

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2025
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission File Number 001-40143

Better Home & Finance Holding Company
(Exact name of registrant as specified in its charter)

Delaware **93-3029990**
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1 World Trade Center
285 Fulton Street, 80th Floor, Suite A
New York, NY 10007
(Address of Principal Executive Offices, including zip code)
(415) 522-8837
(Registrant’s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A common stock, par value \$0.0001 per share	BETR	The Nasdaq Stock Market LLC
Warrants exercisable for one share of Class A common stock at an exercise price of \$575.00	BETRW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of August 4, 2025, there were 9,350,264 shares of Class A common stock, 4,503,553 shares of Class B common stock and 1,437,545 shares of Class C common stock of the registrant issued and outstanding.

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Part I - Financial Information

Item 1. Financial Statements

BETTER HOME & FINANCE HOLDING COMPANY AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30,	December 31,
	2025	2024
<i>(Amounts in thousands, except share and per share amounts)</i>		
Assets		
Cash and cash equivalents	\$ 87,134	\$ 211,101
Restricted cash	10,645	24,416
Short-term investments	134,390	53,774
Mortgage loans held for sale, at fair value	447,738	399,241
Loans held for investment (net of allowance for credit losses of \$2,801 and \$1,667 as of June 30, 2025 and December 31, 2024, respectively)	420,566	111,477
Other receivables, net	30,936	17,549
Assets held for sale	9,071	10,411
Property and equipment, net	1,923	2,717
Right-of-use assets	4,818	1,387
Internal use software and other intangible assets, net	21,273	20,936
Goodwill	24,765	23,615
Derivative assets, at fair value	5,248	2,539
Prepaid expenses and other assets	33,354	33,894
Total Assets	\$ 1,231,861	\$ 913,057
Liabilities and Stockholders' Equity/(Deficit)		
Liabilities		
Warehouse lines of credit	\$ 371,189	\$ 244,070
Convertible Notes	—	519,749
Senior Notes	200,409	—
Customer deposits	482,360	134,130
Liabilities held for sale	6,932	6,116
Accounts payable and accrued expenses (includes \$111 and \$74 payable to related parties as of June 30, 2025 and December 31, 2024, respectively)	63,782	48,134
Escrow payable and other customer accounts	376	74
Derivative liabilities, at fair value	2,402	—
Warrant and equity related liabilities, at fair value	1,751	1,407
Lease liabilities	6,032	4,081
Other Liabilities	20,071	13,466
Total Liabilities	1,155,304	971,227
Commitments and contingencies (see Note 12)		
Stockholders' Equity/(Deficit)		
Common stock \$0.0001 par value; 66,000,000 shares authorized as of June 30, 2025 and December 31, 2024, and 15,274,145 and 15,168,795 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	2	2
Notes receivable from stockholders	(9,160)	(9,158)
Additional paid-in capital	2,077,303	1,863,288
Accumulated deficit	(1,997,193)	(1,910,366)
Accumulated other comprehensive income/(loss)	5,605	(1,936)
Total Stockholders' Equity/(Deficit)	76,557	(58,170)
Total Liabilities and Stockholders' Equity/(Deficit)	\$ 1,231,861	\$ 913,057

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BETTER HOME & FINANCE HOLDING COMPANY AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>(Amounts in thousands, except share and per share amounts)</i>				
Revenues:				
Gain on loans, net	\$ 36,772	\$ 24,229	\$ 61,348	\$ 39,881
Other revenue	3,300	2,881	7,330	5,698
Net interest income				
Interest income	14,157	9,397	24,602	18,033
Interest expense	(10,085)	(4,245)	(16,583)	(9,099)
Net interest income	4,072	5,152	8,019	8,934
Total net revenues	44,144	32,262	76,697	54,513
Expenses:				
Compensation and benefits	41,412	35,254	88,080	73,327
General and administrative	11,507	15,155	23,137	29,202
Technology	6,948	6,582	14,130	12,040
Marketing and advertising	11,140	8,531	19,827	13,085
Loan origination expense	3,923	791	6,426	3,368
Depreciation and amortization	3,535	7,990	7,510	17,064
Other expenses/(Income)	1,855	(879)	4,175	(1,062)
Total Expenses	80,320	73,424	163,285	147,024
Loss before income tax expense	(36,176)	(41,162)	(86,588)	(92,511)
Income tax expense/(benefit)	94	203	239	346
Net Loss	(36,270)	(41,365)	(86,827)	(92,857)
Other comprehensive loss:				
Foreign currency translation adjustment, net of tax	5,318	579	7,541	266
Comprehensive loss	\$ (30,952)	\$ (40,786)	\$ (79,286)	\$ (92,591)
Per share data:				
Loss per share attributable to common stockholders:				
Basic	\$ (2.39)	\$ (2.74)	\$ (5.72)	\$ (6.15)
Diluted	\$ (2.39)	\$ (2.74)	\$ (5.72)	\$ (6.15)
Weighted average common shares outstanding — basic	15,187,558	15,095,956	15,185,724	15,087,913
Weighted average common shares outstanding — diluted	15,187,558	15,095,956	15,185,724	15,087,913

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BETTER HOME & FINANCE HOLDING COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

For the Three Months Ended June 30, 2025

<i>(Amounts in thousands, except share and per share amounts)</i>	Common Stock		Notes Receivables from Stockholders	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity (Deficit)
	Issued and Outstanding	Par Value					
Balance - March 31, 2025	15,188,035	2	(9,160)	1,867,649	(1,960,923)	287	(102,145)
Gain on troubled debt restructuring (see Note 10)	—	—	—	210,044	—	—	210,044
Tax effect on gain on troubled debt restructuring	—	—	—	(4,721)	—	—	(4,721)
Stock-based compensation	—	—	—	4,617	—	—	4,617
Tax withholding upon vesting of restricted stock units	(53,884)	—	—	(286)	—	—	(286)
Shares issued for vested restricted stock units	139,994	—	—	—	—	—	—
Net loss	—	—	—	—	(36,270)	—	(36,270)
Other comprehensive income— foreign currency translation adjustment, net of tax	—	—	—	—	—	5,318	5,318
Balance - June 30, 2025	<u>15,274,145</u>	<u>\$ 2</u>	<u>\$ (9,160)</u>	<u>\$ 2,077,303</u>	<u>\$ (1,997,193)</u>	<u>\$ 5,605</u>	<u>\$ 76,557</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

BETTER HOME & FINANCE HOLDING COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

For the Three Months Ended June 30, 2024

<i>(Amounts in thousands, except share and per share amounts)</i>	Common Stock		Notes Receivables from Stockholders	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity (Deficit)
	Issued and Outstanding¹	Par Value¹					
Balance - March 31, 2024	15,111,574	2	(10,976)	1,844,859	(1,755,568)	(2,027)	76,290
Issuance of common stock for options exercised	353	—	—	1,435	—	—	1,435
Cancellation of common stock	(17,194)	—	—	—	—	—	—
Stock-based compensation	—	—	—	8,053	—	—	8,053
Tax withholding upon vesting of restricted stock units	—	—	—	(84)	—	—	(84)
Shares issued for vested restricted stock units	16,241	—	—	—	—	—	—
Settlement of notes receivable from stockholders	—	—	1,846	(1,846)	—	—	—
Net loss	—	—	—	—	(41,365)	—	(41,365)
Other comprehensive income— foreign currency translation adjustment, net of tax	—	—	—	—	—	579	579
Balance - June 30, 2024	15,110,974	\$ 2	\$ (9,130)	\$ 1,852,417	\$ (1,796,933)	\$ (1,448)	\$ 44,908

1. Periods have been adjusted to reflect the 1-for-50 reverse stock split on August 16, 2024. See Note 1 Organization and Nature of the Business - Reverse Stock Split, for additional information.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BETTER HOME & FINANCE HOLDING COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

For the Six Months Ended June 30, 2025

	Common Stock		Notes Receivables from Stockholders	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income/(Loss)	Total Stockholders' Equity (Deficit)
	Issued and Outstanding	Par Value					
<i>(Amounts in thousands, except share and per share amounts)</i>							
Balance - December 31, 2024	15,168,795	2	(9,158)	1,863,288	(1,910,366)	(1,936)	(58,170)
Gain on troubled debt restructuring (see Note 10)	—	—	—	210,044	—	—	210,044
Tax effect on gain on troubled debt restructuring	—	—	—	(4,721)	—	—	(4,721)
Stock-based compensation	—	—	—	9,060	—	—	9,060
Tax withholding upon vesting of restricted stock units	(63,563)	—	—	(373)	—	—	(373)
Shares issued for vested restricted stock units	168,913	—	—	—	—	—	—
Vesting of common stock issued via notes receivable from stockholders	—	—	(2)	5	—	—	3
Net loss	—	—	—	—	(86,827)	—	(86,827)
Other comprehensive income— foreign currency translation adjustment, net of tax	—	—	—	—	—	7,541	7,541
Balance - June 30, 2025	15,274,145	\$ 2	\$ (9,160)	\$ 2,077,303	\$ (1,997,193)	\$ 5,605	\$ 76,557

The accompanying notes are an integral part of these unaudited consolidated financial statements.

BETTER HOME & FINANCE HOLDING COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

For the Six Months Ended June 30, 2024

(Amounts in thousands, except share and per share amounts)	Common Stock		Notes Receivables from Stockholders	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity (Deficit)
	Issued and Outstanding ¹	Par Value ¹					
Adjusted Balance as of December 31, 2023	15,035,467	\$ 2	\$ (10,111)	\$ 1,838,499	\$ (1,704,076)	\$ (1,714)	\$ 122,600
Adjustment of transaction costs related to Business Combination	—	—	—	(2,372)	—	—	(2,372)
Issuance of common stock for options exercised	2,770	—	—	1,454	—	—	1,454
Cancellation of common stock	(29,073)	—	—	—	—	—	—
Stock-based compensation	—	—	—	17,196	—	—	17,196
Tax withholding upon vesting of restricted stock units	—	—	—	(1,372)	—	—	(1,372)
Shares issued for vested restricted stock units	101,810	—	—	1	—	—	1
Vesting of common stock issued via notes receivable from stockholders	—	—	(865)	857	—	—	(8)
Settlement of notes receivable from stockholders	—	—	1,846	(1,846)	—	—	—
Net loss	—	—	—	—	(92,857)	—	(92,857)
Other comprehensive income— foreign currency translation adjustment, net of tax	—	—	—	—	—	266	266
Balance - June 30, 2024	15,110,974	2	(9,130)	1,852,417	(1,796,933)	(1,448)	44,908

1. Periods have been adjusted to reflect the 1-for-50 reverse stock split on August 16, 2024. See Note 1 Organization and Nature of the Business - Reverse Stock Split, for additional information.

The accompanying notes are an integral part of these unaudited consolidated financial statements.

BETTER HOME & FINANCE HOLDING COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

(Amounts in thousands)	Six Months Ended June 30,	
	2025	2024
Cash Flows from Operating Activities:		
Net loss	\$ (86,827)	\$ (92,857)
Adjustments to reconcile net loss to net cash (used in)/provided by operating activities:		
Depreciation of property and equipment	711	1,932
Impairments	1,356	—
Amortization of internal use software and other intangible assets	6,799	15,132
Gain on sale of loans, net	(55,293)	(28,195)
Non-cash interest and amortization of debt issuance costs and discounts	1,700	2,853
Change in fair value of warrants	344	(721)
Stock-based compensation	8,285	16,325
Recovery of loan repurchase reserve	(2,549)	(6,942)
Provision for credit losses	802	—
Change in fair value of derivatives	(392)	(3,821)
Change in fair value of mortgage loans held for sale	(7,206)	(2,265)
Change in operating lease of right-of-use assets	(3,431)	2,295
Originations of mortgage loans held for sale	(2,055,658)	(1,622,279)
Proceeds from sale of mortgage loans held for sale	2,068,863	1,472,875
Change in operating assets and liabilities:		
Other receivables, net	(14,138)	(3,475)
Prepaid expenses and other assets	(1,502)	(3,564)
Operating lease liabilities	1,951	(4,001)
Accounts payable and accrued expenses	11,737	(8,034)
Escrow payable and other customer accounts	721	721
Other liabilities	10,212	639
Net cash used in operating activities	(113,515)	(263,382)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(609)	(1,732)
Capitalization of internal use software	(4,843)	(2,076)
Maturities of short-term investments	247,869	65,057
Purchase of short-term investments	(324,557)	(97,617)
Origination of loans held for investment	(300,624)	(28,428)
Principal payments received on loans held for investment	797	1,822
Net cash used in investing activities	(381,967)	(62,974)
Cash Flows from Financing Activities:		
Principal payments on convertible notes	(110,000)	(1,103)
Net repayments on warehouse lines of credit	127,119	121,136
Net increase (decrease) in customer deposits	348,230	24,755
Proceeds from exercise of stock options	1	39
Net cash provided by/(used in) financing activities	365,350	144,827
Effects of currency translation on cash, cash equivalents, and restricted cash	(8,922)	863
Net (Decrease) Increase in Cash, Cash Equivalents, and Restricted Cash, including cash classified within assets held for sale	(139,054)	(180,666)
Less: net change in cash, cash equivalents and restricted cash classified within assets held for sale	1,316	—
Cash, cash equivalents, and restricted cash—Beginning of period	235,517	528,066
Cash, cash equivalents, and restricted cash—End of period	\$ 97,779	\$ 347,400

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BETTER HOME & FINANCE HOLDING COMPANY AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets to the total of the same such amounts shown on the previous page.

<i>(Amounts in thousands)</i>	Six Months Ended June 30,	
	2025	2024
Cash and cash equivalents, end of period	\$ 87,134	\$ 320,936
Restricted cash, end of period	10,645	26,464
Total cash, cash equivalents and restricted cash, end of period	<u>\$ 97,779</u>	<u>\$ 347,400</u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$ 8,526	\$ 2,582
Income taxes paid/(refunded)	\$ (1,697)	\$ 330
Non-Cash Investing and Financing Activities:		
Capitalization of stock-based compensation related to internal use software	\$ 776	\$ 871
Vesting of stock options early exercised in prior periods	\$ —	\$ 1,415
Vesting of common stock issued via notes receivable from stockholders	\$ 2	\$ 865
Settlement of Notes Receivable from Stockholders	\$ —	\$ 1,846
Convertible notes exchange	\$ 205,323	\$ —

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

BETTER HOME & FINANCE HOLDING COMPANY AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Nature of the Business

Better Home & Finance Holding Company together with its subsidiaries (collectively, the “Company”), provides a comprehensive set of homeownership offerings in the United States while expanding in the United Kingdom (the “U.K.”). The Company’s offerings include mortgage loans, real estate agent services, title and homeowner’s insurance, and other homeownership offerings. The Company leverages Tinman, its proprietary technology platform, to optimize the mortgage process from the initial application, to the integration of a suite of additional homeownership offerings, to the sale of loans to a network of loan purchasers.

Mortgage loans originated within the United States are through the Company’s wholly-owned subsidiary Better Mortgage Corporation (“BMC”). BMC is an approved Title II Single Family Program Lender with the Department of Housing and Urban Development’s (“HUD”) Federal Housing Administration (“FHA”), and is an approved seller and servicer with the Federal National Mortgage Association (“FNMA”) and the Federal Home Loan Mortgage Corporation (“FMCC”). The Company has expanded into the U.K. and offers a multitude of financial products and services to consumers via regulated entities obtained through acquisitions. In the fourth quarter of 2024, the Company decided to dispose of certain operating units in the U.K., see Note 8 for further details.

On August 22, 2023 (the “Closing Date”), the Company consummated the previously announced Business Combination (the “Business Combination”), pursuant to the terms of the Agreement and Plan of Merger, dated as of May 10, 2021 (as amended from time to time, the “Merger Agreement”), by and among Aurora Acquisition Corp. (“Aurora”), Better Holdco, Inc. (“Pre-Business Combination Better”), and Aurora Merger Sub I, Inc., formerly a wholly owned subsidiary of Aurora (“Merger Sub”). On the Closing Date, Merger Sub merged with and into Pre-Business Combination Better, with Pre-Business Combination Better surviving the merger (the “First Merger”) and Pre-Business Combination Better merged with and into Aurora, with Aurora surviving the merger and changing its name to “Better Home & Finance Holding Company” (referred to as “Better Home & Finance”) (such merger, the “Second Merger,” and together with the First Merger, the “Business Combination” and the completion thereof, the “Closing”).

Unless otherwise indicated, references to “Better,” “Better Home & Finance,” the “Company,” “we,” “us,” “our” and other similar terms refer to (i) Pre-Business Combination Better and its consolidated subsidiaries prior to the Closing and (ii) Better Home & Finance and its consolidated subsidiaries following the Closing.

The Company’s Class A common stock and warrants are listed on the Nasdaq Capital Market (the “Nasdaq”) under the ticker symbols “BETR” and “BETRW,” respectively.

Reverse Stock Split—On Friday, August 16, 2024, the Company filed a Certificate of Amendment to its Amended and Restated Certificate of Incorporation, effecting a 1-for-50 reverse stock split of the Company’s common stock (the “Reverse Stock Split”) for the primary purpose of increasing the per share trading price of the Company’s Class A common stock to enable the Company to regain compliance with the minimum bid price requirement for continued listing on The Nasdaq Stock Market LLC (“Nasdaq”). The Company’s Class A common stock began trading on a split-adjusted basis on the Nasdaq upon the market open on Monday, August 19, 2024.

Effective August 16, 2024, as a result of the Reverse Stock Split, every 50 shares of the Company’s issued and outstanding common stock were converted into one issued and outstanding share of Class A common stock, Class B common stock and Class C common stock, as applicable, without any change to the par value per share, the voting rights of the common stock, any stockholder’s percentage interest in the Company’s equity or any other aspect of the common stock. The accompanying financial statements have been retroactively recast to reflect this reverse split stock resulting in a reclassification to historic financials between common stock and additional paid-in-capital.

2. Summary of Significant Accounting Policies

Basis of Presentation—The accompanying condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of its financial position and its results of operations, changes in stockholders’ equity (deficit) and cash flows. The results of operations and other information for the three and six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for any other interim period or for the year ending December 31, 2025. The unaudited condensed consolidated

BETTER HOME & FINANCE HOLDING COMPANY AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

financial statements presented herein should be read in conjunction with the audited consolidated financial statements and related notes thereto for the year ended December 31, 2024.

Consolidation—The accompanying condensed consolidated financial statements include the accounts of the Company and its consolidated subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates—The preparation of condensed consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant items subject to such estimates and assumptions include the fair value of mortgage loans held for sale, the fair value of derivative assets and liabilities, which includes interest rate lock commitments and forward sale commitments, the determination of a valuation allowance on the Company's deferred tax assets, capitalization of internally developed software and its associated useful life, the fair value of acquired intangible assets and goodwill, the provision for loan repurchase reserves, the allowance for credit losses, and the incremental borrowing rate used in determining lease liabilities, and the fair value of warrant and equity related liabilities.

Short-term investments—Short-term investments consist of fixed income securities, typically U.S. and U.K. government treasury securities and U.S. and U.K. government agency securities with maturities ranging from 91 days to one year. Management determines the appropriate classification of short-term investments at the time of purchase. Short-term investments reported as held-to-maturity are those investments that the Company has both the positive intent and ability to hold to maturity and are stated at amortized cost on the condensed consolidated balance sheets. All of the Company's short-term investments are classified as held to maturity. The Company has not recognized any impairments on these investments to date and any unrealized gains or losses on these investments are immaterial.

