
Better

Q3 2024

Investor

Update

November 2024

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This presentation contains certain forward-looking statements within the meaning of federal securities laws. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this communication. Such factors can be found in the most recent annual report on Form 10-K, quarterly report on Form 10-Q and current reports on Form 8-K of Better Home & Finance Holding Company ("Better" or the "Company"), which are available, free of charge, at the SEC's website at www.sec.gov. New risks and uncertainties arise from time to time, and it is impossible for Better to predict these events or how they may affect us. You are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made, and Better undertakes no obligation, except as required by law, to update or revise the forward-looking statements, whether as a result of new information, changes in expectations, future events or otherwise.

Amounts described as of and for the quarter ended September 30, 2024 represent a preliminary estimate as of the date of this presentation and may be revised upon filing our Quarterly Report on Form 10-Q with the SEC. More information as of and for the quarter ended September 30, 2024 will be provided upon filing our Quarterly Report on Form 10-Q with SEC.

Use of Non-GAAP Measures and Other Financial Metrics

This presentation includes certain financial measures not

presented in accordance with generally accepted accounting principles ("GAAP"), including Adjusted Net Income (Loss), Adjusted EBITDA and other key metrics.

We calculate Adjusted Net Income (Loss) as net income (loss) adjusted for the impact of stock-based compensation expense, change in the fair value of warrants, change in the fair value of bifurcated derivative, 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, change in the fair value of bifurcated derivative, 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 (as defined in our Form 10-Q)), depreciation and amortization expense, and income tax expense. 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. We also believe these non-GAAP financial measures improve investors' and analysts' ability to compare our results with those of our competitors and other similarly situated companies, which commonly disclose similar performance measures.

However, our calculation of Adjusted EBITDA and Adjusted Net Income (Loss) may not be comparable to similarly titled performance measures presented by other companies. Further, although we use these non-GAAP measures to assess the financial performance of our business, these measures exclude certain substantial costs related to our business, and investors are cautioned not to use such measures as a substitute for financial results prepared according to GAAP. Non-GAAP financial measures have limitations in their usefulness to investors because they have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. As a result, non-GAAP financial measures should be viewed as supplementing, and not as an alternative or substitute for, our financial results prepared and presented in accordance with GAAP. For a reconciliation of non-GAAP measures used in this presentation to the closest comparable GAAP measures, see the "Reconciliation of Non-GAAP Measures" section of this presentation.

Key Metrics

In this presentation, we refer to the following key metrics:

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. 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 and closed-end second lien 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 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. Total Loans represents the total number of loans funded in a given period, including purchase loans, refinance loans, HELOC loans and closed-end second lien loans. Self-Funded Loans represents Mortgage loans held for sale, at fair value and Loans held for investment as presented on the Consolidated Balance Sheets less Warehouse lines of credit and Customer deposits as presented on the Consolidated Balance Sheets.

Use of Data

The data contained herein is derived from various internal and external sources we believe to be reliable. No representation is made as to the reasonableness of the assumptions within or the accuracy or completeness of any projections or modeling or any other information contained herein. Accordingly, any liability in respect of the information contained herein or in respect of this presentation (including in respect of direct, indirect or consequential loss or damage) is expressly disclaimed. Any data on past performance or modeling contained herein is not an indication as to future performance, and the Company disclaims any obligation, except as required by law, to update or revise the information in this presentation, whether as a result of new information, future events or otherwise.

Executive Summary



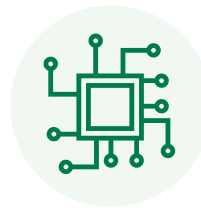
Large and Attractive Market Opportunity

- Through cycles, U.S. home finance market is ~\$3 trillion per year
- Existing process is manual, costly and slow
- Digital disruption is underway and accelerating



Technology & Business Model Competitive Advantage

- End-to-end proprietary origination technology powers faster, better customer experience, lower manufacturing costs, and industry-leading products
- Multiple distribution channels – D2C and B2B Partners (“Mortgage-as-a-Service”); further expansion into distributed retail with ‘NEO Home Loans Powered by Better’
- Reduced balance sheet and credit risk with large majority of Total Loans eligible for purchase by GSEs



