

S&P Global

Market Intelligence

Better Home & Finance Holding Company

NasdaqGM:BETR

Earnings Call

Friday, March 13, 2026 12:30 PM GMT

CALL PARTICIPANTS 2

PRESENTATION 3

QUESTION AND ANSWER 9

Call Participants

EXECUTIVES

Loveen Advani

CFO and Principal Financial & Accounting Officer

Tarek Afifi

Corporate Finance & Investor Relations Manager

Vishal Garg

Founder & CEO

ANALYSTS

Brendan Michael McCarthy

Sidoti & Company, LLC

Eric J. Hagen

BTIG, LLC, Research Division

Kartik Mehta

Northcoast Research Partners, LLC

Owen Ray Rickert

Northland Capital Markets, Research Division

Ramsey Clark El-Assal

Cantor Fitzgerald & Co., Research Division

Rohit Rangnath Kulkarni

ROTH Capital Partners, LLC

Ryan John Tomasello

KBW LLC

Presentation

Operator

Ladies and gentlemen, thank you for standing by. My name is Krista, and I'll be your conference operator today. At this time, I would like to welcome you to the Better Home & Finance Holding Company Fourth Quarter and Full Year 2025 Results Conference Call. [Operator Instructions]

I would now like to turn the conference over to Tarek Afifi, Corporate Finance and Investor Relations Manager. Please go ahead.

Tarek Afifi

Corporate Finance & Investor Relations Manager

Welcome to Better Home & Finance Holding Company's Fourth Quarter and Full Year 2025 Earnings Conference Call. My name is Tarek Afifi on Better's Corporate Finance team. Joining me on today's call are Vishal Garg, Founder and Chief Executive Officer of Better; and Loveen Advani, Chief Financial Officer of Better.

In addition to this conference call, please direct your attention to our fourth quarter and full year earnings release, which is available on our Investor Relations website. Also available on our website is an investor presentation. Certain statements we make today may constitute forward-looking statements within the meaning of federal securities laws that are based on current expectations and assumptions. These expectations and assumptions are subject to risks, uncertainties and other factors as discussed further in our SEC filings that could cause our actual results to differ materially from our historical results. We assume no responsibility to update forward-looking statements other than as required by law.

During today's discussion, management will discuss certain non-GAAP financial measures, which we believe are relevant in assessing the company's financial performance. These non-GAAP financial measures should not be considered replacements for and should be read together with our GAAP results. These non-GAAP financial measures are reconciled to GAAP financial measures in today's earnings release and investor presentation, both of which are available on the Investor Relations section of Better's website and when filed in our annual report on Form 10-K filed with the SEC. More information as of and for the period ended December 31, 2025, will be provided upon filing our annual report on Form 10-K with the SEC.

I will now turn the call over to Vishal.

Vishal Garg

Founder & CEO

Thank you, Tarek. Good morning, everyone, and welcome to our fourth quarter and full year 2025 earnings call. Before I begin, I'd like to give a warm welcome to our new Chief Financial Officer, Loveen Advani. Loveen is a seasoned strategic and operational finance leader with a strong track record of guiding companies through growth and transformation. He has repeatedly demonstrated the ability to align strategy, capital allocation and execution. His experience and leadership style will be instrumental as we execute our strategic and financial priorities in our next chapter of anticipated growth. What's more, I love him because he gets his hands dirty and his hands on keyboard. When I first met him, he sent me over a model, and we started spending time on it one-on-one late at night. That is the kind of CFO that this company needs for the next stage of its Blitzscale growth, and we are so, so happy to have Loveen on board with us.

Better is a vertical AI platform fundamentally reshaping and revolutionizing the home finance industry. We are building the AI native frontier of consumer finance and in doing so, enabling players with massive customer bases to provide mortgages and HELOCs in an AI-first way to their customers, while empowering the established network of local retail mortgage originators. Adoption across the ecosystem confirms this shift is real and accelerating. This is the power of the Tinman AI platform.

Over the past decade, we have built a first-of-its-kind AI-driven matching engine that connects consumer credit data, income data, asset data and property data with the preferences of roughly 40 different investors on our platform, allowing us to approve mortgages and home equity loans nearly instantly. The result is a process that is faster, cheaper, easier and just [plain] better. We are in the middle of a genuine transformation from what was once a direct-to-consumer mortgage business serving consumers who came to Better.com to an AI-native mortgage platform serving the entire mortgage industry.

Over the past decade, we built the technology, the infrastructure and the investor relationships to manufacture mortgages faster and cheaper than anyone else. Today, we're taking that foundation and extending it across the entire ecosystem, powering partners with massive customer bases and enabling local retail brokers and originators to scale in ways that simply were not possible before. That shift is now showing in our results and in the momentum we are building with our enterprise partners. These are large complex partnerships with longer sales and setup cycles than anything we manage in our D2C business, and growing them is not something we do alone. It requires deep collaboration with our partners at every step from integration and onboarding to conversion, optimization and product expansion. The pace of ramp is a shared journey, and we are working hand-in-hand with each of our partners to get things scaling. The progress we are seeing is real. The early data is highly encouraging, and we are more excited than ever about what lies ahead.

Let me walk you through what we are seeing across each of our key partnerships. As you know, we launched the largest platform partnership in Better's history with Intuit Credit Karma, a leading personal financial services company serving more than 40 million monthly active users. Last year alone, Intuit Credit Karma processed 47 million tax returns and reached over 140 million members. In fact, more than 80% of Americans who took out a mortgage last year are members on the Intuit Credit Karma platform. Through this partnership, we are integrating the breadth and depth of Credit Karma's member data, including credit, income and home attributes such as full credit bureaus, tax returns and detailed home valuations directly into the Tinman AI platform.

