



# Third Quarter 2020 Supplementary Information

October 29, 2020



## FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements that involve a number of risks and uncertainties. These forward-looking statements include all statements that are not historical fact, including statements about management’s beliefs and expectations. These statements may be identified by words such as “anticipate,” “intend,” “expect,” “may,” “could,” “should,” “would,” “plan,” “estimate,” “seek,” “believe,” “potential” and similar expressions. Forward-looking statements are based on management’s beliefs as well as assumptions made by and information currently available to management. Because such statements are based on expectations as to the future and are not statements of historical fact, actual results may differ materially from what is contemplated by the forward-looking statements. Altisource does not undertake, and expressly disclaims, any obligation to update any forward-looking statements whether as a result of new information, future events or otherwise. The risks and uncertainties to which forward-looking statements are subject include, but are not limited to, the risks and uncertainties related to pandemics, epidemics or other force majeure events, including the COVID-19 pandemic, and associated impacts to the economy, supply chain, transportation, movement of people, availability of vendors, demand for our products or services, increased costs, recommendations or restrictions imposed by governmental entities, changes in relevant business practices

undertaken or imposed by our clients, vendors or regulators, impacts on contracts and client relationships and potential litigation exposure; our ability to retain existing customers and attract new customers and the potential for changes in our customer relationships; various risks relating to our ability to effectively manage our regulatory and contractual obligations; the adequacy of our financial resources, including our sources of liquidity and ability to repay borrowings and comply with our Credit Agreement, including the financial and other covenants contained therein; as well as Altisource’s ability to retain key executives or employees, general economic and market conditions, behavior of customers, suppliers and/or competitors, technological developments, governmental regulations, taxes and policies, and other risks and uncertainties detailed in the “Forward-Looking Statements,” “Risk Factors” and other sections of Altisource’s Form 10-K, March 31, 2020 Form 10-Q and other filings with the Securities and Exchange Commission.

The financial projections and scenarios contained in this presentation are expressly qualified as forward-looking statements and, as with other forward looking statements, should not be unduly relied upon.



## NON-GAAP MEASURES

Adjusted Operating Income (Loss), Pretax (Loss) Income Attributable to Altisource, Adjusted Pretax (Loss) Income Attributable to Altisource, Adjusted Net (Loss) Income Attributable to Altisource, Adjusted (Loss) Earnings Per Share – Diluted, Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”), Adjusted EBITDA, and Net Debt Less Marketable Securities, which are presented elsewhere in the presentation, are non-GAAP measures used by management, existing shareholders, potential shareholders and other users of our financial information to measure Altisource’s performance and do not purport to be alternatives to income (loss) from operations, income (loss) before income taxes and non-controlling interests, net income (loss) attributable to Altisource, diluted earnings (loss) per share, and long-term debt, including current portion, as measures of financial performance. We believe these measures are useful to management, existing shareholders, potential shareholders and other users of our financial information in evaluating operating profitability and cash flow generation more on a basis of continuing cost and cash flows as they exclude amortization expense related to acquisitions that occurred in prior periods and non-cash share-based compensation, as well as the effect of more significant non-operational items from earnings, cash flows from operating activities and long-term debt, net of cash on-hand and marketable securities. We believe these measures are useful in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management’s evaluation of business performance. Furthermore, we believe the exclusion of more significant non-operational items enables comparability to prior period performance and trend analysis.

It is management’s intent to provide non-GAAP financial information to enhance the understanding of Altisource’s GAAP financial information, and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. The non-GAAP financial information presented may be determined or calculated differently by other companies. The non-GAAP financial information presented should not be unduly relied upon.

These non-GAAP measures are presented as supplemental information and reconciled to the appropriate GAAP measures in the Appendix.



# KEY THIRD QUARTER 2020 ACCOMPLISHMENTS AND OBJECTIVES

## **Improved Financial Performance:**

- Increased adjusted EBITDA<sup>1</sup> by \$8.5 million in the third quarter 2020 compared to the second quarter 2020

## **Developed Altisource's 2021 Operating Plan:**

- Designed to substantially improve Altisource's adjusted EBITDA<sup>1</sup>, adjusted EBITDA<sup>1</sup> margins and cash flow compared to 2020
- Contemplates continued headwinds in the default related businesses throughout most of 2021
- Projecting 2021 Service Revenue of \$250 million to \$270 million with adjusted EBITDA<sup>1</sup> of \$35 million to \$43 million, representing 14% to 16% adjusted EBITDA<sup>1</sup> margins

## **Well Positioned when Default Related Demand Returns:**

- Continuing to develop and grow our customer base increasing the potential backlog of business which we anticipate will be available to us in late 2021 and into 2022 when we forecast that the default related market returns to a more normal operating environment

<sup>1</sup>This is a non-GAAP measure defined and reconciled in the Appendix



## THIRD QUARTER 2020 FINANCIAL RESULTS

\$ millions (except per share amounts)	Q3 2020	Q2 2020	Vs. Q2 2020
Revenue	\$88.8	\$95.3	-7%
Service Revenue	85.4	91.0	-6%
Loss from Operations	(6.8)	(17.8)	62%
Adjusted Operating Income (Loss) <sup>1</sup>	3.7	(4.8)	177%
Pretax Loss attributable to Altisource <sup>1</sup>	(11.5)	(33.9)	66%
Adjusted Pretax Loss attributable to Altisource <sup>1</sup>	(1.4)	(10.0)	86%
Adjusted EBITDA <sup>1</sup>	6.4	(2.1)	411%
Net Loss attributable to Altisource <sup>1</sup>	(13.2)	(35.1)	62%
Adjusted Net Loss attributable to Altisource <sup>1</sup>	(3.8)	(11.8)	68%
Loss Per Share – Diluted	(0.85)	(2.25)	62%
Adjusted Loss Per Share – Diluted <sup>1</sup>	(0.24)	(0.76)	68%

