FINANCE of AMERICA
COMPANIES

Q2 2024 Investor Supplement

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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 the Company's beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company's control. These statements include, but are not limited to, statements related to our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, and other non-historical statements. In some cases, you can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "could," "seeks," "projects," "predicts," "intends," "plans," "estimates," "budgets," "forecasts," "anticipates," or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties that could cause actual outcomes or results to differ materially from those indicated in these statements, including those risks described below. 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 the Company or any other person that the results or conditions described in such statements or the Company's objectives and plans will be achieved. 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 may be 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. 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: our ability to manage the unique challenges presented by operating as a modern retirement solutions platform rather than a vertically-integrated, diversified lending and complementary services platform due to the transformation of our business; our ability to successfully operate the recently integrated lending platform that we acquired from American Advisors Group in March 2023 and generally, our ability to operate our business profitably; our ability to respond to significant changes in prevailing interest rates and to resume profitable business operations; our geographic market concentration if the economic conditions in our current markets should decline or if our current markets are impacted by natural disasters; our use of estimates in measuring or determining the fair value of the majority of our financial assets and liabilities, which may require us to write down the value of these assets or write up the value of these liabilities if the estimates prove to be incorrect; our ability to prevent cyber intrusions and mitigate cyber risks; the possibility that the Company may be adversely affected by other economic, business and/or competitive factors in our business markets and worldwide financial markets, including a sustained period of higher interest rates; our ability to manage changes in our licensing status, business relationships or servicing guidelines with the Government National Mortgage Association, the United States Department of Housing and Urban Development or other governmental entities; 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, including warehouse lending facilities, and pay down our substantial debt; our ability to refinance our debt on reasonable terms as it becomes due; 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 mortgage servicing operations; our ability to maintain compliance with the extensive regulations we are subject to, including consumer protection laws applicable to reverse mortgage lenders, which may be highly complex; our ability to compete with national banks, which are not subject to state licensing and operational requirements; our ability to manage various legal proceedings, federal or state governmental examinations and enforcement investigations we are subject to from time to time, the results of which are difficult to predict or estimate; our continued ability to remain in compliance with the terms of the consent orders issued by the Consumer Financial Protection Bureau, which we assumed in connection with our acquisition of operational assets from American Advisors Group; our holding company status and dependency on distributions from Finance of America Equity Capital LLC; our ability to comply with the continued listing standards of the New York Stock Exchange ("NYSE") and avoid the delisting of our common stock from trading on its exchange; 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; and our "controlled company" status under NYSE rules, which exempts us from certain corporate governance requirements and affords stockholders fewer protections.

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, 2023, filed with the U.S. Securities and Exchange Commission (the "SEC") on March 15, 2024, 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 14. 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.

SECTION 1

The Finance of America Investment Thesis

Our Great Ambition page 4

Investment Thesis page 5

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OUR GREAT AMBITION

Unlocking America's Greatest Retirement Asset

$13 Trillion

SENIOR HELD HOME EQUITY[1]

- Finance of America is **making home equity part of a mainstream, modern retirement** so that more Americans can benefit from their untapped wealth later in life.
- The current approach to paying for retirement unfortunately ends in **$3.68T of financial shortfalls nationally** and impacts millions of seniors. [2]
- The solution lies in **unlocking home equity as a retirement funding source** with financing purpose-built for the 55+ homeowner.

Source 1) https://www.nrmlaonline.org/about/press-releases/senior-home-equity-levels-totals-13-19t-in-q1
Source 2) deloitte.com/us/en/insights/industry/financial-services/closing-retirement-savings-gap.html

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Home Equity for Retirement is Ripe for Disruption

The category only sees a fraction of the $13T total home equity seniors hold. Finance of America is ideally situated to catalyze category growth and capture first-mover advantage.