As you might remember from our public announcement, Credit Karma's goal is to save its members \$1 trillion in interest savings on their mortgages. This is no small task, as it implies that our collective partnership, which is saving consumers about \$25,000 of lifetime interest on average since we launched in October 2025, needs to fund 40 million mortgages to achieve Credit Karma's goal.

In October 2025, after over 9 months of working together, we went live on the Credit Karma app and since have rapidly ramped and have only penetrated less than 1% of their monthly user base that we believe is eligible for the product. The opportunity is massive, and our primary focus is deepening integration of the Tinman AI platform across the various Credit Karma consumer touch points to better serve the full needs of its entire member base. Also through our Tinman AI platform, we continue to make great progress extending our platform to power local retail mortgage lenders, providing them with the infrastructure to build and scale their businesses on top of our technology.

We continue to scale NEO with their local loan officer teams across the United States experiencing rapid growth. Here, Better enables retail mortgage lenders to build their business on the Tinman platform with near zero customer acquisition cost on this channel. It's been incredible to see the NEO team grow their business from the \$1.5 billion run rate they had when they joined to the \$2.4 billion run rate they ended 2025 with on the Tinman AI platform. It's proven that the Tinman AI platform eliminates friction, giving originators the opportunity to scale responsibly with 28 new loan officer teams onboarded onto the platform in 2025.

Within 6 months of fully rolling out, NEO increased funded loans per mortgage adviser by 91%, per processor by 17% and per underwriter by nearly 50%. Retail mortgage teams around the country are taking notice of these enhancements and are leaving their existing platforms to join the Better platform and to embark on our shared journey of making retail home lending cheaper, faster, easier and just [plain] better.

Next, our top 5 U.S. nonbank mortgage loan originator partner went live this February with just 2% of its loan officers on the Tinman AI platform. And in the coming months, we are working towards expanding to all 3,000-plus loan officers. Early reports indicate superior loan officer experience for users of Tinman

versus the prior implementation on their legacy software stack. As this rollout scales to their full loan officer base, we expect this partnership to be transformative for both organizations, adding a significant platform volume opportunity for Better while giving one of the largest mortgage originators in the country a competitive advantage in how they serve their customers.

In addition, Finance of America, which is an industry-leading reverse mortgage lender with access to millions of customers who are typically home equity-rich but cash flow disadvantaged is in its early stages of ramping. Together, we are launching the first HELOC and HE loan product offerings to their customers powered by our Tinman AI. We have high hopes of being able to reach a population that better has traditionally not reached the senior market with our partnership with Finance of America and expect to see significant results from that partnership in the coming quarters ahead.

And finally, we announced a major milestone, the launch of the first conversational credit decision engine for mortgages and home equity loans integrated directly into ChatGPT through our Tinman AI app. Loan officers, banks and fintechs can now receive decision-ready credit outputs in as little as 47 seconds, reducing origination time lines by an average of 21 days. Better is the only application authorized to display credit decisions within ChatGPT, powered by our proprietary MCP technology built on top of Tinman. Tinman can instantly underwrite approximately 95% of mortgage and home equity loan types, and any institution with a ChatGPT enterprise license can deploy it; no traditional aggregators, no markups. This opens a significant new distribution channel and a clear path to expanding into a direct-to-consumer channel over time.

As you might remember, OpenAI and ChatGPT have over 800 million users globally and over 80 million users in the United States with that number growing rapidly. We believe this is the third version of the Internet, and we are first to market with a clear differentiated offering from the other folks that have launched apps on OpenAI and ChatGPT and with the ability to not provide a marketplace or provide a solution, which then requires consumers to leave the platform, but actually to provide a solution that enables consumers to fulfill the entire transaction directly within their ChatGPT interface. Since our OpenAI announcement, we have seen a massive immediate response from across the financial services industry.

Within days of releasing a short demonstration video last week, we've received inbound interest from over 40 financial institutions, mortgage companies, banks, fintechs, all reaching out at the most senior levels to request a demo and work with us on deploying our ChatGPT application. As an example, a bank CEO in the South reached out after seeing the announcement. They want to grow their mortgage business, but not the way they tried before through hiring large teams, building out fixed infrastructure and taking on the operational burden that comes with it.

What resonated with them was the simplicity of the ChatGPT app and the idea that any loan officer in any branch can instantly qualify a consumer for a mortgage through a conversational interface, minimal setup time, minimal training, maximum reach. This is exactly the problem we set out to solve. The mortgage industry has long been trapped in a cyclical model, scaling up headcount in good markets and cutting in bad ones with fixed costs that punish originators when volumes decline.

Tinman fundamentally changes that dynamic. The infrastructure we have built and proven with our current partners can be deployed for any bank, fintech or local originator team. We are giving institutions the flexibility to grow their mortgage business without the operational burden that has historically made that growth so difficult to sustain. We have two strategies when it comes to go-to-market on the Tinman AI platform. The first is to own the future with partnerships like the ones we have done with Credit Karma and OpenAI, where we are developing new ways to reach tens of millions of consumers that are substantially easier and faster for consumers to use and leveraging our technology to create a customer experience and value proposition moat that no one else in the industry can match. The second is to bring the path forward, which is what we have done with NEO and Finance of America and the top 5 mortgage originator.

Better is the mechanism by which these local market experts and large existing mortgage originators with deep relationships can continue to serve both their customers and referral partners. With Better's partnership, NEO is becoming one of the fastest-growing retail lenders in the country. The people didn't change. The relationships didn't change, only the tech platform did.