<sup>1</sup>This is a non-GAAP measure defined and reconciled in the Appendix



## SELECT BALANCE SHEET INFORMATION

As of September 30, 2020

Cash and cash equivalents	\$ 67.0 million	<ul style="list-style-type: none"><li>• On October 19, 2020, RESI announced it entered into a definitive agreement to sell the company for \$13.50 per share in cash</li><li>• Adjusting Altisource's investment in RESI shares as of September 30, 2020 to \$13.50 per share results in:<ul style="list-style-type: none"><li>• Marketable securities of \$46.6 million</li><li>• Net debt less marketable securities<sup>1</sup> of \$180.2 million</li></ul></li><li>• Subsequent to September 30, 2020, Altisource sold 1.6 million shares of RESI for net proceeds of \$21.1 million and will use the net proceeds to repay a portion of its Senior Secured Term Loan</li></ul>
Marketable securities (3.5 million Front Yard Residential Corporation ("RESI") shares at \$8.74 per share)	\$ 30.2 million	
Debt (matures in April 2024)	\$293.8 million	
Net debt less marketable securities <sup>1</sup>	\$196.6 million	

<sup>1</sup> This is a non-GAAP measure defined and reconciled in the Appendix



## 2021 SCENARIOS

Scenarios are based on the anticipated impact of the COVID-19 pandemic, lower revenue from the Ocwen Financial Corporation (“Ocwen”) serviced portfolios, cost reduction measures, and revenue growth from our sales pipeline

	2021 Potential Scenarios	
	Scenario A	Scenario B
Service Revenue (\$ millions)	\$ 250	\$ 270
Adjusted EBITDA (\$ millions)	\$ 35 - \$ 40	\$ 38 - \$ 43
Adjusted EBITDA Margin %	14%-16%	14%-16%

### OTHER KEY ASSUMPTIONS:

- Federal foreclosure and eviction moratoriums extend through December 2020
- Majority of forbearance programs expire between April and June 2021
- Mortgage delinquency levels remain higher than before the pandemic
- Ocwen does not acquire additional servicing
- No revenue from New Residential Investment Corporation (“NRZ”) portfolios except for revenue earned from the Cooperative Brokerage Agreement
- Revenue from customers other than Ocwen, NRZ and RESI benefit from growth with existing customers and new wins from our pipeline
- 2021 total originations are 12% to 15% lower than 2020 with refinancing representing 40% to 50% of total<sup>1</sup>

<sup>1</sup> Based on 2021 forecasts prepared by FreddieMac (October 2020) and the Mortgage Bankers Association (July 2020)



## LONGER TERM OPPORTUNITIES

Governmental actions have largely brought the default market to a standstill; we believe Altisource is well positioned to benefit in late 2021 and into 2022 from the potential large backlog of default business that these actions have created

- External Environment:

- September 2020 30+ day delinquency rates (excluding foreclosures) increased 89% over the past 12 months to 6.7% and 90+ day delinquency rates (excluding foreclosures) increased 425% over the past 12 months to 4.4%
- In a normal market for every one percent increase in delinquency rates, we estimate the addressable market for Altisource's default related services increases by approximately \$700 million
- Unemployment rate of 7.9% in September 2020 with continuing claims of 8.4 million
- As a result of the governmental moratoriums and forbearance programs, third quarter 2020 foreclosure starts were down to approximately 15,100 from 79,500 in the third quarter of 2019, an 81% decline, and third quarter 2020 lender completed foreclosures (REO) were down to approximately 6,100 from 33,900 in the third quarter of 2019, an 82% decline

- Internal Preparation:

- Plans developed and initial actions taken to reduce our cost structure to address the near-term pressure from continued forbearance programs and moratoriums and the transition of certain service referrals by one of Ocwen's MSR investors to another provider
- Continuing to develop our robust sales pipeline for our diverse suite of default and origination related services
- Enhancing our technology to improve the efficiency of our Field Services business and extend the reach of our Hubzu<sup>1</sup> marketplace, and positioning Altisource's default related services for anticipated higher demand

<sup>1</sup>Hubzu is a collection of businesses that includes asset management, real estate brokerage, auction and Hubzu.com