Allowance for Credit Losses—Held to Maturity (“HTM”) Short-term Investments—The Company's HTM Short-term investments are required to utilize the Current Expected Credit Loss (“CECL”) approach to estimate expected credit losses. Management measures expected credit losses on short-term investments on a collective basis by major security types that share similar risk characteristics, such as financial asset type and collateral type adjusted for current conditions and reasonable and supportable forecasts. Management classifies the short-term investments portfolio by security types, such as U.S. and U.K. government agency securities.

The U.S. and U.K. government treasury securities and U.S. and U.K. government agency securities are issued by U.S. and U.K. government entities and agencies. These securities are either explicitly or implicitly guaranteed by the respective governments as to timely repayment of principal and interest, are highly rated by major rating agencies, and have a long history of no credit losses. Therefore, credit losses for these securities were immaterial as the Company does not currently expect any material credit losses on these short-term investments.

Mortgage Loans Held for Sale, at Fair Value—The Company sells its loans held for sale (“LHFS”) to loan purchasers. LHFS primarily consists of mortgage loans as well as home equity line of credit and closed-end second lien loans (together defined as “HELOC”), originated for sale by BMC. The Company elects the fair value option, in accordance with Accounting Standard Codification (“ASC”) 825 – *Financial Instruments* (“ASC 825”), for all LHFS with changes in fair value recorded in gain on loans, net in the condensed consolidated statements of operations and comprehensive loss. Management believes that the election of the fair value option for LHFS improves financial reporting by presenting the most relevant market indication of LHFS. The fair value of LHFS is based on market prices and yields at period end. The Company accounts for the gains or losses resulting from sales of loans based on the guidance of ASC 860-20 – *Sales of Financial Assets* (“ASC 860”).

The Company generally sells all of its loans servicing released. For interim servicing, the Company engaged a third-party sub-servicer to collect monthly payments and perform associated services.

The Company issues interest rate lock commitments (“IRLC”) to originate mortgage loans and the fair value of the IRLC, adjusted for the probability that a given IRLC will close and fund, is recognized within gain on loans, net. Subsequent changes in the fair value of the IRLC are measured at each reporting period within gain on loans, net until the loan is funded. When the loan is funded, the IRLC is derecognized and the LHFS is recognized based on the fair value of the loan. The LHFS is subsequently remeasured at fair value at each reporting period and the changes in fair value are

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included within gain on loans, net until the loan is sold on the secondary market. When the loan is sold on the secondary market, the LHFS is derecognized and the gain/(loss) is included within gain on loans, net based on the cash settlement.

LHFS are considered sold when the Company surrenders control over the loans. Control is considered to have been surrendered when the transferred loans have been isolated from the Company, are beyond the reach of the Company and its creditors, and the loan purchaser obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred loans. The Company typically considers the above criteria to have been met upon receipt of sales proceeds from the loan purchaser.

Loans Held for Investment—The Company originates, primarily through its U.K. operations, loans held for investment, for which management has the intent and ability to cause the Company to hold for the foreseeable future or until maturity or payoff and are reported at amortized cost, which is the principal amount outstanding, net of cumulative charge-offs, unamortized net deferred loan origination fees and costs and unamortized premiums or discounts on purchased loans.

The allowance for credit losses is a valuation account that is deducted from the loans held for investment amortized cost basis to present the net amount expected to be collected on the loans. Loans are charged-off against the allowance when management believes the loan balance is deemed to be uncollectible. Management's estimation of expected credit losses is based on relevant information about past events, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amounts, including expected defaults and prepayments. See Note 5 for additional details.

Fair Value Measurements—Assets and liabilities recorded at fair value on a recurring basis on the condensed consolidated balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The price used to measure fair value is not adjusted for transaction costs. The principal market is the market in which the Company would sell or transfer the asset with the greatest volume and level of activity for the asset. In determining the principal market for an asset or liability, it is assumed that the Company has access to the market as of the measurement date. If no market for the asset exists, or if the Company does not have access to the principal market, a hypothetical market is used.

The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1—Unadjusted quoted market prices in active markets for identical assets or liabilities;

Level 2—Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Assets and liabilities measured at fair value on a recurring basis include LHFS, derivative assets and liabilities, including IRLCs and forward sale commitments, and warrant and equity related liabilities. When developing fair value measurements, the Company maximizes the use of observable inputs and minimizes the use of unobservable inputs. However, for certain instruments, the Company must utilize unobservable inputs in determining fair value due to the lack of observable inputs in the market, which requires greater judgment in measuring fair value. In instances where there is limited or no observable market data, fair value measurements for assets and liabilities are based primarily upon the Company's own estimates, and the measurements reflect information and assumptions that management believes a market participant would use in pricing the asset or liability.

Assets and Liabilities Held for Sale—Assets and liabilities to be disposed of by sale are reclassified into assets held for sale and liabilities held for sale on the condensed consolidated balance sheets. The Company presents the assets and liabilities of a disposal group as held for sale upon meeting all of the following criteria:

- Management, having the authority to approve the action, commits to a plan to sell the asset (disposal group).

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- The asset (disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (disposal groups).
- An active program to locate a buyer and other actions required to complete the plan to sell the asset (disposal group) have been initiated.
- The sale of the asset (disposal group) is probable, and transfer of the asset (disposal group) is expected to qualify for recognition as a completed sale, within one year.
- The asset (disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

The determination as to whether the sale of the disposal group is probable may include significant judgments from management related to the estimated timing of the closing of a future sales transaction. Assets held for sale are measured at the lower of their carrying amount or fair value less cost to sell and are not depreciated or amortized. See Note 8 for further detail on assets and liabilities held for sale.

Warehouse Lines of Credit—Warehouse lines of credit represent the outstanding balance of the Company’s warehouse borrowings collateralized by mortgage loans held for sale or related borrowings collateralized by restricted cash. Generally, warehouse lines of credit are used as interim, short-term financing which bears interest at a fixed margin over an index rate, such as the Secured Overnight Financing Rate (“SOFR”). The outstanding balance of the Company’s warehouse lines of credit will fluctuate based on its lending volume. The advances received under the warehouse lines of credit are based upon a percentage of the fair value or par value of the mortgage loans collateralizing the advance, depending upon the type of mortgage loan. Should the fair value of the pledged mortgage loans decline, the warehouse provider may require the Company to provide additional cash collateral or mortgage loans to maintain the required collateral level under the relevant warehouse line. The Company did not incur any significant issuance costs related to its warehouse lines of credit.

Senior Notes—Upon initial issuance, the Senior Notes are evaluated for redemption and conversion features that could result in embedded derivatives that require bifurcation from the notes. Upon initial issuance, any embedded derivatives are measured at fair value. The notes proceeds are allocated between the carrying value of the note and the fair value of embedded derivatives on the initial issuance date. Any portion of proceeds allocated to embedded derivatives are treated as reductions in, or discounts to, the carrying value of the Senior Notes on the issuance date. Embedded derivatives are adjusted to fair value at each reporting period, with the change in fair value included within interest expense on the condensed consolidated statements of operations and comprehensive income (loss). See Note 10 for further details on the Senior Notes.

Debt Modifications and Extinguishments—When the Company modifies or extinguishes debt, it first evaluates whether the modification qualifies as a troubled debt restructuring (“TDR”) under ASC 470-60, which requires debt modifications to be evaluated if (1) the borrower is experiencing financial difficulty, and (2) the lender grants the borrower a concession. Concessions may include modifications to the terms of the debt, such as reducing the interest rate, extending the repayment period, or forgiving a portion of the debt. If a TDR is determined not to have occurred, the Company evaluates the modification in accordance with ASC Topic 470-50-40, which requires modification to debt instruments to be evaluated to assess whether the modifications are considered “substantial modifications”. A substantial modification of terms is accounted for like an extinguishment.

Income Taxes—Income taxes are calculated in accordance with ASC 740, *Accounting for Income Taxes*. An estimated annual effective tax rate is applied to year-to-date income (loss). At the end of each interim period, the estimated effective tax rate expected to be applicable for the full year is calculated. This method differs from that described in the Company’s income taxes policy footnote in the audited consolidated financial statements and related notes thereto for the year ended December 31, 2024, which describes the Company’s annual significant income tax accounting policy and related methodology.

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Revenue Recognition—The Company generates revenue from the following streams:

- 1) Gain on loans, net includes revenues generated from the Company's loan production process. See Note 3. The components of gain on loans, net are as follows:
 - i. *Gain on sale of loans, net*—This represents the premium the Company receives in excess of the loan principal amount and certain fees charged by loan purchasers upon sale of loans into the secondary market. Gain on sale of loans, net includes unrealized changes in the fair value of LHFS, which are recognized on a loan by loan basis as part of current period earnings until the loan is sold on the secondary market. The fair value of LHFS is measured based on observable market data.

Gain on sale of loans, net also includes the changes in fair value of IRLCs and forward sale commitments. IRLCs include the fair value upon issuance with subsequent changes in the fair value recorded in each reporting period until the loan is sold on the secondary market. Fair value of forward sale commitments hedging IRLCs and LHFS are measured based on quoted prices for similar assets.
 - ii. *Broker Revenue*—Includes fees that the Company receives for originating loans on behalf of third-parties.
 - iii. *Loan repurchase reserve recovery/(provision)*—In connection with the sale of loans on the secondary market, the Company makes customary representations and warranties to the relevant loan purchasers about various characteristics of each loan, such as the origination and underwriting guidelines, including but not limited to the validity of the lien securing the loan, property eligibility, borrower credit, income and asset requirements, and compliance with applicable federal, state and local laws. In the event of a breach of its representations and warranties, the Company may be required to repurchase the loan with the identified defects. The provision for loan repurchase reserve, represents the charge for these potential losses.
- 2) Other revenue consists of revenue from the Company's additional offerings such as real estate services, insurance services, and international lending revenue which is recognized based on ASC 606, *Revenue from Contracts with Customers*. ASC 606 outlines a single comprehensive model in accounting for revenue arising from contracts with customers. The core principle, involving a five-step process, of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

For real estate services, the Company generates revenues from fees related to real estate agent services, mainly from cooperative brokerage fees from the Company's network of third-party real estate agents, which assist customers in the purchase or sale of a home. The Company recognizes revenues from real estate services upon completion of the performance obligation which is when the mortgage transaction closes. Performance obligations for real estate agent services are typically completed 40 to 60 days after the commencement of the home search process. Payment for these services is typically settled in cash as part of closing costs to the borrower upon closing of the mortgage transaction.

Also included in real estate services are settlement services which are revenue from fees charged for services such as title search fees, wire fees, policy and document preparation, and other mortgage settlement services. The Company recognizes revenues from settlement services upon completion of the performance obligation which is when the mortgage transaction closes.

Insurance revenue primarily consists of fees earned on homeowners insurance policies and title insurance. The Company generates revenues from agent fees on homeowners insurance policies obtained by customers through the Company's marketplace of third-party insurance carriers. The Company offers title insurance as an agent and works with third-party providers that underwrite the title insurance policies. For title insurance, the Company recognizes revenue from fees upon the completion of the performance obligation which is when the mortgage transaction closes. For homeowners insurance and title insurance, the Company is the agent in the transactions as

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the Company does not control the ability to direct the fulfillment of the service, is not primarily responsible for fulfilling the performance of the service, and does not assume the risk in a claim against a policy.

For international lending revenue, the Company generates revenue primarily from broker fees earned in the U.K. The Company recognizes international lending revenue upon completion of the performance obligation which is when the mortgage provider approves the mortgage.

- 3) Net interest income includes interest income from LHFS calculated based on the note rate of the respective loan, interest income from short-term investments, and interest income on loans held for investment. Interest expense includes interest expense on warehouse lines of credit, interest expense on customer deposits, as well as interest expense on the Convertible Notes.

Compensation and Benefits—Compensation and benefits include salaries, wages, and incentive pay as well as stock-based compensation, employee health benefits, 401(k) plan benefits, and social security and unemployment taxes. Stock-based compensation includes expenses associated with restricted stock unit grants, performance stock unit grants, and stock option grants, under the Company's stock plans. Compensation expense for the stock-based payments is based on the fair value of the awards on the grant date. Compensation and benefits expenses are expensed as incurred with the exception of stock-based compensation, which is recognized in a straight-line basis over the requisite service period.

General and Administrative Expenses—General and administrative expenses include rent and occupancy expenses, insurance, and external legal, tax and accounting services. General and administrative expenses are expensed as incurred.

Technology Expenses—Technology expenses consist of direct costs related to vendors engaged in product management, design, development, and testing of the Company's websites and products. Technology expenses are expensed as incurred.

Marketing and Advertising Expenses—Marketing and advertising expenses consist of direct costs related to customer acquisition expenses, brand costs, and paid marketing. For customer acquisition expenses, the Company primarily generates loan origination leads for which the Company incurs "pay-per-click" expenses. Marketing and advertising expenses are expensed as incurred.

Loan Origination Expenses—Loan origination expenses consist of costs directly attributable to the production of loans such as appraisal fees, processing expenses, underwriting, closing fees, and servicing costs. These expenses are expensed as incurred.

Other Expenses/(Income)—Other expenses consist of direct costs related to other non-mortgage homeownership activities, including settlement service expenses, lead generation expenses, expenses incurred in relation to our international lending activities, restructuring and impairment expenses, and gains and losses from equity related liabilities. Settlement service expenses consist of fees for transactional services performed by third-party providers for borrowers while lead generation expenses consist of fees for services related to real estate agents. Other expenses are expensed as incurred.

Segments—The Company's chief operating decision maker ("CODM"), the Chief Executive Officer, manages the Company's business activities as a single operating and reportable segment at the consolidated level. Accordingly, the CODM uses consolidated net income to measure segment profit or loss, allocate resources and assess performance. Further, the CODM reviews and utilizes functional expenses (general and administrative, marketing and advertising, loan origination expense, and others as presented in the condensed consolidated statements of operations and comprehensive loss) at the consolidated level to manage the Company's operations. Other segment items included in consolidated net income are net interest income and income tax expense (benefit), which are reflected in the condensed consolidated statements of operations and comprehensive loss.

Recently Issued Accounting Standards Not Yet Adopted

In November 2024, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, and in January 2025, ASU 2025-01, *Income Statement - Comprehensive Income - Expense Disaggregation Disclosures (subtopic 220-40)*, which requires disclosure, in the notes to financial statements, of specified information about certain costs and expenses. The ASUs are effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026 and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted for annual financial statements that have not yet been

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issued. The Company is in the process of assessing the impact the adoption of this guidance will have on the Company's financial statement disclosures.

3. Revenue

Revenue— The Company disaggregates revenue based on the following revenue streams:

Gain on loans, net consisted of the following:

<i>(Amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Gain on sale of loans, net	\$ 34,015	\$ 18,374	\$ 55,293	\$ 28,195
Broker revenue	2,335	2,476	3,506	4,744
Loan repurchase reserve recovery/(provision)	422	3,379	2,549	6,942
Total gain on loans, net	<u>\$ 36,772</u>	<u>\$ 24,229</u>	<u>\$ 61,348</u>	<u>\$ 39,881</u>

Other revenue consisted of the following:

<i>(Amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
International lending revenue	\$ 1,446	\$ 1,219	\$ 2,974	\$ 2,327
Insurance services	825	537	1,498	1,176
Real estate services	151	653	1,098	1,000
Other revenue	878	472	1,760	1,195
Total other revenue	<u>\$ 3,300</u>	<u>\$ 2,881</u>	<u>\$ 7,330</u>	<u>\$ 5,698</u>

Net interest income consisted of the following:

<i>(Amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Mortgage interest income	\$ 7,787	\$ 4,468	\$ 14,223	\$ 7,432
Interest income on loans held for investment	3,894	221	5,773	302
Interest income from investments	2,476	4,708	4,606	10,299
Warehouse interest expense	(5,727)	(2,310)	(8,515)	(4,397)
Interest expense on customer deposits	(4,352)	(267)	(6,357)	(370)
Other interest expense ⁽¹⁾	(6)	(1,668)	(1,711)	(4,332)
Total net interest income/(loss)	<u>\$ 4,072</u>	<u>\$ 5,152</u>	<u>\$ 8,019</u>	<u>\$ 8,934</u>

(1) Primarily consists of interest on Convertible Notes, see Note 10 for more details.

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4. Mortgage Loans Held for Sale and Warehouse Lines of Credit

The Company has the following outstanding warehouse lines of credit:

<i>(Amounts in thousands)</i>	Maturity	Facility Size	June 30, 2025	December 31, 2024
Funding Facility 1 ⁽¹⁾	May 13, 2025	\$ —	\$ —	\$ 60,747
Funding Facility 2 ⁽²⁾	March 6, 2026	150,000	82,502	74,472
Funding Facility 3 ⁽³⁾	August 1, 2025	175,000	153,943	108,851
Funding Facility 4 ⁽⁴⁾	April 5, 2026	250,000	134,744	—
Total warehouse lines of credit		<u>\$ 575,000</u>	<u>\$ 371,189</u>	<u>\$ 244,070</u>

- (1) Interest charged under the facility is at the 30-day term SOFR plus 2.125%. During the second quarter of 2025, Funding Facility 1 was terminated prior to maturity.
- (2) Interest charged under the facility is at the 30-day term SOFR plus 2.10% - 2.25%. Cash collateral deposit of \$3.8 million is maintained and included in restricted cash.
- (3) Interest charged under the facility is at the 30-day term SOFR plus 1.75% - 3.75%. There is no cash collateral deposit maintained as of June 30, 2025. Subsequent to June 30, 2025, the Company extended the maturity to July 1, 2026.
- (4) Interest charged under the facility is at the daily simple SOFR plus 2.25% - 2.50%. There is no cash collateral deposit maintained as of June 30, 2025.

The unpaid principal amounts of the Company's LHFS are also pledged as collateral under the relevant warehouse funding facilities. The Company's LHFS are summarized below by those pledged as collateral and those fully funded by the Company:

<i>(Amounts in thousands)</i>	June 30, 2025	December 31, 2024
Funding Facility 1	\$ —	\$ 61,341
Funding Facility 2	92,223	83,562
Funding Facility 3	165,815	123,081
Funding Facility 4	134,767	—
Total LHFS pledged as collateral	<u>392,805</u>	<u>267,984</u>
Company-funded LHFS	24,928	10,056
Company-funded HELOC	22,800	118,879
Total LHFS	<u>440,533</u>	<u>396,919</u>
Fair value adjustment	7,205	2,322
Total LHFS at fair value	<u>\$ 447,738</u>	<u>\$ 399,241</u>

Average days loans held for sale, other than Company-funded LHFS and Company-funded HELOC, for the three and six months ended June 30, 2025 were approximately 27 days and 26 days, respectively. Average days loans held for sale, other than Company-funded LHFS and Company-funded HELOC, for the three and six months ended June 30, 2024 were approximately 20 days and 22 days, respectively. This is defined as the average days between funding and sale for loans funded during each period. As of June 30, 2025 and December 31, 2024, the unpaid principal balance of loans that were either 90 days past due or non-performing was \$1.7 million and \$1.4 million, respectively.

For the six months ended June 30, 2025 and 2024, the weighted average interest rate for the warehouse lines of credit was 6.46% and 7.40%, respectively. The warehouse lines of credit contain certain restrictive covenants that require the Company to maintain certain minimum net worth, liquid assets, current ratios, liquidity ratios, and leverage ratios. In addition, these warehouse lines also require the Company to maintain compensating cash balances which aggregated to \$3.8 million as of June 30, 2025 and December 31, 2024 and are included in restricted cash on the accompanying condensed consolidated balance sheets. The Company was in compliance with all financial covenants under the warehouse lines as of June 30, 2025.