I'll now touch on our financial highlights, and Loveen will provide greater detail shortly. In the fourth quarter of 2025, we generated \$1.5 billion in funded loan volume and \$44 million in revenue, representing year-over-year increases of 56% in loan volume and 77% in revenue, respectively. This growth spanned all three of our core product categories, refinance, purchase and HELOC. Our Tinman AI platform generated \$646 million in volume in the fourth quarter, representing over 40% of total volume and surpassing our prior guidance of \$600 million. This outperformance reflects the demand and growing confidence of our partners in our platform. While the fourth quarter is always seasonally softer, our growth year-over-year outperformed that of the industry average, which was relatively stagnant.

According to MBA data, in the fourth quarter, total residential funded loan volume increased by 4% year-on-year, compared to Better's funded loan volume, which grew 56% over the same period. For the full year 2025, we delivered \$4.7 billion in funded loan volume and \$165 million in revenue, up 32% and 52% year-over-year, respectively. We achieved this growth despite an approximately \$1 billion headwind from the conclusion of our Ally partnership, a testament to the resilience of our model.

We remain on track to reach \$1 billion in monthly volume by May 2026 and to reach adjusted EBITDA breakeven by the end of the third quarter 2026. To win in a commoditized market, you have to win on three things: customer acquisition cost, operational cost and cost of capital, what we call the three pillars of competitive advantage. On customer acquisition, our model inverts the traditional origination dynamic. Rather than paying for customers in an open market, our partnerships are structured so that customers are brought directly to us. Credit Karma's over 140 million members, NEO's 70 local branches and 140 mortgage advisers and our top 5 nonbank originator partnering with over 3,000 local mortgage advisers represent embedded distribution at scale, a structural CAC advantage that competitors find extraordinarily difficult to replicate and one that is not easy to sustain without a technological moat.

On operational costs, Tinman automates up to 80% of the repetitive loan production tasks and our Betsy tool resolves underwriting issues instantly by pulling loan facts, guidelines and drafting communications in seconds. The result is a platform that scales production through AI efficiency and growth without additional overhead.

Our cost to process, underwrite and close a loan, and this we're talking about mortgage loans and HELOCs combined together is about \$800 a loan, which is far less than anyone else in the industry. We believe that the initial launch, our Home Token will allow us to book an extra \$500 per funded loan in revenue. And as we scale that, we believe long term, we're going to be able to achieve significant gains in loan revenue as well as funding cost to the consumer and interest rate to the consumer, which we believe will translate into a significant competitive advantage and moat as a result of the efforts that we have put in.

On cost of capital, we continue to improve our warehouse terms while working to expand capacity to support partnership volume growth. In parallel, we are working towards a secured tokenized credit facility via stablecoin ecosystem that we estimate could lower funding costs by up to 100 basis points once implemented, a structural funding advantage that would be difficult for any traditional mortgage originator to match.

Over the past 3 years, we have built the foundation for this moment. I can tell you, honestly, the last time I felt this excited about Better's future was in March 2021. And we have line of sight once again into growing into the largest mortgage company in America. This is truly a turnaround that we have worked for years to bring to life and one that has been able to be built on the implementation of AI across our entire business and leveraging the Tinman platform that we started working on back in 2014. This is why we think that the moat that we have is more sustainable than the traditional AI native firm versus the traditional incumbent.

We built an end-to-end system that takes 8 different systems in the mortgage industry and pulls them all together into one system so that it's not just the rules that are captured, but all of the context around the human decisions on the data and the rules. And that learning data across \$110 billion of loans is what allows us to continue to push forward and lower our cost to produce, improve our conversion rate and build for our partners that are building the future. And we believe that we can continue to do this because the competitive advantage of richer learning data only compounds over time, the more transactions and the more partners you bring into the ecosystem.

We are now firmly in our next phase of growth with momentum, scale and a clear path to adjusted EBITDA breakeven. Partnerships are expanding, adoption is rising, our platform is proven and our AI capabilities are best-in-class, and we are just getting started.

With that, I'll turn it over to Loveen to provide a detailed walk-through of our financials.

Loveen Advani

CFO and Principal Financial & Accounting Officer

Thank you, Vishal. I'm pleased to join Better at such a pivotal moment. The company's differentiated platform positions it as a leader in AI-powered home finance. I look forward to partnering with Vishal and the team to drive disciplined execution, enhance financial performance and create value for shareholders. As Vishal outlined, we're in the midst of a meaningful strategic transformation, shifting from a direct-to-consumer originator to an AI-native platform powering the broader mortgage ecosystem. From a financial perspective, this transition is significant.

Enterprise partnerships of this scale carry longer ramp time lines, but they also carry a far greater volume potential and a far better marginal economics than our legacy D2C model. What gives me confidence is that the financial trajectory is already beginning to reflect this shift. Our platform partnerships are growing rapidly and contributing an increasingly meaningful share of our overall business. To put that evolution in concrete terms, in 2024, our total funded volume was \$3.6 billion with 0% contribution from Tinman's AI platform partnerships. In 2025, we grew total funded loan volume to \$4.7 billion with 35% coming from our Tinman AI platform.

Looking ahead to 2026, we see a clear path to over 60% of our loan volume coming from our Tinman AI platform business. This is a fundamental reshaping of our revenue mix and a reflection of how we're executing on this transition. Let me now review our fourth quarter and full year 2025 financials. Better continues to generate opportunities independent of the broader economic and mortgage market conditions. With a large addressable market and less than 1% share today, we have demonstrated the ability to grow regardless of macro conditions.