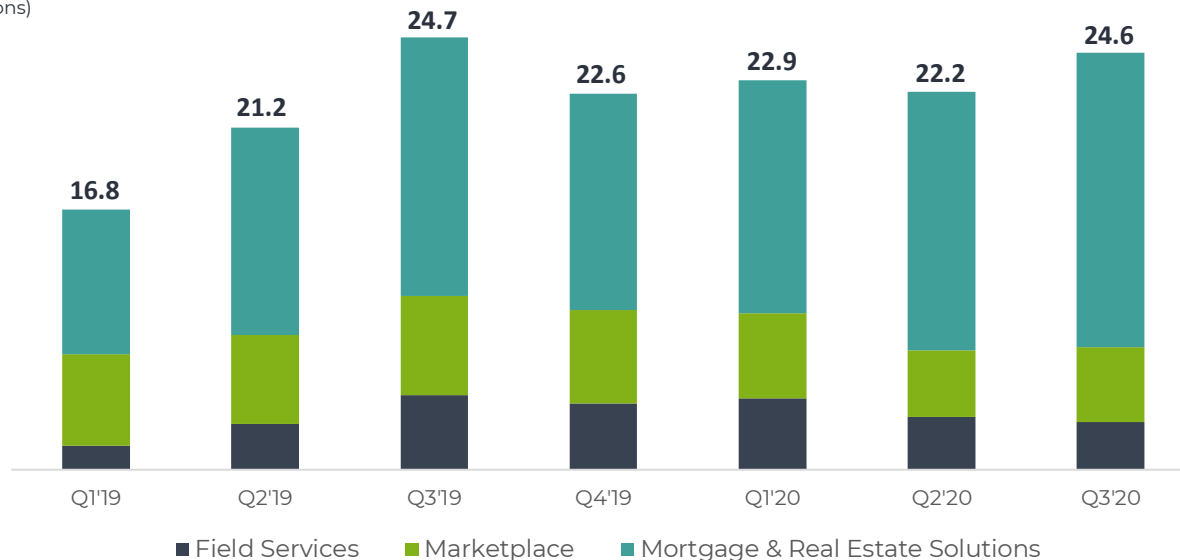
## DIVERSIFYING AND GROWING REVENUE BASE

Despite the impact of forbearance programs and foreclosure and eviction moratoriums related to the COVID-19 pandemic, we're winning default related business and developing an attractive and growing customer base for our default and origination related services

September 2020 year-to-date service revenue from customers other than Ocwen, NRZ, and RESI was 11% higher compared to September 2019 year-to-date

Core Businesses<sup>1</sup> Service Revenue from customers other than Ocwen, NRZ and RESI

(\$ in millions)



<sup>1</sup>Core Businesses are Field Services, Marketplace and Mortgage and Real Estate Solutions

## PROGRESS WITH SELECT CUSTOMER WINS

Notified of win	Customer description <sup>1</sup>	Service	Agreements executed	Agreements in negotiation	Anticipated "Go Live" Date	Began receiving referrals in	Est. Stabilized revenue opportunity <sup>2</sup>
Q4'18	Top 25 Servicer	Field Services	√			Q2'20	Large
Q4'18		Hubzu Foreclosure Auctions	√		Q1' 21		
Q4'19	Lender	Trelix underwriting	√			Q4' 19	Medium
Q4'19		Title (refinance)	√			Q4' 19	
Q4'19	Servicer	Hubzu Foreclosure Auctions Hubzu REO Auctions	√			Q2' 20	Medium
Q4'19	Lender	Trelix processing	√			Q4' 19	Medium
Q1'20	Lender	Title (construction)	√			Q1' 20	
Q1'20	Government Agency	Field Services	√		Q4' 20		Large
Q1'20	Lender	Trelix processing, underwriting, closing	√			Q1' 20	Medium
Q1'20	Channel Partner	Title (default)	√			Q1' 20	Medium
Q1'20	Top 25 Servicer	Hubzu Foreclosure Auctions Hubzu REO Auctions	√		Q4' 20		Medium
Q1'20	Servicer	Hubzu Foreclosure Auctions Field Services		√	Q4' 20		Medium
Q1'20	Channel Partner	Verification Services	√		Q4' 20		Large
Q2'20	Top 10 Servicer	Loss Mitigation Services	√			Q3' 20	Medium
Q2'20	Special Servicer	Field Services - REO	√			Q3' 20	Small
Q2'20	Asset Manager	Hubzu	√			Q3' 20	Small
Q2'20	Originator	Numerous Trelix services wins	√			Q3' 20	Small to Medium
Q2'20	Originator	Trelix - Underwriting	√		Q4' 20		Large
Q2'20	Special Servicer	Field Services - REO	√		Q4' 20		Small
Q2'20	Channel Partner	Casttleline		√	Q4' 20		Large
<b>Q3 '20 WINS</b>							
Q3'20	Originator	Trelix - Underwriting	√			Q3' 20	Small
Q3'20	Originator	Trelix - Multiple Products	√			Q3' 20	Small
Q3'20	Originator	Trelix - Processing	√			Q3' 20	Small
Q3'20	Originator	Trelix - Underwriting	√			Q3' 20	Small
Q3'20	Servicer	Hubzu	√		Q4' 20		Small
Q3'20	Servicer	Hubzu	√			Q3' 20	Small
Q3'20	Servicer	Hubzu - Asset Management	√		Q4' 20		Small
Q3'20	Servicer	Field Services		√	Q4' 20		Small

<sup>1</sup> Servicer size based on information from Inside Mortgage Finance (June 2020)

<sup>2</sup> Estimated stabilized annual revenue opportunity categories:

- Very Large: Estimated stabilized annual revenue opportunity of greater than \$25 million
- Large: Estimated stabilized annual revenue opportunity of \$5 million – \$25 million
- Medium: Estimated stabilized annual revenue opportunity of \$1 million - \$4.9 million
- Small: Less than \$1 million

# APPENDIX

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## THIRD QUARTER 2020 FINANCIAL RESULTS

