



FINANCE *of* **AMERICA**
COMPANIES®

Earnings Presentation | Q3 2021

November 2021

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Disclaimer

Forward-Looking Statements

This presentation includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. The actual results of Finance of America Companies Inc., together with its subsidiaries and affiliates, “Finance of America” 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. You can also identify forward-looking statements by discussions of the Company’s expectations for 2021 financial performance, targeted revenue and margins across Mortgage and Specialty Finance business lines.

These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially, and potentially adversely, from those expressed or implied in the forward-looking statements. Most of these factors are outside Finance of America’s control and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) the effect of the COVID-19 pandemic on Finance of America’s business; (2) changes in prevailing interest rates or U.S. monetary policies that affect interest rates that may have a detrimental effect on our business; (3) the possibility that Finance of America may be adversely affected by other economic, business, and/or competitive factors in our markets; (4) our ability to obtain sufficient capital to meet the financing requirements of our business; (5) the use of estimates in measuring or determining the fair value of the majority of our assets and liabilities; (6) the possibility of disruption in the secondary home loan market, including the mortgage-backed securities market; and other risks and uncertainties set forth in the section entitled “Risk Factors” included in our Registration Statement on Form S-1 originally filed with the SEC on May 25, 2021, as such factors may be amended and updated from time to time in Finance of America’s subsequent periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. All subsequent written and oral forward-looking statements concerning Finance of America or other matters and attributable to Finance of America 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. Finance of America expressly disclaims any obligations or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with respect thereto or any change in events, conditions, or circumstances on which any statement is based, except as required by law.

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 slides 17 and 18. 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.

A reconciliation of our forward-looking Adjusted Net Income outlook to net income cannot be provided without unreasonable effort because of the inherent difficulty of accurately forecasting the occurrence and financial impact of the various adjusted items necessary for such reconciliation that have not yet occurred, are out of our control, or cannot be reasonably predicted. For the same reasons, the company is unable to assess the probable significance of the unavailable information, which could have a material impact on its future GAAP financial results.



FOA is an unmatched consumer lending platform that is primed for growth

Distinct product portfolio, distribution and capital markets capabilities drive growth regardless of the mortgage cycle

- **FOA's non-Mortgage businesses are increasingly driving its financial performance**
 - 49% of Revenue and 80% of Adjusted Net Income¹ in Q3'21 were generated by the Specialty Finance and Services segments (defined as all segments other than Mortgage Originations)
 - The Specialty Finance and Services segments are expected to remain the major driver of profitability given the macro tailwinds prevalent in those businesses
- **Management is laser focused on three priorities to drive continued, profitable growth**
 - Optimize the Mortgage Originations segment to disproportionately benefit from expected growth in the purchase and non-agency markets, continuing to capitalize on episodic refinance markets
 - Continue making significant investments in high growth businesses - Reverse, Commercial, Home Improvement, and Lender Services to capitalize on the window of opportunity in those markets
 - Invest heavily in our technology, data and operating models to monetize the substantial lifetime **household** value inherent in our franchise. We are uniquely positioned to capture household lending lifecycles from student through reverse loans

¹ Please refer to the reconciliation of Net income (loss) (GAAP) to Adjusted Net Income (Non-GAAP financial measures) on Slide 17.



Q3 2021 Highlights

Continued growth across all segments

- Year to date revenue of \$1.4 billion, up 7% compared to 2020
- Record quarterly revenue in Reverse, Commercial and Lender Services segments

Sustained high levels of profitability

- Adjusted Net Income¹ of \$75 million, up 32% from Q2
- Expanding profitability margins in Reverse, Commercial and Lender Services segments

Per share metrics

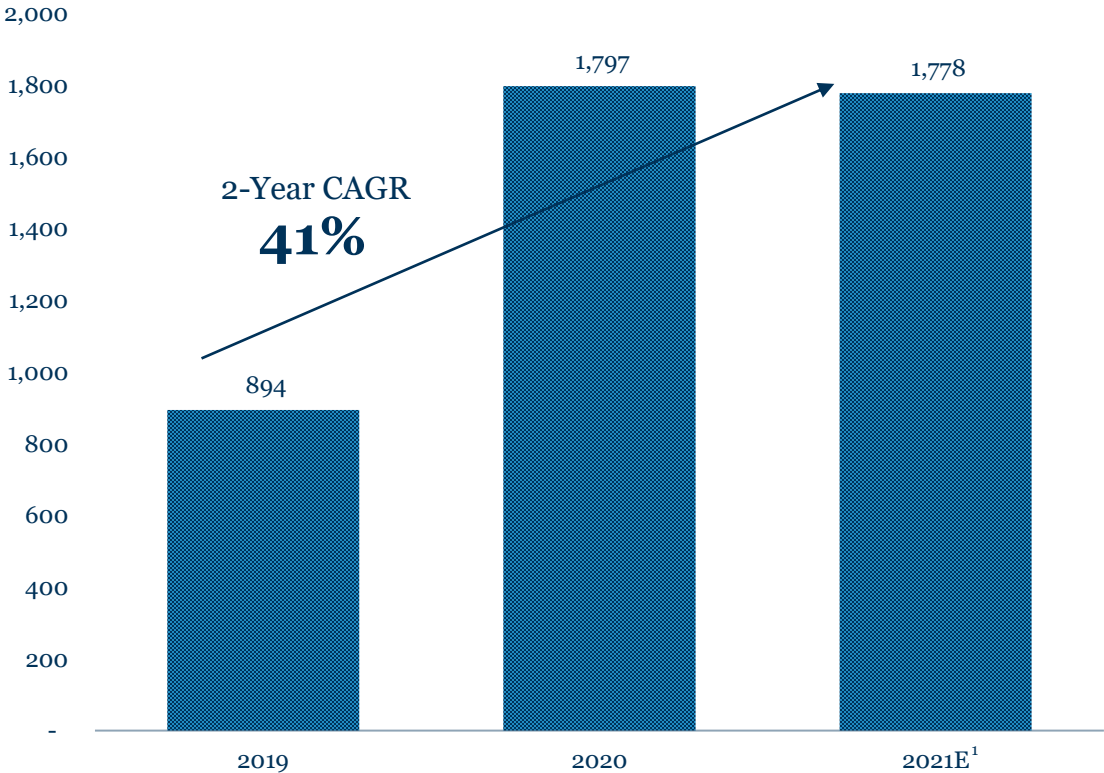
- Basic Earnings per Share of \$0.36
- Adjusted Diluted Earnings per Share¹ of \$0.39; up 30% from Q2