Starting with fourth quarter of 2025, compared to Q4 2024, funded loan volume grew 56% to approximately \$1.5 billion. Revenue increased 77% to approximately \$44 million. This growth was primarily driven by funding more loans through our Tinman AI platform partnerships. Looking at loan volume by product, refinance grew to 8%, purchase increased 22% and home equity rose 18%. By channel, 44% came through Tinman AI platform partners and 56% through direct-to-consumer. By product mix, 49% was purchase, 37% was refinance and 14% was home equity. For full year 2025, compared to full year 2024, funded loan volume grew 32% to approximately \$4.7 billion. Revenue increased 52% to approximately \$165 million. These results were driven by the launch of our Tinman AI partnerships and continued growth in our direct-to-consumer business. By product, refinance increased 119%, home equity grew 78% and purchase rose 14%. By channel, 36% came through Tinman AI platform partners, 62% through direct-to-consumer and the remaining 2% from our former Ally partnership. By product mix, 61% was purchase, 21% was refinance and 18% was home equity.

Turning to cost efficiency. In Q4, the total net revenue grew 77% year-over-year, while expenses remained approximately flat. This demonstrates clear operating leverage. We are scaling the revenue at lower marginal costs driven by efficiencies from Tinman AI platform. We continue to streamline overhead while ensuring sufficient resources to support new partnerships. We expect these partnerships to contribute meaningful growth through 2026 and beyond. Unit economics in our direct-to-consumer channel continue to improve. We have integrated AI across every part of our sales and operations workflow. Per loan contribution margin improved 28% quarter-over-quarter from approximately \$1,800 to approximately \$2,300 per loan.

We continue to expect reducing origination costs through higher conversion, lower customer acquisition costs and improved labor efficiency. In the fourth quarter, our adjusted EBITDA loss was approximately \$24 million. That compares to \$28 million loss in Q4 of last year and a \$25 million loss in the prior sequential quarter. While we aim to reduce losses further on a sequential basis, we're constantly evaluating expense discipline versus investing in growth opportunities. The continued ramp of our business

with positive marginal economics is accelerating our path to adjusted EBITDA breakeven. We believe we are at an important transition point, moving from a primarily direct-to-consumer fintech to a true AI platform for the mortgage industry. This gives us confidence in our expectation to achieve adjusted EBITDA breakeven by the end of Q3 2026.

Now a brief update on our balance sheet and capital positioning. We ended Q4 2025 with \$227 million in cash, restricted cash, short-term investments and assets held for sale. We maintain strong relationships with our financing counterparties with three warehouse facilities totaling \$575 million in capacity as of December 31, 2025. We appreciate our warehouse lenders' continued support as we deploy Tinman AI across the mortgage ecosystem.

Turning to our outlook. For our total loan volume, we expect \$1.4 billion to \$1.55 billion in Q1 2026, of which the midpoint is a 70% year-over-year growth from Q1 '25. Based on how our partners are ramping, we continue to believe that we will reach a \$1 billion total monthly loan volume by May 2026. We expect to achieve adjusted EBITDA breakeven by the end of Q3 2026. This will be driven by volume growth across both our Tinman AI platform and direct-to-consumer channels, per loan contribution margin improvement, pricing gains and corporate cost reductions.

I would note that these growth opportunities have varying expansion time lines, so progress towards breakeven may not be linear.

With that, I'll turn it back to the operator for Q&A.

Question and Answer

Operator

[Operator Instructions] Your first question comes from the line of Ramsey El-Assal Ramsey with Cantor Fitzgerald.

Ramsey Clark El-Assal

Cantor Fitzgerald & Co., Research Division

I wanted to ask about guidance. Your guide assumes that the Q1 loan volume is roughly flat, I think, at the midpoint versus Q4. Obviously, you have a lot of exciting things going on in the company. Just wondering if you could walk us through the drivers. The partnership volume grew nicely versus Q4 quarter-to-date. Does that mean you're expecting flatter growth on the direct side of things? Or what are the drivers should we consider?

Loveen Advani

CFO and Principal Financial & Accounting Officer

Eric, it's Loveen. Thanks for the question. So it's flat because of seasonality. So if you go to Page 17 of our investor deck, we made that point and we've shown the last 6 quarters. So if you look at Q4 '24 to Q1 '25, it was down, right? And this year, from Q4 '25 to our guidance of Q1 '26, it's flat or slightly up. That just shows the kind of growth in the platform.

Ramsey Clark El-Assal

Cantor Fitzgerald & Co., Research Division

Got it. Okay. And a quick follow-up for me. I wanted to ask about profitability. Your current target, obviously, is to reach adjusted EBITDA profitability by the end of Q3 this year. How should we think about -- how are your thoughts evolving on medium-term and longer-term profitability, especially kind of in the context of this accelerating shift towards the partnership model? How should we think about your profit profile going forward?

Loveen Advani

CFO and Principal Financial & Accounting Officer

Yes, absolutely. Look, I just started a month back. The first task is to get to profitability by Q3 2026, right? After that, we'll evaluate our growth opportunities along with incremental positive contribution margin, right? So when we evaluate new partnerships, we'll be thinking about a contribution margin in the range of 10% to 15% to as high as 25% to 30%. And we'll be kind of looking at that range as we kind of think about our growth opportunities.

Vishal Garg

Founder & CEO

I think there's three different buckets of the product. The first bucket of the product is what we do on D2C. And the second bucket of the product is what we do on Tinman AI platform, where we're closing the loans in our own name. And that's what we're doing with NEO. That's what we were doing with Credit Karma. That's what we're doing with others. And then the third is what's the margin on the business where the lender is closing in their name. That's what we're doing with Finance of America. That's what we're doing with the top 5 mortgage lender, with the top 3 fintech. All of those, those lenders are closing in their name, and we're giving them the platform to do it. It's their salespeople are processors, underwriters and the closers in our software. And so each of those has a different margin profile and a different revenue per loan profile, right, depending on the amount of work that we are doing in that.