\$ millions (except per share amounts)	Q3 2020	Q3 2019	Vs. Q3 2019	YTD 2020	YTD 2019	Vs. YTD 2019
Revenue <sup>1</sup>	\$ 88.8	\$ 141.5	-37%	\$ 305.6	\$ 508.0	-40%
Service Revenue <sup>1</sup>	85.4	133.8	-36%	289.6	489.3	-41%
(Loss) Income from Operations	(6.8)	19.7	-135%	(28.7)	24.5	-217%
Adjusted Operating Income <sup>2</sup>	3.7	9.3	-61%	7.4	42.1	-82%
Pretax (Loss) Income attributable to Altisource <sup>2</sup>	(11.5)	12.5	-192%	(54.7)	18.8	-391%
Adjusted Pretax (Loss) Income attributable to Altisource <sup>2</sup>	(1.4)	4.4	-132%	(7.0)	24.7	-128%
Adjusted EBITDA <sup>2</sup>	6.4	12.9	-50%	17.5	55.2	-68%
Net (Loss) Income attributable to Altisource	(13.2)	7.2	-285%	(59.9)	(1.9)	n/m
Adjusted Net (Loss) Income attributable to Altisource <sup>2</sup>	(3.8)	4.0	-195%	(11.8)	18.9	-163%
(Loss) Earnings Per Share – Diluted	(0.85)	0.44	-293%	(3.85)	(0.12)	n/m
Adjusted (Loss) Earnings Per Share – Diluted <sup>2</sup>	(0.24)	0.25	-196%	(0.76)	1.15	-166%

<sup>1</sup> \$5.2 million for the third quarter and \$97.4 million for the nine months ended September 30, 2020 of the declines of revenue and \$5.2 million for the third quarter and \$97.2 million for the nine months ended September 30, 2020 of the declines of service revenue are from the 2019 sale, discontinuation or exit from certain businesses

<sup>2</sup> This is a non-GAAP measure defined and reconciled in this Appendix

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Note: n/m – not meaningful



## OPERATING METRICS

	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
<b>Ocwen Serviced Portfolio<sup>1</sup>:</b>									
<b>Default Related Services excluding mortgage charge-off:</b>									
Service revenue <sup>2</sup> per delinquent loan <sup>3</sup> per quarter									
Non-GSE	\$ 874	\$ 883	\$ 816	\$ 735	\$ 723	\$ 786	\$ 668	\$ 359	\$ 366
GSE <sup>4</sup>	\$ 91	\$ 88	\$ 36	\$ 58	\$ 99	\$ 82	\$ 65	\$ 14	\$ 15
Average number of delinquent loans serviced by Ocwen <sup>5,6</sup>									
Non-GSE (in thousands)	144	141	139	136	137	133	129	185	161
GSE (in thousands)	14	13	19	19	20	19	20	49	44
Average delinquency rate of loans serviced by Ocwen <sup>6</sup>									
Non-GSE	17.3%	17.5%	16.1%	16.6%	17.6%	17.6%	17.5%	25.8%	23.3%
GSE	5.4%	5.3%	3.0%	3.0%	3.1%	3.0%	3.3%	7.9%	7.7%
Provisional loan count serviced by Ocwen as of the end of the period <sup>6</sup>									
Non-GSE (in thousands)	825	800	854	801	775	751	731	711	681
GSE (in thousands)	246	238	636	624	635	620	615	617	480
<b>Servicer Technologies and IT Infrastructure Services:</b>									
Service revenue per loan per quarter	\$13	\$10	\$6	\$5	\$2	\$0	\$1	\$0	\$0
Average number of loans serviced by Ocwen (in thousands) <sup>5,6</sup>	1,084	1,048	1,502	1,445	1,425	1,384	1,352	1,337	1,259

<sup>1</sup> Includes the MSR's acquired (or to be acquired) by NRZ from Ocwen

<sup>2</sup> Includes service revenue related to the portfolios serviced or subserviced by Ocwen when a party other than Ocwen/NRZ selects Altisource as a service provider. Service revenue generated from certain services is not recorded separately for non-GSE and GSE loans. For these services, service revenue has been allocated between non-GSE and GSE loans based on estimates

<sup>3</sup> Delinquent loans include loans that are delinquent for more than 30 days including loans in bankruptcy, foreclosure and REO

<sup>4</sup> Throughout this presentation, GSE loans also include Government National Mortgage Association (Ginnie Mae)

<sup>5</sup> Average loans serviced for Q3'20 is provisional and subject to change

<sup>6</sup> Amounts presented herein for Q3'18 through Q4'18 are based on loans serviced by Ocwen on REALServicing. Amounts presented herein for Q1'19 through Q3'20 are based on all loans serviced by Ocwen, regardless of the servicing system, and include loans from Ocwen's acquisition of PHH; information contained herein is based upon information reported to us by Ocwen. Delinquency rates include loans in forbearance programs



## OPERATING METRICS

	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
<b>Hubzu:</b>									
Service revenue (in millions) <sup>1,2</sup>	\$ 37.5	\$ 33.4	\$ 32.2	\$ 28.1	\$ 22.2	\$ 27.8	\$ 23.1	\$ 14.5	\$ 21.4
Number of homes sold on Hubzu:									
Ocwen serviced portfolios <sup>3</sup>	4,018	3,577	3,279	2,700	2,081	2,585	2,107	1,465	1,709
Front Yard Residential	69	34	90	52	30	23	6	3	3
All other <sup>4</sup>	257	369	444	413	584	530	575	447	464
<b>Total</b>	<b>4,344</b>	<b>3,980</b>	<b>3,813</b>	<b>3,165</b>	<b>2,695</b>	<b>3,138</b>	<b>2,688</b>	<b>1,915</b>	<b>2,176</b>