OUR DISTINCTIVE ADVANTAGES:

01 Clear Market Leadership

02 Dominant Distribution Footprint

03 Innovation Engine

04 Capital Markets Strength

05 Digital Capabilities

06 Lifelong Commitment to Borrower

07 Deep Industry Experience

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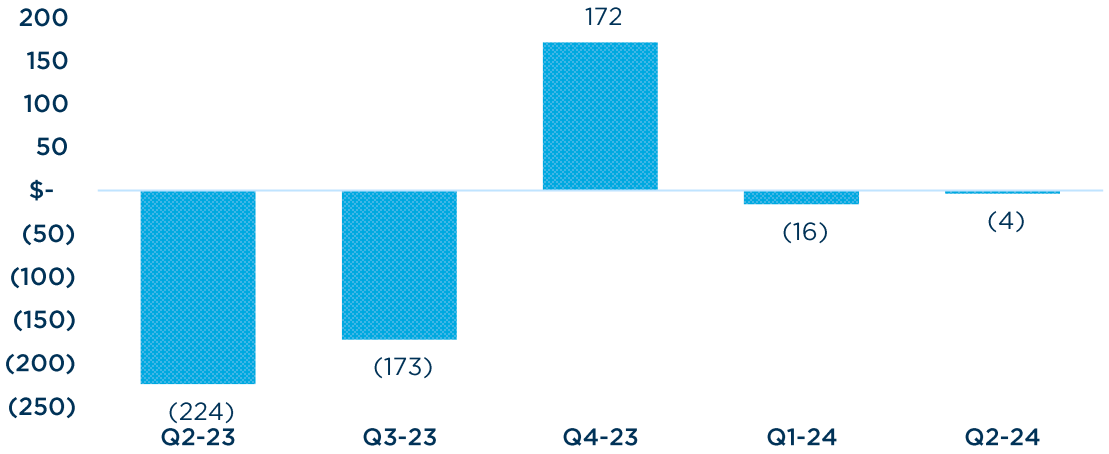
Reverse Mortgage Media Trends page 12

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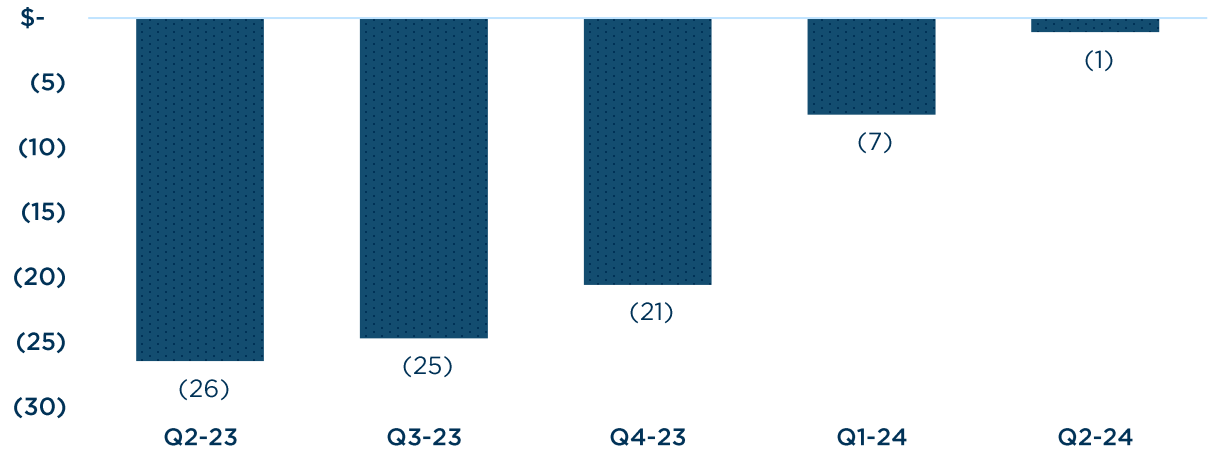
Performance Improvement

FOA's operational strategy has led to consistent improvement in operating performance.