Like D2C, of course, we're doing everything from customer acquisition to sales to processing, underwriting, closing and investor marketplace. In -- but we're doing everything else. And then in the pure like processing, underwriting, closing and capital markets, sometimes we're doing cap markets, sometimes we're not. And so it just depends on that, what the revenue per loan is going to be and what

the margin is going to be. As the revenue per loan kind of comes down, the margin actually expands because it becomes more and more where they're just using the platform. So the platform alone business can be 60% margin. The D2C business, as you can see from a contribution margin perspective, is a 20% plus margin business on a contribution margin basis. So we're going to get to know that and define that. We feel very confident in the guidance we're giving and particularly the growth that we're manifesting. But I think at those types of growth rates, you can't exactly know what people are going to buy. And we're in the transformation phase of the business. So we'll know more over the coming couple of quarters.

Operator

Your next question comes from the line of Kartik Mehta with Northcoast Research.

Kartik Mehta

Northcoast Research Partners, LLC

Vishal, the partnership metrics suggest some massive top-of-funnel demand. And I'm wondering what kind of metrics you're seeing from preapprovals to a funded loan and how kind of that underpins getting to the \$1 billion target?

Vishal Garg

Founder & CEO

Yes. So Kartik, I think if you think about it in the context of our D2C business that we've previously disclosed, that ends up being around 5%. So if the partner volume starts coming in on a cohort basis, let's assume I get \$1 billion of pre-approvals, right? I end up funding about 5% of them. So let's say -- and that funding can take place over 3, 4, 5, 6 months as it bakes because some people don't like the exact thing, they're not fully ready. They come back, they need to get their spouse to agree. All these different things that happen with this fairly significant life stake financing transaction for consumers.

Remember, on average, 32% of their income is going towards us. So it's a major transaction. And there's a bunch of things that go back and forth between when we approve them to when we are able to actually realize the funding event for that. And -- but on a cohort basis, it bakes to 5%. Now in some partners, it ends up being higher because those partners have better brand or deeper matching or deeper integration. And in other partners, it ends up being a little lower. And so we're going to see that play itself out.

Kartik Mehta

Northcoast Research Partners, LLC

And Vishal, where are you in the process from the stablecoin ecosystem use for funding? Obviously, you talked about that, lowering the funding costs and it seems very interesting. So I'm just wondering where you are in that process?

Vishal Garg

Founder & CEO

I think we're 6 months away from when it starts to hit the bottom line.

Operator

Your next question comes from the line of Brendan McCarthy with Sidoti.

Brendan Michael McCarthy

Sidoti & Company, LLC

Welcome, Loveen. I just wanted to start on the Credit Karma partnership. At this point, does that span all of your mortgage products? Or is it strictly geared towards refi?

Vishal Garg

Founder & CEO

Right now, we have started with refi, and we believe we will then launch HELOC and then from there, purchase.

Copyright © 2026 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Brendan Michael McCarthy*Sidoti & Company, LLC*

Understood. That's helpful. And I think looking at the addressable market there, \$140 million, obviously, I think it's a lot larger than original expectations. Maybe just over the long term, what do you think is a reasonable penetration rate to drive volume?

Vishal Garg*Founder & CEO*

In the long term, we expect Credit Karma Home Loans, powered by Better to be the single largest originator of mortgages in this country.

Brendan Michael McCarthy*Sidoti & Company, LLC*

Understood. That's great. Transitioning to the expectation for breakeven adjusted EBITDA at the end of Q3. I assume that will kind of coincide with the \$1 billion in monthly funded loan volume. Can you break down your expectations there for volume contribution from D2C, NEO and then Credit Karma as well?

Loveen Advani*CFO and Principal Financial & Accounting Officer*

Yes. So as I said in my script, the Tinman AI platform contribution was 0% in 2024. It was about 35% in 2025, and we're expecting about 60% of total volume from that platform, which includes Credit Karma, NEO and other partnerships.

Brendan Michael McCarthy*Sidoti & Company, LLC*

Understood. And turning to fourth quarter results, just looking at the gain on sale margin, I think it declined sequentially just by a little bit here. I assume was that mostly just given to the higher refinance D2C growth?

Vishal Garg*Founder & CEO*

Yes.

Brendan Michael McCarthy*Sidoti & Company, LLC*

And then last question for me. I saw in the slide deck, it sounds like there's a top three personal lending fintech in the pipeline. I think you mentioned it's currently in the pilot phase. Any detail you can give on that? Is that going to be geared toward more the Tinman mortgage software partnership side? Or do you think it will be similar to NEO or Credit Karma where you'll be doing the originating?

Vishal Garg*Founder & CEO*

We think in the beginning, it's going to be similar to Credit Karma where we're doing the originating. And then this fintech also has a pretty prominent bank, and so they may choose to onboard to their balance sheet. I think I've said this publicly, the bank capital regulation requirements are going to dramatically change the mortgage landscape. The number of calls we have had from banks post the launch of the ChatGPT app, we have over 45 financial institutions in the United States and outside the United States that have interest in utilizing that platform. I thought it was going to be mortgage brokers. I thought it was going to be retail mortgage lenders, the number of banks that have called because in anticipation of what is happening. I'll double-click into this.

