



FINANCE *of* **AMERICA**
COMPANIES®

Earnings Presentation | Q4 2022

March 2023

Disclaimer

Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts or statements of current conditions, but instead represent only management’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company’s control. It is possible that our actual results, financial condition and liquidity may differ, possibly materially, from the anticipated results, financial condition and liquidity in these forward-looking statements. The Company’s actual results may differ from its expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “continue,” and similar expressions (or the negative versions of such words or expressions) are intended to identify such forward-looking statements. The Company cautions readers not to place undue reliance upon any forward-looking statements, which are current only as of the date of this presentation. Results for any specified quarter are not necessarily indicative of the results that maybe expected for the full year or any future period. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based, except as required by law. All subsequent written and oral forward-looking statements concerning the Company or other matters and attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. Readers are cautioned not to place undue reliance upon any forward-looking statements, which speak only as of the date made. A number of important factors exist that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include, but are not limited to: the transformation of our business from a vertically-integrated, diversified lending platform to a focused, reverse mortgage lending business; our ability to obtain sufficient capital and liquidity to meet the financing and operational requirements of our business, and our ability to comply with our debt agreements and pay down our substantial debt; our proposed acquisition of American Advisors Group, as well as the proposed sale of our Incenter subsidiaries and their respective expected benefits and increased liquidity, anticipated cost savings, financial and accounting impact, and timing; our ability to successfully and timely integrate the business of American Advisors Group into the legacy business of the Company; the possibility that the Company may be adversely affected by other economic, business and/or competitive factors in our business markets worldwide financial markets, including a sustained period of higher interest rates; our ability to respond to significant changes in prevailing interest rates, and to develop a profitable business; our ability to manage disruptions in the secondary home loan market, including the mortgage-backed securities market; our ability to finance and recover costs of our reverse servicing operations; our ability to manage changes in our licensing status, business relationships, or servicing guidelines with Ginnie Mae, HUD or other governmental entities; our geographic market concentration if the economic conditions in our current markets should decline or as a result of natural disasters; our use of estimates in measuring or determining the fair value of the majority of our assets and liabilities, which may require us to write down the value of these assets or write up the value of these liabilities if they prove to be incorrect; our ability to manage various legal proceedings and compliance matters, federal or state governmental examinations and enforcement investigations we are subject to from time to time, including consumer protection laws applicable to reverse mortgage lenders, which may be highly complex and slow to develop, and results are difficult to predict or estimate; our ability to prevent cyber intrusions and mitigate cyber risks; our ability to compete with national banks, which are not subject to state licensing and operational requirements; our holding company status and dependency on distributions from Finance of America Equity Capital LLC; our “controlled company” status under New York Stock Exchange rules, which exempts us from certain corporate governance requirements and affords stockholders fewer protections; our substantial number of shares of Class A common stock issuable upon conversion of Finance of America Equity Capital LLC Units, which may dilute your investment, and the sale of which could cause significant downward pricing pressure on our stock; and our common stock trading history has been characterized by low trading volume, which may result in an inability to sell your shares at a desired price, if at all.

All of these factors are difficult to predict, contain uncertainties that may materially affect actual results and may be beyond our control. New factors emerge from time to time, and it is not possible for our management to predict all such factors or to assess the effect of each such new factor on our business. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and any of these statements included herein may prove to be inaccurate. Given the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements, or our objectives and plans will be achieved. Please refer to Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2021, originally filed with the Securities and Exchange Commission (the “SEC”) on March 15, 2022, for further information on these and other risk factors affecting us, as such factors may be amended and updated from time to time in the Company’s subsequent periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov.

Statement Regarding Non-GAAP Financial Measures

This presentation also contains non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be useful to investors in assessing Finance of America’s operating performance. Such non-GAAP financial information, including Finance of America’s definitions and methods of calculation, are not necessarily comparable to similarly titled measures of other companies. Reconciliations of these non-GAAP financial measures to their most directly comparable GAAP measures are set forth on slide 10. Certain non-GAAP financial measures presented herein exclude items that are significant in understanding and assessing Finance of America’s financial results or position. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP.



