Real Matters Inc.

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ANNUAL INFORMATION FORM

For the Financial Year Ended
September 30, 2017

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December 27, 2017

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EXPLANATORY NOTES

General

The fiscal year end of Real Matters Inc. is September 30.

The information in this Annual Information Form is stated as at September 30, 2017, unless otherwise indicated.

Unless otherwise indicated or the context otherwise requires, all references in this Annual Information Form to “Real Matters”, “the Company”, “we”, “us”, and “our” refer to Real Matters Inc. and its predecessors and direct and indirect subsidiaries

Currency Presentation and Exchange Rate Information

This Annual Information Form contains references to the Canadian dollar and the United States dollar. All dollar amounts referenced, unless otherwise indicated, are expressed in US dollars. Canadian dollars are referred to as “C$” and US dollars are referred to herein as “$”, “US$” or “dollars”. As at December 22, 2017, the indicated rate as reported by the Bank of Canada was US$1.00 = C$1.2759 or C$1.00 = US$0.7838.

Forward-Looking Information

This Annual Information Form contains forward-looking statements within the meaning of applicable Canadian securities laws that relate to our current expectations and views of future events including, in particular, the sections entitled “General Development of the Business”, “Description of the Business” and “Risk Factors”. In some cases, these forward-looking statements can be identified by words or phrases such as “forecast”, “target”, “goal”, “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict”, or “likely”, or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The forward-looking statements and other forward-looking information contained herein are provided as of the date of this Annual Information Form and are based on management’s opinions, estimates and assumptions in light of its experience and perception of historical trends, current trends, current conditions and expected future developments, as well as other factors that management believes appropriate and reasonable in the circumstances. Real Matters cautions that the list of risk factors and uncertainties contained herein is not exhaustive and other factors could also adversely affect its results. These forward-looking statements include, among other things, statements relating to:

- our expectations regarding certain of our future results, including, among others, revenues, Net Revenue, Adjusted EBITDA, sales growth and market share expansion, operations and use of future cash flows;
- our anticipated cash needs and our need for additional financing;
- our ability to protect, maintain and enforce our intellectual property;
- third party claims of infringement or violation of, or other conflicts with, intellectual property rights;
- our plans for and timing of expansion of services;
- expectations regarding industry trends, overall market growth rates and our future growth rates, plans and strategies;
- the acceptance by our clients and the marketplace of new technologies and services;
- our ability to attract new clients and further develop and maintain existing clients;
- our ability to continue to attract and retain personnel;
- our expectations with respect to advancement of service offerings;
- our competitive position and the regulatory environment in which we operate;
- anticipated trends and challenges in our business and the markets in which we operate; and
- our intentions with respect to the implementation of new accounting standards.

Although we believe that the assumptions underlying these forward-looking statements are reasonable, they may prove to be incorrect and there can be no assurance that actual results will be consistent with these statements. Given these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to our expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, which include:

Strategic

- failing to grow market share in the residential mortgage appraisal business to anticipated levels;
- failing to grow market share in the U.S. title and closing market to anticipated levels;
- changes in economic conditions resulting in fluctuations in client demand;
- increased dependence on larger industry clients;
- risks associated with targeting larger industry clients;
- growth placing significant demands on our management and infrastructure;
- increased costs and demands upon management associated with being a public company;
- inability to successfully develop or acquire and sell enhancements and new services;
- failing to maintain demand for our services or diversify our revenue base;
- risks associated with a competitive business environment;
- inability to consummate or integrate acquisitions;
- negative publicity;
- ineffectiveness of our risk management efforts;
- potential inability to successfully integrate Linear Settlement Services, LLC (now Solidifi Title and Closing, LLC);

Operational

- failure to adequately protect our technology infrastructure;
- material defects or errors in our technology infrastructure;
- system interruptions;
- earthquakes, fires, floods and other natural catastrophic events or interruptions;
- effort, time and expense associated with switching from competitors' software to our software;
- failing to adapt to technological changes;
- failing to maintain Field Agent engagement;
- risks associated with "open source" software;
- losing corporate culture;
- inability to retain or hire additional key personnel;

