing costs

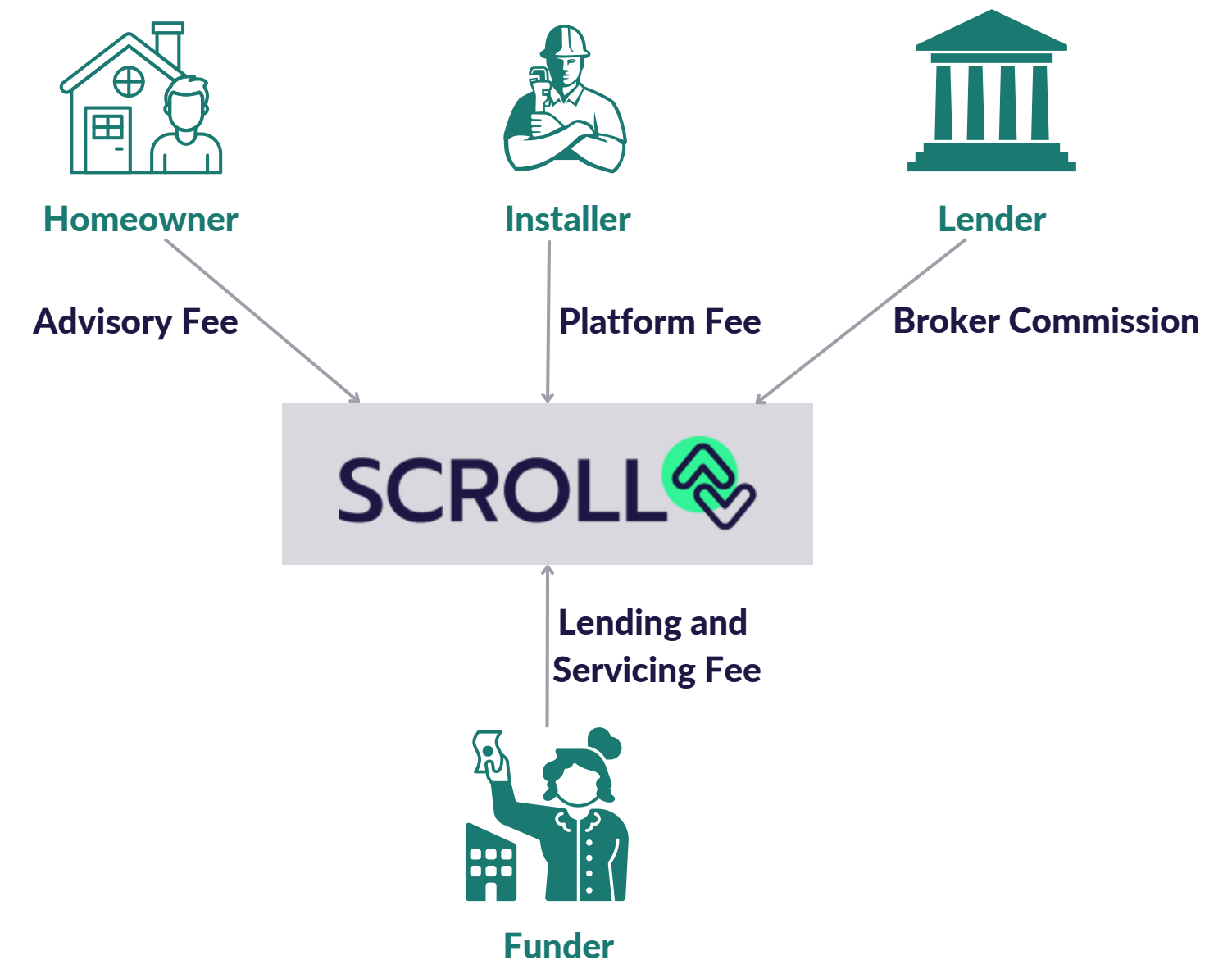
Projected revenue break-down

Embedded Finance Platform Revenue*

- Fee from installers - 2.5%
- Commission from lenders - 1.0%
- Fee from customers for financial advice - 0.6%

Lender Revenue**

- c.4.0% over life of loan, including upfront fee (1.0-1.5%), servicing fee (1.6%) and profit share (1.0-2.0%)
- earned on c.30% of cases where Scroll is lender for home equity loans



* based on ongoing discussions with partners under the GHFA projects

** based on termsheet agreed for forward-flow funding

We have built a strong leadership team.



