

Item 2.02 Results of Operations and Financial Condition

On August 16, 2021, Altisource Asset Management Corporation (“AAMC”) issued a press release announcing its financial results for the quarter ended June 30, 2021. A copy of the press release is attached hereto as Exhibit 99.1.

The information in this Item 2.02, including the information in Exhibit 99.1, is furnished solely pursuant to Item 2.02 of this Form 8-K. Consequently, it is not deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. It may only be incorporated by reference in another filing under the Securities Exchange Act of 1934 or Securities Act of 1933 if such subsequent filing specifically references this Item 2.02 of this Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release of Altisource Asset Management Corporation, dated August 16, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

August 16, 2021

By: /s/ Thomas K. McCarthy
Thomas K. McCarthy
Interim Chief Executive Officer

August 16, 2021

By: /s/ Stephen Ramiro Krallman
Stephen Ramiro Krallman
Chief Financial Officer



FOR IMMEDIATE RELEASE

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Altisource Asset Management Corporation Reports Second Quarter 2021 Results

CHRISTIANSTED, U.S. Virgin Islands, August 16, 2021 (GLOBE NEWSWIRE) - Altisource Asset Management Corporation ("AAMC" or the "Company") (NYSE American: AAMC) today announced financial and operating results for the second quarter of 2021.

Second Quarter 2021 Highlights and Recent Developments

- Net income from continuing operations of \$2.2 million for the second quarter was fueled in part by (i) the realized gains on sales of the equity securities and the associated dividend income, and (ii) reduced expenses on salaries and benefits due to forfeited bonuses from departed executives.
- Maintained liquidity to position the Company to have access to capital to consummate prospective business opportunities. Liquidity consists of \$52.0 million in cash and \$39.8 million in equity securities.
- Paid off the \$28.4 million outstanding balance on the margin loan from proceeds of sales of equity securities.
- Hired Stephen Krallman as the new Chief Financial Officer of the Company.
- Hired Kevin Sullivan to be the new General Counsel and Chief Compliance Officer of the Company.

"The Company's attention and focus" stated Thomas K. McCarthy, Interim Chief Executive Officer "continues to be to identify and evaluate business opportunities and acquisition targets in which to potentially focus the Company's resources. In addition to the fund management and mortgage businesses more closely related to the Company's history, management has explored separate and distinct new business lines. While no final decision has been made on the new businesses that the Company will pursue, the Company is in different stages of discussion with several potential acquisition or merger targets including the fix and flip lending space, one in fee based real estate investment banking and one in a cryptocurrency related business."

Second Quarter 2021 Financial Results

AAMC's net income to common shareholders for the second quarter of 2021 was \$2.2 million compared to a net loss of \$(7.8) million for the same period in 2020. Diluted earnings per share was \$1.01 for the quarter, compared with a diluted net loss per share of \$(4.81) for the same period in 2020.

AAMC's net income to common shareholders for the six months ended June 30, 2021 was \$8.1 million compared to a net loss of \$(11.6) million for the same period in 2020. Due to a \$71.9 million gain on settlement of preferred shares in the first quarter of 2021, which was recorded directly to equity, but is included in the numerator for our earnings per share calculations; diluted earnings per share was \$37.41 for the six months ended June 30, 2021, compared with a diluted net loss per share of \$(7.17) for the same period in 2020.

About AAMC

AAMC has historically been an asset management company that provides portfolio management and corporate governance services to investment vehicles but given the sale and discontinuance of certain operations the Company is in the process of repositioning itself. Additional information is available at www.altisourceamc.com.

Forward-looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding management's beliefs, estimates, projections, anticipations and assumptions with respect to, among other things, the Company's financial results, future operations, business plans and investment strategies as well as industry and market conditions. These statements may be identified by words such as "anticipate," "intend," "expect," "may," "could," "should," "would," "plan," "estimate," "target," "seek," "believe" and other expressions or words of similar meaning. We caution that forward-looking statements are qualified by the existence of certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors that could cause our actual results to differ materially from these forward-looking statements may include, without limitation, our ability to implement new businesses or, to the extent such businesses are developed, our ability to make them successful or sustain the performance of any such businesses; developments in the litigation regarding our redemption obligations under the Certificate of Designations of our Series A Convertible Preferred Stock; and other risks and uncertainties detailed in the "Risk Factors" and other sections described from time to time in the Company's current and future filings with the Securities and Exchange Commission. The foregoing list of factors should not be construed as exhaustive.

The statements made in this press release are current as of the date of this press release only. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other information contained herein, whether as a result of new information, future events or otherwise.