Legal and compliance

- regulatory risks;
- risks associated with U.S. operations;
- Field Agent work product liability;
- risks associated with the potential reclassification of exempt employees and Field Agents;
- tax law changes or adverse tax examinations;
- current or future litigation;
- risks associated with our confidentiality agreements;
- potential infringement on the proprietary rights of others;
- risks associated with our insurance coverage;
- failure to adequately protect our intellectual property;
- our by-laws potentially limiting a shareholder's ability to obtain a favourable judicial forum for disputes with us;
- difficulty enforcing judgments against non-resident directors;
- claims for indemnification by directors or officers;

Financial and reporting

- risks associated with the forward-looking statements contained in this Annual Information Form potentially proving to be incorrect;
- inaccurate accounting estimates and judgments;
- potential inability to raise additional capital in the future;

- potential deficiencies in our internal controls over financial reporting;
- changing accounting standards or interpretations;
- restrictive covenants contained in our credit facility;
- dependence on subsidiaries;
- exchange rate fluctuations;
- future offerings of debt securities;
- future sales of our shares by existing shareholders reducing the market price of the shares;
- dilution and future issuances of our shares;
- risks associated with securities analysts' research or reports potentially impacting our share price.
- risks associated with indebtedness and the potential failure to fund future endeavours;
- risks associated with debt servicing costs;
- risks associated with the market price of our shares potentially fluctuating significantly, and
- risks associated with our current policy with respect to dividends.

Real Matters cautions that the list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect its results. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Real Matters has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Definition of Non-GAAP Financial Measures

Please refer to the Company's Management Discussion and Analysis for the years ended September 30, 2017 and 2016 for a detailed definition of the non-GAAP measures including "Adjusted EBIDTA" and "Net Revenue".

Glossary

Tier 1 - refers to the top five U.S. banks by asset size at June 30, 2017 as determined by U.S. Federal Reserve data, and the largest non-bank mortgage lender in the U.S. according to the Inside Mortgage Finance website: Top 100 Mortgage Lenders (full year 2016).

Tier 2 - refers to the top 30 mortgage lenders in the U.S. according to the Inside Mortgage Finance website: Top 100 Mortgage Lenders (full year 2016), excluding Tier 1 mortgage lenders.

Tier 3 - refers to the top 100 mortgage lenders in the U.S. according to the Inside Mortgage Finance website: Top 100 Mortgage Lenders (full year 2016), excluding Tier 1 and Tier 2 mortgage lenders.

Tier 4 - refers to all mortgage lenders in the U.S. not included in Tier 1, Tier 2 or Tier 3.

Market Industry Data

Unless otherwise indicated, information contained in this Annual Information Form concerning the industry and the markets in which the Company operates, including its general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, such as the Mortgage Bankers Association ("**MBA**"), other third party sources (including industry publications, surveys and forecasts), information provided to the Company by its customers and management studies and estimates.

Unless otherwise indicated, the Company's estimates are derived from publicly-available information released by independent industry analysts and third party sources as well as data from its internal research and include assumptions made by the Company which it believes to be reasonable based on its knowledge of the industry and markets in which the Company operates. The Company's internal research and assumptions have not been verified by any independent source and the Company has not independently verified any third party information. While the Company believes the market position, market opportunity and market share information included in this Annual Information Form is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry and markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "Forward-Looking Information" and "Risk Factors".

In the future, the Company may amend the terms of its services from time to time.

CORPORATE INFORMATION

Name and Organization

Real Matters has carried on business since October 2004. The Company was incorporated under the *Canada Business Corporations Act* ("**CBCA**") on October 18, 2004 as 4265408 Canada Inc. On November 1, 2004, the Company was renamed Solidifi Inc. and was subsequently renamed Real Matters Inc. on July 27, 2010.