Ashish Kashyap
Founder & CEO

Investment Director, Patron Capital
Mortgages | Private Equity | Capital Markets | Tech



Vaibhav Tiwari
Founder & CPO

Head of Digital Mortgages, Lloyds
Mortgages | Digital | Fintech | Tech



Mark Hannay
Head of Operations

COO, Active Securities
Consumer Lending | Operations | Mortgages



John Webb
Head of Lending

Second Charge Mortgages Director, Paragon
Mortgages | Underwriting | Sales

Some highlights of our executives' experiences



investments in mortgage assets



peak customer accounts



total lending experience



countries experience

Investment Proposition

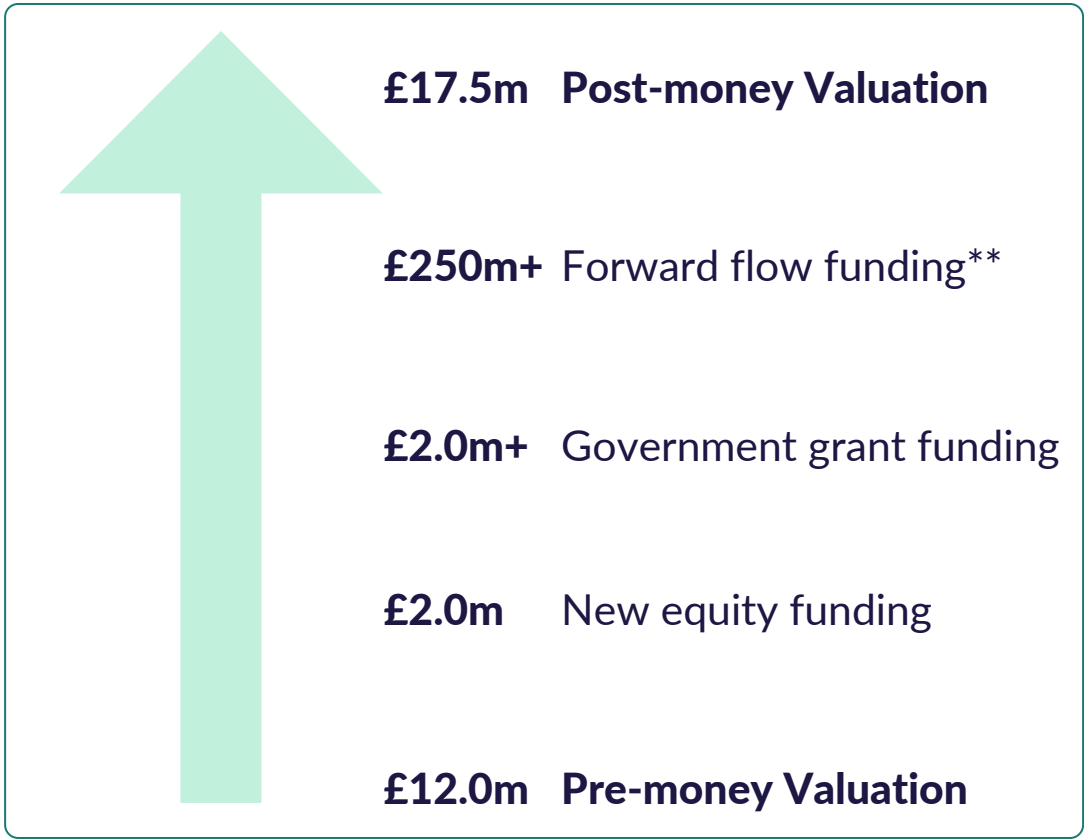
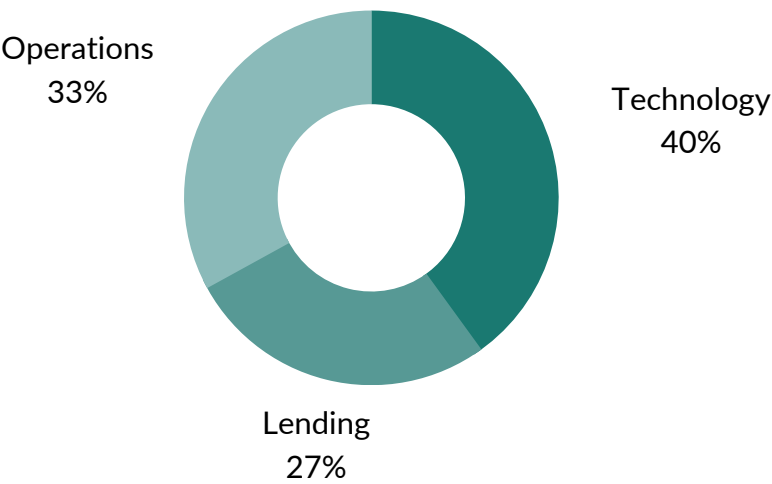