FOA has transformed the business; will strengthen the balance sheet

Transformed the Business

- Completed wind down of Mortgage Originations business in Q1 2023
- In Q1 2023, announced sale of Title Insurance and Commercial Originations businesses
- Received regulatory approval for acquisition of AAG. Scheduled to close on March 31, 2023

Strengthened Capital and Liquidity

- Losses in Mortgage Originations will be minimal post Q1 2023
- Sales of Title Insurance and Commercial Originations expected to generate approximately \$70M⁽¹⁾ in tangible equity and future liquidity
- AAG acquisition anticipated to generate more than \$70M⁽¹⁾ of tangible net worth plus substantial operational synergies

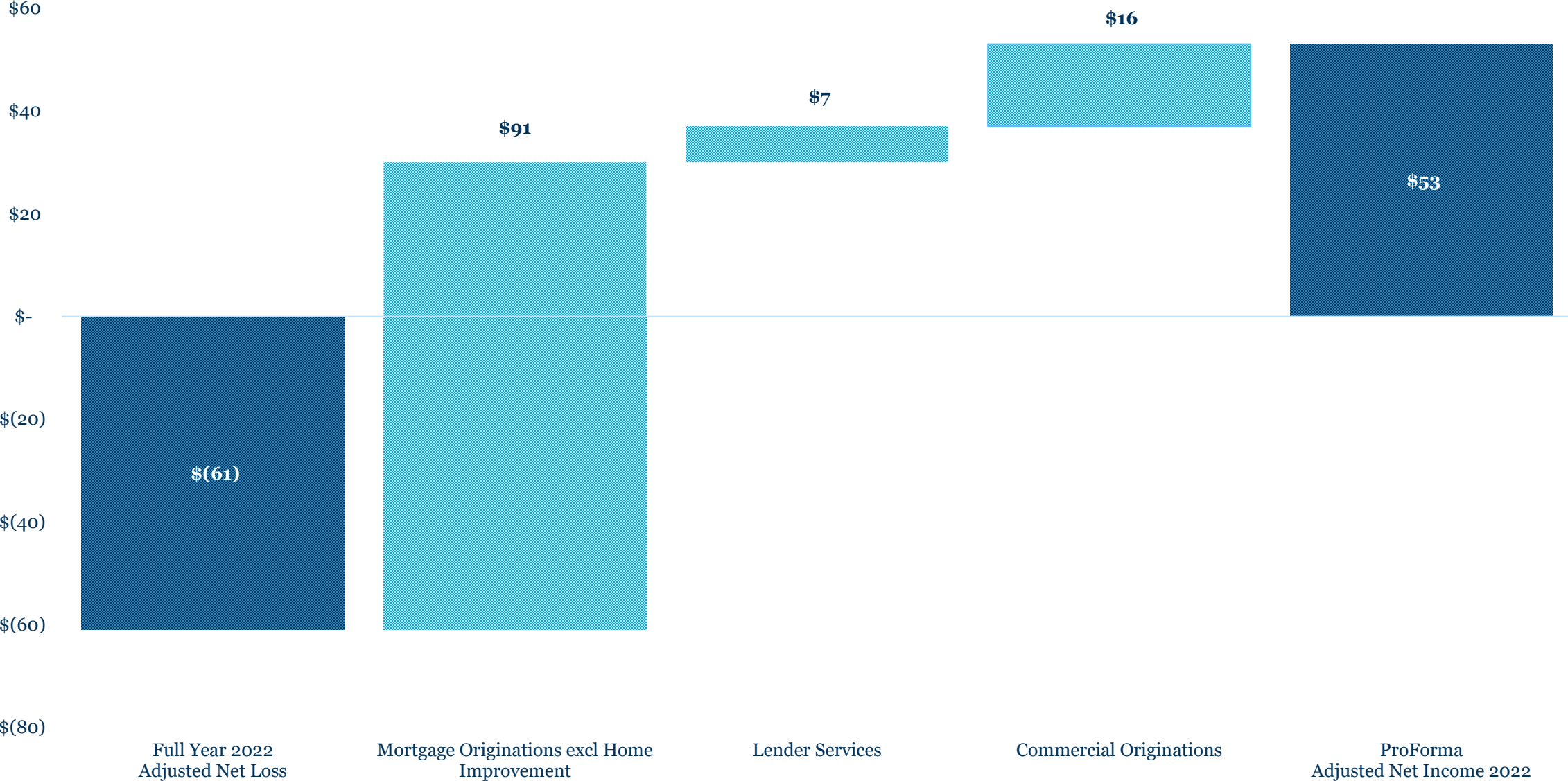
De-lever and De-risk the Balance Sheet

- Over past four months, securitized ~\$1.4B in proprietary reverse loans
- Since the end of 2022, sold over \$200M in Commercial loans

⁽¹⁾ Based on current estimates; subject to change.