Demonstrated Growth & Expense Discipline

- In Q3'24, grew Funded Loan Volume 42% from Q3'23 and 8% from Q2'24
- In Q3'24, Total Expenses increased ~\$10 million vs. Q2'24; still up only 20% from Q4'23 vs. a 96% increase in Funded Loan Volume
- Demonstrated growth through continued challenging market environment and concurrent expense discipline, while also making select investments in growth



Well-Capitalized and Positioned for the Future

- Ended Q3'24 with \$480 million of cash, restricted cash, short-term investments, and self-funded loans¹
- Clear product roadmap and defined growth initiatives supported by differentiated technology and existing competitive advantage
- Expect to continue leaning into growth while managing towards profitability in the medium term

Our Vision








Large and Attractive Market Opportunity

Relentlessly making homeownership Better for our customers



Better

Under one roof, with one-click

	Home Finance	Buy & Sell Homes	Title	Homeowners Insurance	One Day Mortgage	HELOC	Consumer Banking
Description	Full range of mortgage and home equity loan products	Real estate agent matching engine	One-click title policy matching service	One-click Homeowners Insurance policy matching service	Enhanced traditional mortgage product offering faster certainty	Monetize home equity without resetting your rate	Banking services offered in the U.K. through Bank of Birmingham
Our Progress	 LAUNCHED Jan 2016	 LAUNCHED Nov 2018	 LAUNCHED Feb 2019	 LAUNCHED Jan 2019	 LAUNCHED 1H 2023	 LAUNCHED 1H 2023	 ACQUIRED 1H 2023
<p><i>Powered by our proprietary technology, Tinman, and customer and property data</i></p>							

Homeownership market is enormous

- Annual spend within the housing market accounted for on average \$3 trillion per year, 15-18% of US GDP since 2001¹
- Since 2013, over 90% of new homes were purchased with a mortgage²
- For average households, home equity totals over 35% of net worth³
- In general, all mortgage transactions require at least one insurance product