<sup>1</sup> Revenue from Ocwen/NRZ homes sold on Hubzu is also reflected in service revenue per delinquent loan per quarter reported in the previous slide

<sup>2</sup> Includes brokerage and fees generated from the sale of homes under the Company's buy-renovate-lease-sell program (program ended in June 2019, brokerage and fees generated are included in Q3'18 through Q2'19 service revenue)

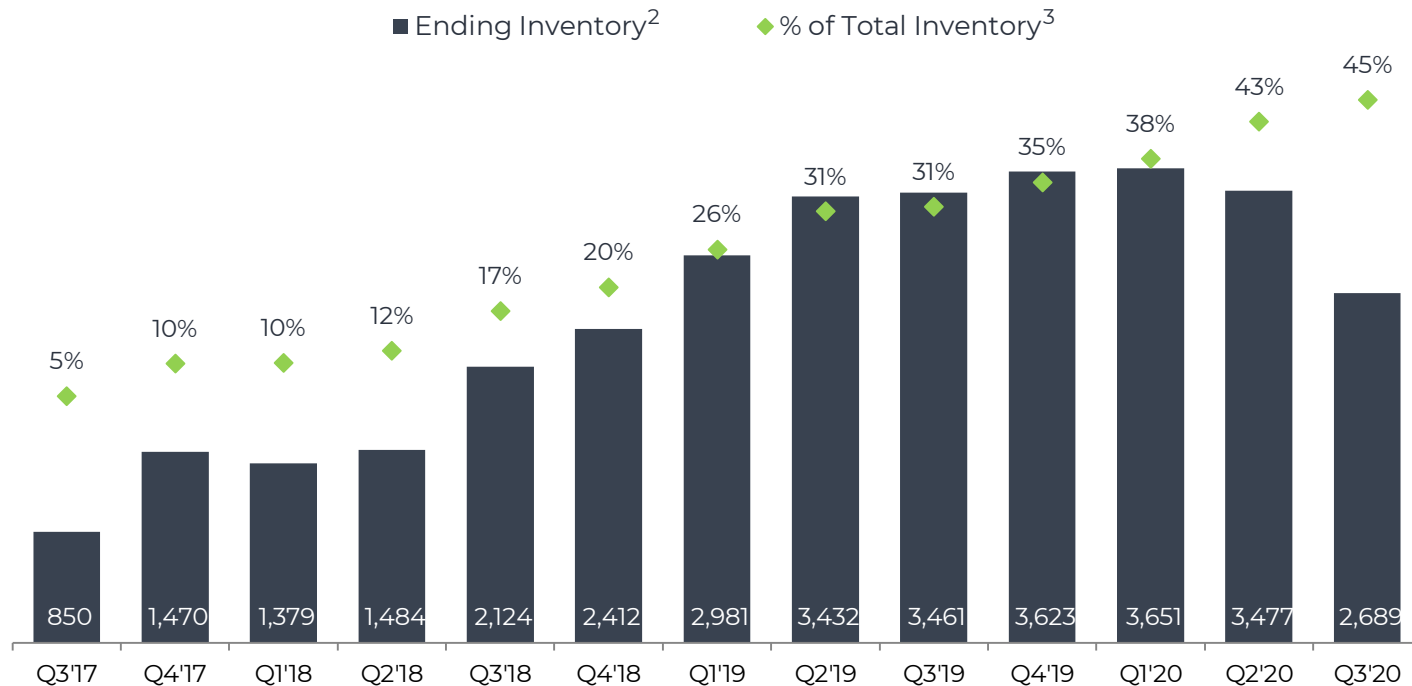
<sup>3</sup> Includes the portfolios acquired (or to be acquired) by NRZ from Ocwen

<sup>4</sup> Includes homes sold under the Company's buy-renovate-lease-sell ("BRS") program only when those homes are sold through Hubzu (program ended in June 2019, homes sold are included in Q3'18 through Q2'19; the second quarter 2019 bulk sale of BRS homes is not included herein)

## HUBZU<sup>1</sup> INVENTORY

Hubzu inventory from customers other than Ocwen, NRZ and RESI has grown 216% since September 30, 2017 and represents 45% of total Hubzu inventory as of September 30, 2020

Q2'20 and Q3'20 inventory has declined primarily from sales of inventory with inflow impacted by COVID-19 foreclosure moratoriums and forbearance programs



<sup>1</sup> Hubzu is a collection of businesses that includes asset management, real estate brokerage, auction and Hubzu.com

<sup>2</sup> Ending Inventory represents Hubzu inventory from customers other than Ocwen, NRZ and RESI at the end of the period

<sup>3</sup> Total Inventory represents all Hubzu inventory at the end of the period

## NON-GAAP MEASURES

Adjusted operating income (loss), pretax (loss) income attributable to Altisource, adjusted pretax (loss) income attributable to Altisource, adjusted net (loss) income attributable to Altisource, adjusted (Loss) Earnings per Share – Diluted, EBITDA, adjusted EBITDA, and net debt less marketable securities, are non-GAAP measures used by our Chairman and Chief Executive Officer (our chief operating decision maker), existing shareholders and potential shareholders to measure Altisource's performance.