¹Please refer to the reconciliation of Net income (loss) to Non-GAAP financial measures on slide 17. Per share metrics calculated on an if-converted basis.

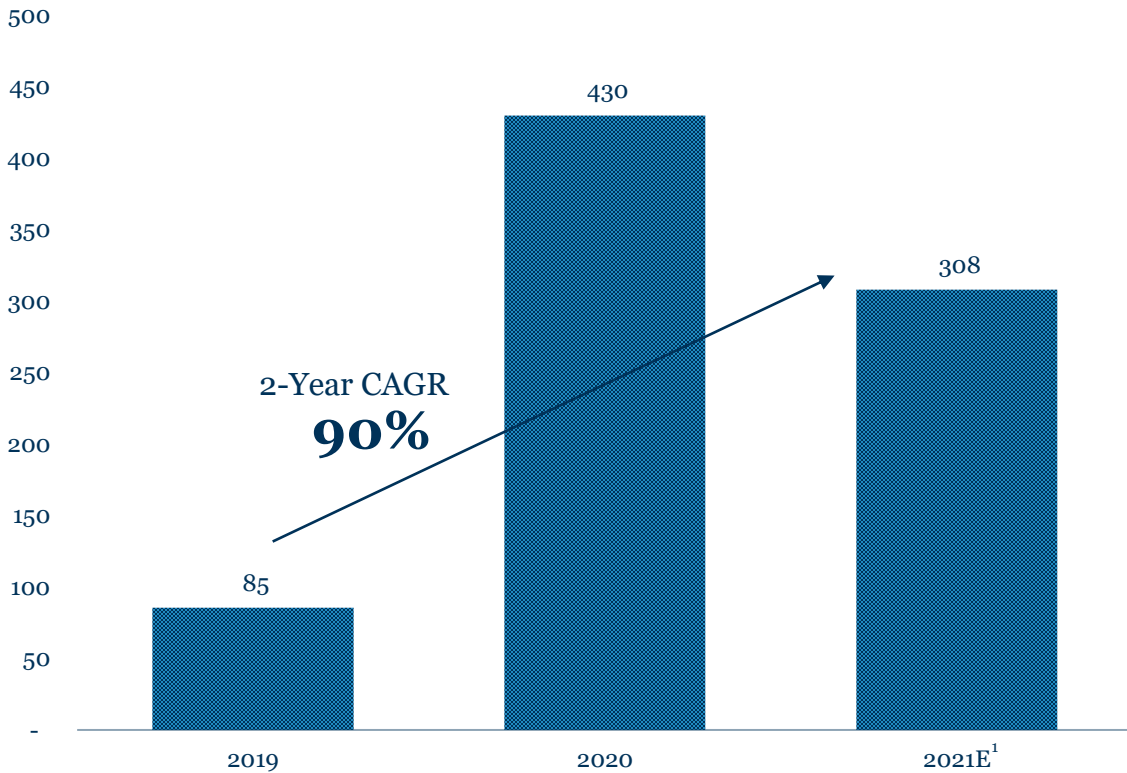


Finance of America is a profitable, growing company

Total Revenue (\$M)



Adjusted Net Income² (\$M)



¹ 2021 equals year-to-date results through Q3 plus midpoint of the expected range of outcomes for Q4. For expected range of outcomes information please refer to Slide 12.

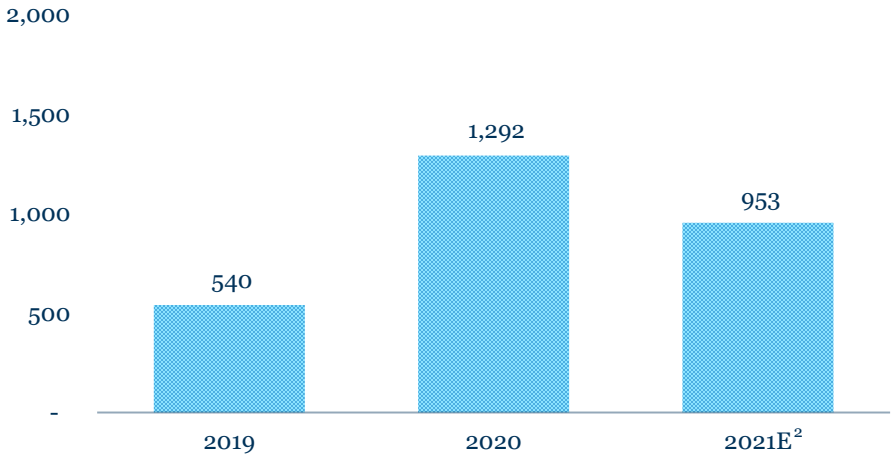
² Please refer to the reconciliation of Net income (loss) (GAAP) to Adjusted Net Income (Non-GAAP financial measures) on Slide 17.