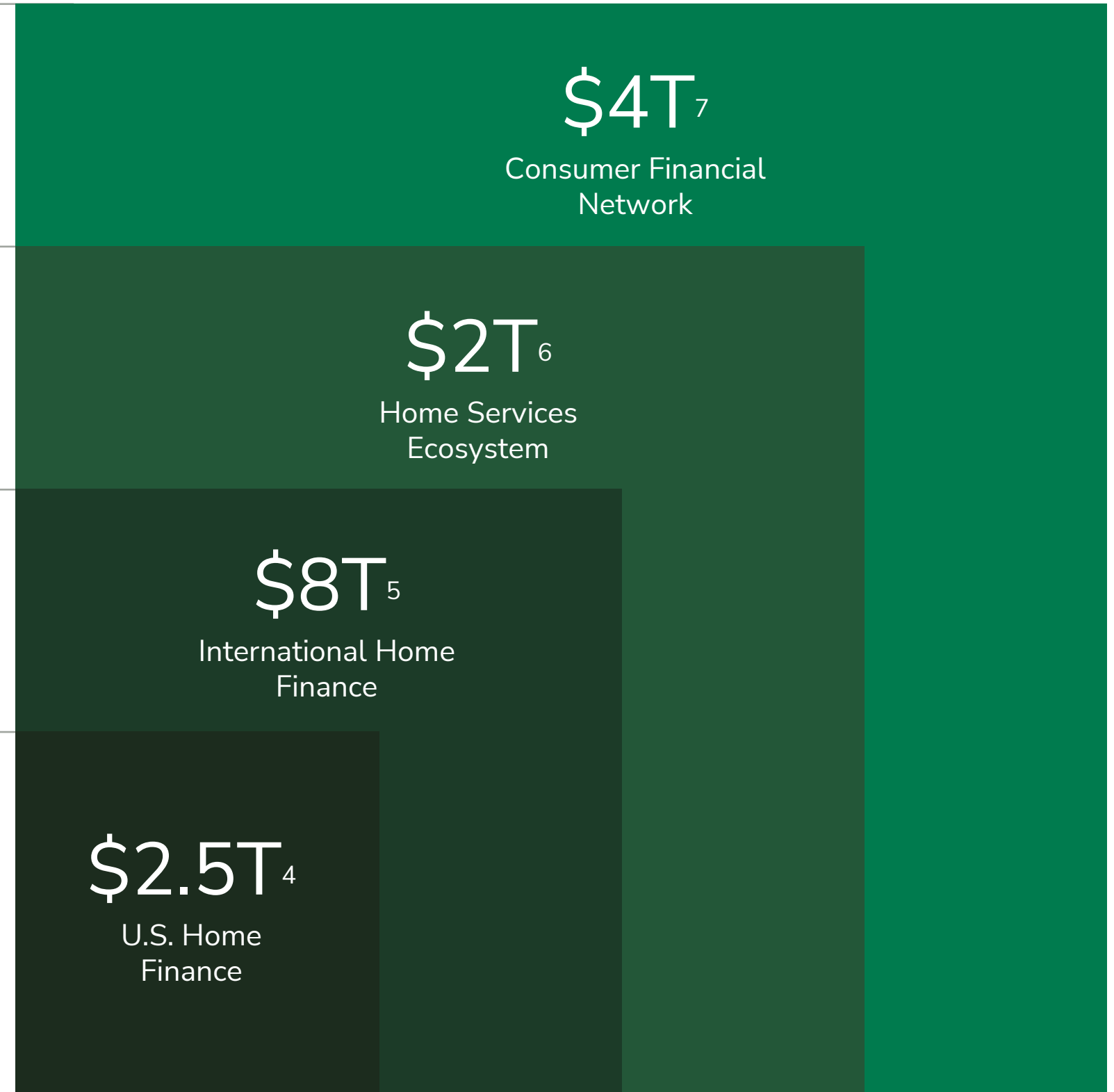
Cumulative market size

\$17+ Trillion

\$13 Trillion

\$11 Trillion

Better



1. National Association of Home Builders – Housing’s Contribution to Gross Domestic Product
 2. Statista Research, ‘Number of new house sales in the United States from 2000 to 2022, by financing type’
 3. Census.gov – The Wealth of Households 2021 (including equity in own home, rental properties, and other real estate)
 4. MBA average annual mortgage origination volume, 2017-2026E
 5. Allied Market Research – Mortgage Lending Market Research, 2031
 6. \$1.3T of home rental (IBIS), \$600B of home improvement (Farnsworth Group) \$13bn of US appraisal and inspection (IBIS), \$21bn of moving and storage (IBIS)
 7. \$1.4 trillion US insurance industry net premiums (Insurance Information Institute), \$1.6 trillion student loan debt (Forbes), \$1 trillion credit card debt (LendingTree)

Mortgage process remains challenging for consumers

The homeownership status quo is broken:



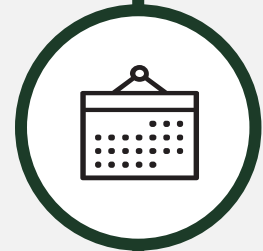
Expensive

Buyers pay fees to up to **10 intermediaries**, accounting for **~10%** of home price¹



Slow

The underwriting process can take up to **45 days**²



Outdated

Innovation is going backwards with incumbents using legacy systems



Complicated

Mortgage documents can reach **500 pages** long³

Our vision is to deliver an experience that is:



Better Experience



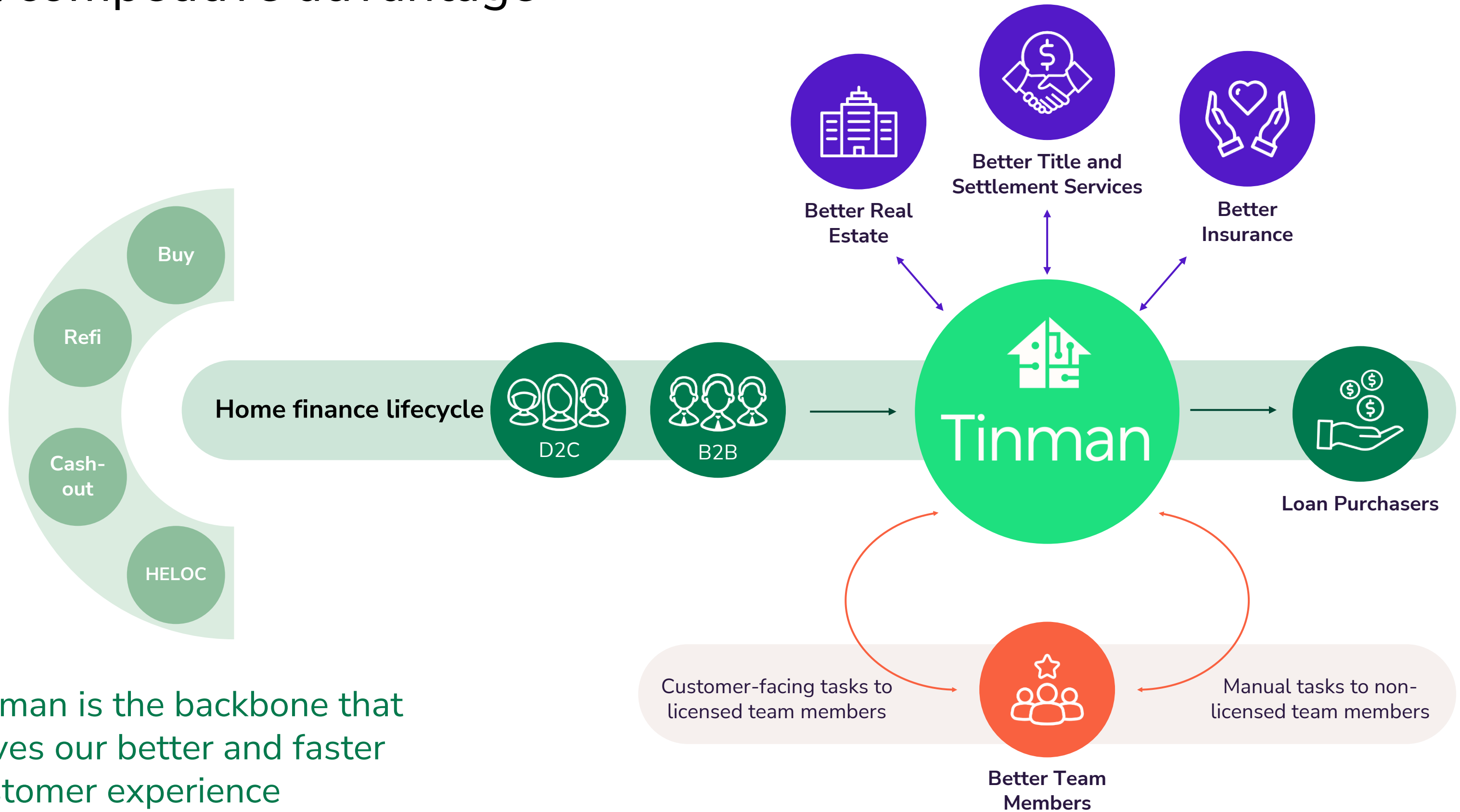
Faster Processing



Driving the Best Value

1. Homelight - "Fees and Costs Associated with Selling a House in 2023"
2. Realtor.com - "How Long Does It Take to Get a Mortgage?"
3. CNN Money - "500-page Mortgage Applications are the New Normal" Trulia - "Sale Fail."