Altisource Asset Management Corporation
Condensed Consolidated Statements of Operations
(In thousands, except share and per share amounts)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Expenses:				
Salaries and employee benefits	\$ (345)	\$ 3,319	\$ 3,200	\$ 6,413
Legal and professional fees	2,655	1,746	4,540	3,226
General and administrative	611	564	1,364	1,150
Total expenses	<u>2,921</u>	<u>5,629</u>	<u>9,104</u>	<u>10,789</u>
Other income (loss):				
Change in fair value of Front Yard common stock	—	(5,279)	146	(5,913)
Dividend income on Front Yard common stock	—	—	—	244
Change in fair value of equity securities	(2,411)	—	3,310	—
Dividend income	887	—	3,041	—
Gain on sale of equity securities	6,360	—	6,360	—
Interest expense	(24)	—	(60)	—
Other income	4	6	139	24
Total other income (loss)	<u>4,816</u>	<u>(5,273)</u>	<u>12,936</u>	<u>(5,645)</u>
Net income (loss) from continuing operations before income taxes	1,895	(10,902)	3,832	(16,434)
Income tax (benefit) expense	(333)	(690)	1,961	(568)
Net income (loss) from continuing operations	<u>2,228</u>	<u>(10,212)</u>	<u>1,871</u>	<u>(15,866)</u>
Discontinued operations:				
Income from operations related to Front Yard, net of tax	—	2,377	—	4,274
Gain on disposal of operations related to Front Yard	—	—	7,485	—
Income tax expense related to disposal	—	—	1,272	—
Net gain on discontinued operations	<u>—</u>	<u>2,377</u>	<u>6,213</u>	<u>4,274</u>
Net income (loss)	2,228	(7,835)	8,084	(11,592)
Amortization of preferred stock issuance costs	—	—	—	(42)
Net income (loss) attributable to common stockholders	<u>\$ 2,228</u>	<u>\$ (7,835)</u>	<u>\$ 8,084</u>	<u>\$ (11,634)</u>
Continuing operations earnings per share				
Net income (loss) from continuing operations	\$ 2,228	(10,212)	1,871	(15,866)
Reverse amortization of preferred stock issuance costs	—	—	—	42
Gain on preferred stock transaction	—	—	71,883	—
Numerator for earnings per share from continuing operations	<u>\$ 2,228</u>	<u>\$ (10,212)</u>	<u>\$ 73,754</u>	<u>\$ (15,824)</u>
Discontinued operations earnings per share				
Net income from discontinued operations	<u>\$ —</u>	<u>\$ 2,377</u>	<u>\$ 6,213</u>	<u>\$ 4,274</u>
Earnings (loss) per share of common stock – basic:				
Continuing operations – basic	\$ 1.09	\$ (6.27)	\$ 37.86	\$ (9.80)
Discontinued operations – basic	—	1.46	3.19	2.63
Earnings (loss) per basic common share	<u>\$ 1.09</u>	<u>\$ (4.81)</u>	<u>\$ 41.05</u>	<u>\$ (7.17)</u>
Weighted average common stock outstanding – basic	2,050,786	1,629,285	1,948,070	1,622,497
Earnings (loss) per share of common stock – diluted:				
Continuing operations – diluted	\$ 1.01	\$ (6.27)	\$ 34.50	\$ (9.80)
Discontinued operations – diluted	—	1.46	2.91	2.63
Earnings (loss) per diluted common share	<u>\$ 1.01</u>	<u>\$ (4.81)</u>	<u>\$ 37.41</u>	<u>\$ (7.17)</u>
Weighted average common stock outstanding – diluted	2,195,806	1,629,285	2,137,513	1,622,497

Altisource Asset Management Corporation
Condensed Consolidated Balance Sheets
(In thousands, except share and per share amounts)

	June 30, 2021 (unaudited)	December 31, 2020
Current assets:		
Cash and cash equivalents	\$ 52,027	\$ 41,623
Equity securities, at fair value	39,804	—
Front Yard common stock, at fair value	—	47,355
Receivable from Front Yard	—	3,414
Dividends receivable	681	—
Prepaid expenses and other assets	2,875	3,328
Current assets held for sale	—	894
Total current assets	95,387	96,614
Non-current assets:		
Right-of-use lease assets	894	656
Other non-current assets	419	503
Non-current assets held for sale	—	1,979
Total non-current assets	1,313	3,138
Total assets	\$ 96,700	\$ 99,752
Current liabilities:		
Accrued salaries and employee benefits	\$ 299	\$ 2,539
Accounts payable and accrued liabilities	2,374	9,152
Short-term lease liabilities	128	75
Current liabilities held for sale	—	1,338
Total current liabilities	2,801	13,104
Non-current liabilities:		
Long-term lease liabilities	793	600
Other non-current liabilities	3,497	1,027
Non-current liabilities held for sale	—	1,599
Total non-current liabilities	4,290	3,226
Total liabilities	7,091	16,330
Commitments and contingencies:		
	—	—
Redeemable preferred stock:		
Preferred stock, \$0.01 par value, 250,000 and 250,000 shares issued as June 30, 2021 and December 31, 2020, respectively. 168,200 shares outstanding and \$168,200 redemption value as of June 30, 2021 and 250,000 shares outstanding and \$250,000 redemption value as of December 31, 2020.	168,200	250,000
Stockholders' deficit:		
Common stock, \$0.01 par value, 5,000,000 authorized shares; 3,416,541 and 2,055,561 shares issued and outstanding, respectively, as of June 30, 2021 and 2,966,207 and 1,650,212 shares issued and outstanding, respectively, as of December 31, 2020	34	30
Additional paid-in capital	127,372	46,574
Retained earnings	71,538	63,426
Accumulated other comprehensive loss	54	(65)
Treasury stock, at cost, 1,360,980 shares as of June 30, 2021 and 1,315,995 shares as of December 31, 2020	(277,589)	(276,543)
Total stockholders' deficit	(78,591)	(166,578)
Total liabilities and equity	\$ 96,700	\$ 99,752