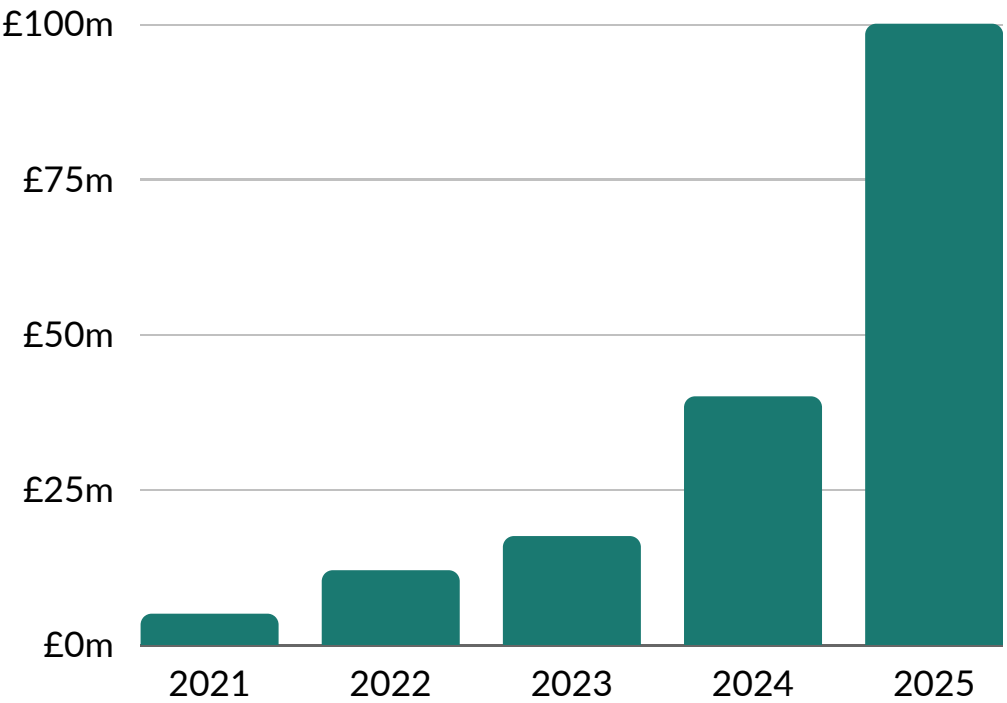
Scroll is raising a Post-Seed Round

| | | |
|-------|--------|-------------------------|
| Round | Deal | Funding |
| £2.0m | 10.8%* | B2B2C Growth Tech Dev |

| |
|---------------------------------|
| Market |
| £200bn (UK), Trillions globally |

| |
|----------------------------|
| Sector |
| Fintech Lending Impact |

| |
|--------------------------------|
| Investment Type |
| Impact ClimateTech Fintech |



* fully diluted, including c.5% ESOP
** funder receives c.20% equity



Smart Financing for Homeowners

Come and join us on our journey.

For any further information, please contact us:

ashish@scrollfinance.com

3rd Floor, One Vine Street, London W1J 0AH