Our end-to-end proprietary technology, Tinman, powers our digital competitive advantage



Tinman is the backbone that drives our better and faster customer experience

Our proprietary technology delivers tangible results

Better Customer Experience



Represented
80%
of Q3'24 D2C loans

Decreased Fulfillment Cost

35%
Below industry average
of \$9,000 per loan¹

Increased labor productivity

17.7
Funds per Month by the
Average Better Mortgage
Loan Consultant¹

4x
Above the Industry
Average¹

Superior loan quality

0%
Better Post Closing
Defect Rate²

1.53%
Industry Average Post
Closing Defect Rate²

1. Based on 2023 data reviewed as part of an internal benchmarking exercise in conjunction with the Mortgage Bankers Association/STRATMOR data
2. Based on a 2H 2024 Post closing Quality Control Sample

Tinman powers Better and our partners

Reduce costs, improve experience, improve quality

Better

D2C

Own entire customer experience end-to-end

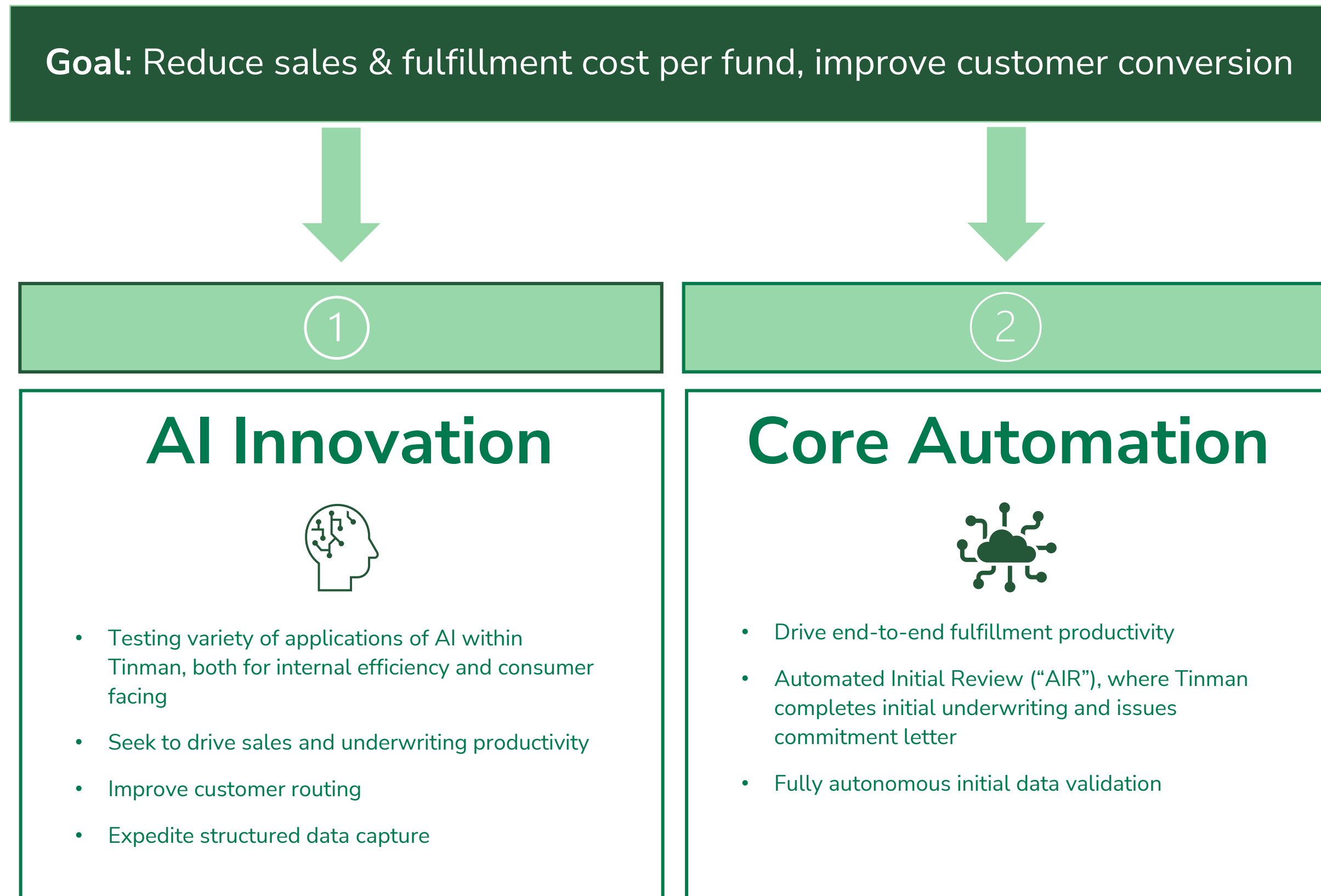
- ✓ Direct customer acquisition
- ✓ Low-cost value proposition
- ✓ Better-branded, high quality customer experience