So if you are a midsized bank today and you've got disintermediation from stablecoins, right? You can't just go and get Internet deposits cheaply anymore, right? You've got to go -- your deposit cost of capital

is creeping up. You've got to go find assets. And when you've got to go find assets that generate a higher yield, you can't just sit there and put it in treasuries anymore and short duration instruments because then if you're doing that, your cost structure just doesn't allow you to compete with stablecoin.

So what is the thing that you can do with economic growth sort of [indiscernible] with the American consumer a little bit stretched, are you going to go long credit cards? Are you going to go long personal loans? Are you going to go long those assets that people have been doing for the past 5 years? Or now with mortgage reg reform and particularly bank capital levels, are you going to go long credit risk? Or are you going to go long duration? And banks are built to go long duration. And so we're going to see the bank bid for mortgage explode. The bank bid for HELOCs explode. And we are uniquely positioned to accommodate the bank bid for that vis-a-vis our competitors in HELOC land.

Our competitors in HELOC land have built a one-size fits all, and they are proud of it like box for securitization. We tell any bank, you bring your guidelines, you bring your regional preferences, you bring any of those, and we will accommodate those instantly and to as detailed as you want. And so I think you're going to see a lot of that and a lot more partnerships in that regard. There are going to be -- and also the other thing that's happening is these fintechs are all signing up for bank charters, and they all see it, too. So I think you're going to see sort of like the lines blur between fintech and fintech bank. But I thought it might be worthwhile to just share a little bit of context around that, particularly in light of today's announcement around bank capital rules.

Operator

Your next question comes from the line of Eric Hagen with BTIG.

Eric J. Hagen

BTIG, LLC, Research Division

Really good conversation here. Really appreciated your thoughts just now on the bank capital. You noted the cost to underwrite are substantially lower than the industry average. They're around \$800, if I heard you correctly. I mean why don't you think those savings are being passed on to borrowers? Like what's the gating factor, which is sort of like bottlenecking the ability to pass along those savings in your opinion? And then...

Vishal Garg

Founder & CEO

We are passing the savings on our side to the borrowers. Yes, we are passing on the savings on our side to the borrowers while trying to continue to improve our contribution margin on our path to profitability because we want to be able to keep passing those savings on to borrowers for many, many years to come. So I think our rates are 30 basis points cheaper on average than the average mortgage rate. Our rates are over 50 basis points cheaper than Rocket and loanDepot. And I think the customer in a purchase market is really guided by the local realtor and the local LO. And so I think that -- you haven't seen that. But as refi comes back, Eric, you remember from 2016 to 2021, we went from \$500 million of volume to \$58 billion of volume as refi was -- about where rates like in 2019, 2020, 2021, we went from \$4.5 billion of volume to \$58 billion of volume.

And as I think rates come down and refi comes back, there's some serious scale possibility because in refi, we have a clear winning proposition. The American consumer may not be able to differentiate between 5 and 5/8, and 5 and 7/8, you walk down the street and you ask somebody, "Hey, what's 7 divided by 8." We don't teach math like that in American schools anymore. But you tell them, "Hey, do you want to save \$422 a month versus \$375 a month?" Well, that math is easy to do. And so I think that's sort of where you're going to see that savings really manifest in for the consumer.

Now on the B2B side, that savings is direct and visible. And the average bank cost to produce is about \$14,500. And so when we go to these banks and we say, we'll do it for you, if you want flavor A for \$4,000 a lone, flavor B for \$5,000 a lone, flavor C for \$6,000 a lone, that's a very disruptive sale. Now it takes time because that's a CEO, CFO sale because if you look at AI implementation anywhere, if you're pitching that to a mid-level person in the bank, if you're pitching that to the head of origination or right,

the head of sales to a bank for mortgage, that's pretty disruptive because what Tinman is doing and how Tinman is able to get to that is really lowering the amount of RoTE work that and RoTE calculation work that today exists in the mortgage industry. And 99% of the mortgage industry is still stare and compare underwriting. Call up any of my competitors, ask the loan officers how those loans are underwritten and they will tell you. And I think that that's just a fact.

Operator

Your next question comes from the line of Rohit Kulkarni with ROTH Capital.

Rohit Rangnath Kulkarni
ROTH Capital Partners, LLC

A couple of questions on the Tinman AI platform as help us understand what the ramp looks like based on what you know right now, 40% of volume already in Q4. Where do you see that share go as the year progresses? And then based on a lot of these recent developments, like what are the gating factors for you to scale up that distribution for Tinman? Is there some technical integration, some regulatory compliance approvals, training of partners. Just walk us through what would it take for you to convert all the leads that you have on Tinman and then how that cycles into the overall proportion of funded volume?

Loveen Advani
CFO and Principal Financial & Accounting Officer

Rohit, thanks for the question. I'll take the first, and then I'll hand it over to Vishal for the second one. So look, the trend is Tinman AI platform in 2024 was 0% of our revenue. Last year, on a full year basis in 2025, it's about 35% of our revenue. This year, we're kind of saying we expect it to be around 60% of our revenue. Now we're not giving you full year guidance on loan volumes, right? But if you can read the tea leaves and do the trends, our guidance for the first year -- first quarter loan volumes is about 77% growth. And if you can extrapolate that same out, right, not that I'm giving guidance here, right? And our share of the Tinman AI platform increasing from 35% to about 60%, you can see that subsection is growing really fast.

Vishal Garg
Founder & CEO

Right, I mean, our large institutional partnerships, where the companies are 10x to 100x our size, it's -- from first demo to term sheet signed is usually 3 months, from term sheet signed to platform launch is usually 2 months after that, from platform launch to pilot done is like 90 days from that and then post the pilot done to get full institutional buy-in and penetration of their customer base, it takes like 9 to 12 months because just we're cutting a lot of cost out. And it's the most complicated financial product sold to consumers. And so there's just a lot of wires to connect. Now the good thing is after it's connected, it's just one. There's just one system. And now with what we've done with ChatGPT, we're really trying to bring that sales cycle and connective cycle down because it's an interface that their internal people already know.