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5. Loans Held for Investment

The majority of the Company's Loans Held for Investment portfolio consists of property - buy to let loans, which is the purchase of property for the purpose of renting to a tenant, which makes up 99.8% and 98.6% of the total loan portfolio as of June 30, 2025 and December 31, 2024, respectively. The Company's Loans Held for Investment portfolio consists of U.K. loans and is summarized as follows:

<i>(Amounts in thousands)</i>	June 30, 2025	December 31, 2024
Property - Buy to Let	\$ 422,397	\$ 111,630
Other	970	1,514
Allowance for credit losses	\$ (2,801)	\$ (1,667)
Total Loans Held for Investment, net	\$ 420,566	\$ 111,477

Accrued interest receivable on loans receivable totaled \$0.7 million and \$0.4 million, respectively, as of June 30, 2025 and December 31, 2024 and is included in other receivables, net on the condensed consolidated balance sheets. The Company elected the practical expedient to exclude the applicable accrued interest receivable on loans receivable from the disclosed amortized cost basis.

The Company concluded that it has a non-accrual policy which allows for the timely reversal of accrued interest should an asset be placed on non-accrual; accordingly, there was no allowance for credit losses for accrued interest receivable on loans receivable as of June 30, 2025. When writing off uncollectible accrued interest receivables on its loans held for investment portfolio, the Company considers 90 days to be a timely manner.

Uncollectible amounts of accrued interest receivable are charged off by reversing interest income. The Company had no charge offs of uncollectible accrued interest on its outstanding loans held for investment during the three months ended June 30, 2025 and 2024.

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. As of both June 30, 2025 and December 31, 2024 there were no loans held for investment past due.

The Company considers loans for which the repayment is expected to be provided substantially through the operation or sale of collateral and the borrower is experiencing financial difficulty, or where foreclosure is probable, to be collateral dependent. As of June 30, 2025 and December 31, 2024, there were no loans secured by any asset type for which formal foreclosure proceedings are in process.

Loans are placed on non-accrual status and the accrual of interest is discontinued if principal or interest payments become 90 days past due and/or management deems the collectability of the principal and/or interest to be in question. Loans to a customer whose financial condition has deteriorated are considered for non-accrual status whether or not the loan is 90 days or more past due. Generally, payments received on non-accrual loans are recorded as principal reductions. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured. As of June 30, 2025 and December 31, 2024, there were no loans that were placed on non-accrual status.

During the three and six months ended June 30, 2025 and 2024, there were no modifications for loans to borrowers experiencing financial difficulty.

Loans are categorized into risk categories based on relevant information about the ability of borrowers to service their debt, including, but not limited to, current financial information, historical payment experience, credit documentation, public information, and current economic trends. The Company analyzes loans individually by classifying the loans as to credit risk.

This analysis includes all loans with the exception of homogeneous loans, or loans that are evaluated together in pools of similar loans (i.e., home mortgage loans, home equity lines of credit, overdraft loans, express business loans, and automobile loans). This analysis is performed at least on a quarterly basis. Homogeneous loans are not risk rated and credit risk is analyzed largely by the contractual maturity and payment status of the loan.

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The Company utilizes maturity bands to assess the probability of credit losses within the portfolio. The three main bands are as follows: 0-20 months, 21-40 months, and over 40 months. The following table presents amortized cost for outstanding loans, by class and year of origination/renewal, as of June 30, 2025 and December 31, 2024.

The tables below present loans by credit quality indicator and vintage year:

June 30, 2025							
<i>(Amounts in thousands)</i>	2025	2024	2023	2022	2021	Prior	Total
Property - Buy to Let							
0-20 Months	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
21-40 Months	—	—	—	—	—	—	—
Over 40 Months	300,624	120,966	807	—	—	—	422,397
Total	\$ 300,624	\$ 120,966	\$ 807	\$ —	\$ —	\$ —	\$ 422,397
Other							
0-20 Months	\$ —	\$ —	\$ 7	\$ 488	\$ 296	\$ 11	\$ 802
21-40 Months	—	—	13	155	—	—	168
Over 40 Months	—	—	—	—	—	—	—
Total	\$ —	\$ —	\$ 20	\$ 643	\$ 296	\$ 11	\$ 970
Total	\$ 300,624	\$ 120,966	\$ 827	\$ 643	\$ 296	\$ 11	\$ 423,367

December 31, 2024							
<i>(Amounts in thousands)</i>	2024	2023	2022	2021	2020	Prior	Total
Property - Buy to Let							
0-20 Months	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
21-40 Months	—	—	—	—	—	—	—
Over 40 Months	110,891	739	—	—	—	—	111,630
Total	\$ 110,891	\$ 739	\$ —	\$ —	\$ —	\$ —	\$ 111,630
Other							
0-20 Months	\$ —	\$ 34	\$ 255	\$ 435	\$ 77	\$ 2	\$ 803
21-40 Months	—	13	630	68	—	—	711
Over 40 Months	—	—	—	—	—	—	—
Total	\$ —	\$ 47	\$ 885	\$ 503	\$ 77	\$ 2	\$ 1,514
Total	\$ 110,891	\$ 786	\$ 885	\$ 503	\$ 77	\$ 2	\$ 113,144

6. Goodwill and Internal Use Software and Other Intangible Assets, Net

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Changes in the carrying amount of goodwill, net consisted of the following:

<i>(Amounts in thousands)</i>	Six Months Ended June 30,	
	2025	2024
Balance at beginning of period	\$ 23,615	\$ 32,390
Goodwill impairment	(488)	—
Effect of foreign currency exchange rate changes	1,638	(145)
Balance at end of period	<u>\$ 24,765</u>	<u>\$ 32,245</u>

During the second quarter of 2025, the Company recorded goodwill impairment charges of \$0.5 million which is included within other expense/(income) in the condensed consolidated statements of operations and comprehensive loss. The goodwill impairment is related to entities in the U.K. for which management has classified as held for sale, see Note 8. No impairment of goodwill was recognized for the three and six months ended June 30, 2024.

Internal use software and other intangible assets, net consisted of the following:

<i>(Amounts in thousands, except useful lives)</i>	As of June 30, 2025			
	Weighted Average Useful Lives (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Intangible assets with finite lives				
Internal use software and website development	3.4	\$ 154,846	\$ (136,243)	\$ 18,603
Intellectual property and other	5.5	2,644	(1,828)	816
Total Intangible assets with finite lives, net		<u>157,490</u>	<u>(138,071)</u>	<u>19,419</u>
Intangible assets with indefinite lives				
Domain name		1,820	—	1,820
Licenses and other		34	—	34
Total Internal use software and other intangible assets, net		<u>\$ 159,344</u>	<u>\$ (138,071)</u>	<u>\$ 21,273</u>

<i>(Amounts in thousands, except useful lives)</i>	As of December 31, 2024			
	Weighted Average Useful Lives (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Intangible assets with finite lives				
Internal use software and website development	3.0	\$ 147,994	\$ (129,487)	\$ 18,507
Intellectual property and other	6.0	869	(291)	578
Total Intangible assets with finite lives, net		<u>148,863</u>	<u>(129,778)</u>	<u>19,085</u>
Intangible assets with indefinite lives				
Domain name		1,820	—	1,820
Licenses and other		31	—	31
Total Internal use software and other intangible assets, net		<u>\$ 150,714</u>	<u>\$ (129,778)</u>	<u>\$ 20,936</u>

The Company capitalized \$2.9 million and \$2.2 million in internal use software and website development costs during the three months ended June 30, 2025 and 2024, respectively. Included in capitalized internal use software and website development costs are \$0.4 million and \$0.5 million of stock-based compensation costs for the three months ended June 30, 2025 and 2024, respectively. Amortization expense totaled \$3.2 million and \$7.1 million during the three months ended June 30, 2025 and 2024, respectively. For the three months ended June 30, 2025 and 2024, no impairment was recognized relating to intangible assets.

The Company capitalized \$5.6 million and \$3.0 million in internal use software and website development costs during the six months ended June 30, 2025 and 2024, respectively. Included in capitalized internal use software and website

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development costs are \$0.8 million and \$0.9 million of stock-based compensation costs for the six months ended June 30, 2025 and 2024, respectively. Amortization expense totaled \$6.8 million and \$15.1 million during the six months ended June 30, 2025 and 2024, respectively. For the six months ended June 30, 2025 and 2024, no impairment was recognized relating to intangible assets.

7. Prepaid Expenses and Other Assets

Prepaid expenses and other assets consisted of the following:

<i>(Amounts in thousands)</i>	As of June 30, 2025	As of December 31, 2024
Prepaid expenses	\$ 21,096	\$ 17,165
Tax receivables	198	5,484
Security Deposits	8,493	11,245
Prefunded loans in escrow	3,567	—
Total prepaid expenses and other assets	<u>\$ 33,354</u>	<u>\$ 33,894</u>

The prefunded loans in escrow consist of loans that were funded in the current period but closed in the subsequent period. Due to the timing of the closing of these loans, they are not mortgage loans held for sale in the current period.

8. Assets and Liabilities Held for Sale

During the fourth quarter of 2024, management enacted a plan to sell several entities in the U.K. which are being actively marketed, are available for sale in their current respective conditions, and management expects to complete the respective sales within the year and all criteria included in Note 2 have been met. The following table represents summarized balance sheet information of assets and liabilities held for sale:

<i>(Amounts in thousands)</i>	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 2,079	\$ 3,814
Restricted cash	4,287	3,868
Mortgage loans held for sale, at fair value	2,011	1,721
Other receivables, net	1,990	1,244
Property and equipment, net	17	35
Internal use software and other intangible assets, net	2,403	2,203
Goodwill	724	1,112
Prepaid expenses and other assets	589	634
Write down of assets to fair value less cost to sell	(5,029)	(4,220)
Total assets held for sale	<u>\$ 9,071</u>	<u>\$ 10,411</u>
Accounts payable and accrued expenses	1,775	1,684
Escrow payable and other customer accounts	4,287	3,868
Other liabilities	870	564
Total liabilities held for sale	<u>\$ 6,932</u>	<u>\$ 6,116</u>

For the three and six months ended June 30, 2025, the Company recorded a write down of the disposal group to fair value, less cost to sell, in the amount of \$0.4 million which is included in other expenses/(income) on the condensed consolidated statements of operations and comprehensive loss. For the three and six months ended June 30, 2025, the Company recorded goodwill impairment relating to the entities in the U.K. classified as held for sale of \$0.5 million which is included within other expense/(income) in the condensed consolidated statements of operations and comprehensive loss.

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9. Customer Deposits

Customer Deposits—In relation to the Company’s banking activities tied to the Company’s acquisition of Birmingham Bank in the U.K., the Company offers individual savings accounts and other depository products with differing maturities and interest rates to its customers. The balance of customer deposits as of June 30, 2025 and December 31, 2024 was \$482.4 million and \$134.1 million, respectively, on the condensed consolidated balance sheets.

The following table presents average balances and weighted average rates paid on deposits for the periods indicated:

<i>(Amounts in thousands)</i>	Three Months Ended June 30, 2025			
	2025		2024	
	Average Balance	Average Rate Paid	Average Balance	Average Rate Paid
Notice	\$ 82,670	3.80 %	\$ 2,416	2.85 %
Term	326,044	4.57 %	22,169	3.96 %
Savings	437	2.70 %	4,154	2.11 %
Total Deposits	<u>\$ 409,151</u>	<u>3.69 %</u>	<u>\$ 28,739</u>	<u>2.97 %</u>

<i>(Amounts in thousands)</i>	Six Months Ended June 30, 2025			
	2025		2024	
	Average Balance	Average Rate Paid	Average Balance	Average Rate Paid
Notice	\$ 65,410	3.75 %	\$ 2,413	2.85 %
Term	248,019	4.64 %	13,805	3.87 %
Savings	492	2.11 %	4,211	2.20 %
Total Deposits	<u>\$ 313,921</u>	<u>3.50 %</u>	<u>\$ 20,429</u>	<u>2.97 %</u>

The following table presents maturities of customer deposits:

<i>(Amounts in thousands)</i>	As of June 30, 2025
Demand deposits	\$ 114,777
Maturing In:	
2025	1,476
2026	113,888
2027	118,834
2028	62,581
2029	30,419
Thereafter	40,385
Total	<u>\$ 482,360</u>

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Interest expense on deposits is recorded in interest expense in the condensed consolidated statements of operations and comprehensive loss for the periods indicated as follows:

(Amounts in thousands)	Three Months Ended June 30,		Six Months Ended June 30, 2025	
	2025	2024	2025	2024
Notice	\$ 853	\$ 21	\$ 1,316	\$ 45
Term	3,499	218	5,041	270
Savings	—	28	—	57
Total Interest Expense	\$ 4,352	\$ 267	\$ 6,357	372

Deposits are for U.K. banking clients and are protected up to £85 thousand (\$116.4 thousand) per eligible person by the Financial Services Compensation Scheme in the U.K. Of the total customer deposits as of June 30, 2025, \$117.5 million were over the applicable insured amount.

10. Senior Notes

Convertible Notes—As of June 30, 2025 and December 31, 2024, the carrying amount of the Convertible Notes was none and \$519.7 million on the condensed consolidated balance sheets, respectively. For the three and six months ended June 30, 2025, the Company recorded a total of none and \$1.7 million of interest expense related to the Convertible Notes. For the three and six months ended June 30, 2024, the Company recorded a total of \$1.6 million and \$4.3 million of interest expense related to the Convertible Notes. Interest expense from the Convertible Notes is included in interest expense within the condensed consolidated statements of operations and comprehensive loss. In February 2024, the Company made a cash payment in the amount of \$2.5 million, which consisted of \$1.1 million towards the principal and \$1.4 million of interest from January 1, 2024 through February 15, 2024.

On April 12, 2025, the Company entered into a privately negotiated Exchange Agreement (the “Note Exchange Agreement”) with SB Northstar LP (the “Investor”), a related party, pursuant to which the Company and the Investor agreed to exchange (the “Exchange”) all of the \$532.5 million total aggregate principal amount outstanding of the Company’s existing 1.00% Convertible Notes due 2028 (the “Existing Notes”) held by the Investor for (i) \$155.0 million in aggregate principal amount of new 6.00% Senior Secured Notes due 2028 (the “Senior Notes”), and (ii) a cash payment of \$110.0 million (the “Cash Payment”). The Company will not receive any cash proceeds in connection with the Exchange. The Exchange was subsequently consummated on April 28, 2025 (the “Closing Date”), upon which the Company received and cancelled all Existing Notes and the Investor forfeited any accrued and unpaid interest in respect of the Existing Notes to, but not including, the Closing Date.

Pursuant to the Note Exchange Agreement, the Company granted the Investor, conditioned on closing of the Exchange, a non-transferrable right to designate one non-voting board observer from June 1, 2025, for so long as the Investor and affiliates of the Investor continue to hold, in the aggregate, either (i) at least 25% of the initial aggregate principal amount of the Senior Notes or (ii) at least 12% of the sum of the outstanding shares of the Company’s Class A Common Stock, Class B Common Stock and Class C Common Stock, calculated on a fully diluted basis.

The Exchange was accounted for as a TDR under ASC 470-60. On the Closing Date, the principal amount was \$532.5 million with a discount of \$11.0 million for a net carrying value of \$521.4 million. The Company made a cash payment on the Closing Date of \$110.0 million and recognized the Senior Notes at a carrying value \$200.4 million. The gain on troubled debt restructuring of \$210.0 million was recognized through equity as the Investor is considered a related party. The Company also accrued for \$1.0 million of expenses related to the TDR which reduced the gain recognized through equity.

Under the TDR accounting treatment, the carrying value of the Senior Notes of \$200.4 million is made up of the total future undiscounted cash flows which includes principal of \$155.0 million and interest make-whole as well as a redemption premium of \$45.4 million. The interest make-whole and the redemption premium are related to the optional redemption feature where the Company can redeem all or part of the Senior Notes prior to December 31, 2028 at 108% of the principal plus a make-whole premium as discussed further below. The Company assumes contingent future payments will have to be paid and those amounts shall be included in the total future cash payments.

Senior Notes—On the Closing Date, the Company entered into an indenture (the “Senior Notes Indenture”) with GLAS Trust Company LLC, as trustee and notes collateral agent (the “Trustee”). As of June 30, 2025 and December 31,

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2024, the carrying amount of the Senior Notes was \$200.4 million and none on the condensed consolidated balance sheets, respectively.

The Senior Notes represent the Company's senior secured obligations, and are secured by substantially all of the Company's and its material domestic subsidiaries' assets. The Senior Notes are (i) senior in right of payment to the Company's existing and future senior, unsecured indebtedness to the extent of the value of the collateral; and (ii) senior in right of payment to the Company's existing and future indebtedness that is expressly subordinated to the Senior Notes.

Interest on the Senior Notes is payable, at the Company's election, in cash or by payment-in-kind by issuing additional notes in an aggregate principal amount equal to the relevant amount of interest paid in kind. The Senior Notes will accrue interest at a rate of 6.00% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, beginning on June 30, 2025. The Senior Notes will mature on December 31, 2028.

The Senior Notes will be redeemable, in whole and not in part, at the Company's option at any time prior to December 31, 2028, at a cash redemption price equal to 106.00% of the principal amount of the Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, with an amount not exceeding the net cash proceeds of one or more "Equity Offerings" (as defined in the Senior Notes Indenture); provided that at least 60% of the aggregate principal amount of the Senior Notes remains outstanding immediately after the redemption and the redemption occurs within 150 days of the date of the closing of each such Equity Offering. Additionally, prior to December 31, 2028, the Company may redeem all or part of the Senior Notes at a redemption price equal to the sum of 108% of the principal amount of the Senior Notes to be redeemed, plus the "Make Whole Premium" (as defined in the Senior Notes Indenture) at the redemption date, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. If certain corporate events that constitute a "Change of Control Triggering Event" (as defined in the Senior Notes Indenture) occur, then noteholders may require the Company to repurchase all or any part of their Senior Notes at a cash repurchase price equal to 101% of the aggregate principal amount of the Senior Notes to be repurchased, plus accrued and unpaid interest, if any, to the date of settlement. The definition of Change of Control Triggering Event includes certain business combination transactions involving the Company.

11. Related Party Transactions

The Company has entered into a number of commercial agreements with related parties, which management believes provide the Company with products or services that are beneficial to its commercial objectives. Often these products and services have been tailored to the Company's specific needs or are part of new pilot programs, both for the Company and the counterparty, for which there are not clear alternative vendors offering comparable services to compare pricing with. It is reasonable to assume that none of these related party commercial agreements were structured at arm's length and therefore may be beneficial to the counterparty.

TheNumber—The Company originally entered into a data analytics services agreement in August 2016 with TheNumber, LLC ("TheNumber"), an entity affiliated with both Vishal Garg, the Chief Executive Officer of the Company, and 1/0 Real Estate.

In September 2021, the Company and TheNumber entered into a technology integration and license agreement. The listed services provided by TheNumber are lead generation, market rate analysis, lead growth analysis, property listing analysis, automated valuation models, and financial risk analysis. Both parties agreed to jointly develop all aspects of this program, and the agreement provides for the utilization of TheNumber employees by the Company. In January 2024, the agreement was extended for an additional year. The services provided by TheNumber are not integral to the Company's technology platform and amounts incurred are not material to the Company. In connection with these agreements, the Company paid expenses of \$0.3 million and \$0.2 million for the three months ended June 30, 2025 and 2024, respectively, which are included within general and administrative expenses on the condensed consolidated statements of operations and comprehensive loss. The Company paid expenses of \$0.5 million for both the six months ended June 30, 2025 and 2024, respectively, which are included within general and administrative expenses on the condensed consolidated statements of operations and comprehensive loss, and had a payable of \$0.1 million and an immaterial amount as of June 30, 2025 and December 31, 2024, respectively, within accounts payable and accrued expenses on the condensed consolidated balance sheets.