Partnerships

Zero-CAC, co-branding or white-label solutions

- ✓ Same digital-first experience as D2C
- ✓ Strong brand affinity
- ✓ Powered 100% by Better technology
- ✓ Provide bespoke experience by combining existing solutions and customizing functionality
- ✓ Plan to further diversify Better's distribution channels by leveraging Tinman to power local loan officers through 'NEO Powered by Better'



What is Betsy?

Betsy is an **AI voice platform** programmed to make or take calls from borrowers as a virtual company representative and increase Better's sales team efficiency. Betsy can make calls on behalf of sales representatives and is more scalable than hiring additional headcount.

What can Betsy do on calls with customers?

Betsy is programmed to verbally communicate with customers to:

- ✓ Answer mortgage application inquiries
- ✓ Collect and verify outstanding application data
- ✓ Connect customers with complex questions to experienced loan team members
- ✓ Resolve issues in real-time instead of keeping the customer on hold

The **Impact** of Betsy

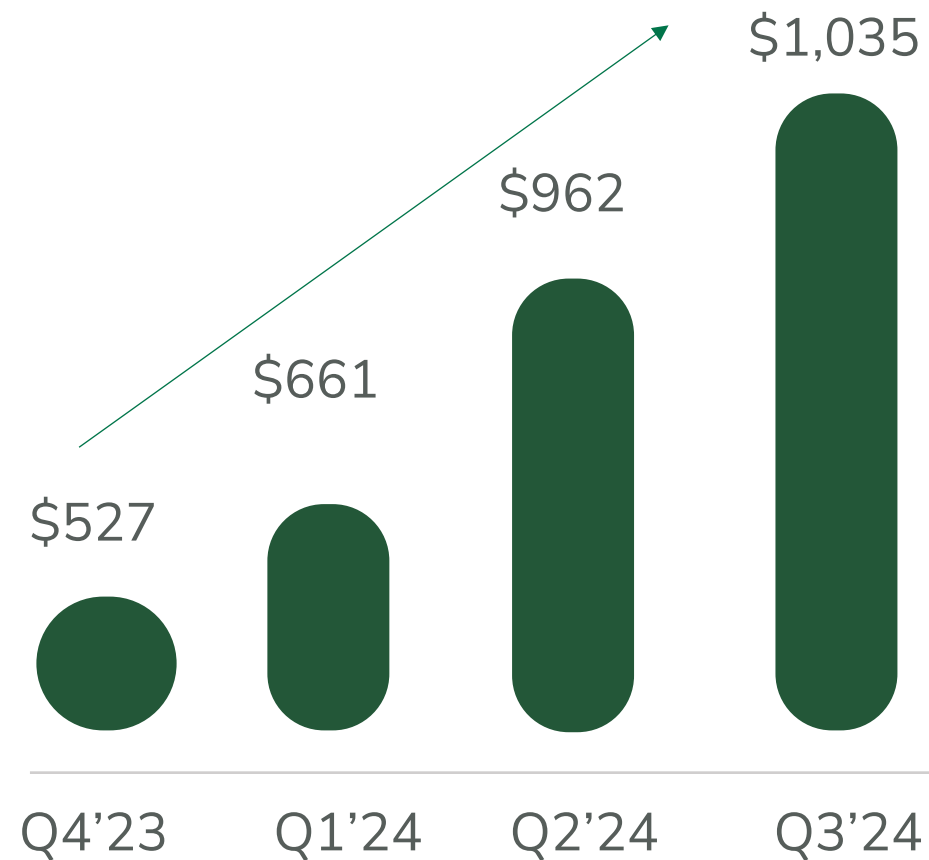
- **Increased Capacity for Sales Reps:** Betsy creates **immediate bandwidth** for Loan Consultants, Home Lending Advisors, and Sales Development Associates by taking on a portion of their call workload and enabling them to manage higher loan volumes.
- **Scalability:** Betsy provides a **more scalable and cost-effective** solution than hiring additional headcount and requires no training, while improving our speed to lead.
- **24/7 Service:** Betsy provides close-to-real-time customer outreach and inquiry support and can be available whenever customers needs us