- Adjusted operating income (loss) is calculated by removing intangible asset amortization expense, share-based compensation expense, gain on sale of business, loss on BRS portfolio sale, sales tax accrual, net of reimbursement, restructuring charges, other assets write-off from business exits, Pointillist losses, and third quarter 2020 cost savings initiatives from income (loss) from operations
- Pretax (loss) income attributable to Altisource is calculated by reducing net income attributable to non-controlling interests from (loss) income before income taxes and non-controlling interests
- Adjusted pretax (loss) income attributable to Altisource is calculated by removing non-controlling interests, intangible asset amortization expense, share-based compensation expense, gain on sale of business, loss on BRS portfolio sale, sales tax accrual, net of reimbursement, restructuring charges, other assets write-off from business exits, Pointillist losses, third quarter 2020 cost savings initiatives, and unrealized (loss) gain on investment in equity securities from (loss) income before income taxes and non-controlling interests
- Adjusted net (loss) income attributable to Altisource is calculated by removing intangible asset amortization expense (net of tax), share-based compensation expense (net of tax), gain on sale of business (net of tax), loss on sales of BRS portfolio sale (net of tax), sales tax accrual, net of reimbursement (net of tax), restructuring charges (net of tax), other assets write-off from business exits (net of tax), Pointillist losses (net of tax), third quarter 2020 cost savings initiatives (net of tax), unrealized (loss) gain on investment in equity securities (net of tax) and certain income tax related items, net, from net (loss) income attributable to Altisource



## NON-GAAP MEASURES

- Adjusted diluted (loss) earnings per share is calculated by dividing net (loss) income attributable to Altisource after removing intangible asset amortization expense (net of tax), share-based compensation expense (net of tax), gain on sale of business (net of tax), loss on BRS portfolio sale (net of tax), sales tax accrual, net of reimbursement (net of tax), restructuring charges (net of tax), other assets write-off from business exits (net of tax), Pointillist losses (net of tax), third quarter 2020 cost savings initiatives (net of tax), unrealized (loss) gain on investment in equity securities (net of tax), and certain income tax related items by the weighted average number of diluted shares
- EBITDA is calculated by adding income tax provision, interest expense (net of interest income), unrealized (loss) gain on investment in equity securities and depreciation and amortization to GAAP net income (loss) attributable to Altisource
- Adjusted EBITDA is calculated by adding income tax provision, interest expense (net of interest income), unrealized (loss) gain on investment in equity securities, depreciation and amortization, loss on BRS portfolio sale, sales tax accrual, net of reimbursement, restructuring charges, other assets write-off from business exits, Pointillist losses, third quarter 2020 cost savings initiatives and share-based compensation less gain on sale from business, from GAAP net (loss) income attributable to Altisource
- Net debt less marketable securities is calculated as long-term debt, including current portion, minus cash and cash equivalents and marketable securities
- The reconciliations of non-GAAP measures to GAAP measures are shown on slides 17 to 22

## NON-GAAP MEASURES

Reconciliation (\$ in millions except per share data)	Q3'19	Q2'20	Q3'20	YTD 2019	YTD 2020
Income (Loss) from Operations	19.7	(17.8)	(6.8)	24.5	(28.7)
Add: Intangible asset amortization expense	3.3	2.8	4.3	15.5	11.3
Add: Share-based compensation	2.8	1.9	1.7	8.3	6.6
Less: Gain on sale of business	(17.6)	-	-	(17.6)	-
Add: Loss on BRS portfolio sale	-	-	-	1.8	-
Add: Sales tax accrual, net of reimbursement	(1.7)	-	(0.6)	0.3	(0.6)
Add: Restructuring charges	2.8	5.8	2.2	9.1	10.9
Add: Other assets write-off from business exits	-	-	-	0.2	-
Add: Pointillist losses	-	2.4	2.1	-	7.2
Add: Third quarter 2020 cost savings initiatives	-	-	0.7	-	0.7
Adjusted Operating Income (Loss)	9.3	(4.8)	3.7	42.1	7.4
(Loss) Income Before Income Taxes and Non-Controlling Interests	13.0	(33.7)	(11.1)	20.9	(54.0)
Less: Net Income attributable to non-controlling interests	(0.4)	(0.2)	(0.3)	(2.1)	(0.6)
Pretax (Loss) Income Attributable to Altisource	12.5	(33.9)	(11.5)	18.8	(54.7)
Add: Intangible asset amortization expense	3.3	2.8	4.3	15.5	11.3
Add: Share-based compensation	2.8	1.9	1.7	8.3	6.6
Less: Gain on sale of business	(17.6)	-	-	(17.6)	-
Add: Loss on BRS portfolio sale	-	-	-	1.8	-
Add: Sales tax accrual, net of reimbursement	(1.7)	-	(0.6)	0.3	(0.6)
Add: Restructuring charges	2.8	5.8	2.2	9.1	10.9
Add: Other assets write-off from business exits	-	-	-	0.2	-
Add: Pointillist losses	-	2.1	1.9	-	6.3
Add: Third quarter 2020 cost savings initiatives	-	-	0.7	-	0.7
Add: Unrealized loss (gain) on investment in equity securities	2.3	11.2	(0.1)	(11.7)	12.4
Adjusted Pretax (Loss) Income Attributable to Altisource	4.4	(10.0)	(1.4)	24.7	(7.0)