Notable—In previous years, the Company or subsidiaries of the Company, entered into several agreements (herein referred to as the "Notable Agreements") with Notable Finance LLC ("Notable"), an entity in which Vishal Garg and 1/0 Real Estate (an entity affiliated with Vishal Garg), collectively hold a majority ownership interest. The Notable

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Agreements included products such as a consumer lending program, a non-revolving personal line of credit, and other financial products which were offered to borrowers of the Company. The Notable Agreements also included the ability for the Company to purchase up to \$20.0 million of unsecured home improvement loans underwritten and originated by Notable for the Company's customers.

During 2024, the Company decided to cease offering the products and services provided via the Notable Agreements. As of June 30, 2025 and December 31, 2024, the Company had \$3.3 million and \$4.2 million of unsecured home improvement loans purchased from Notable, which are included within mortgage loans held for sale, at fair value on the condensed consolidated balance sheets. Notable will continue to provide servicing for the loans purchased from Notable that remain on the Company's balance sheet.

Other Related Party Services—The Company has relationships with 1/0 Capital LLC and Zethos Inc (doing business as “True Work”), companies affiliated with Vishal Garg, the Chief Executive Officer, which provide services to the Company varying from data analytics to information technology support services. For the three and six months ended June 30, 2025 and 2024, the Company recorded an immaterial amount, in relation to these services, which are included in general and administrative expenses on the consolidated statements of operations and comprehensive loss.

Note Exchange Agreement—See Note 10, for further details on the Exchange with SB Northstar LP, a related party of the Company.

12. Commitments and Contingencies

Litigation—The Company, among other things, engages in mortgage lending, title and settlement services, and other financial technology services. The Company operates in a highly regulated industry and may be subject to various legal and administrative proceedings concerning matters that arise in the normal and ordinary course of business, including inquiries, complaints, audits, examinations, investigations, employee labor disputes, and potential enforcement actions from regulatory agencies. While the ultimate outcome of these matters cannot be predicted with certainty due to inherent uncertainties in litigation, management accrues for losses when they are probable to occur and such losses are reasonably estimable, and discloses pending litigation if the Company believes a possibility exists that the litigation will have a material effect on its financial results. Legal costs expected to be incurred are accounted for as they are incurred.

The Company is currently a party to pending legal claims and proceedings regarding employee related labor disputes. The disputes allege that the Company has failed to pay certain employees for overtime and is in violation of the Fair Labor Standards Act and labor laws in the State of California. The majority of such legal claims and proceedings are in the early stages and, to the extent applicable, have not yet reached the class certification stage and as such the ultimate outcomes cannot be predicted with certainty due to inherent uncertainties in the legal claims and proceedings.

As part of the disputes and other similar types of legal matters, the Company included an estimated liability of \$6.9 million and \$8.3 million, as of June 30, 2025 and December 31, 2024, respectively, which is included in accounts payable and accrued expenses on the condensed consolidated balance sheets. During the three and six months ended June 30, 2025, the changes in the liability included a settlement of \$1.4 million. No additional expense was accrued for both the three months ended June 30, 2025 and 2024. Refer to Note 20 for additional information.

Regulatory Matters—In the third quarter of 2021, following third-party audits of samples of loans produced during the fiscal years 2018, 2019, and 2021, the Company became aware of certain TILA-RESPA Integrated Disclosure (“TRID”) defects in the loan production process that resulted in the final closing costs disclosed in the closing disclosure, in some instances, being greater than those disclosed in the loan estimate. Some of these defects were outside applicable tolerances under the TRID rule, which resulted in potential overcharges to consumers. As of June 30, 2025 and December 31, 2024, the Company included an estimated liability of \$5.0 million and \$6.6 million, respectively, within accounts payable and accrued expenses on the condensed consolidated balance sheets. During the three months ended June 30, 2025, the Company recorded an additional accrual for these potential TRID defects of \$0.1 million, which is included within loan origination expense in the condensed consolidated statements of operations and comprehensive loss. During the six months ended June 30, 2025, the Company recorded a reduction in the liability for these potential TRID defects of \$0.8 million, which is included within loan origination expense in the condensed consolidated statements of operations and comprehensive loss. During the three and six months ended June 30, 2025, the Company had relief of the liability due to payments to customers in the amount of \$0.7 million and \$0.8 million, respectively.

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For the three and six months ended June 30, 2024, the Company recorded an additional accrual for these potential TRID defects of \$0.1 million and \$0.1 million, respectively, which are included within loan origination expense in the condensed consolidated statements of operations and comprehensive loss. During the three and six months ended June 30, 2024, the Company had relief of the liability due to payments to customers in the amount of \$2.1 million and \$2.1 million, respectively. This accrual is the Company's best estimate of potential exposure on the larger population of loans based on the results obtained by the audited sample. The accrued amounts are for estimated refunds potentially due to consumers for TRID tolerance errors for loans produced with the identified defects. The Company is continuing to remediate TRID tolerance defects as necessary.

Loan Commitments—The Company enters into IRLCs to fund mortgage loans, at specified interest rates and within a specified period of time, with potential borrowers who have applied for a loan and meet certain credit and underwriting criteria. As of June 30, 2025 and December 31, 2024, the Company had outstanding commitments to fund mortgage loans in notional amounts of approximately \$205.6 million and \$129.9 million, respectively. The IRLCs derived from those notional amounts are recorded within derivative assets and liabilities, at fair value as of June 30, 2025 and December 31, 2024, respectively, on the condensed consolidated balance sheets. See Note 15.

Forward Sale Commitments—In the ordinary course of business, the Company enters into contracts to sell existing LHFS or loans committed but yet to be funded into the secondary market at specified future dates. As of June 30, 2025 and December 31, 2024, the Company had outstanding forward sales commitment contracts of notional amounts of approximately \$234.0 million and \$158.0 million, respectively. The forward sales commitments derived from those notional amounts are recorded within derivative assets and liabilities, at fair value as of June 30, 2025 and December 31, 2024, respectively, on the condensed consolidated balance sheets. See Note 15.

Concentrations—See below for areas considered to be concentrations of credit risk for the Company:

Significant loan purchasers are those which represent more than 10% of the Company's loan volume. During the three months ended June 30, 2025, the Company had three loan purchasers that accounted for 35%, 12% and 11% of loans sold by the Company. During the three months ended June 30, 2024, the Company had three loan purchasers that accounted for 48%, 27%, and 12% of loans sold by the Company. During the six months ended June 30, 2025, the Company had three loan purchasers that accounted for 34%, 13% and 12% of loans sold by the Company. During the six months ended June 30, 2024, the Company had three loan purchasers that accounted for 51%, 22% and 15% of loans sold by the Company.

Concentrations of credit risk associated with the LHFS carried at fair value are limited due to the large number of borrowers and their dispersion across many geographic areas throughout the United States. As of June 30, 2025, the company originated 12% of its LHFS secured by properties in California. As of December 31, 2024, the Company originated 10% of its LHFS secured by properties in California.

The Company maintains cash and cash equivalent balances at various financial institutions. Cash accounts at each bank are insured by the Federal Deposit Insurance Corporation for amounts up to \$0.25 million. As of June 30, 2025 and December 31, 2024, the majority of the Company's cash and cash equivalent balances are in excess of the insured limits at various financial institutions.

Escrow Payable and Other Customer Accounts—In accordance with its lender obligations, the Company maintains a separate escrow bank account to hold borrower funds pending future disbursement. The Company administers escrow deposits representing undisbursed amounts received for payment of property taxes, insurance and principal, and interest on mortgage loans held for sale. The Company also administers customer deposits in relation to other non-mortgage products and services that the Company offers. These funds are shown as restricted cash and there is a corresponding escrow payable on the consolidated balance sheet, as they are being held on behalf of the borrower or customer. The balance in these accounts as of June 30, 2025 and December 31, 2024 was \$0.4 million and \$0.1 million, respectively, and are included within escrow payable and other customer accounts on the condensed consolidated balance sheets.

13. Risks and Uncertainties

In the normal course of business, companies in the mortgage lending industry encounter certain economic and regulatory risks. Economic risks include credit risk and interest rate risk, in either a rising or declining interest rate environment. Credit risk is the risk of default that may result from the borrowers' inability or unwillingness to make contractually required payments during the period in which loans are being held for sale by the Company.

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Interest Rate Risk—The Company is subject to interest rate risk in a rising interest rate environment, as the Company may experience a decrease in loan production, as well as decreases in the fair value of LHFS, loan applications in process with locked-in rates, and commitments to originate loans, which may negatively impact the Company's operations. To preserve the value of such fixed-rate loans or loan applications in process with locked-in rates, agreements are executed for best effort or mandatory loan sales to be settled at future dates with fixed prices. These loan sales take the form of short-term forward sales of mortgage-backed securities and commitments to sell loans to loan purchasers.

Alternatively, in a declining interest rate environment, customers may withdraw their loan applications that include locked-in rates with the Company. Additionally, when interest rates decline, interest income received from LHFS will decrease. The Company uses an interest rate hedging program to manage these risks. Through this program, mortgage-backed securities are purchased and sold forward.

For all counterparties with open positions as of June 30, 2025, in the event that the Company does not deliver into the forward-delivery commitments, they can be settled on a net basis. Net settlements entail paying or receiving cash based upon the change in market value of the existing instrument.

The Company currently uses forward sales of mortgage-backed securities, interest rate commitments from borrowers, and mandatory and/or best-efforts forward commitments to sell loans to loan purchasers to protect the Company from interest rate fluctuations. These short-term instruments, which do not require any payments to be paid to the counterparty in connection with the execution of the commitments, are generally executed simultaneously.

Credit Risk—The Company's hedging program is not designated as formal hedging from an accounting standpoint, contains an element of risk because the counterparties to its mortgage securities transactions may be unable to meet their obligations. While the Company does not anticipate nonperformance by any counterparty, it is exposed to potential credit losses in the event the counterparty fails to perform. The Company's exposure to credit risk in the event of default by the counterparty is the difference between the contract and the current market price. The Company minimizes its credit risk exposure by limiting the counterparties to well-established banks and securities dealers who meet established credit and capital guidelines.

Loan Repurchase Reserve—The Company sells loans to loan purchasers without recourse. As such, the loan purchasers have assumed the risk of loss or default by the borrower. However, the Company is usually required by these loan purchasers to make certain standard representations and warranties relating to the loan for up to three years post sale. To the extent that the Company does not comply with such representations, or there are early payment defaults, the Company may be required to repurchase the loans or indemnify these loan purchasers for losses. In addition, if loans pay-off within a specified time frame the Company may be required to refund a portion of the sales proceeds to the loan purchasers. The Company repurchased \$2.2 million (9 loans) and \$1.0 million (5 loans) in unpaid principal balance of loans during the three months ended June 30, 2025 and 2024, respectively, related to its loan repurchase obligations. The Company repurchased \$4.2 million (15 loans) and \$3.0 million (11 loans) in unpaid principal balance of loans during the six months ended June 30, 2025 and 2024, respectively, related to its loan repurchase obligations. The Company's loan repurchase reserve is included within other liabilities on the condensed consolidated balance sheets. The recovery of the loan repurchase reserve is included within gain on loans, net on the consolidated statements of operations and comprehensive loss. The following presents the activity of the Company's loan repurchase reserve:

(Amounts in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Loan repurchase reserve at beginning of period	\$ 5,045	\$ 15,441	\$ 7,523	\$ 19,472
Recovery	(422)	(3,379)	(2,549)	(6,942)
Charge-offs	(312)	(341)	(663)	(809)
Loan repurchase reserve at end of period	<u>\$ 4,311</u>	<u>\$ 11,721</u>	<u>\$ 4,311</u>	<u>\$ 11,721</u>

Borrowing Capacity—The Company funds the majority of mortgage loans on a short-term basis through committed and uncommitted warehouse lines as well as from operations for any amounts not advanced by warehouse lenders, see Note 4. As a result, the Company's ability to fund current operations depends on its ability to secure these types of short-term financings. If the Company's principal lenders decided to terminate or not to renew any of the warehouse lines with the Company, the loss of borrowing capacity could be detrimental to the Company's consolidated financial statements unless the Company found a suitable alternative source.

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14. Net Loss Per Share

The computation of net loss per share and weighted average shares of the Company's common stock outstanding during the periods presented is as follows:

<i>(Amounts in thousands, except for share and per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Basic net loss per share:				
Net loss	\$ (36,270)	\$ (41,365)	\$ (86,827)	\$ (92,857)
Shares used in computation:				
Weighted average common shares outstanding ⁽¹⁾	15,187,558	15,095,956	15,185,724	15,087,913
Weighted-average effect of dilutive securities:				
Assumed exercise of stock options	—	—	—	—
Assumed exercise of Public & Private Warrants	—	—	—	—
Diluted weighted-average common shares outstanding	15,187,558	15,095,956	15,185,724	15,087,913
Earnings (loss) per share attributable to common stockholders:				
Basic	\$ (2.39)	\$ (2.74)	\$ (5.72)	\$ (6.15)
Diluted	\$ (2.39)	\$ (2.74)	\$ (5.72)	\$ (6.15)

1. Periods ended June 30, 2024 has been adjusted to reflect the 1-for-50 reverse stock split on August 16, 2024. See Note 1 Organization and Nature of the Business - Reverse Stock Split, for additional information.

Basic and diluted loss per share are the same for each class of common stock (i.e., Class A, Class B and Class C) because they are entitled to the same dividend rights. Basic and diluted loss per share are presented together as the amounts for basic and diluted loss per share are the same (i.e., the Company's other equity-linked instruments outstanding are anti-dilutive for the periods presented).

The Company's potentially dilutive securities, which include stock options, restricted stock units ("RSUs"), warrants to purchase shares of common stock, and Sponsor locked-up shares, have been excluded from the computation of diluted net loss per share, as the effect would be anti-dilutive. The Company excluded the following securities, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to common stockholders for the periods indicated as including them would have had an anti-dilutive effect:

<i>(Amounts in thousands)</i>	Six Months Ended June 30,	
	2025	2024 ⁽²⁾
RSUs and Options to purchase common stock ⁽¹⁾	1,517	1,187
Public Warrants ⁽¹⁾⁽³⁾	6,075	6,075
Private Warrants ⁽¹⁾⁽³⁾	3,733	3,733
Sponsor locked-up shares ⁽¹⁾	14	14
Total	11,339	11,009

(1) Securities have an antidilutive effect under the treasury stock method.

(2) Period ended June 30, 2025 has been adjusted to reflect the 1-for-50 reverse stock split on August 16, 2024. See Note 1 Organization and Nature of the Business - Reverse Stock Split, for additional information.

(3) Public and Private Warrants (as defined below) are unadjusted by the Reverse Stock Split as a holder must exercise 50 warrants to receive one share of common stock.

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15. Fair Value Measurements

The Company's financial instruments measured at fair value on a recurring basis are summarized below:

(Amounts in thousands)	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Mortgage loans held for sale, at fair value	\$ —	\$ 447,738	\$ —	\$ 447,738
Derivative assets, at fair value ⁽¹⁾	—	—	5,248	5,248
Total Assets	\$ —	\$ 447,738	\$ 5,248	\$ 452,986
Derivative liabilities, at fair value ⁽¹⁾ —included within other liabilities				
	\$ —	\$ 2,292	\$ 110	\$ 2,402
Warrants and equity related liabilities, at fair value ⁽²⁾	\$ 910	\$ 841	\$ —	\$ 1,751
Total Liabilities	\$ 910	\$ 3,133	\$ 110	\$ 4,153

(Amounts in thousands)	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Mortgage loans held for sale, at fair value	\$ —	\$ 399,241	\$ —	\$ 399,241
Derivative assets, at fair value ⁽¹⁾	—	1,231	1,308	2,539
Total Assets	\$ —	\$ 400,472	\$ 1,308	\$ 401,780
Derivative liabilities, at fair value ⁽¹⁾ —included within other liabilities				
	\$ —	\$ —	\$ 86	\$ 86
Warrants and equity related liabilities, at fair value ⁽²⁾	729	678	—	1,407
Total Liabilities	\$ 729	\$ 678	\$ 86	\$ 1,493

(1) As of June 30, 2025, derivative assets represent IRLCs, and liabilities represent both IRLCs and forward sale commitments. As of December 31, 2024, derivative assets represent forward sale commitments and IRLCs, and liabilities represent IRLCs.

(2) Fair value is based on the intrinsic value of the Company's underlying stock price at each balance sheet date and includes certain assumptions with regard to volatility.

Specific valuation techniques and inputs used in determining the fair value of each significant class of assets and liabilities are as follows:

Mortgage Loans Held for Sale—The Company originates certain LHFS to be sold to loan purchasers and elected to carry these loans at fair value in accordance with ASC 825. The fair value is primarily based on the price obtained for other mortgage loans with similar characteristics. The changes in fair value of these assets are largely driven by changes in interest rates subsequent to loan funding and receipt of principal payments associated with the relevant LHFS.

Derivative Assets and Liabilities—The Company uses derivatives to manage various financial risks. The fair values of derivative instruments are determined based on quoted prices for similar assets and liabilities, dealer quotes, and internal pricing models that are primarily sensitive to market observable data. The Company utilizes IRLCs and forward sale commitments. The fair value of IRLCs, which are related to mortgage loan commitments, is based on quoted market prices, adjusted by the pull-through factor, and includes the value attributable to the net servicing fee. The Company evaluated the significance and unobservable nature of the pull-through factor and determined that the classification of IRLCs should be Level 3 as of June 30, 2025 and December 31, 2024. Significant changes in the pull-through factor of the IRLCs, in isolation, could result in significant changes in the IRLCs' fair value measurement. The value of IRLCs also rises and falls with changes in interest rates; for example, entering into interest rate lock commitments at low interest rates followed by an increase in interest rates in the market, will decrease the value of IRLC. The Company had purchases/issuances of approximately \$10.8 million and \$3.4 million of IRLCs during the three months ended June 30, 2025 and 2024, respectively. The Company had purchases/issuances of approximately \$18.8 million and \$5.9 million of IRLCs during the six months ended June 30, 2025 and 2024, respectively.

The number of days from the date of the IRLC to expiration of the rate lock commitment outstanding as of June 30, 2025 was approximately 46 days on average. The Company attempts to match the maturity date of the IRLCs with the

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forward commitments. Derivatives are presented in the condensed consolidated balance sheets under derivative assets, at fair value and derivative liabilities, at fair value. During the three months ended June 30, 2025, the Company recognized \$0.9 million of gains and \$0.7 million of losses related to changes in fair value of IRLCs and forward sale commitments, respectively. During the six months ended June 30, 2025, the Company recognized \$3.5 million of gains and \$3.2 million of losses related to changes in fair value of IRLCs and forward sale commitments, respectively. During the three months ended June 30, 2024, the Company recognized \$1.5 million and \$4.0 million of gains related to changes in the fair value of IRLCs and forward sale commitments, respectively. During the six months ended June 30, 2024, the Company recognized \$1.6 million and \$6.4 million of gains related to changes in fair value of IRLCs and forward sale commitments, respectively. Gains and losses related to changes in the fair value of IRLCs and forward sale commitments are included in gain on loans, net within the condensed consolidated statements of operations and comprehensive loss. Unrealized activity related to changes in the fair value of forward sale commitments were \$1.3 million of losses and \$0.7 million of gains, included in the \$0.7 million of losses and \$4.0 million of gains, during the three months ended June 30, 2025 and 2024, respectively. Unrealized activity related to changes in the fair value of forward sale commitments were \$3.9 million of losses and \$4.5 million of gains, included in the \$3.2 million of losses and \$6.4 million of gains, during the six months ended June 30, 2025 and 2024, respectively. The notional and fair value of derivative financial instruments not designated as hedging instruments were as follows:

<i>(Amounts in thousands)</i>	Notional Value	Derivative Asset	Derivative Liability
Balance as of June 30, 2025			
IRLCs	\$ 205,564	\$ 5,248	\$ 110
Forward commitments	\$ 234,000	—	2,292
Total		\$ 5,248	\$ 2,402
Balance as of December 31, 2024			
IRLCs	\$ 129,900	\$ 1,308	\$ 86
Forward commitments	\$ 158,000	1,231	—
Total		\$ 2,539	\$ 86

Warrant and equity related liabilities—The warrant liability consists of Warrants and certain shares issued to Novator Capital Sponsor Ltd. (the “Sponsor”), a related party, that are subject to transfer restrictions contingent on the price of Class A common stock exceeding certain thresholds (the “Sponsor-Locked-Up Shares”). The warrants consist of the Company's publicly traded warrants (“Public Warrants”) and private warrants to acquire shares of Aurora that have been converted into warrants to acquire shares of Class A common stock (“Private Warrants,” and together with the Public Warrants, the “Warrants”). The Public Warrants trade on the Nasdaq under the ticker symbol “BETRW” and as such is considered a Level 1 input from an active market to derive the value. The Private Warrants and Sponsor-Locked up Shares, although not publicly traded on an active market, use inputs from the publicly traded Public Warrants and the Company’s publicly traded common stock, respectively, and are further calibrated using unobservable inputs representing Level 2 measurements within the fair value hierarchy.