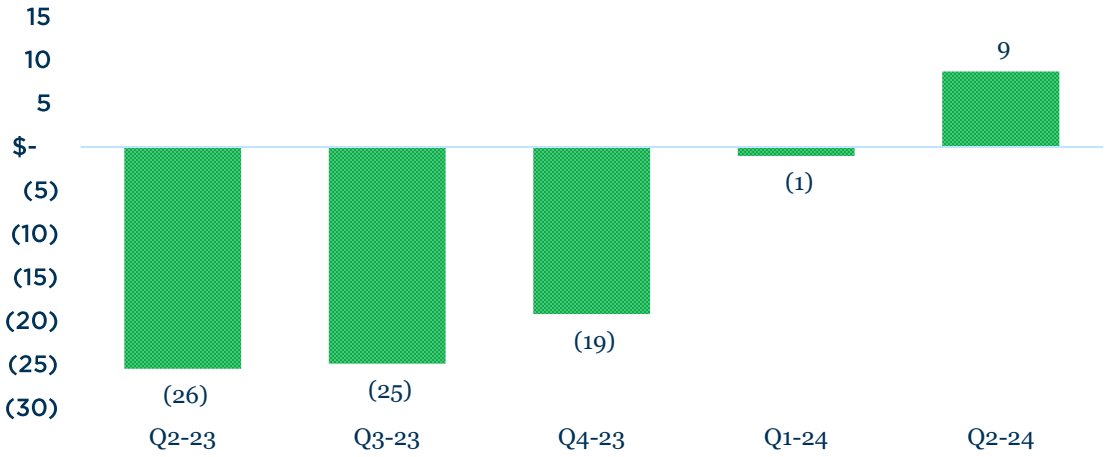
Net Income (Loss) From Continuing Operations Before Income Taxes



Adjusted Net Income (Loss)



Adjusted EBITDA



Commentary

- Net loss from before income taxes saw improvement from the first quarter given increased volumes and reduced expenses
- Fourth consecutive quarter of improved operating results as measured by Adjusted Net Income
- Recognized positive Adjusted EBITDA for the first quarter since 2022

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New Income Statement Format

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($ Millions)	For the three months ended June 30, 2023	For the three months ended June 30, 2024
PORTFOLIO INTEREST INCOME		
Interest income	415	478
Interest expense	(350)	(413)
NET PORTFOLIO INTEREST INCOME	**65**	**65**
OTHER INCOME (EXPENSE)		
Net origination gains	33	40
Gains on securitization of HECM tails, net	6	11
Fair value changes from model amortization	(55)	(48)
Fair value changes from market inputs or model assumptions	(162)	11
Net fair value changes on loans and related obligations	**(179)**	**15**
Fee income	14	8
Gain (loss) on sale and other income from loans held for sale, net	(4)	0
Non-funding interest expense	(8)	(9)
NET OTHER INCOME (EXPENSE)	**(177)**	**14**
TOTAL REVENUES	**(112)**	**79**
EXPENSES		
Salaries, benefits, and related expenses	51	35
Loan production and portfolio related expenses	7	6
Loan servicing expenses	9	8
Marketing and advertising expenses	9	11
Depreciation and amortization	12	10
General and administrative expenses	22	16
TOTAL EXPENSES	**110**	**85**
OTHER, NET	(2)	2
NET LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	**(224)**	**(4)**

Net Portfolio Interest Income is flat year over year as increasing interest income is offset by higher interest expense.

In contrast, we have seen a **reduction in fair value changes from model amortization**, leading to an increase in accreted yield on our portfolio compared to the second quarter of 2023.

Net Originations Gains have increased year over year as a result of increased overall margins in our Retirement Solutions segment. Growth in volume and/or margins will show up here.

While revenues have grown, Total Expenses have decreased over the past 12 months as the business continues to implement cost saving initiatives across the organization.