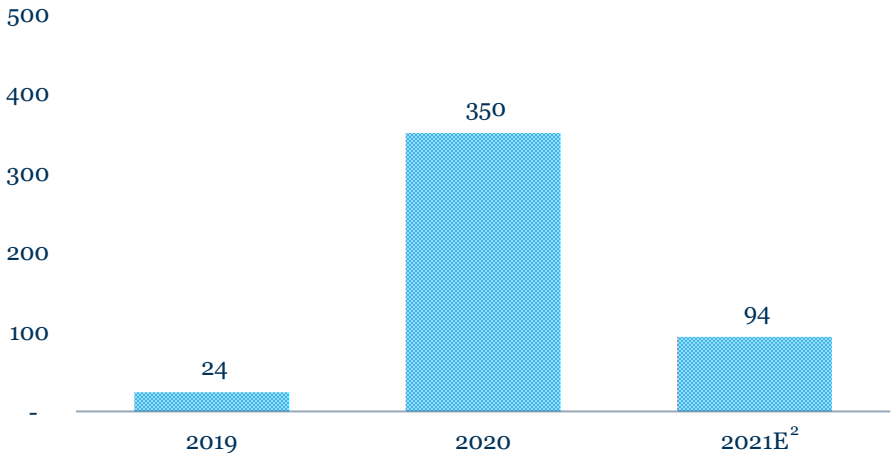
FOA's growth is best understood by viewing the business through two lenses

Mortgage

Total Revenue (\$M)

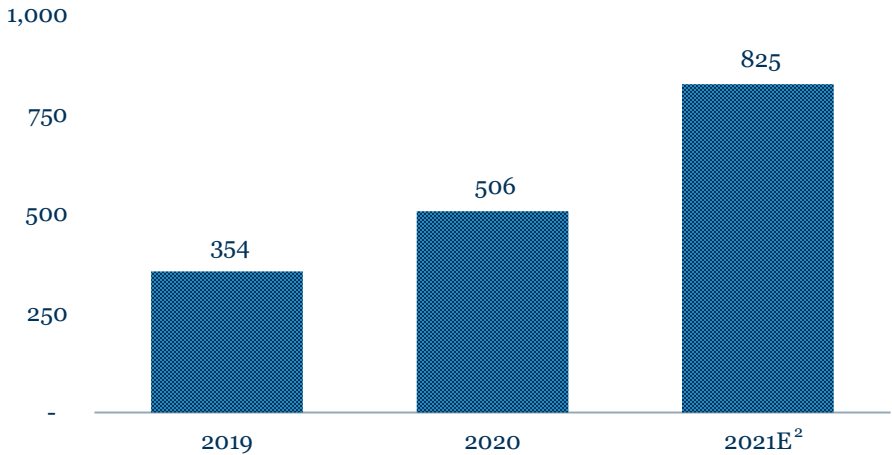


Adjusted Net Income³ (\$M)

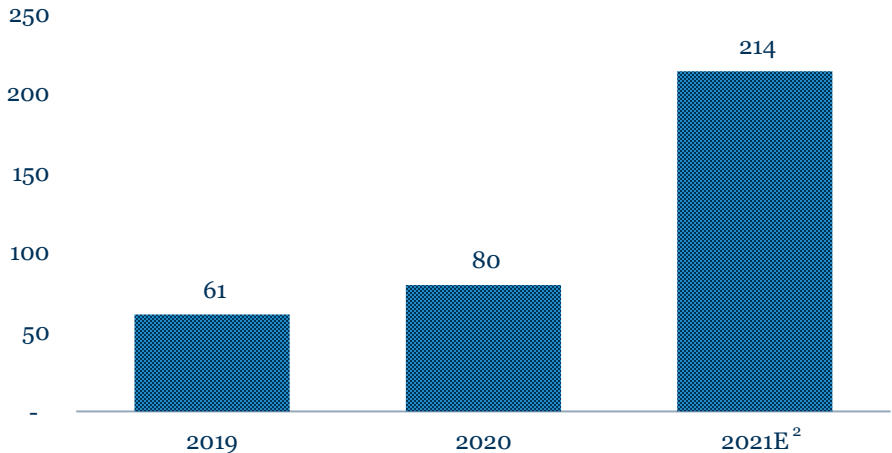


Specialty Finance and Services¹

Total Revenue (\$M)



Adjusted Net Income³ (\$M)



¹ Specialty Finance and Services defined as Total Revenue or Adjusted Net Income for FOA less the Mortgage Originations segment (effectively includes Reverse Originations, Commercial Originations, Lender Services, Portfolio Management, and Corporate & Other).
² 2021 equals year-to-date results through Q3 plus midpoint of the expected range of outcomes for Q4. For expected range of outcomes information please refer to Slide 12.
³ Please refer to the reconciliation of Net income (loss) (GAAP) to Adjusted Net Income (Non-GAAP financial measures) on Slide 18.