Introducing Betsy™:
Revolutionizing Sales Calling
through Artificial Intelligence

We are leaning into growth...

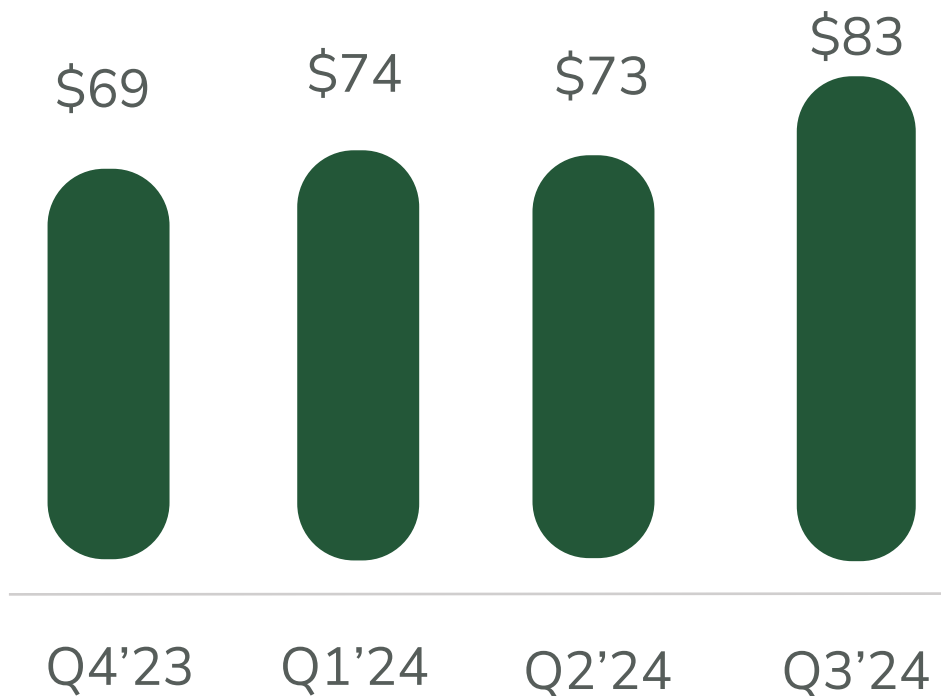
...and managing expenses while growing

Funded Loan Volume (\$ millions)



96% Funded Loan Volume growth since Q4'23, with Total Expenses up only 20%

Total Expenses (\$ millions)



Managing towards profitability while growing through **improved technology efficiency** and **corporate cost reductions** to offset increased growth expenses

Third Quarter 2024 Financial Review

Key Financial Highlights

- Continued leaning into growth while managing expenses through a challenging mortgage macro environment, with average 30-year fixed mortgage rates seeing little relief and ending the quarter above 7%
- Funded loan volume and revenue growth driven by home equity (which includes HELOCs and closed-end second lien loans), and refinance growth
- Revenue was approximately \$29 million, compared to \$32 million in Q2'24 and \$5 million in Q3'23
 - Q2'24 revenue included approximately \$5.5 million of positive mark-to-market impact on our lock pipeline; excluding this impact revenue grew 8% QoQ
- Total Expenses increased by approximately \$9.5 million quarter-over-quarter, resulting from increases in marketing spend, loan production team compensation, and loan origination expenses, as well as the absence of certain nonrecurring expense benefits taken in Q2'24
- GAAP Net Loss was approximately \$54 million in Q3'24, compared to \$41 million in Q2'24 and \$354 million in Q3'23
- Adjusted EBITDA loss was approximately \$39 million in Q3'24, compared to \$23 million in Q2'24 and \$54 million in Q3'23