Numbers may not sum perfectly due to rounding.

Recent Developments

	Earnings	Tangible Net Worth	Liquidity	Capital Structure	Access to Capital	Benefit Description
Reverse Stock Split					✓	• Announced in June and effective in July to regain compliance with NYSE continued listing standards • Ensures continued access to public markets and enhances shareholder value
Exchange Offer Support Agreement				✓		• Announced support agreement and that holders of over 93% of our senior unsecured notes have indicated their support. Currently, over 99% of noteholders have indicated their support. • Newly exchanged debt will have later bond maturities, enhance financial flexibility, align our cash flows with our debt obligations and improve our capital structure for the future
Draft Terms of HMBS 2.0	✓	✓	✓			• GNMA announced draft terms of HMBS 2.0 which permits certain HECM buyouts to be placed into GNMA pools, ensuring issuers like FOA will have access to capital to fund buyouts • Once implemented, enhances liquidity in the reverse mortgage industry, benefiting Finance of America and its customers
Proposed Enhancement on Debenture interest for NABOs	✓					• Updated terms for debenture interest on Due and Payable HECM loans mitigates risk in different rate environments • Expected to reduce negative interest carry going forward and generally reduce interest rate risk associated with HECM MSR, making HECM MSR a more attractive investment
New Financing Facilities			✓			• Two new related financing facilities allow for improved advance rates on proprietary reverse mortgage production • Facilities are with lenders new to the Reverse Mortgage space, showing growing interest from new participants

Third Quarter Commentary

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Increased Fundings / Submissions

- July is the highest funding month and highest submission month since acquisition of retail platform from AAG
- This achievement reflects the successful implementation of our strategic initiatives and strong market demand for our products

Rate Environment Resulting in Fair Value Gains

- Favorable interest rate movements in early Q3 are expected to result in fair value gains for the quarter
- This improvement will positively impact our financial performance and enhance shareholder value

HomeSafe Second Opportunity

- Implemented a streamlined underwriting process for high credit quality customers, leading to an improvement in average turn times
- Launching HomeSafe Second specific marketing campaigns for our Retail channel by the end of the third quarter

Brand Consolidation

The unification of the FAR and AAG brands under Finance of America has streamlined our marketing efforts. New television ads featuring Tom Selleck represent the unified brand, enhancing market visibility and customer recognition.



They Get It



Let Your Home Take Care of You



It Means Everything

Positive Long-Term Media Coverage Trend

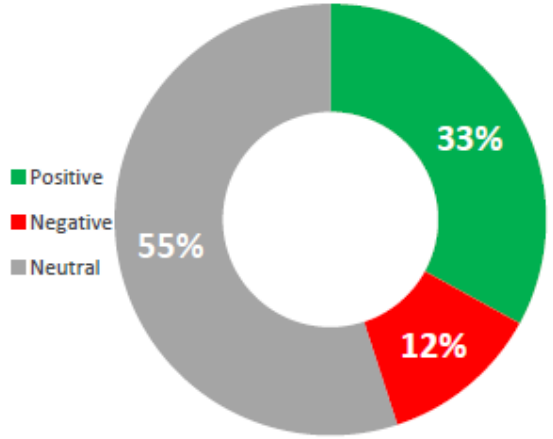
Over the past 10 years, **negativity has decreased for both headline sentiment and overall sentiment,** with discussions about reverse mortgages leaning more neutral to positive in nature.

This shift in sentiment seems to be **the result of a combination of greater awareness and understanding of reverse mortgage products**, an increase in positive case studies highlighting the value of these tools, specifically touted with financial advisor and retirement planning audiences, and fewer negative customer testimonials / experiences related to the products.

Coverage of Finance of America skews neutral to positive, highlighting the value reverse products can offer older homeowners looking to meet short-term financial goals and/or leave a lasting legacy.