And so that dramatically cuts down that sort of 9-month time line from first demo to like full implementation, probably down to 6 months, down to 3 months if they want to move fast and they don't have any legacy stuff, which is why you're seeing a lot of people that are going to -- that are not in the mortgage business enter the mortgage business through us. For the ones that are already in the mortgage business with all of the massive incumbent infrastructure that they have, it takes them longer. And the bottleneck is we have -- the Biz Dev team with two people as of last quarter, and now there's like five people on the team. And we just want to make sure that the revenue is aligned with the cost.

So we don't like go and hire 100 go-to-market salespeople and then we're out there and then the revenues don't come. And we know that we've got to get the business to profitability and that like we have something that is a whole like one generation ahead of the incumbents, two generations ahead of the tech stack at the banks. And so the nation's largest bank is in the middle of its migration to incumbents. Okay, right? The system that lets one person use the system once at a time. So like they're like in the migration

to SharePoint. So I think we have -- we have a lead and -- but like our goal should be like to monetize that lead, but we want to do it in a way that aligns expenses and revenue together.

Rohit Rangnath Kulkarni*ROTH Capital Partners, LLC*

Okay. Great. And specifically on Credit Karma, perhaps talk about how Credit Karma is helping amplify the benefits and perhaps improve the distribution visibility in their member base. What is the dual handshake, if any, that once you are deeply embedded in a fintech partner like Credit Karma, how does that change the way they promote or provide higher visibility to your offering?

Vishal Garg*Founder & CEO*

I think Credit Karma is a very advanced company. They have -- again, if you read any of their public materials, they have a system called Lightbox. And we have integrated ourselves into Lightbox. And now the system is determining those offers. Right now, we're at less than 1% penetration of their member base as of March 13. And so we're very excited about the future.

Rohit Rangnath Kulkarni*ROTH Capital Partners, LLC*

Okay. Great. And maybe one last one from my standpoint is how does -- perhaps you already covered this, the contribution margin or the marginal margin on D2C versus kind of per dollar earned in -- through partnerships. How does that compare right now? And over time, where do you see that evolve? And is that kind of an implied assumption within your EBITDA breakeven in second half?

Vishal Garg*Founder & CEO*

I think we're not -- because our partnership volume is lumpy, I think we are -- for competitive reasons, we aren't out there sharing that level of granular detail just yet. But you're correct in that like the partner profit, contribution profit per loan varies, again, as I covered earlier, like depending on how and what system resources they use and personnel resources they use. But yes, like our adjusted EBITDA breakeven is based on us achieving the penetration rates on the partners we have signed up.

Operator

Your next question comes from the line of Ryan Tomasello with KBW.

Ryan John Tomasello*KBW LLC*

Just another question on the Tinman AI platform. There's obviously a range of different models out there in the market that are also providing this broad tech infrastructure to support the origination and funding in the mortgage category. That includes some players building that on blockchain rails. Vishal, you mentioned some of the legacy LOS providers and POS incumbents. So I guess, can you just talk about broadly what you think differentiates better in this third-party infrastructure category from those peers? And then over time, do you think that this platform could be extensible into other categories of consumer credit outside of the mortgage market and HELOC market?

Vishal Garg*Founder & CEO*

Yes. So I think we -- Tinman is the only platform in its class that allows the loans to be sold to a wide network of investors who can bring their own guidelines and their own pricing into the platform. I think Figure had a platform that allows people to integrate Figure, but then that guidelines for the product are the guidelines for the product. So they have a first lien product that's not a Fannie, Freddie, FHA, and VA eligible product and is a first lien HELOC, the rates are significantly higher than a conforming mortgage, and it's based on the same HELOC infrastructure that they have.

And then the HELOC infrastructure that they have is obviously done amazingly well, but it's got a lot of proprietary components that are not removable. I'll let you use any title company in America you want. I'll let you use any appraisal company in America you want. I'll let you use any home insurance company you want. If you've got an HOA, if you've got a complex appraisal, if you've got like jumbos you want to do, you want to do non-QM, you want to do bank statement loans, you want to do DSCR loans. You want to do any of those things and serve the maximum penetration within your customer base, you kind of have to like if you're -- remember, if you're a partner, you're signing up, I'm bank A, I have 100 customers.

Do I want -- and I'm selling mortgage mostly as an accommodation product today, like I want to serve the customer that has a deposit with me, right? Do I want to partner with a guy who's got a criteria that's built for securitization and on a particular group of things and that's got a 15% approval rate. Or do I want to serve the guy that's got like, we'll go down to 580 FICO FHA loans to lower-income consumers because that customer still has a deposit with the bank and the bank wants to serve that customer.

And I think that, that's the big difference between ours. Our model was built AI mortgage, AI HELOC and their model was built like securitization HELOC and then securitization mortgage. And I think -- so that's just a fundamental difference in the model. And I would say they are really focused on the blockchain, right, and on all of the things that go with that versus we're really focused on AI and customization, mass customization to the largest broadest set of potential partners leveraging AI. So I think that's -- and using blockchain when it makes sense to lower the cost of capital. So I think that's like -- but like I very much respect their team, and they've done an amazing job, right, in building a great platform and really reintroducing the home equity product back to the American consumer. So we're very happy to follow in their lead on the home equity product and continue to be the lead on mortgage innovation.