Note: Numbers may not sum  
due to rounding

## NON-GAAP MEASURES

Reconciliation (\$ in millions except per share data)	Q3'19	Q2'20	Q3'20	YTD 2019	YTD 2020
Net (Loss) Income Attributable to Altisource	7.2	(35.1)	(13.2)	(1.9)	(59.9)
Add: Intangible asset amortization expense, net of tax	2.5	2.8	4.3	11.6	11.3
Add: Share-based compensation, net of tax	2.1	1.7	1.6	6.2	5.9
Less: Gain on sale of business, net of tax	(9.4)	-	-	(9.4)	-
Add: Loss on BRS portfolio sale, net of tax	-	-	-	1.4	-
Add: Sales tax accrual, net of reimbursement, net of tax	(1.3)	-	(0.6)	0.2	(0.6)
Add: Restructuring charges, net of tax	2.1	5.4	1.9	7.0	9.8
Add: Other assets write-off from business exits, net of tax	-	-	-	0.2	-
Add: Pointillist losses, net of tax	-	1.6	1.9	-	6.3
Add: Third quarter 2020 cost savings initiatives, net of tax	-	-	0.6	-	0.6
Add: Unrealized loss (gain) on investment in equity securities, net of tax	1.7	11.2	(0.1)	(8.8)	12.4
(Less) Add: Certain income tax related items, net	(0.9)	0.5	-	12.3	2.4
Adjusted Net (Loss) Income Attributable to Altisource	4.0	(11.8)	(3.8)	18.9	(11.8)
(Loss) Earnings Per Share – Diluted	0.44	(2.25)	(0.85)	(0.12)	(3.85)
Add: Impact of using diluted share count instead of basic share count for loss per share	-	-	-	0.01	-
Add: Intangible asset amortization expense, net of tax per diluted share	0.15	0.18	0.27	0.71	0.72
Add: Share-based compensation, net of tax per diluted share	0.13	0.11	0.10	0.38	0.38
Less: Gain on sale of business, net of tax per diluted share	(0.58)	-	-	(0.57)	-
Add: Loss on BRS portfolio sale, net of tax per diluted share	-	-	-	0.09	-
Add: Sales tax accrual, net of reimbursement, net of tax per diluted share	(0.08)	-	(0.04)	0.01	(0.04)
Add: Restructuring charges, net of tax per diluted share	0.13	0.34	0.12	0.43	0.63
Add: Other assets write-off from business exits, net of tax per diluted share	-	-	-	0.01	-
Add: Pointillist losses, net of tax, per diluted share	-	0.11	0.12	-	0.41
Add: Third quarter 2020 cost savings initiatives, net of tax	-	-	0.04	-	0.04
Add: Unrealized loss (gain) on investment in equity securities, net of tax per diluted share	0.11	0.72	(0.01)	(0.54)	0.80
Add (Less): Certain income tax related items, net per diluted share	(0.06)	0.03	-	0.75	0.15
Adjusted (Loss) Earnings Per Share – Diluted	0.25	(0.76)	(0.24)	1.15	(0.76)

## NON-GAAP MEASURES

Reconciliation (\$ in millions except per share data)	Q3'19	Q2'20	Q3'20	YTD 2019	YTD 2020
Net (Loss) Income Attributable to Altisource	7.2	(35.1)	(13.2)	(1.9)	(59.9)
Add: Income tax provision	5.4	1.1	1.8	20.7	5.3
Add: Interest expense, net of interest income	4.8	4.4	4.1	16.3	13.2
Add: Depreciation and amortization	7.0	6.4	8.1	29.7	22.9
Add: Unrealized loss (gain) on investment in equity securities	2.3	11.2	(0.1)	(11.7)	12.4
EBITDA	26.6	(11.9)	0.6	53.1	(6.2)
Add: Share-based compensation	2.8	1.9	1.7	8.3	6.6
Less: Gain on sale of business	(17.6)	-	-	(17.6)	-
Add: Loss on BRS portfolio sale	-	-	-	1.8	-
Add: Sales tax accrual, net of reimbursement	(1.7)	-	(0.6)	0.3	(0.6)
Add: Restructuring charges	2.8	5.8	2.2	9.1	10.9
Add: Other assets write-off from business exits	-	-	-	0.2	-
Add: Pointillist losses	-	2.1	1.8	-	6.2
Add: Third quarter 2020 cost savings initiatives	-	-	0.7	-	0.7
Adjusted EBITDA	12.9	(2.1)	6.4	55.2	17.5

## NON-GAAP MEASURES

Reconciliation (\$ in millions except per share data)	Q3'19	Q2'20	Q3'20	YTD 2019	YTD 2020
Calculation of the impact of intangible asset amortization expense, net of tax					
Intangible amortization expense	3.3	2.8	4.3	15.5	11.3
Tax benefit from intangible asset amortization	(0.8)	(0.0)	(0.0)	(3.9)	(0.1)
Intangible asset amortization expense, net of tax	2.5	2.8	4.3	11.6	11.3
Diluted share count (in 000s)	16,151	15,601	15,637	16,420	15,578
Intangible asset amortization expense, net of tax per diluted share	0.15	0.18	0.27	0.71	0.72
Calculation of the impact of share-based compensation, net of tax					
Share-based compensation	2.8	1.9	1.7	8.3	6.6
Tax benefit from share-based compensation	(0.7)	(0.2)	(0.2)	(2.1)	(0.6)
Share-based compensation, net of tax	2.1	1.7	1.6	6.2	5.9
Diluted share count (in 000s)	16,151	15,601	15,637	16,420	15,578
Share-based compensation, net of tax per diluted share	0.13	0.11	0.10	0.38	0.38
Calculation of the impact of the unrealized loss (gain) on investment in equity securities, net of tax					
Unrealized loss (gain) on investment in equity securities	2.3	11.2	(0.1)	(11.7)	12.4
Tax (benefit) provision from the unrealized loss (gain) on investment in equity securities	(0.6)	-	-	2.9	-
Unrealized loss (gain) on investment in equity securities, net of tax	1.7	11.2	(0.1)	(8.8)	12.4
Diluted share count (in 000s)	16,151	15,601	15,637	16,420	15,578
Unrealized loss (gain) on investment in equity securities, net of tax per diluted share	0.11	0.72	(0.01)	(0.54)	0.80