As of June 30, 2025 and December 31, 2024, Level 3 instruments include IRLCs, bifurcated derivative and convertible preferred stock warrants. The following table presents the rollforward of Level 3 IRLCs:

<i>(Amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Balance at beginning of period	\$ 3,848	\$ 1,675	\$ 1,222	\$ 1,640
Change in fair value of IRLCs	1,290	1,531	3,916	1,566
Balance at end of period	\$ 5,138	\$ 3,206	\$ 5,138	\$ 3,206

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Counterparty agreements for forward sale commitments contain master netting agreements, which contain a legal right to offset amounts due to and from the same counterparty and can be settled on a net basis. The table below presents gross amounts of recognized assets and liabilities subject to master netting agreements.

<i>(Amounts in thousands)</i>	Gross Amount of Recognized Assets	Gross Amount of Recognized Liabilities	Net Amounts Presented in the Consolidated Balance Sheet
Offsetting of Forward Commitments - Assets			
Balance as of:			
June 30, 2025:	\$ —	\$ —	\$ —
December 31, 2024:	\$ 1,249	\$ (18)	\$ 1,231
Offsetting of Forward Commitments - Liabilities			
Balance as of:			
June 30, 2025:	\$ —	\$ (2,292)	\$ (2,292)
December 31, 2024:	\$ —	\$ —	\$ —

Significant Unobservable Inputs—The following table presents quantitative information about the significant unobservable inputs used in the recurring fair value measurements categorized within Level 3 of the fair value hierarchy:

<i>(Amounts in dollars, except percentages)</i>	June 30, 2025	
	Range	Weighted Average
Level 3 Financial Instruments:		
IRLCs		
Pull-through factor	0.00% - 100.00%	75.4 %

<i>(Amounts in dollars, except percentages)</i>	December 31, 2024	
	Range	Weighted Average
Level 3 Financial Instruments:		
IRLCs		
Pull-through factor	0.45% - 100.00%	74.8 %

U.S. GAAP requires disclosure of fair value information about financial instruments, whether recognized or not recognized in the condensed consolidated financial statements, for which it is practical to estimate the fair value. In cases where quoted market prices are not available, fair values are based upon the estimation of discount rates to estimated future cash flows using market yields or other valuation methodologies. Considerable judgment is necessary to interpret market data and develop estimates of fair value in both inactive and orderly markets. Accordingly, fair values are not necessarily indicative of the amount the Company could realize on disposition of the financial instruments in a current market exchange. The use of market assumptions or estimation methodologies could have a material effect on the estimated fair value amounts.

The estimated fair value of the Company's cash and cash equivalents, restricted cash, warehouse lines of credit, and escrow funds approximates their carrying values as these financial instruments are highly liquid or short-term in nature.

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The following table presents the carrying amounts and estimated fair value of financial instruments that are not recorded at fair value on a recurring or non-recurring basis:

<i>(Amounts in thousands)</i>	Fair Value Level	June 30, 2025		December 31, 2024	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Short-term investments	Level 1	\$ 134,390	\$ 128,083	\$ 53,774	\$ 53,791
Loans held for investment	Level 3	\$ 423,367	\$ 423,732	\$ 113,144	\$ 113,348
Convertible Notes	Level 3	\$ —	\$ —	\$ 519,749	\$ 371,160
Senior Notes	Level 3	\$ 200,409	\$ 112,550	\$ —	\$ —

In determining the fair value of the Senior Notes and loans held for investment, management uses factors that are material to the valuation process, including but not limited to, risks, prospects, and economic and market conditions, among other factors. As a number of assumptions and estimates were involved that are largely unobservable, the Senior Notes and loans held for investment are classified as Level 3 inputs within the fair value hierarchy.

16. Income Taxes

On a consolidated basis, the Company recorded total income tax expense of \$0.2 million and \$0.3 million for the six months ended June 30, 2025 and 2024, respectively. The Company's quarterly tax provision, and estimate of its annual effective tax rate, is subject to variation due to several factors, including the ability to accurately project the Company's pre-tax income or loss for the year and the mix of earnings among various tax jurisdictions. The year-to-date effective tax rate, after discrete items, of (0.28)% for the six months ended June 30, 2025, changed from (0.37)% for the six months ended June 30, 2024, as the Company is forecasting reduction in losses for 2025. The income tax expense for the six months ended June 30, 2025 primarily relates to the pre-tax income projections in certain foreign jurisdictions where the Company files standalone returns. The income tax expense for the six months ended June 30, 2024 relates to the pre-tax income projections and dividend income withholding tax paid in certain foreign jurisdictions where the Company files standalone returns.

As of each reporting date, the Company considers existing evidence, both positive and negative, that could impact management's view with regard to future realization of deferred income tax assets. The Company is in a three-year cumulative loss position as of June 30, 2025. Further, due to losses being estimated in the future, management continues to believe it is more likely than not that the benefit of the deferred income tax assets will not be realized. In recognition of this risk, the Company continues to provide a full valuation allowance on deferred income tax assets.

17. Stockholders' Equity

On the Closing Date, the Company consummated the Business Combination pursuant to the terms of the Merger Agreement. The Company's Class A common stock and Public Warrants currently trade on the Nasdaq, under the ticker symbols "BETR" and "BETRW", respectively. Each outstanding share of Pre-Business Combination Better common stock was exchanged for approximately 3.06 shares of the Company's Class A or Class B common stock.

Private and Public Warrants—As of June 30, 2025 and December 31, 2024, the Company had a total of \$1.6 million and \$1.3 million of Private Warrants and Public Warrants, respectively, included as warrant and equity related liabilities within the condensed consolidated balance sheets. The change in fair value of Warrants for the three and six months ended June 30, 2025, was a loss of \$0.6 million and a loss of \$0.3 million, respectively, and is included in other expenses within the condensed consolidated statements of operations and comprehensive loss. The change in fair value of Warrants for the three and six months ended June 30, 2024, was a loss of \$0.1 million and a gain of \$0.5 million, respectively, and is included in other expenses within the condensed consolidated statements of operations and comprehensive loss.

Sponsor Locked-up Shares—As of June 30, 2025 and December 31, 2024, the Company had a total of \$0.1 million and \$0.1 million, respectively, of Sponsor Locked-up Share liabilities, which are included within warrant and equity liabilities in the condensed consolidated balance sheets. The change in fair value of Sponsor Locked-up Shares for both the three and six months ended June 30, 2025, was an immaterial loss and was included in other expenses within the

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condensed consolidated statements of operations and comprehensive loss. The change in fair value of Sponsor Locked-up Shares for the three and six months ended June 30, 2024, was none and a gain of \$0.2 million, respectively, and was included in other expenses within the condensed consolidated statements of operations and comprehensive loss.

Notes Receivable from Stockholders—The Company, previously at times, entered into promissory note agreements with certain employees for the purpose of financing the exercise of the Company’s stock options. These employees had the ability to use the promissory notes to exercise stock options that have not yet been vested by the respective employees. Interest is compounded and accrued based on any unpaid principal balance and is due upon the earliest of maturity, 120 days after an employee leaves the Company, the date the employee sells shares acquired through the promissory note agreement without prior written consent of the Company, or the day prior to the date that any change in the employee’s status would cause the loan to be a prohibited extension or maintenance of credit under Section 402 of the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley Act”). The Company no longer enters into promissory note agreements for the purpose of financing the exercise of the Company’s stock options and no longer allows for the early exercise of stock options.

As of both June 30, 2025 and December 31, 2024 the Company had a total of \$16.0 million of outstanding promissory notes.

Of the promissory notes outstanding as of both June 30, 2025 and December 31, 2024 \$9.2 million were issued for the exercise of stock options vested, and are recorded as a component of stockholders’ equity within the condensed consolidated balance sheets. The balance as of June 30, 2025 does not include any promissory notes due from directors and officers of the Company.

Of the promissory notes outstanding as of both June 30, 2025 and December 31, 2024 \$6.8 million were issued for the early exercise of stock options not yet vested. Promissory notes issued for the early exercise of stock options not yet vested are not reflected within stockholders’ equity on the condensed consolidated balance sheets as they relate to unvested share awards and therefore are considered non-substantive exercises. As the unvested share awards vest and are exercised in conjunction with the notes, they are recognized in the statement of equity within vesting of common stock issued via promissory notes receivable from stockholders. The maturity of the promissory notes are in January 2026 and include interest rates ranging from 0.5% to 2.5% per annum.

18. Stock-Based Compensation

Stock-Based Compensation Expense—Stock-based compensation expense is included within compensation and benefits in the condensed consolidated statements of operations and comprehensive loss. The Company recognized stock-based compensation expense as follows:

<i>(Amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock-based compensation expense	4,252	7,959	8,285	16,325

Stock-based compensation expense excludes \$0.4 million and \$0.5 million of stock-based compensation expense for the three months ended June 30, 2025 and 2024, which was capitalized (see Note 6). Stock-based compensation expense excludes \$0.8 million and \$0.9 million of stock-based compensation expense for the six months ended June 30, 2025 and 2024, which was capitalized (see Note 6).

19. Regulatory Requirements

The Company is subject to various local, state, and federal regulations related to its loan production by the various states it operates in, as well as federal agencies such as the Consumer Financial Protection Bureau, HUD, and the FHA and may be subject to the requirements of the agencies to which it sells loans, such as FNMA and FMCC. As a result, the Company may become involved in requests for information, periodic reviews, investigations, and proceedings by such various federal, state, and local regulatory bodies and agencies.

The Company is required to meet certain minimum net worth, minimum capital ratio and minimum liquidity requirements, including those established by HUD, FMCC and FNMA. As of June 30, 2025, the Company was in compliance with all necessary requirements.

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Additionally, the Company may be subject to other financial requirements established by government-sponsored enterprises (“GSEs”), which include a limit for a decline in net worth and quarterly profitability requirements. In 2023, the Company failed to meet the additional financial requirements due to the Company’s decline in profitability and decline in net worth. The decline in net worth and decline in profitability permit GSEs to declare a breach of the Company’s contract. The Company has implemented additional financial requirements and remains in compliance with all applicable obligations as of June 30, 2025.

20. Subsequent Events

The Company evaluated subsequent events from the date of the condensed consolidated balance sheets of June 30, 2025 through the date of the release of financial statements, and has determined that, there have been no subsequent events that require recognition or disclosure in the condensed consolidated financial statements, except as described in Note 4 and as follows:

Approval for U.K. Sale—Subsequent to June 30, 2025, the Company received regulatory approval from the Financial Conduct Authority in the U.K. for the sale of one of the disposal units which were classified as held for sale as of June 30, 2025.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of Better Home & Finance Holding Company's (together with its consolidated subsidiaries, the "Company," "we" "our" or "us") financial condition and results of operations should be read together with our audited consolidated financial statements as of December 31, 2024 and for the years ended December 31, 2024 and 2023, in each case, together with related notes thereto, included in our 2024 Annual Report on Form 10-K, and our condensed consolidated financial statements and related notes as of and for the quarterly period ended June 30, 2025, included elsewhere in this quarterly report on Form 10-Q.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements constitute forward-looking statements and are not guarantees of performance. In some cases, you can identify forward-looking statements by terminology such as "believe," "may," "will," "estimate," "potential," "continue," "anticipate," "intend," "expect," "could," "would," "project," "plan," "target," or the negatives of these terms or variations of them or similar terminology, although not all forward-looking statements contain such identifying words. Such forward-looking statements are based on management's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this quarterly report on Form 10-Q. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Forward-looking statements in this quarterly report on Form 10-Q and the associated risks, uncertainties, assumptions and other important factors may include, but are not limited to:

- Factors relating to our business, operations and financial performance, including:
 - Our ability to operate under and maintain or improve our business model;
 - The effect of interest rates on our business, results of operations, and financial condition;
 - Our ability to expand our customer base, grow market share in our existing markets and enter into new markets;
 - Our ability to respond to general economic conditions, particularly elevated interest rates and lower home sales and refinancing activity;
 - Our ability to restore our growth and our expectations regarding the development and long-term expansion of our business;
 - Our ability to comply with laws and regulations related to the operation of our business, including any changes to such laws and regulations;
 - Our ability to achieve and maintain profitability in the future;
 - Our ability and requirements to raise additional financing in the future;
 - Our estimates regarding expenses, future revenue, capital and additional financing requirements;
 - Our ability to maintain, expand and be successful in our strategic relationships with third parties;
 - Our ability to remediate existing material weaknesses and implement and maintain an effective system of internal controls over financial reporting;
 - Our ability to develop new products, features and functionality that meet market needs and achieve market acceptance;
 - Our ability to retain, identify and hire individuals for the roles we seek to fill and staff our operations appropriately;

- The involvement of our CEO in litigation related to prior business activities, our business activities and associated negative media coverage;
- Our ability to recruit and retain additional directors, members of senior management and other team members, including our ability in general, and our CEO's ability in particular, to maintain an experienced executive team;
- Our ability to successfully manage our international and banking operations
- Our ability to maintain and improve morale and workplace culture and respond effectively to the effects of negative media coverage; and
- Our ability to maintain, protect, assert and enhance our intellectual property rights.
- Factors relating to our capital structure, governance and the market for our securities, including:
 - The existence of multiple classes of common stock, which is comprised of our Class A common stock, our Class B common stock and our Class C common stock, and its impact on the liquidity and value of the Class A common stock;
 - The limited experience of our directors and management team in overseeing a public company;
 - Our ability to maintain the listing of the Class A common stock and Public Warrants on the Nasdaq;
 - Our ability to maintain certain lines of credit and obtain future financing on commercially favorable terms to fund loans and otherwise operate our business, and
 - The liquidity and trading of Class A common stock and Warrants.

Additional risks and uncertainties that could cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements include those matters discussed in Part I, Item 1A. "Risk Factors" of the Company's 2024 Annual Report on Form 10-K. The forward-looking statements contained in this quarterly report on Form 10-Q are based on current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those described in these forward-looking statements.

Company Overview

We are building a next-generation platform that we believe can revolutionize the world's largest, oldest and most tangible asset class, the home. Our holistic solution and marketplace model, enabled by our proprietary technology, allows us to take one of our customers' largest and most complex financial journeys-the process of owning a home-and transform it into a more simple, transparent and ultimately affordable process. Our goal is to do our part in lowering the hurdles to homeownership by offering the lowest prices and the best experience to our customers.

We are a technology-driven organization. We are seeking to disrupt a business model by leveraging Tinman, our proprietary loan origination platform that uses AI and automation to deliver a frictionless, user-friendly experience to our customers, as well as Betsy, the first voice-based AI loan assistant built for the mortgage industry, to enhance the automation of the home finance process. Through this process, we aim to reduce the cost to produce a loan and in the future to create a platform with all homeownership products embedded into a highly automated, single flow, allowing us to pass along savings to our customers.

Our offerings include mortgage financing, real estate services, title and homeowners' insurance. We offer a selection of loan products for home purchase and refinance, including cash-out refinance, debt consolidation and home equity lines of credit, across a range of maturities and interest rates as well as a suite of non-mortgage products, including real estate agent services offered by our network of third-party partner real estate agents and, through our insurance partners, title insurance and settlement services, and homeowners insurance. We serve customers in all 50 US states and the United Kingdom.

We are focused on improving our platform and plan to continue making investments to build our business and prepare for future growth. We believe that our success will depend on many factors, including our ability to drive customers to our platform, and convert them once they come to us, through our customer acquisitions channels which include our direct-to-consumer (“D2C”) channel, our partner relationship (“B2B”) channel, and our distributed retail channel (“Retail”), to achieve leverage on our operational expenses, execute on our strategy to fund more purchase loans and diversify our revenue by expanding and enhancing our offerings. We plan to continue to invest in technology to improve customer experience and further drive down labor costs through automation, making our platform more efficient and scalable.

In our D2C channel, we serve customers from their first website visit to close entirely under the Better Home & Finance brand. We have historically relied on positive word of mouth, customer reviews, and trusted third-party recommendations to grow our business, together with performance marketing (pay-per-click) and other paid digital media.

In our B2B channel, we have generated business through our “Mortgage-as-a-Service” offering, which enables our partners to provide a custom-branded, high-quality experience to the partner’s customers, powered by our technology and team members. Historically, we had one integrated relationship with Ally Bank, a Utah state-chartered bank (“Ally”), pursuant to which we offered our end-to-end platform and services alongside Ally’s brand, and manufactured loans on Ally’s behalf. Initially launched in 2019, our integrated relationship with Ally is in process of winding down due to a shift in strategic direction and corporate resourcing at Ally. We believe the infrastructure and technology built for Ally can be leveraged across a pipeline of potential integrated relationships going forward.

In order to grow our Retail channel, in the third quarter of 2024, we hired the executive team from NEO Home Loans, a group of loan officer teams with strong brand recognition within the U.S. mortgage market, to build out a distributed retail channel within Better. By bringing NEO Home Loans into the Better platform, we seek to diversify Better’s distribution strategy, and leverage Tinman, our internally developed all-in loan operating system, to power local loan officers under the “NEO Powered by Better” brand. We believe there is significant opportunity to prove out Tinman’s efficiency in the Retail channel by providing our technology to local loan officers to remove friction from their fulfillment process and expand their capacity to serve more customers, while improving economics through a business model with traditionally lower customer acquisition costs compared to the D2C channel. We expect to leverage Better’s AI technology and digital lead funnel to empower NEO’s loan officer teams, who have demonstrated track records in customer service excellence and strong reputations within the communities they serve.