Our Mortgage platform consists of substantial infrastructure to drive growth in the purchase and non-agency markets

MORTGAGE

- Purchase-focused Retail channel; consistent earnings contributor
- Capital markets expertise to fuel high margin, non-agency growth¹
- Significant operating leverage during times of refinance booms

¹ For additional detail, please refer to Slide 14



Specialty Finance & Services is poised for continued profitable growth

MORTGAGE

- Purchase-focused Retail channel; consistent earnings contributor
- Capital markets expertise to fuel high margin, non-agency growth¹
- Significant operating leverage during times of refinance booms

SPECIALTY FINANCE & SERVICES

- Macro tailwinds growing TAM across lending businesses²
- Large market share with growing, high-margin earnings
- Significant operating leverage to meet market expansion
- Strong capital markets relationships allow for product innovation and distribution¹

¹ For additional detail, please refer to Slide 14

² For additional detail, please refer to Slide 15



The path to unlocking greater value from our Mortgage platform

MORTGAGE

- Purchase-focused Retail channel; consistent earnings contributor
- Capital markets expertise to fuel high margin, non-agency growth¹
- Significant operating leverage during times of refinance booms

Lever the Mortgage platform to fuel further SF&S growth³

- ✓ **Data: 1mm+ Customers**
- ✓ **Infrastructure: 340 offices**
- ✓ **Sales force: 1,000+ LO's and 1,300 broker relationships**

SPECIALTY FINANCE & SERVICES

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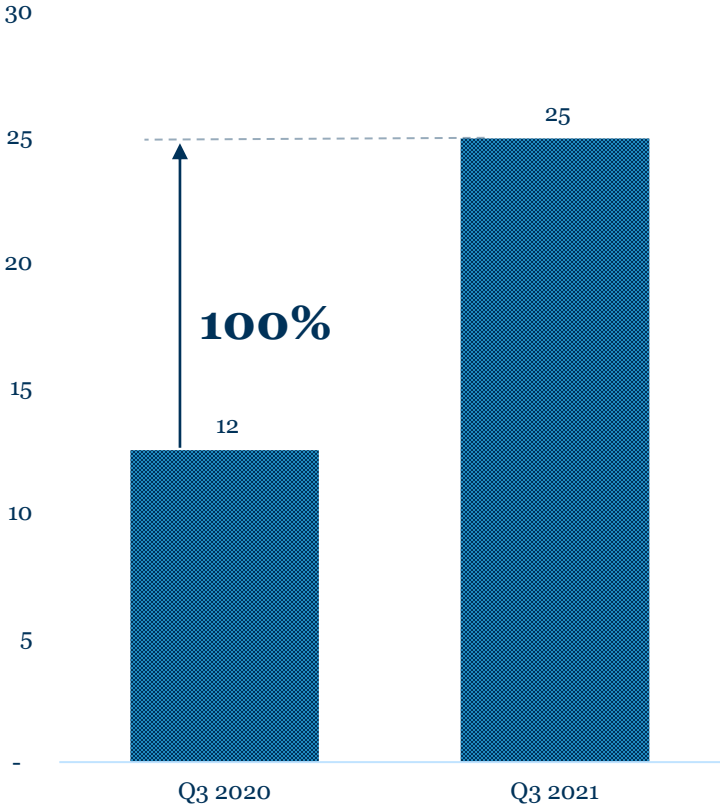
² For additional detail, please refer to Slide 15

³ For additional detail, please refer to Slide 16

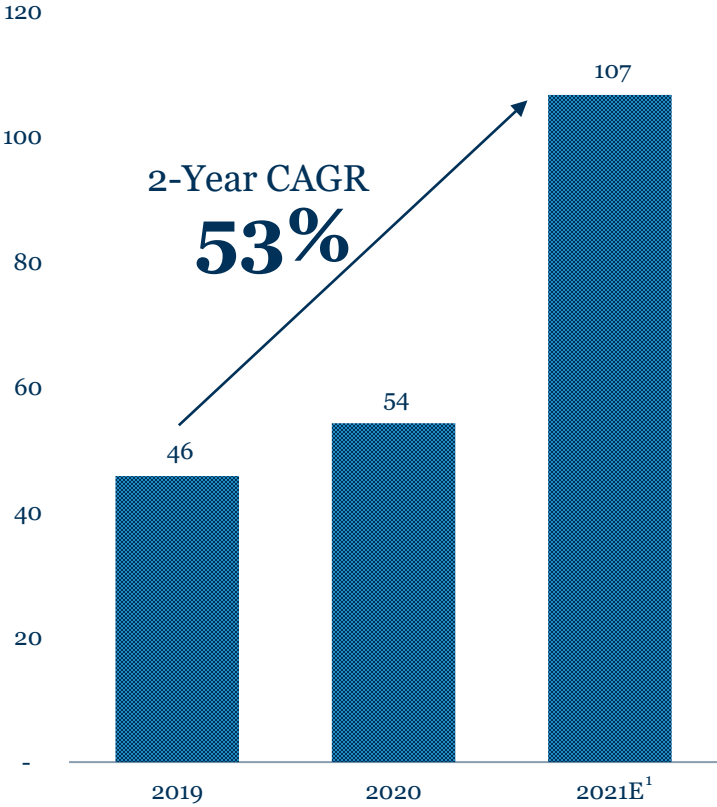


The Mortgage platform increasingly contributes to Specialty Finance & Services revenue

SF&S Revenue attributable to Mortgage (\$M):
Q3 2020 v Q3 2021



SF&S Revenue attributable to Mortgage (\$M):
Two Year Trend



Through the integration of data and software, drive deeper customer engagement across businesses



Substantial opportunity to cross-sell to the ~15,000+ homeowners assisted with Home Improvement loans in 2021



We have piloted selling multiple products through roughly 5% of our 1,300 broker relationships with significant success