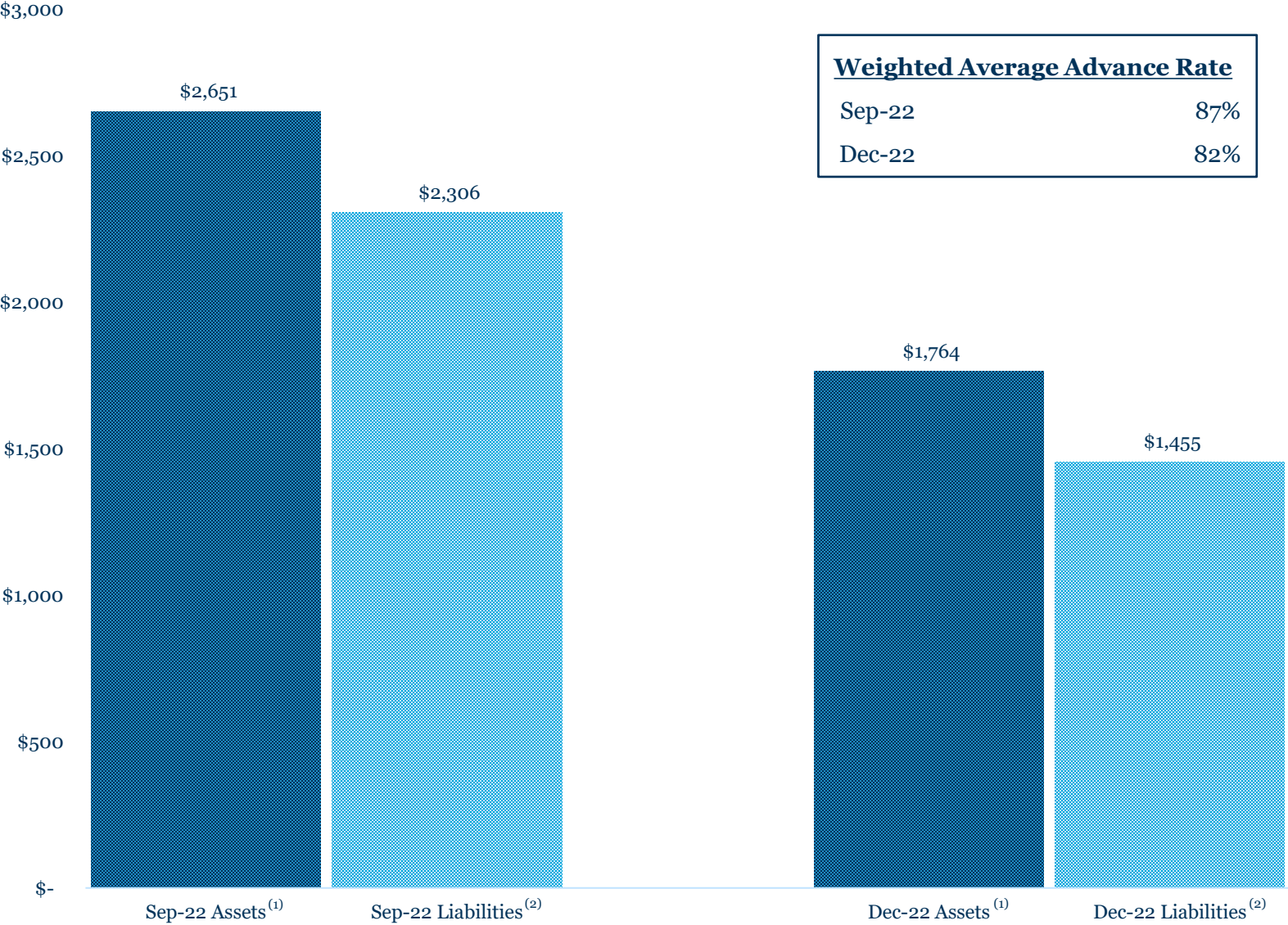
On a proforma basis, the company generated \$53M in Adjusted Net Income⁽¹⁾ in 2022



⁽¹⁾ Please refer to the reconciliation of Net income (loss) (GAAP) to Adjusted net income (Non-GAAP financial measures) on Slide 8, which on a pro-forma basis excludes Mortgage Originations (excluding Home Improvement), Lender Services, and Commercial Originations.