Our Business Model

We generate revenue through the production and sale of loans and other product offerings through our platform. The revenue and mix of revenue as a percentage of total revenue attributable to our sale of loan production (gain on loans, net) and Better Plus (other revenue) for the three and six months ended June 30, 2025 and 2024 is as follows:

(Amounts in thousands, except percentage amounts)	Three Months Ended June 30,			
	2025		2024	
	Amounts	Percentages	Amounts	Percentages
Gain on loans, net	\$ 36,772	83 %	\$ 24,229	75 %
Other revenue	3,300	7 %	2,881	9 %
Net interest income	4,072	9 %	5,152	16 %
Total net revenues	<u>\$ 44,144</u>		<u>\$ 32,262</u>	

(Amounts in thousands, except percentage amounts)	Six Months Ended June 30,			
	2025		2024	
	Amounts	Percentages	Amounts	Percentages
Gain on loans, net	\$ 61,348	80 %	\$ 39,881	73 %
Other revenue	7,330	10 %	5,698	10 %
Net interest income	8,019	10 %	8,934	16 %
Total net revenues	<u>\$ 76,697</u>		<u>\$ 54,513</u>	

Home Finance Mortgage Model—Gain on loans, net

We produce a wide selection of mortgage loans and leverage our platform to quickly sell these loans and related mortgage servicing rights (“MSRs”) to our loan purchaser network. We source our customers through three channels: our D2C channel, our B2B channel, and our Retail channel. Through our D2C and Retail channels, we generate gain on loans, net by selling loans and MSRs to our loan purchaser network, recognizing revenue per loan. We may also earn a fixed fee per loan originated by third-parties through our D2C and Retail channels. Through our B2B channel, we generate revenue from integrated relationships and advertising relationships. Through our advertising relationships, we generate gain on loans, net the same way we do in our D2C channel, by selling loans to our loan purchaser network. Through our integrated relationships, we generate a fixed fee per loan originated, which we recognize as revenue upon the funding of the loan by the partner. We may also purchase certain of the loans from our integrated relationship partner which we may subsequently sell to our loan purchaser network at our discretion. For loans subsequently sold to our loan purchaser network, the partner receives a portion of the sale proceeds. Although we aim to expand our B2B relationships, as of June 30, 2025, this channel was primarily comprised of our integrated relationship with Ally, which we are currently winding down.

Better Plus Model—Other revenue

Better Plus revenue consists of revenue from non-mortgage product offerings including real estate services (Better Real Estate) and insurance services, which includes title insurance (Better Cover).

Through Better Real Estate services, we offer settlement services during the mortgage transaction, which include wire services, document preparation, and other mortgage settlement services. As part of Better Real Estate we offer real estate services through our national network of real estate agents, primarily third-party partner real estate agents. Our technology matches prospective buyers with local agents, who help them identify houses, see houses, and navigate the purchase process. In the partner agent model, we refer customers to a network of external agents that assist them with searching for a home for which we receive a cooperative brokerage fee.

Through Better Cover we offer customers access to a range of homeowners insurance policy options through our digital marketplace of third-party insurance partners. We act as an agent to insurance carriers and receive an agency fee

from the insurance carriers for policies sold and renewed. We also offer title insurance primarily as an agent and work with third-party providers that fulfill and underwrite the title insurance policies.

International Lending Revenue—Other revenue

International lending revenue consists of revenue from our international lending activities, primarily in the U.K., which has expanded via acquisitions in prior years. International lending activities primarily include broker fees earned via our digital mortgage broker in the U.K. During the fourth quarter of 2024, management enacted a plan to sell several entities in the U.K., which management expects to complete the sales within one year.

Key Business Metrics

In addition to the measures presented in our condensed consolidated financial statements, we use the following key business metrics to help us evaluate our business, identify trends affecting our business, formulate plans and make strategic decisions. Our key business metrics enable us to monitor our ability to manage our business compared to the broader mortgage origination market, as well as monitor relative performance across key purchase and refinance verticals.

Key measures that we use in assessing our business include the following (\$ in millions, except percentage data or as otherwise noted):

Key Business Metric	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
<i>Home Finance</i>				
Funded Loan Volume	\$ 1,205	\$ 962	\$ 2,074	\$ 1,623
Refinance Loan Volume	\$ 162	\$ 77	\$ 295	\$ 159
Purchase Loan Volume	\$ 803	\$ 794	\$ 1,381	\$ 1,323
HELOC Volume	\$ 240	\$ 90	\$ 398	\$ 142
D2C Loan Volume	\$ 774	\$ 670	\$ 1,388	\$ 1,030
B2B Loan Volume	\$ 4	\$ 292	\$ 95	\$ 594
Retail Loan Volume	\$ 428	\$ —	\$ 591	\$ —
Total Loans (number of loans, not millions)	4,032	2,995	7,007	4,986
Average Loan Amount (\$ value, not millions)	\$ 298,952	\$ 321,178	\$ 295,962	\$ 325,544
Gain on Sale Margin	3.05 %	2.52 %	2.96 %	2.46 %
Total Market Share	0.2 %	0.2 %	0.2 %	0.2 %
<i>Better Plus</i>				
Better Real Estate Transaction Volume	\$ 93	\$ 105	\$ 164	\$ 161
Insurance Coverage Written	\$ 1,001	\$ 1,164	\$ 1,997	\$ 2,232

Home Finance

Funded Loan Volume represents the aggregate dollar amount of all loans funded in a given period based on the principal amount of the loan at funding, including HELOC loans.

Refinance Loan Volume represents the aggregate dollar amount of refinance loans funded in a given period based on the principal amount of the loan at refinancing date.

Purchase Loan Volume represents the aggregate dollar amount of purchase loans funded in a given period based on the principal amount of the loan at purchase date.

HELOC Loan Volume represents the aggregate dollar amount of HELOC loans funded in a given period based on the principal amount of the loan at funding.

D2C Loan Volume represents the aggregate dollar amount of loans funded in a given period based on the principal amount of the loan at funding that have been generated from direct interactions with customers using all marketing channels other than our Retail and B2B partner relationships.

B2B Loan Volume represents the aggregate dollar amount of loans funded in a given period based on the principal amount of the loan at funding that have been generated through one of our B2B partner relationships.

Retail Loan Volume represents the aggregate dollar amount of loans funded in a given period based on the principal amount of the loan at funding that has been generated through one of our distributed retail channel.

Total Loans represents the total number of loans funded in a given period, including purchase loans, refinance loans and HELOC loans.

Average Loan Amount represents Funded Loan Volume divided by number of loans funded in a period.

Gain on Sale Margin represents gain on loans, net, as presented on our condensed consolidated statements of operations and comprehensive income (loss), divided by Funded Loan Volume.

Total Market Share represents Funded Loan Volume in a period divided by total value of loans funded in the industry for the same period, as presented by FNMA.

Better Plus

Better Real Estate Transaction Volume represents the aggregate dollar amount of real estate volume transacted in a given period across both in-house agents and third-party network agents.

Insurance Coverage Written represents the aggregate dollar amount of insurance liability coverage provided to customers on behalf of insurance carrier partners across all insurance products on the Company's marketplace, specifically title and homeowners insurance offered through Better Settlement Services and Better Cover. This includes the value of the loan for lender's title insurance and dwelling coverage for homeowners insurance. Insurance Coverage Written amounts for Better Cover have been updated for all periods presented to include both new policies and policy renewals, which in prior periods included only new policies.

Description of Certain Components of Our Financial Data

Components of Revenue

Our sources of revenue include gain on loans, net, other revenue, and net interest income.

Home Finance (Gain on Loans, Net)

Gain on loans, net, includes revenue generated from our mortgage production process. The components of Gain on loans, net, are as follows:

- i. Gain on sale of loans, net—This represents the premium we receive in excess of the loan principal amount and certain fees charged by loan purchasers upon sale of loans into the secondary market. Gain on sale of loans, net includes unrealized changes in the fair value of mortgage loans held for sale ("LHFS"), which are recognized on a loan-by-loan basis as part of current period earnings until the loan is sold on the secondary market. The fair value of LHFS is measured based on observable market data. This also includes activity for loans originated on behalf of the integrated partnership that are subsequently purchased by us as well the portion of the sale proceeds to be received by the integrated partner. The portion of the sale proceeds that is to be allocated to the integrated partner is accrued as a reduction of gain on sale of loans, net when the loan is initially purchased by us from the integrated relationship partner.

Gain on sale of loans, net also includes the changes in fair value of IRLCs and forward sale commitments. IRLCs include the fair value upon purchase/issuance with subsequent changes in the fair value recorded in each reporting period until the loan is sold on the secondary market. Fair value of forward commitments hedging IRLCs and LHFS are measured based on quoted prices for similar assets.

- ii. Broker revenue—Includes fees that the Company receives for originating loans on behalf of third-parties, including the integrated relationship partner. Starting late in 2024, our business with the integrated relationship partner, Ally, is winding down due a shift in strategic direction by Ally.
- iii. Provision for Loan Repurchase Reserve—In connection with our sale of loans on the secondary market, we make customary representations and warranties to the relevant loan purchasers about various characteristics of each loan, such as the origination and underwriting guidelines, including but not limited to the validity of the lien securing the loan, property eligibility, borrower credit, income and asset requirements, and compliance with applicable federal, state and local laws. In the event of a breach of its representations and warranties, we may be required to repurchase the loan with the identified defects. The provision for loan repurchase reserve, represents the charge for these potential losses.

Better Plus, International Lending Revenue, and Other (Other Revenue)

We generate other revenue through our Better Plus offerings, which includes Better Real Estate (real estate services), Better Cover (insurance), and international lending revenue.

For Better Real Estate, we generate revenues from fees related to real estate agent services, mainly cooperative brokerage fees from our network of third-party real estate agents, to assist our customers in the purchase or sale of a home. For settlement services, we generate revenues from fees on services, such as policy preparation, title search, wire, and other services, required to close a loan, which were provided by third parties through our platform. We recognize revenues from fees on settlement services upon the completion of the performance obligation, which was when the loan transaction closes.

For Better Cover, we generate revenues from agent fees on homeowners insurance policies obtained by our customers through our marketplace of third-party insurance carriers. For title insurance, we generate revenues from agent fees on title policies written by third parties and sold to our customers in loan transactions. We recognize revenues from agent fees on title policies upon the completion of the performance obligation, which is when the loan transaction closes. As an agent, we do not control the ability to direct the fulfillment of the service, are not primarily responsible for fulfilling the performance of the service, and do not assume the risk in a claim against the policy.

Our performance obligations for settlement services and title insurance are typically completed 40 to 60 days after the commencement of the loan origination process and are recognized in revenue upon the closing of the loan transaction.

For international lending revenue, we generate revenue primarily from broker fees earned via our digital mortgage broker in the U.K. During the fourth quarter of 2024, management enacted a plan to sell several entities in the U.K., which are being actively marketed.

Net Interest Income

Net interest income includes interest income from LHFS, including HELOCs, calculated based on the note rate of the respective loan, interest income from short-term investments, and interest income on loans held for investment, through our U.K. banking operations. Interest expense includes interest expense on warehouse lines of credit, interest expense on customer deposits, through our U.K. banking operations, as well as interest expense on the Convertible Notes.

Components of Our Expenses

Our expenses consist of compensation and benefits, general and administrative, technology expenses, marketing and advertising expenses, loan origination expenses, depreciation and amortization, and other expenses.

Compensation and Benefits Expenses

Compensation and benefits expenses includes salaries, wages, and incentive pay as well as stock compensation, employee health benefits, 401(k) plan benefits, and social security and unemployment taxes. Stock-based compensation includes expenses associated with restricted stock unit grants, performance stock unit grants, and stock option grants under our stock plans. We recognize compensation expense for the stock-based payments based on the fair value of the awards on the grant date. The expense is recorded on a straight-line basis over the requisite service period. Compensation and benefits excludes amounts capitalized for internally developed software.

General and Administrative Expenses

General and administrative expenses include rent and occupancy expenses, travel and entertainment expenses, insurance expenses, and external legal, tax and accounting services. General and administrative expenses are expensed as incurred.

Technology Expenses

Technology expenses consist of expenses related to vendors engaged in product management, design, development and testing of our websites and products. Technology and product development expenses are generally expensed as incurred.

Marketing and Advertising Expenses

Marketing and advertising expenses consist of customer acquisition expenses, brand costs, and paid marketing. For customer acquisition expenses, we primarily generate loan origination leads for which we incur “pay-per-click” expenses. Marketing expenses are generally expensed as incurred.

Loan Origination Expenses

Loan origination expenses consist primarily of origination expenses, appraisal fees, processing expenses, underwriting, closing fees, and servicing costs. These expenses are expensed as incurred.

Other Expenses/(Income)

Other expenses relate to other non-mortgage homeownership activities, including settlement service expenses, lead generation expenses, expenses incurred in relation to our international lending activities, and gains and losses from the warrant and equity related liabilities. Settlement service expenses consist of fees for transactional services performed by third-party providers for borrowers while lead generation expenses consist of fees for services related to real estate agents. Other expenses are expensed as incurred.

Results of Operations

The following table sets forth certain consolidated financial data for each of the periods indicated:

(Amounts in thousands, except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues:				
Gain on loans, net	\$ 36,772	\$ 24,229	\$ 61,348	\$ 39,881
Other revenue	3,300	2,881	7,330	5,698
Net interest income				
Interest income	14,157	9,397	24,602	18,033
Interest expense	(10,085)	(4,245)	(16,583)	(9,099)
Net interest income	4,072	5,152	8,019	8,934
Total net revenues	44,144	32,262	76,697	54,513
Expenses:				
Compensation and benefits	41,412	35,254	88,080	73,327
General and administrative	11,507	15,155	23,137	29,202
Technology	6,948	6,582	14,130	12,040
Marketing and advertising	11,140	8,531	19,827	13,085
Loan origination expense	3,923	791	6,426	3,368
Depreciation and amortization	3,535	7,990	7,510	17,064
Other expenses/(Income)	1,855	(879)	4,175	(1,062)
Total expenses	80,320	73,424	163,285	147,024
Loss before income tax expense	(36,176)	(41,162)	(86,588)	(92,511)
Income tax expense/(benefit)	94	203	239	346
Net loss	\$ (36,270)	\$ (41,365)	\$ (86,827)	\$ (92,857)
Earnings (loss) per share attributable to common stockholders (Basic)	\$ (2.39)	\$ (2.74)	\$ (5.72)	\$ (6.15)
Earnings (loss) per share attributable to common stockholders (Diluted)	\$ (2.39)	\$ (2.74)	\$ (5.72)	\$ (6.15)

Three and Six Months Ended June 30, 2025 as Compared to Three and Six Months Ended June 30, 2024

Revenues

The components of our revenues for the period were:

(Amounts in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues:				
Gain on loans, net	36,772	24,229	61,348	39,881
Other revenue	3,300	2,881	7,330	5,698
Net interest income				
Interest income	14,157	9,397	24,602	18,033
Mortgage interest expense	(10,085)	(4,245)	(16,583)	(9,099)
Net interest income	4,072	5,152	8,019	8,934
Total net revenues	\$ 44,144	\$ 32,262	\$ 76,697	\$ 54,513

Gain on loans, net

The components of our gain on loans, net for the period were:

(Amounts in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Gain on sale of loans, net	\$ 34,015	\$ 18,374	\$ 55,293	\$ 28,195
Broker Revenue	2,335	2,476	3,506	4,744
Loan repurchase reserve recovery	422	3,379	2,549	6,942
Total gain on loans, net	\$ 36,772	\$ 24,229	\$ 61,348	\$ 39,881

Gain on sale of loans, net increased \$15.6 million or 85% to \$34.0 million for the three months ended June 30, 2025 compared to \$18.4 million for the three months ended June 30, 2024. The increase in gain on sale of loans, net was largely driven by the increase of Funded Loan Volume, which was driven by increases in home equity products.

Gain on sale of loans, net increased \$27.1 million or 96% to \$55.3 million for the six months ended June 30, 2025 compared to \$28.2 million for the six months ended June 30, 2024. The increase in gain on sale of loans, net was largely driven by the increase of Funded Loan Volume.

Broker revenue decreased \$0.1 million, or 6% to \$2.3 million for the three months ended June 30, 2025, compared to \$2.5 million for the three months ended June 30, 2024. The decrease in broker revenue was primarily driven by the reduction in B2B Loan Volume due to the winding down of our integrated relationship partnership with Ally. This was offset by broker revenue earned for originating loans for third-parties in our Retail channel.

Broker revenue fees decreased \$1.2 million, or 26.1% to \$3.5 million for the six months ended June 30, 2025, compared to \$4.7 million for the six months ended June 30, 2024. The decrease in broker revenue was primarily driven by the reduction in B2B Loan Volume due to the winding down of our integrated relationship partnership with Ally. This was offset by broker revenue earned for originating loans for third-parties in our Retail channel.

Loan repurchase reserve recovery decreased \$3.0 million or 88%, to a recovery of \$0.4 million for the three months ended June 30, 2025, compared to a recovery of \$3.4 million for the three months ended June 30, 2024. The loan repurchase reserve has decreased as our estimate for potential loss exposure has declined as we no longer have exposure to the historical periods when we had a significantly higher funded loan volume. The reduction in potential loss exposure results in a reduction in the loan repurchase reserve liability which is recognized as a recovery within gain on loans, net.

Loan repurchase reserve recovery decreased \$4.4 million or 63.3%, to a recovery of \$2.5 million for the six months ended June 30, 2025, compared to a recovery of \$6.9 million for the six months ended June 30, 2024. The loan repurchase

reserve has decreased as our estimate for potential loss exposure has declined as we no longer have exposure to the historical periods when we had a significantly higher funded loan volume. The reduction in potential loss exposure results in a reduction in the loan repurchase reserve liability which is recognized as a recovery within gain on loans, net.

Other Revenue

The components of other revenue for the period were:

<i>(Amounts in thousands)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
International lending revenue	\$ 1,446	\$ 1,219	\$ 2,974	\$ 2,327
Insurance services	825	537	1,498	1,176
Real estate services	151	653	1,098	1,000
Other revenue	878	472	1,760	1,195
Total other revenue	<u>\$ 3,300</u>	<u>\$ 2,881</u>	<u>\$ 7,330</u>	<u>\$ 5,698</u>

International lending revenue increased \$0.2 million, or 19% to \$1.4 million for the three months ended June 30, 2025 compared to \$1.2 million for the three months ended June 30, 2024. The increase in international lending revenue was primarily driven by increased operations in U.K. brokerage businesses.

International lending revenue increased \$0.6 million, or 27.8% to \$3.0 million for the six months ended June 30, 2025 compared to \$2.3 million for the six months ended June 30, 2024. The increase in international lending revenue was primarily driven by increased operations in U.K. brokerage businesses.

Insurance services increased \$0.3 million, or 53.6% to \$0.8 million for the three months ended June 30, 2025 compared to \$0.5 million for the three months ended June 30, 2024. The increase in insurance services was primarily driven by an increase in insurance related revenue from the U.K. which is not reflected in Insurance Coverage Written.

Insurance services increased \$0.3 million, or 27.4% to \$1.5 million for the six months ended June 30, 2025 compared to \$1.2 million for the six months ended June 30, 2024. The increase in insurance services was primarily driven by an increase in insurance related revenue from the U.K. which is not reflected in Insurance Coverage Written.

Real estate services decreased \$0.5 million, or 77% to \$0.2 million for the three months ended June 30, 2025 compared to \$0.7 million the three months ended June 30, 2024 due to an decrease in real estate transaction volume driven by a wind down of the integrated relationship partnership with Ally and its use as a source of referrals for real estate services.

Real estate services increased \$0.1 million, or 9.8% to \$1.1 million for the six months ended June 30, 2025 compared to \$1.0 million for the six months ended June 30, 2024 due to an increase in real estate transaction volume during the first quarter of 2025.

Other revenue increased by \$0.4 million, or 86% to \$0.9 million for the three months ended June 30, 2025 compared to \$0.5 million for the three months ended June 30, 2024. The increase in other revenue was primarily driven by mortgage and non-mortgage loan servicing activities in the U.S. and U.K.

Other revenue increased by \$0.6 million, or 47.3% to \$1.8 million for the six months ended June 30, 2025 compared to \$1.2 million for the six months ended June 30, 2024. The increase in other revenue was primarily driven by mortgage and non-mortgage loan servicing activities in the U.S. and U.K.