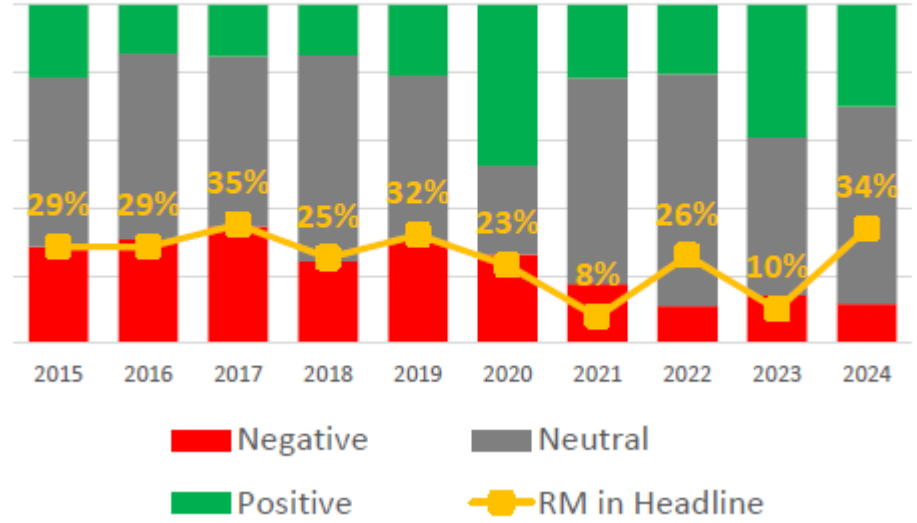
Combined Sentiment

Past 18 Months[1]



Headline Sentiment by Year

Past 10 Years[2]



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Sources: (1) TalkWalker – Digital Listening Tool used to identify, parse and analyze data and metrics for results dating between July 2023 and June 2024; (2) Factiva – Article and Press aggregation and search tool used to identify and parse articles, mentions and results over the past 10 years

APPENDIX

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Non-GAAP Reconciliation

All values in $ Millions	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Pre-tax income (loss)	($224)	($173)	$172	($16)	($4)
Adjustments for:					
Changes in fair value[1]	171	120	(221)	(9)	(8)
Amortization and impairment of goodwill and intangible assets[2]	9	9	17	10	9
Share-based compensation[3]	3	3	3	3	0
Certain non-recurring costs[4]	4	6	2	2	2
Adjusted net income before taxes	**($36)**	**($35)**	**($27)**	**($10)**	**($1)**
Provision for income taxes[5]	(10)	(9)	(7)	(2)	0
Adjusted Net Income	**($26)**	**($26)**	**($20)**	**($7)**	**($1)**
Provision for income taxes	(10)	(8)	(7)	(2)	0
Depreciation	3	1	1	0	0
Interest on non-funding debt	8	8	8	8	10
Adjusted EBITDA	**($26)**	**($25)**	**($18)**	**($1)**	**$9**

(1) Changes in fair value include changes in fair value of loans and securities held for investment and related obligations due to market inputs or model assumptions, deferred purchase price obligations, contingent earnout, warrant liability, and minority investments.
(2) Includes amortization or impairment of intangibles and impairment of certain other long-lived assets during the periods presented.
(3) Includes equity-based compensation for Replacement Restricted Stock Units and Earnout Right Restricted Stock Units, which are funded 100% by existing non-controlling shareholders or outstanding Class A Common Stock. As of April 1, 2024, there is no further compensation cost associated with the Replacement Restricted Stock Units and Earnout Right Restricted Stock Units.
(4) Reflects certain non-recurring costs 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 amounts recognized for settlement of legal and regulatory matters, acquisition or divestiture-related expenses, and other one-time charges.
(5) Pro-forma income tax provision (benefit) adjustments to apply an effective combined corporate tax rate to adjusted net income (loss) before taxes

Numbers may not sum perfectly due to rounding.



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Let's Unlock America's Greatest Retirement Asset



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