Q3'24 Statistics

\$1.035bn

Funded Loan
Volume

71%

Purchase
Volume

75%

D2C
Volume

3,443

Total Loans

16%

HELOC
Volume

2.08%

Gain on Sale
Margin

Third Quarter 2024 Balance Sheet

Key Highlights

- Strong liquidity position providing ample flexibility during a difficult macro environment
- We maintain strong relationships with our warehouse financing counterparties to manage mortgage working capital even in a low-volume environment
- Effected reverse stock split of Better's common stock at a ratio of one post-split share for every 50 pre-split shares that enable BETR Class A common stock to regain compliance with the minimum bid price requirement for continued listing on the Nasdaq Global Market

Statistics as of September 30, 2024

\$480 million

Cash, restricted cash,
short-term investments
and self-funded loans¹

\$4 million

Interest Income from
Investments generated in
Q3'24

Three

Warehouse Facilities

\$425 million

Total Warehouse
Capacity²

Focus on Target Opportunities



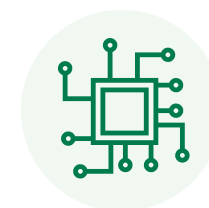
Funnel Conversion

- Increase pull-through on approximately 60,000 monthly mortgage application starts through product & service enhancements
- Strengthen relationships with real estate agents to improve purchase distribution
- Continue hiring experienced Loan Officers with demonstrated customer service track records on highly variable, low fixed compensation plans to align incentives with business outcomes



Acquisition Channel Diversification

- Increase acquisition spend in performing channels, while cautiously investing in new channels and brand marketing
- Onboard additional B2B partners, leaning into home equity demand
- Persist through extended B2B sales cycles given our platform advantage and favorable medium-term trends of banks and others exiting mortgage



Continued Investment in Automation and AI

- Investments made over the past three years enable operating leverage as we grow, where we expect to grow revenue faster than expenses
- Continued investments in One Day Mortgage to make customer experience highly automated and best in class
- Continued investments in AI to reduce labor cost and customer time spent



Fixed Cost Reduction for Improved Profitability

- Continued re-evaluation of vendor costs and criticality
- Continued targeted reductions in corporate overheads
- Sustain well capitalized positioning by cautiously managing liquidity

Reconciliation of Non-GAAP Measures

Use of Non-GAAP Measures and Other Financial Metrics

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Reconciliation of Non-GAAP Metrics

<i>(Amounts in thousands)</i>	Three Months Ended September 30,		Three Months Ended June 30,
	2024	2023	2024
Adjusted Net Loss			
Net income (loss)	(\$54,080)	(\$353,889)	(\$41,365)
Stock-based compensation expense	5,487	39,417	7,959
Change in fair value of warrants and equity related liabilities	(206)	(861)	102
Change in fair value of bifurcated derivative	—	237,667	—
Restructuring, impairment, and other expenses	43	679	184
Adjusted Net Loss	(\$48,756)	(\$76,987)	(\$33,120)
Adjusted EBITDA			
Net income (loss)	(\$54,080)	(\$353,889)	(\$41,365)
Income tax expense / (benefit)	126	659	203
Depreciation and amortization expense	8,259	10,492	7,990
Stock-based compensation expense	5,487	39,417	7,959
Interest and amortization on non-funding debt	1,631	11,939	1,668
Restructuring, impairment, and other expenses	43	679	184
Change in fair value of warrants and equity related liabilities	(206)	(861)	102
Change in fair value of convertible preferred stock warrants	—	—	—
Change in fair value of bifurcated derivative	—	237,667	—
Adjusted EBITDA	(\$38,740)	(\$53,897)	(\$23,259)

Thank You