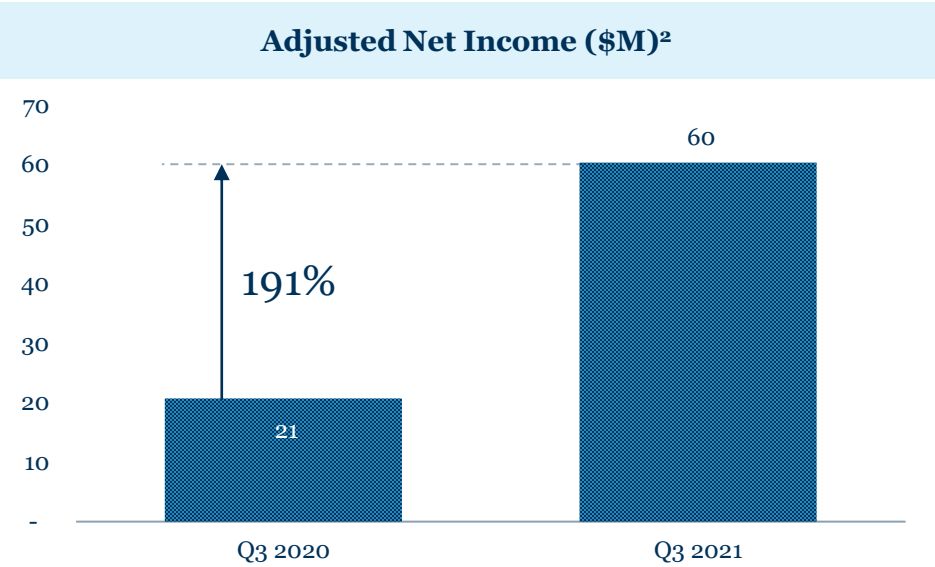
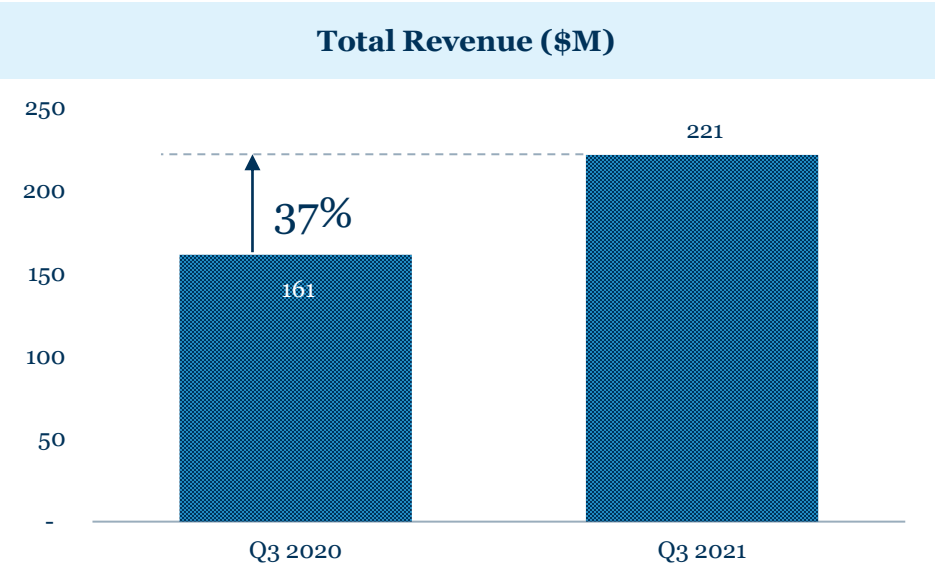


Opportunity to increase adoption of Lender Services products across all our lending platforms

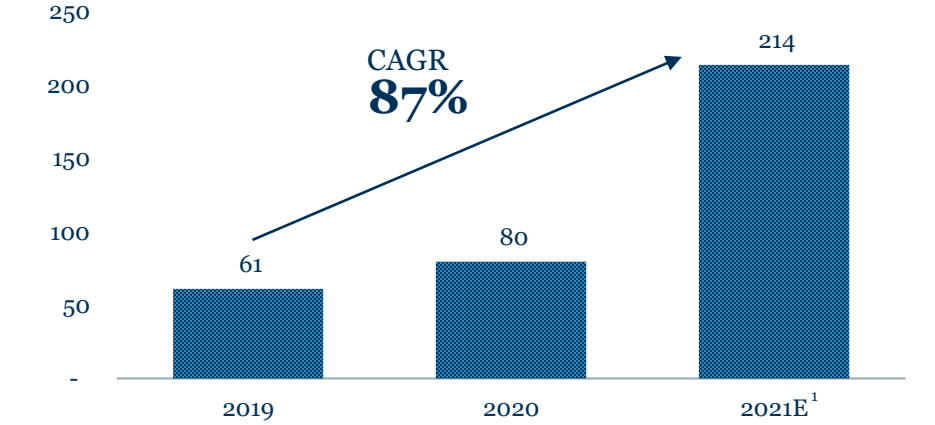
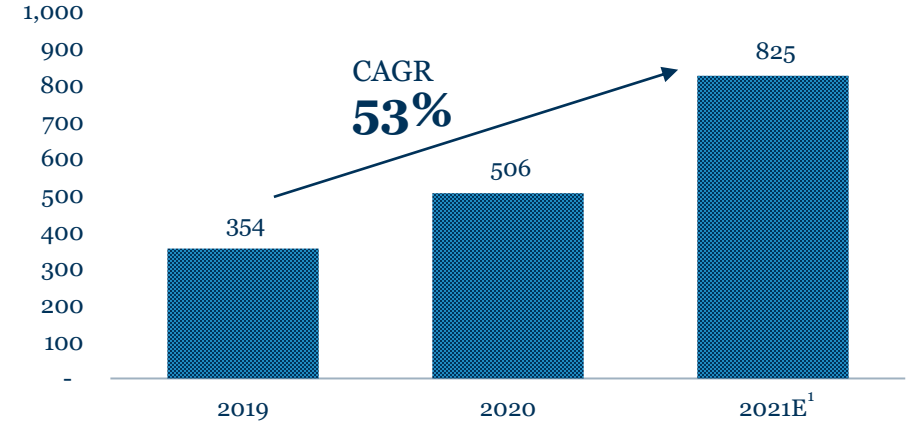
¹ 2021 equals year-to-date results through Q3 plus midpoint of the expected range of outcomes for Q4. For expected range of outcomes information please refer to Slide 12.