In Q4, we significantly de-levered the balance sheet



Weighted Average Advance Rate	
Sep-22	87%
Dec-22	82%

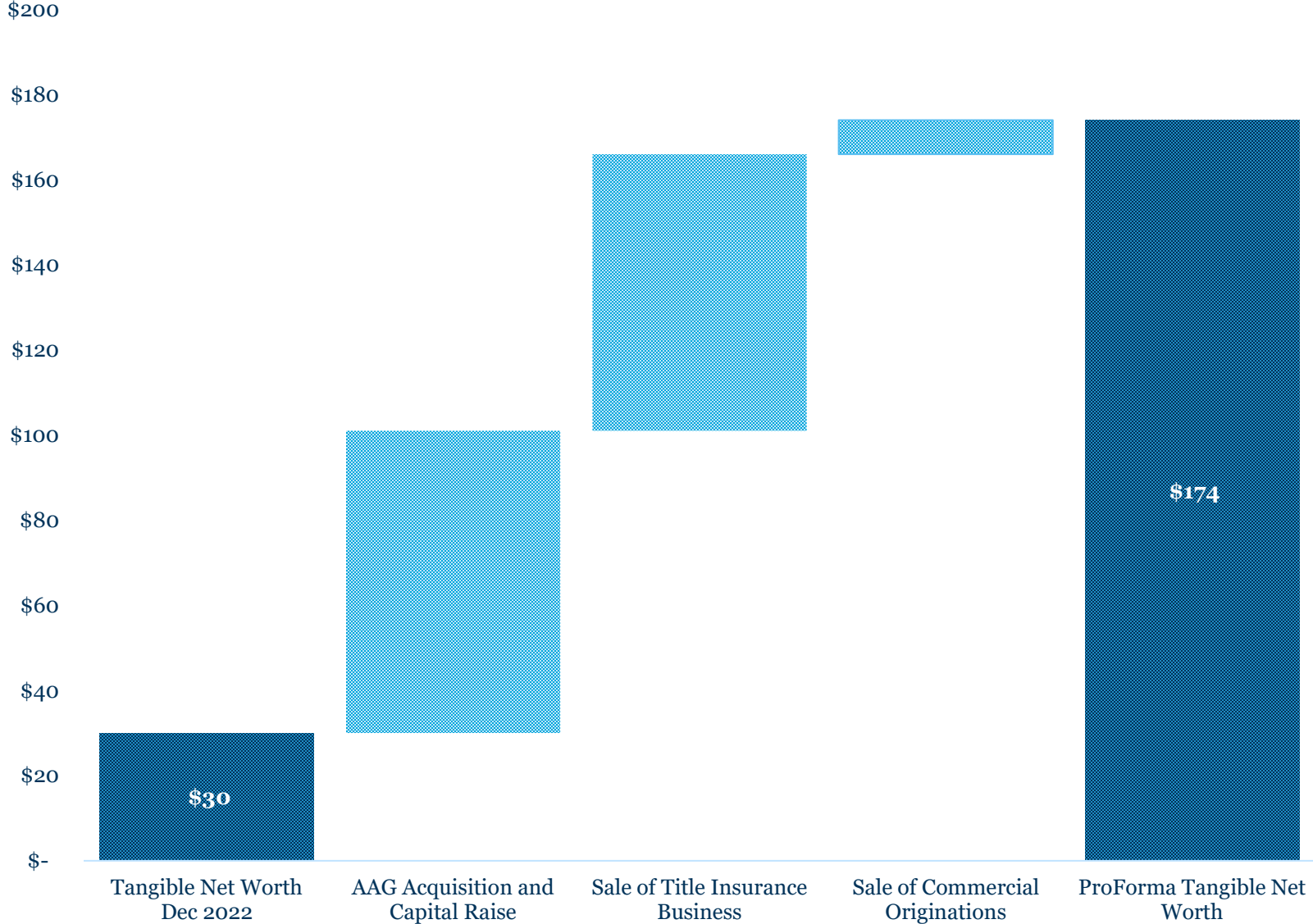
- Commenced with the wind down of the Mortgage Originations business in Q4 2022. This was completed in Q1 2023 which will result in further de-levering of the balance sheet
- Securitized over \$750 million of proprietary reverse loans in Q4
- Expect to further de-lever the balance sheet in Q1 2023
 - Roughly \$200 million of Commercial loans sold
 - Securitized roughly \$700 million of proprietary reverse loans