## NON-GAAP MEASURES

Reconciliation (\$ in millions except per share data)	Q3'19	Q2'20	Q3'20	YTD 2019	YTD 2020
Calculation of the impact of loss on BRS portfolio sale, net of tax					
Loss on BRS portfolio sale	-	-	-	1.8	-
Tax benefit from loss on BRS portfolio sale	-	-	-	(0.4)	-
Loss on BRS portfolio sale, net of tax	-	-	-	1.4	-
Diluted share count (in 000s)	16,151	15,601	15,637	16,420	15,578
Loss on BRS portfolio sale, net of tax per diluted share	-	-	-	0.09	-
Calculation of the impact of gain on sale of business, net of tax					
Gain on sale of business	(17.6)	-	-	(17.6)	-
Tax provision from gain on sale of business	8.1	-	-	8.1	-
Gain on sale of business, net of tax	(9.4)	-	-	(9.4)	-
Diluted share count (in 000s)	16,151	15,601	15,637	16,420	15,578
Gain on sale of business, net of tax per diluted share	(0.58)	-	-	(0.57)	-
Calculation of the impact of sales tax accrual, net of reimbursement, net of tax					
Sales tax accrual, net of reimbursement	(1.7)	-	(0.6)	0.3	(0.6)
Tax benefit from sales tax accrual	0.4	-	-	(0.1)	-
Sales tax accrual, net of reimbursement, net of tax	(1.3)	-	(0.6)	0.2	(0.6)
Diluted share count (in 000s)	16,151	15,601	15,637	16,420	15,578
Sales tax accrual, net of reimbursement, net of tax per diluted share	(0.08)	-	(0.04)	0.01	(0.04)
Calculation of the other assets write-off from business exits, net of tax					
Other assets write-off from business exits	-	-	-	0.2	-
Tax benefit from other assets write-off from business exits	-	-	-	(0.1)	-
Other assets write-off from business exits, net of tax	-	-	-	0.2	-
Diluted share count (in 000s)	16,151	15,601	15,637	16,420	15,578
Other assets write-off from business exits, net of tax per diluted share	-	-	-	0.01	-
Calculation of the impact of restructuring charges, net of tax					
Restructuring charges	2.8	5.8	2.2	9.1	10.9
Tax benefit from restructuring charges	(0.6)	(0.4)	(0.3)	(2.1)	(1.1)
Restructuring charges, net of tax	2.1	5.4	1.9	7.0	9.8
Diluted share count (in 000s)	16,151	15,601	15,637	16,420	15,578
Restructuring charges, net of tax per diluted share	0.13	0.34	0.12	0.43	0.63
Calculation of the impact of certain income tax related items, net					
Income tax rate changes	-	-	-	12.3	1.4
Foreign income tax reserves/other	(0.9)	0.5	-	-	1.0
Certain income tax related items, net	(0.9)	0.5	-	12.3	2.4
Diluted share count (in 000s)	16,151	15,601	15,637	16,420	15,578
Certain income tax related items, net per diluted share	(0.06)	0.03	-	0.75	0.15

Note: Numbers may not sum due to rounding

## NON-GAAP MEASURES

Reconciliation (\$ in millions except per share data)	Q3'19	Q2'20	Q3'20	YTD 2019	YTD 2020
Calculation of the impact of Pointillist losses, net of tax					
Pointillist losses	-	2.1	1.9	-	6.3
Tax benefit from Pointillist losses	-	(0.5)	-	-	-
Pointillist losses, net of tax	-	1.6	1.9	-	6.3
Diluted share count (in 000s)	16,151	15,601	15,637	16,420	15,578
Pointillist losses, net of tax, per diluted share	-	0.11	0.12	-	0.41
Calculation of the impact of third quarter 2020 cost savings initiatives, net of tax					
Third quarter 2020 cost savings initiatives	-	-	0.7	-	0.7
Tax benefit from third quarter 2020 cost savings initiatives	-	-	(0.1)	-	(0.1)
Third quarter 2020 cost savings initiatives, net of tax	-	-	0.6	-	0.6
Diluted share count (in 000s)	16,151	15,601	15,637	16,420	15,578
Third quarter 2020 cost savings initiatives, net of tax, per diluted share	-	-	0.04	-	0.04

Reconciliation (\$ in millions)	09-30-20
Senior secured term loans	\$293.8
Less: Cash and cash equivalents	(67.0)
Less: Marketable securities	(30.2)
Net debt less marketable securities	\$196.6



## INVESTOR RELATIONS INFORMATION

### ABOUT ALTISOURCE

Altisource Portfolio Solutions S.A. is an integrated service provider and marketplace for the real estate and mortgage industries. Combining operational excellence with a suite of innovative services and technologies, Altisource helps solve the demands of the ever-changing markets we serve.

### CONTACT INFORMATION

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### EXCHANGE

NASDAQ Global Select Market

### TICKER

ASPS

### HEADQUARTERS

Luxembourg

### EMPLOYEES

Approximately 2,700