Specialty Finance & Services has generated strong revenue growth and operating leverage

**Q3
Year over
Year**



**Two Year
Trend**



¹ 2021 equals year-to-date results through Q3 plus midpoint of the expected range of outcomes for Q4. For expected range of outcomes information please refer to Slide 12.
² Please refer to the reconciliation of Net income (loss) (GAAP) to Adjusted Net Income (Non-GAAP financial measures) on Slide 18.



Q4 Guidance

Q3 Actual Revenue & Margin

Mortgage

**Specialty
Finance &
Services**

Revenue (\$ million)

\$235

\$221

*Adjusted Net
Income Margin¹*

6%

27%

Q4 Projected Revenue & Margin

Mortgage

**Specialty
Finance &
Services**

Revenue (\$ million)

\$170-190

\$230-250

*Adjusted Net
Income Margin¹*

2-4%

26-28%

¹ Please refer to the reconciliation of Net income (loss) (GAAP) to Adjusted Net Income (Non-GAAP financial measures) on Slide 18.



SUPPORTING MATERIALS



Our Capital Markets capabilities rival the best-in-class

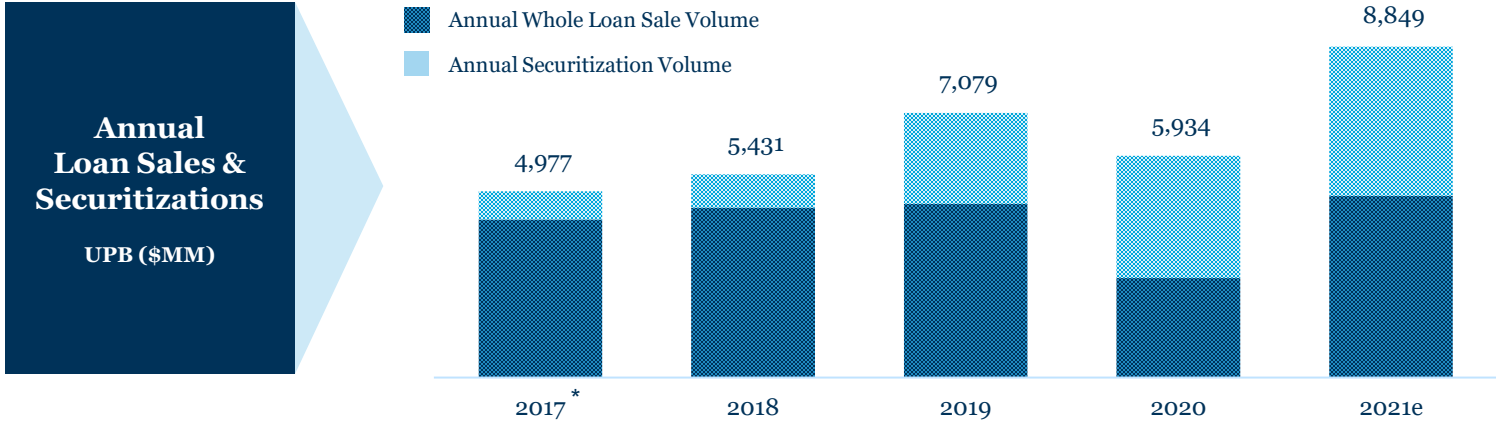
Reflects Cumulative Securitizations Deals from January 2017 – September 2021

	# Deals	UPB (\$MM)	Investors	% by Investor Type				
				Insurance	Depository	Money Manager	Pension	REIT & Other
Securitization Deals	29	\$10,227	72	14%	45%	36%	4%	1%

Reflects Cumulative Whole Loan Trades from January 2017 – September 2021

	# Deals	UPB (\$MM)	Investors	% by Investor Type				
				Insurance	Depository	Money Manager	Pension	REIT & Other
Whole Loan Sales	2084	\$20,030	104	5%	50%	15%	0%	30%

Direct connection to investors allows us to innovate and manage risk through price and product discovery



*WL Sales excludes BXRT deal.