Net Interest Income

The components of our net interest income for the period were:

(Amounts in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Mortgage interest income	\$ 7,787	\$ 4,468	\$ 14,223	\$ 7,432
Interest income on loans held for investment	3,894	221	5,773	302
Interest income from investments	2,476	4,708	4,606	10,299
Warehouse interest expense	(5,727)	(2,310)	(8,515)	(4,397)
Interest expense on customer deposits	(4,352)	(267)	(6,357)	(370)
Other interest expense	(6)	(1,668)	(1,711)	(4,332)
Total net interest income/(loss)	\$ 4,072	\$ 5,152	\$ 8,019	\$ 8,934

Mortgage interest income increased \$3.3 million, or 74% to \$7.8 million for the three months ended June 30, 2025 compared from \$4.5 million of the three months ended June 30, 2024. The increase in mortgage interest income was primarily driven by the increase in origination volume and the mortgage interest income earned on the unpaid principal balance for loans held and serviced during the interim between the origination of the loan and its sale on the secondary market.

Mortgage interest income increased \$6.8 million, or 91.4% to \$14.2 million for the six months ended June 30, 2025 compared from \$7.4 million of the six months ended June 30, 2024. The increase in mortgage interest income was primarily driven by the increase in origination volume and the mortgage interest income earned on the unpaid principal balance for loans held and serviced during the interim between the origination of the loan and its sale on the secondary market.

Interest income on loans held for investment increased \$3.7 million, or 1662.0% to \$3.9 million for the three months ended June 30, 2025 compared to \$0.2 million for the three months ended June 30, 2024. The increase in interest income on loans held for investment was driven by increased originations of loans held for investment in our U.K. banking operations. Loans held for investment was \$420.6 million and \$31.2 million as of June 30, 2025 and 2024.

Interest income on loans held for investment increased \$5.5 million, or 1812% to \$5.8 million for the or the six months ended June 30, 2025 compared to \$0.3 million for the six months ended June 30, 2024. The increase in interest income on loans held for investment was driven by increased originations of loans held for investment in our U.K. banking operations. Loans held for investment was \$420.6 million and \$31.2 million as of June 30, 2025 and 2024.

Interest income from investments decreased \$2.2 million, or 47% to \$2.5 million for the three months ended June 30, 2025 compared to \$4.7 million for the three months ended June 30, 2024. The decrease in interest income from investments was primarily driven by decreased holdings of investments with maturities less than 90 days which was partially offset by increases in holdings of short-term investments with maturities of 91 days to a year.

Interest income from investments decreased \$5.7 million, or 55.3% to \$4.6 million for the six months ended June 30, 2025 compared to \$10.3 million for the six months ended June 30, 2024. The decrease in interest income from investments was primarily driven by decreased holdings of investments with maturities less than 90 days which was partially offset by increases in holdings of short-term investments with maturities of 91 days to a year.

Warehouse interest expense increased \$3.4 million, or 148% to \$5.7 million for the three months ended June 30, 2025 compared to \$2.3 million for the three months ended June 30, 2024. The increase in warehouse interest expense was primarily driven by increased borrowings on funding facilities used in the mortgage production process to meet the increased origination volume.

Warehouse interest expense increased \$4.1 million, or 93.7% to \$8.5 million for the six months ended June 30, 2025 compared to \$4.4 million for the six months ended June 30, 2024. The increase in warehouse interest expense was primarily driven by increased borrowings on funding facilities used in the mortgage production process to meet the increased origination volume.

Interest expense on customer deposits increased \$4.1 million, or 1530% to \$4.4 million for the three months ended June 30, 2025 compared to \$0.3 million for the three months ended June 30, 2024. The increase in interest expense on customer deposits was driven by increased customer deposits which in turn fund our loans held for investment in our U.K. banking operations. The balance of customer deposits was \$482.4 million and \$36.6 million as of June 30, 2025 and 2024.

Interest expense on customer deposits increased \$6.0 million, or 1618% to \$6.4 million for the six months ended June 30, 2025 compared to \$0.4 million for the six months ended June 30, 2024. The increase in interest expense on customer deposits was driven by increased customer deposits which in turn fund our loans held for investment in our U.K. banking operations. The balance of customer deposits was \$482.4 million and \$36.6 million as of June 30, 2025 and 2024.

Other interest expense decreased \$1.7 million, or 100% to \$— million for the three months ended June 30, 2025 compared to \$1.7 million for the three months ended June 30, 2024. Other interest expense is related to interest expense on our Convertible Notes which were extinguished as part of the Exchange per Note 10 in April 2025. As part of the TDR accounting, the interest on the Senior Notes has been recognized up front as part of the new carrying value.

Other interest expense decreased \$2.6 million, or 60.5% to \$1.7 million for the six months ended June 30, 2025 compared to \$4.3 million for the six months ended June 30, 2024. Other interest expense is related to interest expense on our Convertible Notes which were extinguished as part of the Exchange per Note 10 in April 2025. As part of the TDR accounting, the interest on the Senior Notes has been recognized up front as part of the new carrying value.

Expenses

The components of our expenses for the period were:

(Amounts in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Compensation and benefits	41,412	35,254	88,080	73,327
General and administrative	11,507	15,155	23,137	29,202
Technology	6,948	6,582	14,130	12,040
Marketing and advertising	11,140	8,531	19,827	13,085
Loan origination expense	3,923	791	6,426	3,368
Depreciation and amortization	3,535	7,990	7,510	17,064
Other expenses/(Income)	1,855	(879)	4,175	(1,062)
Total operating expenses	\$ 80,320	\$ 73,424	\$ 163,285	\$ 147,024

Compensation and benefits expenses were \$41.4 million for the three months ended June 30, 2025, an increase of \$6.2 million or 17% compared with \$35.3 million for the three months ended June 30, 2024. We increased our headcount between the two periods, and increased incentive compensation as a result of increased production volume, which lead to an increase in compensation and benefits. The increase in headcount was primarily in the second quarter of 2025 as we began to ramp up our Retail channel.

Compensation and benefits expenses were \$88.1 million for the six months ended June 30, 2025, an increase of \$14.8 million or 20% as compared with \$73.3 million for the six months ended June 30, 2024. We increased our headcount between the two periods, and increased incentive compensation as a result of increased production volume, which lead to an increase in compensation and benefits. The increase in headcount was primarily in the second quarter of 2025 as we began to ramp up our Retail channel.

General and administrative expenses were \$11.5 million for the three months ended June 30, 2025, a decrease of \$3.6 million or 24% as compared with \$15.2 million in the three months ended June 30, 2024. The decrease in general and administrative expenses was driven primarily by decreases in rent and occupancy expenses, as we have taken measures to reduce our real estate footprint, as well as reductions in insurance premiums and professional services.

General and administrative expenses were \$23.1 million for the six months ended June 30, 2025, a decrease of \$6.1 million or 20.8% as compared with \$29.2 million in the six months ended June 30, 2024. The decrease in general and administrative expenses was driven primarily by decreases in rent and occupancy expenses, as we have taken measures to reduce our real estate footprint, as well as some reductions in professional services.

Technology expenses were \$6.9 million for the three months ended June 30, 2025, an increase of \$0.4 million or 6% as compared with \$6.6 million in the three months ended June 30, 2024. The increase in technology expenses was driven primarily by an increase in costs associated with software vendors. This was driven by the increased headcount, due to which we required more software licenses.

Technology expenses were \$14.1 million for the six months ended June 30, 2025, an increase of 2.1 million or 17.4% as compared with \$12.0 million in the six months ended June 30, 2024. The increase in technology expenses was driven primarily by an increase in costs associated with software vendors. This was driven by the increased headcount, due to which we required more software licenses.

Marketing and advertising expenses were \$11.1 million for the three months ended June 30, 2025, an increase of \$2.6 million or 31% as compared with \$8.5 million in the three months ended June 30, 2024. The increase is due to an investment in advertising to drive volume. Marketing and advertising is composed of performance advertising and pilot marketing, which performance advertising scales with volume through existing channels while pilot marketing is market spend to test new channels along with testing brand marketing, which generally costs more upfront.

Marketing and advertising expenses were \$19.8 million for the six months ended June 30, 2025, an increase of \$6.7 million or 51.5% as compared with \$13.1 million in the six months ended June 30, 2024. The increase is due to an investment in advertising to drive volume, which started at the end of the first quarter in 2024. Marketing and advertising is composed of performance advertising and pilot marketing, which performance advertising scales with volume through existing channels while pilot marketing is market spend to test new channels along with testing brand marketing, which generally costs more upfront.

Loan origination expenses were \$3.9 million for the three months ended June 30, 2025, an increase of \$3.1 million or 396%, as compared with \$0.8 million in the three months ended June 30, 2024. The increase in loan origination expenses driven by an increase in costs associated with loan origination vendors, as well as a increase in non-HELOC origination volume.

Loan origination expenses were \$6.4 million for the six months ended June 30, 2025, and decrease of 3.1 million or 90.8%, as compared with \$3.4 million in the six months ended June 30, 2024. The increase in loan origination expenses was driven by an increase in costs associated with loan origination vendors, as well as a increase in non-HELOC origination volume.

Other expenses/(income) were \$1.9 million for the three months ended June 30, 2025, an increase of \$2.7 million or 311%, as compared with a credit of \$0.9 million in the three months ended June 30, 2024. The increase in other expenses was primarily driven by mortgage loan activities in the U.K. The increase in other expenses was also driven by an increase on liability classified warrants and equity related liabilities as a result of the increased trading price of our common stock.

Other expenses/(income) were \$4.2 million for the six months ended June 30, 2025, an increase of \$5.2 million or 493.1%, as compared with a gain of \$1.1 million in the six months ended June 30, 2024. The reduction in other expenses was primarily driven by an increase on liability classified warrants and equity related liabilities as a result of the increased trading price of our common stock in the current period where in the prior period a reduction in liability classified warrants and equity related liabilities resulted in a gain.

Non-GAAP Financial Measures

We report Adjusted Net Loss and Adjusted EBITDA, which are financial measures not prepared in accordance with generally accepted accounting principles (“non-GAAP”) that we use to supplement our financial results presented in accordance with GAAP. These non-GAAP financial measures should not be considered in isolation and are not intended to be a substitute for any GAAP financial measures. These non-GAAP measures provide supplemental information that we believe helps investors better understand our business, our business model, and how we analyze our performance.

Non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning and are not prepared under any comprehensive set of accounting rules or principles. Accordingly, other companies, including companies in our industry, may calculate similarly titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

We include reconciliations of Adjusted Net Loss and Adjusted EBITDA to GAAP Net Income (Loss), their most closely comparable GAAP measure. We encourage investors and others to review our condensed consolidated financial statements and notes thereto in their entirety included elsewhere in this quarterly report on Form 10-Q, not to rely on any single financial measure, and to consider Adjusted Net Loss and Adjusted EBITDA only in conjunction with their respective most closely comparable GAAP financial measure.

We believe these non-GAAP financial measures are useful to investors for supplemental period-to-period comparisons of our business and understanding and evaluating our operating results for the following reasons:

- We use Adjusted Net Loss to assess our overall performance, without regard to items that are considered to be unique or non-recurring in nature or otherwise unrelated to our ongoing revenue-generating operations;
- Adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance without regard to items such as stock-based compensation expense, depreciation and amortization expense, interest and amortization on non-funding debt, income tax expense, and costs that are unique or non-recurring in nature or otherwise unrelated to our ongoing revenue-generating operations, all of which can vary substantially from company to company depending upon their financing and capital structures;
- We use Adjusted Net Loss and Adjusted EBITDA in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including the preparation of our annual operating budget, as a measure of our core operating results and the effectiveness of our business strategy, and in evaluating our financial performance; and
- Adjusted Net Loss and Adjusted EBITDA provide consistency and comparability with our past financial performance, facilitate period-to-period comparisons of our core operating results, and also facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results.

Further, although we use these non-GAAP measures to assess the financial performance of our business, these measures have limitations as analytical tools, and they should not be considered in isolation or as substitutes for analysis of our financial results as reported under GAAP. Some of these limitations are, or may in the future be, as follows:

- Although depreciation and amortization expense is a non-cash charge, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted Net Loss and Adjusted EBITDA exclude stock-based compensation expense, which has recently been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect (i) interest expense, or the cash requirements necessary to service interest or principal payments on our non-funding debt, which reduces cash available to us; or (ii) tax accruals or tax payments that represent a reduction in cash available to us; and
- The expenses and other items that we exclude in our calculations of Adjusted Net Loss and Adjusted EBITDA may differ from the expenses and other items, if any, that other companies may exclude from similarly titled non-GAAP measures when they report their operating results, and we may, in the future, exclude other significant, unusual or non-recurring expenses or other items from these financial measures.

Because of these limitations, Adjusted Net Loss and Adjusted EBITDA should be considered along with other financial performance measures presented in accordance with GAAP, and not as an alternative or substitute for our financial results prepared and presented in accordance with GAAP.

Adjusted Net Loss and Adjusted EBITDA

We calculate Adjusted Net Loss as net income (loss) adjusted for the impact of stock-based compensation expense, change in the fair value of warrants and equity related liabilities, and other non-core operational expenses.

We calculate Adjusted EBITDA as net income (loss) adjusted for the impact of stock-based compensation expense, change in the fair value of warrants and equity related liabilities, and other non-recurring or non-core operational expenses, as well as interest and amortization on non-funding debt (which includes interest on the Convertible Note), depreciation and amortization expense, and income tax expense.

The following table presents a reconciliation of Net Income (Loss) to Adjusted Net Loss and Adjusted EBITDA for the periods indicated:

(Amounts in thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Adjusted Net Loss				
Net (loss) income	\$ (36,270)	\$ (41,365)	\$ (86,827)	\$ (92,857)
Stock-based compensation expense ⁽¹⁾	4,252	7,959	8,285	16,325
Change in fair value of warrants and equity related liabilities ⁽²⁾	572	102	344	(721)
Restructuring, impairment, and other expenses ⁽³⁾	1,206	184	1,776	905
Adjusted Net Loss	<u>\$ (30,240)</u>	<u>\$ (33,121)</u>	<u>\$ (76,422)</u>	<u>\$ (76,349)</u>
Adjusted EBITDA				
Net (loss) income	\$ (36,270)	\$ (41,365)	(86,827)	\$ (92,857)
Income tax expense / (benefit)	94	203	239	346
Depreciation and amortization expense ⁽⁴⁾	3,535	7,990	7,510	17,064
Stock-based compensation expense ⁽¹⁾	4,252	7,959	8,285	16,325
Interest and amortization on non-funding debt ⁽⁵⁾	6	1,668	1,711	4,332
Restructuring, impairment, and other expenses ⁽³⁾	1,206	184	1,776	905
Change in fair value of warrants and equity related liabilities ⁽²⁾	572	102	344	(721)
Adjusted EBITDA	<u>\$ (26,605)</u>	<u>\$ (23,260)</u>	<u>\$ (66,962)</u>	<u>\$ (54,607)</u>

- (1) Stock-based compensation represents the non-cash grant date fair value of stock-based instruments utilized to incentivize employees and consultants recognized over the applicable vesting period. This expense is a non-cash expense. We exclude this expense from our internal operating plans and measurement of financial performance (although we consider the dilutive impact to our stockholders when awarding stock-based compensation and value such awards accordingly).
- (2) Change in fair value of Public Warrants and Private Warrants as well as the Sponsor Locked-Up Shares, represents the change in fair value of liability-classified warrants as presented in our Consolidated Statements of Operations and Comprehensive Loss. This charge is a non-cash charge.
- (3) Restructuring, impairment, and other expenses are primarily comprised of employee one-time termination benefits, real estate restructuring losses, impairment of property and equipment, and goodwill.
- (4) Depreciation and amortization represents the loss in value of fixed and intangible assets through depreciation and amortization, respectively. These expenses are non-cash expenses, and we believe that they do not correlate to the performance of our business during the periods presented.
- (5) Interest and amortization on non-funding debt represents interest and amortization on the Convertible Note, which is included within net interest income in our Consolidated Statements of Operations and Comprehensive Loss.

Liquidity and Capital Resources

In our normal course of business, excluding HELOCs, we fund substantially all of our Funded Loan Volume on a short-term basis primarily through our warehouse lines of credit. Our borrowings are repaid with the proceeds we receive from the sale of our loans to our loan purchaser network, which includes government-sponsored enterprises (“GSEs”). As of June 30, 2025, we had three warehouse lines of credit in different amounts and with various maturities, with an aggregate available amount of \$575.0 million.

We have placed focus on growing our U.K. banking entity during 2024 which has accelerated during the six months ended June 30, 2025. As of June 30, 2025 and December 31, 2024, we had loans held for investment of \$420.6 million and \$111.5 million, respectively. The growth in loans held for investment has been primarily funded with customer deposits which are held at the U.K. banking entity. As of June 30, 2025 and December 31, 2024, we had customer deposits of \$482.4 million and \$134.1 million, respectively.

We have also raised capital via the closing of the Business Combination in August 2023, which resulted in gross proceeds of approximately \$568 million. Of the total gross proceeds, \$528.6 million was in the form of Convertible Notes issued by Better Home & Finance to SB Northstar LP. During the second quarter of 2025, we entered into the Note Exchange Agreement to exchange our existing Convertible Notes for \$155.0 million of Senior Notes and a cash payment of \$110.0 million as further discussed below.

We believe that funds provided by these sources will be adequate to meet our liquidity and capital resource needs for at least the next 12 months under current operating conditions.

Warehouse Lines of Credit

As of June 30, 2025 and December 31, 2024, we had the following outstanding warehouse lines of credit:

(Amounts in thousands)	Maturity	Facility Size	Amount Outstanding June 30, 2025	Amount Outstanding December 31, 2024
Funding Facility 1 ⁽¹⁾	May 13, 2025	—	—	60,747
Funding Facility 2 ⁽²⁾	March 6, 2026	150,000	82,502	74,472
Funding Facility 3 ⁽³⁾	August 1, 2025	175,000	153,943	108,851
Funding Facility 4 ⁽⁴⁾	April 5, 2026	250,000	134,744	—
Total warehouse lines of credit		\$ 575,000	\$ 371,189	\$ 244,070

(1) Interest charged under the facility is at the 30-day term SOFR plus 2.125%. During the second quarter of 2025, Funding Facility 1 was terminated prior to maturity.

(2) Interest charged under the facility is at the 30-day term SOFR plus 2.10% - 2.25%. Cash collateral deposit of \$3.8 million is maintained and included in restricted cash.

(3) Interest charged under the facility is at the 30-day term SOFR plus 1.75% - 3.75%. There is no cash collateral deposit maintained as of June 30, 2025. Subsequent to June 30, 2025, the Company extended the maturity to July 1, 2026.

(4) Interest charged under the facility is at the daily simple SOFR plus 2.25% - 2.50%. There is no cash collateral deposit maintained as of June 30, 2025.

Convertible Notes and Note Exchange Agreement

On April 12, 2025, we entered into a privately negotiated Note Exchange Agreement with the Investor, pursuant to which management and the Investor agreed to exchange all of the \$532.5 million total aggregate principal amount outstanding of our existing 1.00% Convertible Notes due 2028 held by the Investor for (i) \$155.0 million in aggregate principal amount of the Senior Notes, and (ii) a cash payment of \$110.0 million. We will not receive any cash proceeds in connection with the Exchange. The Exchange was subsequently consummated on April 28, 2025, upon which we received and cancelled all Existing Notes and the Investor forfeited any accrued and unpaid interest in respect of the Existing Notes to but not including the Closing Date.

Pursuant to the Note Exchange Agreement, we granted the Investor, conditioned on closing of the Exchange, a non-transferrable right to designate one non-voting board observer from June 1, 2025, for so long as the Investor and affiliates of the Investor continue to hold, in the aggregate, either (i) at least 25% of the initial aggregate principal amount of the New Notes or (ii) at least 12% of the sum of the outstanding shares of the Company's Class A Common Stock, Class B Common Stock and Class C Common Stock, calculated on a fully diluted basis.