(1) For each period, includes the following: Loans held for investment, at fair value, Loans held for sale, at fair value, Residual fair value of loans held for investment subject to nonrecourse debt, at fair value, Retained bonds, Residual fair value of loans held for investment subject to HMBS obligations, at fair value and Retained mortgage servicing rights, at fair value

(2) For each period, includes Other financing lines of credit



Announced transactions should materially increase TNW



- The AAG acquisition is expected to generate additional tangible net worth of just over \$70⁽¹⁾ million as we acquire the net carrying value of assets with equity and raise additional equity capital
- The sale of the Title and Commercial Originations businesses are expected to generate more than \$70⁽¹⁾ million of tangible net worth

⁽¹⁾ Based on current estimates; subject to change.



SUPPORTING MATERIALS



FY 2022 Non-GAAP Reconciliation

All values through Adjusted Net Income in \$ Millions	Finance of America 2022 ANI	Mortgage excl. Home Improvement	Lender Services	Commercial Originations	Pro-Forma 2022 ANI
Pre-tax income (loss)	(\$732)	(\$284)	(\$73)	(\$31)	(\$344)
Adjustments for:					
Changes in fair value ⁽¹⁾	335	-	-	-	335
Amortization and impairment of goodwill and intangible assets ⁽²⁾	246	135	56	8	47
Share-based compensation ⁽³⁾	29	6	3	1	19
Certain non-recurring costs ⁽⁴⁾	42	20	4	-	17
Adjusted net income before taxes	(81)	(123)	(10)	(22)	74
Provision for income taxes ⁽⁵⁾	20	32	3	6	(21)
Adjusted Net Income	(\$61)	(\$91)	(\$7)	(\$16)	\$53
Weighted average diluted share count	188,236,513	188,236,513	188,236,513	188,236,513	188,236,513
Adjusted Diluted EPS	(\$0.32)	(\$0.48)	(\$0.04)	(\$0.09)	\$0.28

⁽¹⁾ Changes in fair value include changes in fair value of loans and securities held for investment, deferred purchase price obligations, warrant liability, and minority investments.

⁽²⁾ Successor period amortization includes amortization of intangibles recognized from the business combination with Replay.

⁽³⁾ Funded 85% by the non-controlling shareholders.

⁽⁴⁾ Certain non-recurring costs relate to various one-time expenses and adjustments that management believes should be excluded as these do not relate to a recurring part of the core business operations. These items include certain one-time charges including amounts recognized for settlement of legal and regulatory matters, acquisition related expenses and other one-time charges.

⁽⁵⁾ We applied an effective combined corporate tax rate to adjusted consolidated pre-tax income (loss) for the respective period to determine the tax effect of adjusted consolidated net income (loss).

Numbers may not sum perfectly due to rounding.



Q4 2022 Non-GAAP Reconciliation

All values through Adjusted Net Income in \$ Millions	Finance of America Q4 2022 ANI	Mortgage excl. Home Improvement	Lender Services	Commercial Originations	Pro-Forma Q4 2022 ANI
Pre-tax income (loss)	(\$182)	(\$65)	(\$65)	(\$5)	(\$47)
Adjustments for:					
Changes in fair value ⁽¹⁾	12	-	-	-	12
Amortization and impairment of goodwill and intangible assets ⁽²⁾	66	-	50	1	15
Share-based compensation ⁽³⁾	6	1	1	-	4
Certain non-recurring costs ⁽⁴⁾	21	11	2	-	8
Adjusted net income before taxes	(76)	(53)	(11)	(4)	(8)
Provision for income taxes ⁽⁵⁾	20	14	3	1	2
Adjusted Net Income	(\$56)	(\$39)	(\$8)	(\$3)	(\$6)
Weighted average diluted share count	187,822,266	187,822,266	187,822,266	187,822,266	187,822,266
Adjusted Diluted EPS	(\$0.30)	(\$0.21)	(\$0.04)	(\$0.02)	(\$0.03)

⁽¹⁾ Changes in fair value include changes in fair value of loans and securities held for investment, deferred purchase price obligations, warrant liability, and minority investments.

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