Real-time window into investor demand identifies new product opportunities

- This collaborative development approach enhances proprietary product returns



Flexibility to expand into Non-Agency Mortgage at higher margins



Optimized liquidity and recapture opportunity through captive servicing partnerships



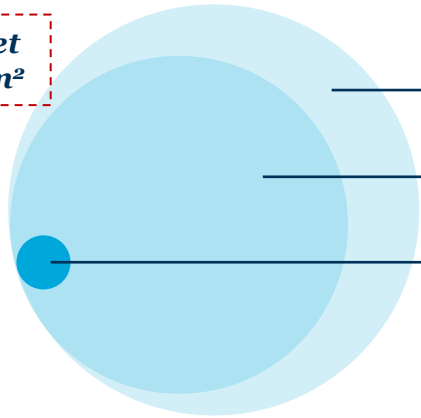
Direct access to over 100 unique investors allows us to retain the bulk of the structuring economics



Secular tailwinds in Specialty Finance and Services will fuel long term growth

Reverse Originations: Seniors have substantial untapped home equity¹

<2% Market Penetration²

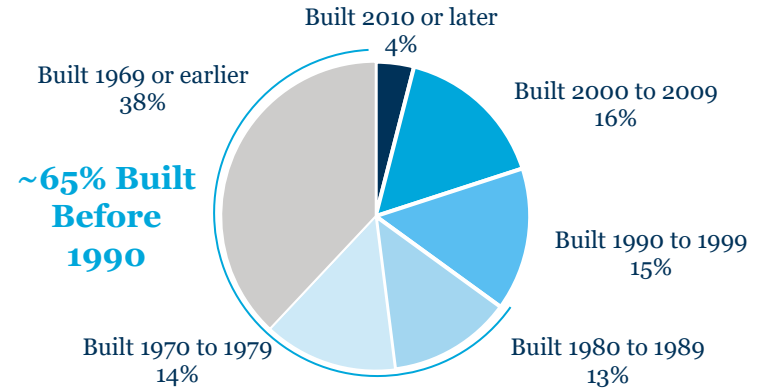


Senior home value¹
\$10tn

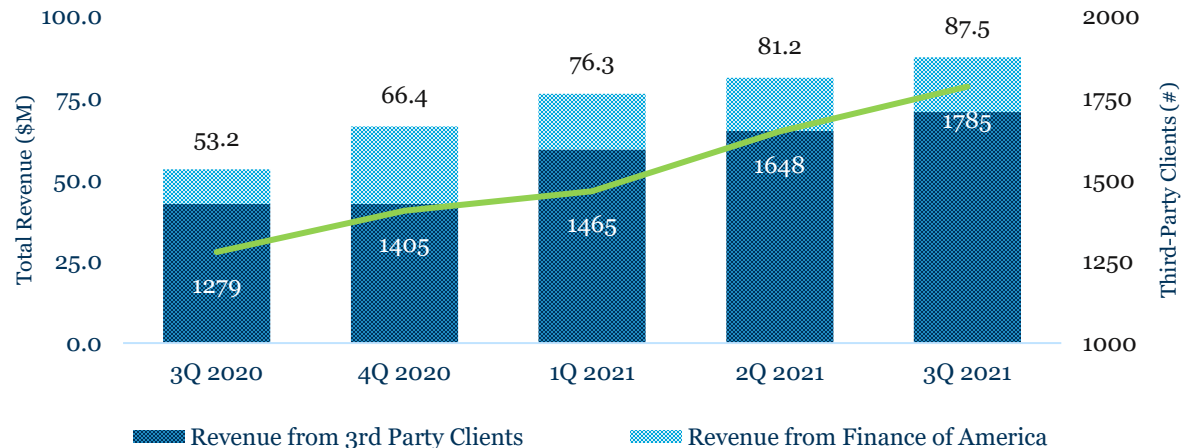
Senior home equity¹
\$8tn

Reverse mortgage loans outstanding³
\$105bn

Commercial Originations: The housing stock in the US is getting older⁴



Lender Services: Expanding third-party client base



¹ Source: National Reverse Mortgage Lenders Association, Q4 2020 RMMI

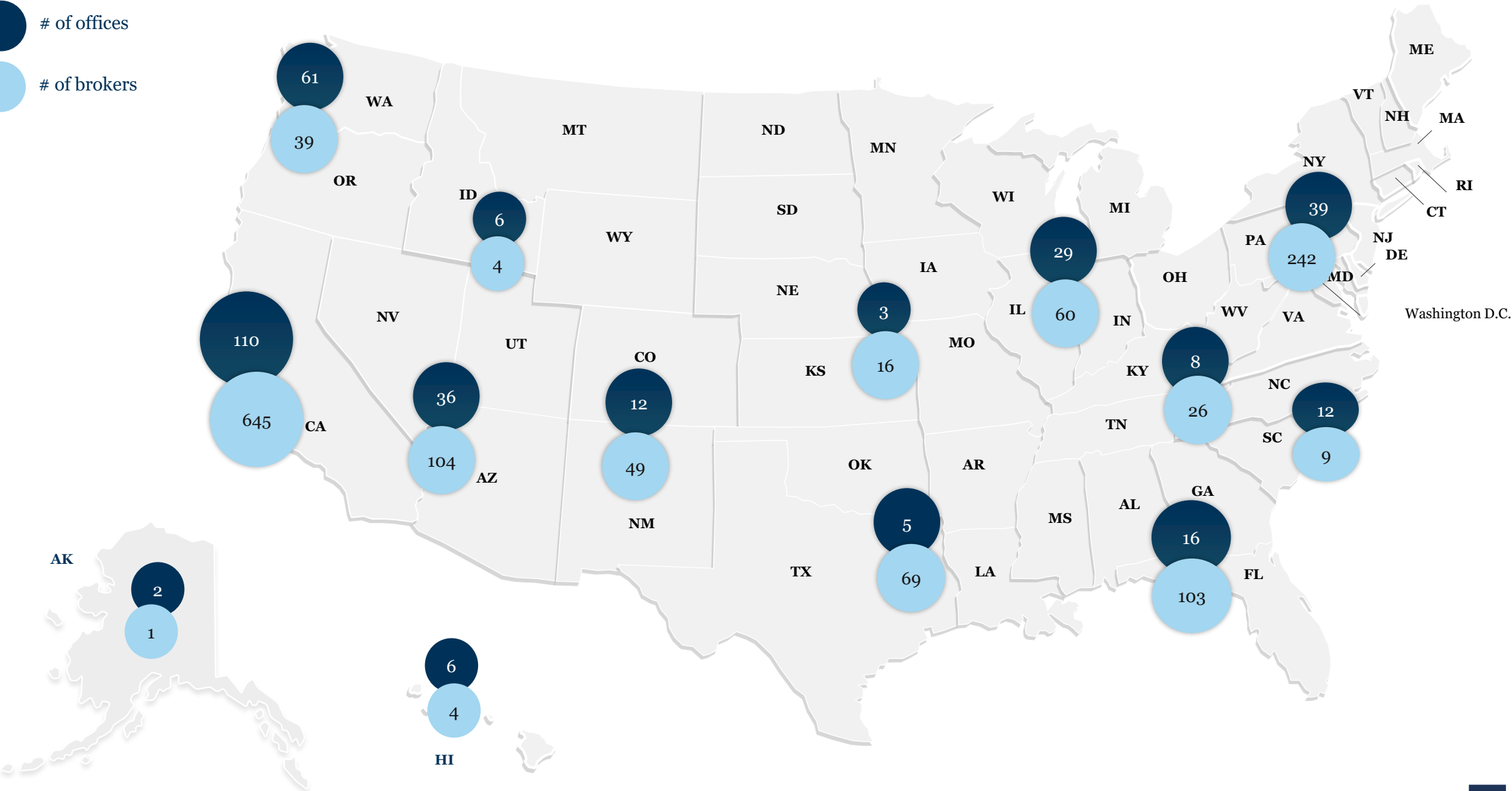
² Source: The Brookings Institution Report – Unlocking housing wealth for older Americans, 2019

³ Source: Industry data of the sum of the maximum claim amounts of the remaining insured HECM loans

⁴ Source: <https://www.attomdata.com/news/market-trends/flipping/attom-data-solutions-year-end-2019-u-s-home-flipping-report/>



The opportunity to leverage our Mortgage platform is extraordinary



Non-GAAP Reconciliation

All values in \$ Millions	2019A	2020A	YTD 2021	Q3 2021	Q2 2021	Q3 2020
Net income (loss)	\$78	\$500	\$160	\$50	(\$15)	\$242
Adjustments for:						
Changes in fair value ⁽¹⁾	17	58	55	20	24	(17)
Amortization and impairment of intangibles ⁽²⁾	3	3	28	13	13	-
Equity-based compensation ⁽³⁾	3	-	21	11	11	-
Certain non-recurring costs	15	19	53	3	43	8
Tax effect on net income/loss attributable to noncontrolling interest*	(20)	(130)	(35)	(7)	4	(62)
Tax effect of adjustments* ⁽⁴⁾	(10)	(21)	(43)	(15)	(24)	2
Adjusted Net Income	\$85	\$430	\$239	\$75	\$57	\$173