The other players, I mean, that's just super legacy tech stack, right? Many of them like are entirely still billing by the seat. We're billing by the outcome. Others are billing by our, like they're like we're billing by the outcome. It's just a fundamentally disruptive model. Now some of them are banding together and saying, "Hey, yes, you can buy like the three of us in a bundled offering." But that's like selling Microsoft Office Word and Windows 95 and like selling it together, right? But like you know what happened to copy paste back in your Windows 95 days, right? It's not the same. It's not updating real time. It's not a seamless workflow. It's not any of those things. The customer experience is broken.

And more importantly, you still need all the people, which is why if you think about the entire concept of digital mortgage, the mortgage industry and if you talk to any CEO on mortgage, they are like digital mortgage, it's 2015, it used to cost me \$9,000 a loan to make a loan. And it's 2025, it cost me \$11,700 to make a loan, like I've gone backwards since 2015, right, as a mortgage company CEO because of digital mortgage, because it's 8 different digital systems, 8 different like pieces of middleware, 8 different groups of consultants I've got to hire and employ all the people that I have to train to be experts in these 8 different systems who can't like do different things in different systems.

The whole -- that's the disruptive power of the AI Agentic architecture. You don't need to train people to do this. There's a machine just does it. And on our machine in Tinman, the people have been doing this stuff. And so we just -- when we want to move a role to Agentic, we just literally have the machine and the AI watch what the humans in that particular task have been doing. And I think there's still like some tasks that are going to require from a regulation standpoint, the need for someone to make the decision, a human to make the decision. And that's totally fine because then that human can make 100 of those decisions a day rather than making two of those decisions a day. So I think that's the future that we're really driving towards. And I think we're pretty unique in that regard.

Ryan John Tomasello

KBW LLC

Appreciate all that commentary, Vishal. And then just one more for me on the Sky stablecoin partnership. If you could just talk about or maybe quantify the cost of capital advantage that, that funding source provides versus your traditional facilities. And also how you see maybe that partnership potentially evolving beyond warehouse into more permanent financing. And then just bigger picture, Vishal, what value you envision DeFi unlocking for the mortgage market over time?

Vishal Garg
Founder & CEO

Okay. Wow, I could go on for hours about that. But like I'll try to make it super simple. So I think the initial funding cost advantage is 100 basis points, which is super meaningful, right? Like just right off the bat, I think we make \$500 extra per loan, right, -- on a loan. Two, from there, we think fundamentally, mortgage is an underpenetrated asset class amongst stablecoin issuers. And I think as stablecoins become more pervasive, I think stablecoin issuers who are going out for broader yield are going to go and try to find DeFi mortgage assets to invest in. And we believe the mortgages that we make, 95% of which are guaranteed by some form of GSE or agency are the best from a sharp ratio perspective in terms of yield pickup relative to risk.

Like I joke that technically a Fannie Mae mortgage is better than a treasury because you have not only the government guarantee, but you actually have a house and a person. And so you've got three pieces of collateral. So I think that there's just the spread premium for the prepayment risk is not something that is something institutional investors care about, but it's not something as it tends to be delivered to consumers, is something that consumers care about. So I think that like that is going to be really, really interesting. And I think the long-term advantage that DeFi brings to the U.S. consumer mortgage market is 100 basis points of rate reduction. Right now, the premium to hold a fixed rate GSE mortgage over a 10-year treasury is about 200 basis points. And I think we can get that down to about 100 basis points over time.

Operator

Your next question comes from the line of Owen Rickert with Northland Capital Markets.

Owen Ray Rickert
Northland Capital Markets, Research Division

First for me, to go from \$1.5 billion in volume to \$3 billion in volume per quarter, what needs to happen?

Vishal Garg
Founder & CEO

We need to penetrate our existing partners more, and we need to continue to grow NEO and D2C, where it makes sense, where we make money on those D2C loans. But to go from \$1.5 billion to \$3 billion is just penetrate the existing partners we already have signed up and implemented with.

Owen Ray Rickert
Northland Capital Markets, Research Division

Okay. Great. And then for the 4 ramping partnerships, can you just rank those in terms of opportunity? We know Credit Karma is obviously #1, but how would you rank FOA, the top 5 nonbank originator and that bank partner?

Vishal Garg
Founder & CEO

I think it's Credit Karma Home Loans powered by Better. I think it's the top 5 nonbank originator, and then I think it's FOA and the top three leading fintech.

Owen Ray Rickert
Northland Capital Markets, Research Division

Okay. And then lastly from me, kind of expanding on that, beyond those four partners, I guess, do you have the bandwidth to get potential partners five, six and seven live in 2026? Or is 2026 more just about ramping those four?

Vishal Garg
Founder & CEO

No, I think you should see us launch one marquee partner like every quarter, and you should see us have a bunch of smaller partners launch every quarter.

Operator

That concludes our question-and-answer session. I would now like to turn the conference back over to Vishal Garg, Founder and CEO, for closing comments.

Vishal Garg

Founder & CEO

Thank you, everyone, for joining. Again, Q4 '25 is a transformational turnaround quarter for the business as we move from being a direct-to-consumer originator on Better.com to being a platform to power every originator in the mortgage industry. And we thank you for your interest, and thank you for being a participant and a partner in our journey to making that happen and in doing so, making home finance cheaper, faster and easier and just playing better for all Americans. Thank you.

Operator

Ladies and gentlemen, this does conclude today's conference call. Thank you for your participation, and you may now disconnect.

Copyright © 2026 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not act as a fiduciary or an investment advisor except where registered as such. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

© 2026 S&P Global Market Intelligence.