New Notes Indenture

On the Closing Date, we entered into the New Notes Indenture with GLAS Trust Company LLC, as Trustee and notes collateral agent. The Senior Notes represent our senior secured obligations, and are secured by substantially all of the Company's and its material domestic subsidiaries' assets. The Senior Notes are (i) senior in right of payment to our existing and future senior, unsecured indebtedness to the extent of the value of the collateral; and (ii) senior in right of payment to ours existing and future indebtedness that is expressly subordinated to the New Notes.

Interest on the Senior Notes is payable, at our election, in cash or by payment-in-kind by issuing additional notes in an aggregate principal amount equal to the relevant amount of interest paid in kind. The Senior Notes will accrue interest at a

rate of 6.00% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, starting on June 30, 2025. The Senior Notes will mature on December 31, 2028.

The Senior Notes will be redeemable, in whole and not in part, at our option at any time prior to December 31, 2028, at a cash redemption price equal to 106.00% of the principal amount of the Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, with an amount not exceeding the net cash proceeds of one or more Equity Offerings (as defined in the New Notes Indenture); provided that at least 60% of the aggregate principal amount of the Senior Notes remains outstanding immediately after the redemption and the redemption occurs within 150 days of the date of the closing of each such Equity Offering. Additionally, prior to December 31, 2028, we may redeem all or part of the Senior Notes at a redemption price equal to the sum of 108% of the principal amount of the Senior Notes to be redeemed, plus the Make Whole Premium (as defined in the New Notes Indenture) at the redemption date, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. If certain corporate events that constitute a Change of Control Triggering Event (as defined in the New Notes Indenture) occur, then noteholders may require us to repurchase all or any part of their Senior Notes at a cash repurchase price equal to 101% of the aggregate principal amount of the Senior Notes to be repurchased, plus accrued and unpaid interest, if any, to the date of settlement. The definition of Change of Control Triggering Event includes certain business combination transactions involving the Company.

The carrying value of the Senior Notes of \$200.4 million as of June 30, 2025 and is made up of the total future undiscounted cash flows which includes principal of \$155.0 million and interest make-whole as well as a redemption premium of \$45.4 million.

Cash Flows

The following table summarizes our cash flows for the periods presented:

(in thousands)	Six Months Ended June 30,	
	2025	2024
Net cash (used in) provided by operating activities	\$ (113,515)	\$ (263,382)
Net cash (used in) provided by investing activities	\$ (381,967)	\$ (62,974)
Net cash provided by (used in) financing activities	\$ 365,350	\$ 144,827

Six Months Ended June 30, 2025 as Compared to Six Months Ended June 30, 2024

Operating Activities

Net cash used by operating activities was \$114 million for the six months ended June 30, 2025, a decrease of \$150 million, or 57%, compared to net cash used by operating activities of \$263 million for the six months ended June 30, 2024. The decrease in net cash used by operating activities was primarily driven by loan originations in excess of proceeds from sales of loans for the six months ended June 30, 2024 while loan originations remained relatively even with proceeds from sales of loans for the six months ended June 30, 2025.

Investing Activities

Net cash used in investing activities was \$382 million for the six months ended June 30, 2025, an increase of \$319 million, or 507%, compared to net cash used in investing activities of \$63 million for the six months ended June 30, 2024. The increase in cash used in investing activities primarily consists of purchases in excess of maturities of short-term investments, as well as originations of loans held for investment, both of which are through our U.K. banking entity which the Company has focused on growing during the six months ended June 30, 2025. Loans held for investment are funded from our cash on hand as well as growth in customer deposits held by our U.K. banking entity, which is included within financing activities.

Financing Activities

Net cash provided by financing activities was \$365.4 million for the six months ended June 30, 2025, an increase of \$221 million, or 152%, compared to net cash provided by financing activities of \$145 million for the six months ended June 30, 2024. The increase in cash provided by financing activities was primarily driven by an increase in customer deposits, namely through our U.K. banking entity and was offset by \$110.0 million payment against our Convertible Notes as part of the Exchange.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined in Item 303 of Regulation S-K that are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies and Estimates

There have been no significant changes in our critical accounting policies and estimates during the period ended June 30, 2025, as compared to the critical accounting policies and estimates disclosed in the audited consolidated financial statements and related notes thereto as of and for the year ended December 31, 2024, which are included in our 2024 Annual Report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), and, as a result, are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

The Company's management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on the evaluation of our disclosure controls and procedures as of June 30, 2025, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, due to the material weaknesses described below, our disclosure controls and procedures were not effective as of June 30, 2025.

Notwithstanding the material weaknesses, management has concluded that the financial statements included elsewhere in this Quarterly Report present fairly, in all material respects, our financial position, results of operations and cash flows in the conformity with U.S. GAAP.

Material Weaknesses

As previously disclosed in Part II, Item 9A. “*Controls and Procedures*” of our 2024 Annual Report on Form 10-K, we have identified the following material weaknesses in our internal control over financial reporting, which were not fully remediated as of June 30, 2025:

- The Company determined that certain actions taken by our Chief Executive Officer failed to set a tone at the top that supported a strong culture of internal controls based on the criteria established by the *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), which requires the Company to demonstrate a commitment to integrity and ethical values, and for management to establish structures, reporting lines, and appropriate authorities and responsibilities.
- The Company did not maintain an effective control environment, nor did it implement proper control activities required by the COSO Framework due to the limited number of accounting personnel with relevant experience and sufficient capacity.
- The Company previously identified a material error in a valuation provided by a third-party due to the limited number of accounting personnel with relevant experience and sufficient capacity to review the valuation.

The above material weaknesses could result in misstatements to our financial statements in the future, if not remediated.

Remediation Efforts with Respect to Material Weaknesses

With oversight from the Audit Committee of the Company's board of directors and input from the Company's board of directors, management is in the process of designing and implementing changes in processes and controls to remediate the material weaknesses described above. The measures we are taking to remediate the identified material weaknesses and further evolve our accounting processes include:

Actions specific to the remediation of the material weakness in internal control over financial reporting during the year ended December 31, 2024, and quarter ended June 30, 2025, related to the company's tone at the top including demonstration of a commitment to integrity and ethical values, and the establishment of structures, reporting lines, and appropriate authorities and responsibilities.

- We have established a management ethics and compliance committee reporting directly to the Audit Committee of the Board of Directors which ensures that concerns related to integrity and ethical values are independently evaluated, investigated, and reported to the Audit Committee.
- The Chief Executive Officer has completed Executive Coaching to address behavioral aspects of his management style to the satisfaction of the Board of Directors.
- We have enhanced reporting lines, authorities, and responsibilities with the appointment of an independent director to serve as the Chairman of the Board, and appointment of a President/Chief Operations Officer.
- We have identified and evaluated the design and effectiveness of Entity Level Controls which set the tone at the top, establish and check adherence to standards of conduct, and address deviations promptly.
- We have identified and evaluated the design and effectiveness of certain Entity Level Controls which establish, with governance body oversight, structures, reporting lines and appropriate authorities across the business.

Actions specific to the remediation of the material weaknesses in internal control over financial reporting during the year ended December 31, 2024 and quarter ended June 30, 2025 related to 1) maintaining an effective control environment and implementing proper control activities and 2) review and oversight of complex accounting valuations provided through third parties.

- We have created a Chief Accounting Officer role within the Chief Financial Officer's organization to specifically focus on developing and maintaining an effective organizational structure defining the roles, responsibilities, and job duties.
- We have invested in key accounting personnel to increase the likelihood that experienced and skilled accounting resources are recruited and retained.
- Designing and implementing internal controls over financial reporting to address risks related to financial reporting.
- Designing and implementing the controls the Company has designed related to complex accounting matters related to estimates, including the review of third-party specialist's work, as well as the reasonableness of key assumptions, methodologies, and underlying data used in the estimate.

We may modify our remediation plan and will consider the material weaknesses remediated after the applicable controls operate for a sufficient period of time, and management has concluded, through testing, that the controls are designed and operating effectively. In addition, under the direction of the Audit Committee of the Board, our management will continue to review and make necessary changes to the overall design of our internal control environment, as well as to policies and procedures to improve the overall effectiveness of internal control over financial reporting. As we continue to evaluate and work to improve our internal control over financial reporting, our management may determine to take additional measures to address control deficiencies.

Changes in Internal Control over Financial Reporting

Except for as described above, there were no changes during the quarter ended June 30, 2025, in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

From time to time, we may become involved in legal proceedings or be subject to claims in the ordinary course of business. For more information regarding the legal proceedings in which we are involved, see Note 12 "Commitments and

Contingencies” of the Notes to Unaudited Condensed Consolidated Financial Statements. Regardless of outcome, such proceeding or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors and there can be no assurances that favorable outcomes will be obtained.

Item 1A. Risk Factors

We are subject to various risks and uncertainties in the course of our business. For a discussion of these risks, please see the section entitled “Risk Factors” in Part I, Item 1A. in our Annual Report on Form 10-K, filed with the SEC on March 19, 2025. There have been no material changes to the risk factors disclosed therein.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.

Departure of Director

On August 7, 2025, Steven Sarracino resigned from the Board of Directors (the “Board”) of the Company, effective August 14, 2025. Mr. Sarracino’s resignation from the Board was not a result of any disagreement on a matter related to the Company’s operations, policies or practices. The Company thanks Mr. Sarracino for his commitment and service to the Board.

(b) None.

(c) Insider trading arrangements and policies.

Other than as described below, during the three months ended June 30, 2025, no director or officer (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K. However, certain of our directors or officers have made, and may from time to time make, elections to have shares withheld to cover withholding taxes or pay the exercise price of options, which may be designed to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or may constitute non-Rule 10b5-1 trading arrangements.

On June 5, 2025, Nicholas Calamari, the Company’s Chief Administrative Officer, entered into a Rule 10b5-1 trading arrangement intended to satisfy the affirmative defense of Rule 10b5-1(c) (the “2025 Calamari Trading Arrangement”). The 2025 Calamari Trading Arrangement provides for the sale of up to 34,837 shares of the Company’s Class A common stock with a plan end date of February 4, 2026.

Item 6. Exhibits.

Exhibit	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
4.1	Indenture, dated as of April 28, 2025, between the Company and GLAS Trust Company LLC	8-K	4.1	April 28, 2025
10.1	Security Agreement, dated as of April 28, 2025, between the Company, as issuer, subsidiaries of the Company, as guarantors, and GLAS Trust Company, LLC, as Collateral Agent	8-K	10.1	April 28, 2025
10.2	Termination Agreement, dated as of April 28, 2025, between Vishal Garg and SB Northstar L.P.	8-K	10.2	April 28, 2025
10.3#	Note Exchange Agreement, dated April 12, 2025, between the Company and SB Northstar L.P.	8-K	10.1	April 14, 2025
10.4*	Director Compensation Policy			
31.1*	Certification of Principal Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2*	Certification of Principal Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a) and 15(d)-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)			
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.			
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.			
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.			
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.			
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.			
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained Exhibit 101)			

* Filed herewith.

** Furnished herewith. These exhibits shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that Section. Such exhibits shall not be deemed incorporated into any filing under the Securities Act of 1933 or the Exchange Act.

Certain schedules, exhibits and similar attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company will provide a copy of such omitted materials to the Securities and Exchange Commission or its staff upon request.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 13, 2025

**BETTER HOME & FINANCE HOLDING
COMPANY**

By: /s/ Kevin Ryan

Name: Kevin Ryan

Title: Chief Financial Officer

Better Home & Finance Holding Company
Director Compensation Policy
Effective as of July 31, 2025

The Board of Directors (the “Board”) of Better Home & Finance Holding Company (the “Company”) has adopted this Director Compensation Policy (this “Policy”) for purposes of compensating those directors of the Company who meet the eligibility requirements described herein. This Policy has been developed to compensate the Eligible Directors (as defined below) for their time, commitment and contributions to the Board. Capitalized words used and not defined herein shall have the meanings given to them in the Better Home & Finance Holding Company 2023 Incentive Equity Plan (as amended, restated or replaced by a successor plan, the “2023 Plan”).

On August 22, 2023, the Company consummated the business combination contemplated by the Agreement and Plan of Merger, dated as of May 10, 2021, by and among Aurora Acquisition Corp. (“Aurora”), Better Holdco, Inc. (“Better”) and Aurora Merger Sub I, Inc., formerly a wholly owned subsidiary of Aurora (“Merger Sub”). On that date, Merger Sub merged with and into Better, with Better surviving the merger and Better merged with and into Aurora, with Aurora surviving the merger and changing its name to “Better Home & Finance Holding Company” (collectively, the “Business Combination”).

- Eligible Directors. Each member of the Board other than a person who is an officer or an employee of the Company or any of its subsidiaries (each, an “Eligible Director”) is eligible for compensation pursuant to this Policy.
- Business Combination Directors. Each of Michael Farello, Arnaud Massenet, Prabhu Narasimhan, and Steven Sarracino (a) has served as a member of the Board since the Business Combination and (b) at or prior to the time of the Business Combination, directly or indirectly beneficially owned, or was employed by or otherwise affiliated with an entity that directly or indirectly beneficially owned, more than five percent (5%) of a class of common stock of the Company (referred to, together with any additional Eligible Director designated as such by Corporate Governance and Nominations Committee of the Board (the “Governance Committee”) in accordance with this Policy, as “Business Combination Directors”). Following the resignation or removal of any Business Combination Director, the Governance Committee may designate any director appointed or elected to fill any vacancy created by any such resignation or removal as a Business Combination Director.
- Compensation Generally. For each Service Year (as defined below), an Eligible Director will earn the following:
 - Business Combination Directors. Business Combination Directors shall be paid an annual retainer of \$250,000, payable \$125,000 in cash in equal quarterly installments and \$125,000 in an annual equity award, for each year of his or her

service on the Board (each a “Service Year”) after the 2025 Annual Shareholder’s meeting.

- Other Eligible Directors. Eligible Directors other than Business Combination Directors (“Other Eligible Directors”) shall be paid an annual retainer of \$300,000 for each Service Year, payable \$150,000 in cash in equal quarterly installments and \$150,000 in an annual equity award by the Company.
 - Chairman of the Board. In lieu a regular annual retainer for serving as a Business Combination Director or Other Eligible Director, the Chairman of the Board (the “Chair”) shall be paid an aggregate annual retainer in an amount, and consisting of cash, equity or a combination thereof, determined by the Board for service in such role for each Service Year. Harit Talwar, who has served as the Chair since the Business Combination, is party to an agreement with the Company that governs his compensation for serving as the Chair.
 - Chair of the Audit Committee. The chair of the Audit Committee shall be paid an annual retainer of \$50,000 for each Service Year, payable \$25,000 in cash in equal quarterly installments and \$25,000 in an annual equity award by the Company.
 - Chair of a Special Committee. The chair of a Special Committee shall be paid an annual retainer of \$50,000 for each Service Year, payable \$25,000 in cash in equal quarterly installments and \$25,000 in an annual equity award by the Company.
 - Chair of the Compensation Committee. The chair of the Compensation Committee shall be paid an annual retainer of \$30,000 for each Service Year, payable \$15,000 in cash in equal quarterly installments and \$15,000 in an annual equity award by the Company.
 - Chair of the Nominating and Governance Committee. The chair of the Nominating and Governance Committee shall be paid an annual retainer of \$30,000 for each Service Year, payable \$15,000 in cash in equal quarterly installments and \$15,000 in an annual equity award by the Company.
 - Committee Members. Committee members shall be paid an annual retainer of \$15,000 for each Service Year, payable \$7,500 in cash in equal quarterly installments and \$7,500 in an annual equity award by the Company.
- Payments. Service Years, and quarterly periods thereof, will run from annual stockholder meeting to annual stockholder meeting, except that the first Service Year under this Policy is the period from the date of the Business Combination (August 22, 2023) until the date of the 2024 annual meeting of stockholders (June 4, 2024). Except as provided

below regarding the vesting of restricted stock units, all amounts will be prorated in the case of service for less than an entire quarterly period or annual period of a Service Year, as the case may be.

The cash portion of the annual retainer fee will be paid quarterly in arrears and the equity portion of the annual retainer fee will be granted annually following the annual meeting of stockholders (or the Eligible Director's date of election, if applicable) in the form of restricted stock units under the 2023 Plan having an equivalent fair market value (as determined under the 2023 Plan) equal to the annual equity award amount on the date of grant and which restricted stock units, unless an Eligible Director elects to receive equity compensation on a deferred basis (as described below), shall vest on the business day immediately preceding the next annual meeting of stockholders and shall settle within 30 days of such date.

If a person shall cease to be an Eligible Director due to death, disability or retirement during the one-year vesting period applicable to any restricted stock units granted hereunder, all restricted stock units shall immediately vest and shall settle within 30 days of such date. If a person shall cease to be an Eligible Director of the Company for any other reason during such one-year vesting period, any unvested restricted stock units shall be forfeited by such person and such restricted stock units shall be cancelled.

- Deferral Elections. An Eligible Director may elect (in a manner that complies with applicable tax rules) to defer settlement and payout of the portion of the annual retainer provided in the form of restricted stock units; provided, however, the preceding shall not change the vesting period described previously for such restricted stock units. Deferred restricted stock units will be settled on or within 30 days following the date on which the Eligible Director ceases to serve as an Eligible Director (or upon a Change in Control (as defined in the 2023 Plan, the Better Holdco Inc. 2017 Incentive Plan (the "2017 Plan") or the award agreement, as applicable), if earlier). For administrative convenience, an Eligible Director must elect to defer 100% of the annual retainer provided in the form of restricted stock units to participate in this aspect of the deferral election program.

The decision to participate in this deferral election program must be made by written election within 30 days of first becoming an Eligible Director or, for subsequent years, prior to the later of the end of the calendar year preceding the calendar year in which the restricted stock units are granted for which the Eligible Director desires to elect to defer settlement/payment under the program and the latest election date permitted under Code Section 409A.

- Compliance With Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A, except as otherwise determined in the sole discretion of the Administrator. The 2023 Plan, the 2017 Plan and each Award Agreement under the 2023 Plan and 2017 Plan is

intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. In no event will the Company have any obligation under the terms of this Policy, the 2023 Plan or the 2017 Plan to reimburse an Eligible Director for any taxes or other costs that may be imposed on an Eligible Director as a result of Section 409A.

- Travel Expense Reimbursement. Upon presentation of documentation of such expenses reasonably satisfactory to the Company, each Eligible Director shall be reimbursed for his or her reasonable out-of-pocket business expenses incurred in connection with attending meetings of the Board and its committees or in connection with other business related to the Board.
- Amendments, Revision and Termination. This policy may be amended, revised or terminated by the Board at any time and from time to time.

**Certification of Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Vishal Garg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Better Home & Finance Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2025

/s/ Vishal Garg

Vishal Garg
Chief Executive Officer
(Principal Executive Officer)

**Certification of Principal Financial Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Kevin Ryan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Better Home & Finance Holding Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2025

/s/ Kevin Ryan

Kevin Ryan
Chief Financial Officer
(Principal Financial Officer)

**Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Vishal Garg, Chief Executive Officer of Better Home & Finance Holding Company (the “Company”), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2025

/s/ Vishal Garg

Vishal Garg
Chief Executive Officer
(Principal Executive Officer)

**Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Kevin Ryan, Chief Financial Officer of Better Home & Finance Holding Company (the “Company”), hereby certify, that, to my knowledge:

1. The Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2025

/s/ Kevin Ryan

Kevin Ryan
Chief Financial Officer
(Principal Financial Officer)