*We applied a 26% effective tax rate to pre-tax income and adjustments (excluding change in fair value of warrant liability, which is a permanent book/tax difference) for the respective period

¹ Changes in fair value includes the following line items: Changes in fair value of loans and securities held for investment, Changes in fair value of deferred purchase price obligations, Change in fair value of warrant liability, and Change in fair value of minority investments

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

³ Funded 85% by the non-controlling interests

⁴ Tax effect of adjustments includes the following line items: Tax effect of adjustments attributable to noncontrolling interest and Tax effect of adjustments attributable to controlling interest



Non-GAAP Reconciliation (Continued)

Mortgage					
All values in \$ Millions	2019A	2020A	YTD 2021	Q3 2021	Q3 2020
Pre-tax income (loss)	\$20	\$460	\$104	\$15	\$204
Adjustments for:					
Changes in fair value ⁽¹⁾	-	6	-	-	-
Amortization and impairment of intangibles ⁽²⁾	-	-	3	1	-
Equity-based compensation ⁽³⁾	-	-	4	3	-
Certain non-recurring costs	13	7	11	1	2
Tax effect on pre-tax income (loss)	(5)	(120)	(27)	(4)	(53)
Tax effect of adjustments* ⁽⁴⁾	(3)	(3)	(5)	(1)	(1)
Adjusted Net Income	\$ 24	\$350	\$91	\$15	\$ 152

Specialty Finance & Services					
All values in \$ Millions	2019A	2020A	YTD 2021	Q3 2021	Q3 2020
Pre-tax income (loss)	\$58	\$40	\$56	\$35	\$38
Adjustments for:					
Changes in fair value ⁽¹⁾	17	52	55	20	(17)
Amortization and impairment of intangibles ⁽²⁾	3	3	25	12	-
Equity-based compensation ⁽³⁾	3	-	17	8	-
Certain non-recurring costs	2	12	42	2	6
Tax effect on pre-tax income (loss)	(15)	(10)	(8)	(3)	(9)
Tax effect of adjustments* ⁽⁴⁾	(6)	(17)	(38)	(14)	3
Adjusted Net Income	\$61	\$80	\$148	\$60	\$21

*We applied a 26% effective tax rate to pre-tax income and adjustments (excluding change in fair value of warrant liability, which is a permanent book/tax difference) for the respective period

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