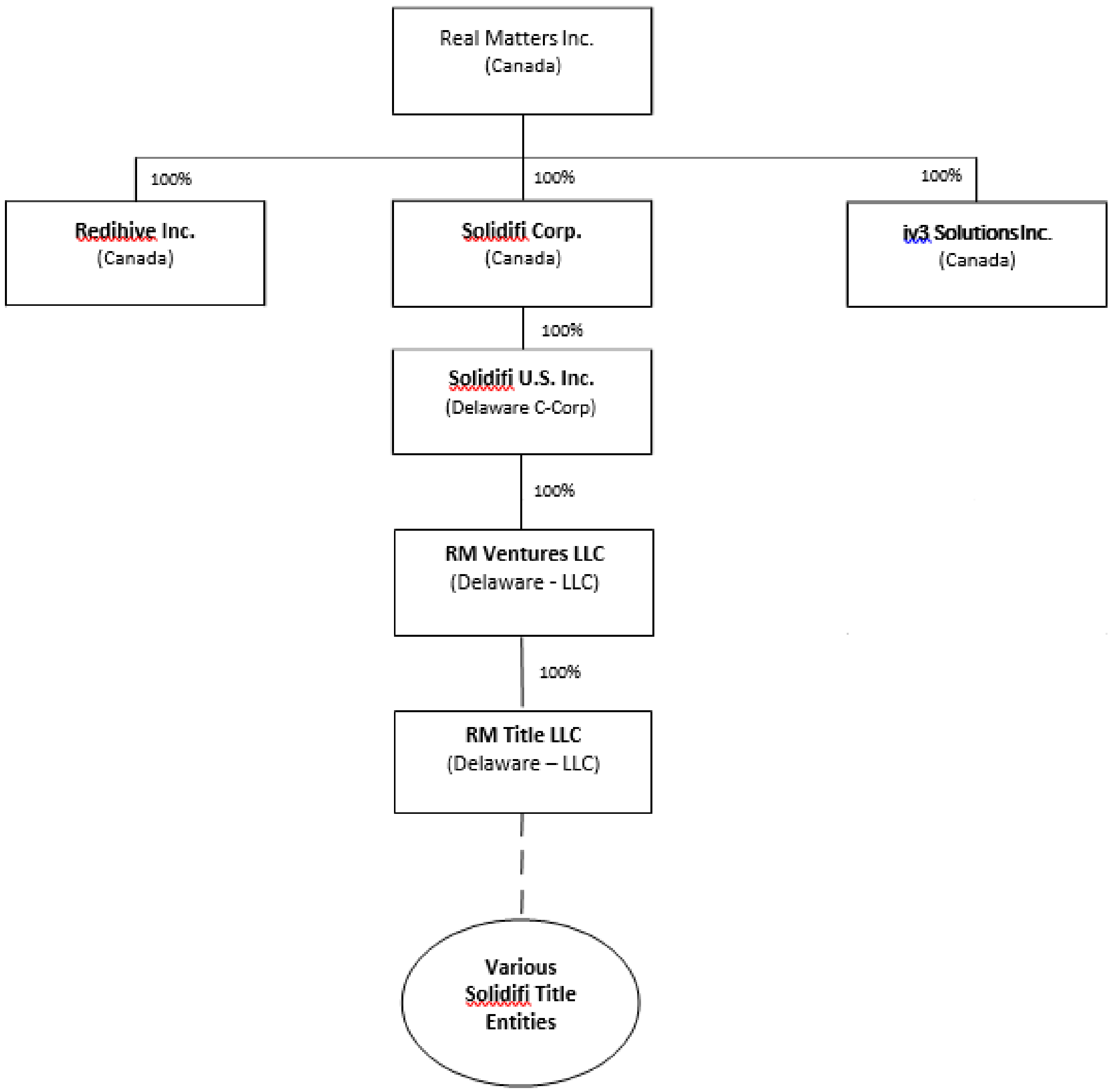
On February 24, 2006, the articles of the Company were amended to reflect the change of rights, privileges, restrictions and conditions attaching to the Class A and Class B shares of the Company. On June 22, 2009, the Company amended its articles to change its maximum number of directors to 10. On October 31, 2016, the Company's articles were amended to remove the restriction on the number of shareholders the Company may have and to remove restrictions on the transfer of shares. Prior to the Company's initial public offering ("**IPO**"), the Company's articles were amended to consolidate the Company's Class A shares on a two (2) for one (1) basis, to reconstitute the post-consolidated Class A shares as common shares, to increase the authorized capital of the Company by creating an unlimited number of preferred shares issuable in series and to delete the Class B shares of the Company and all the rights, privileges, restrictions and conditions attaching thereto. All references to the Company's outstanding shares and securities convertible into or exercisable for shares in this Annual Information Form, including the exercise price associated with outstanding options and warrants, have been adjusted to reflect these capital changes.

On May 11, 2017, the Company completed its IPO and a secondary offering (together, the "**Offering**") by certain shareholders ("**Selling Shareholders**") of an aggregate of 12,056,186 common shares at a price of C$13.00 per common share, for total gross proceeds of C$156,730,418, with Real Matters and the Selling Shareholders receiving gross proceeds of C$125,060,000 and C$31,670,418, respectively. Pursuant to the Offering, Real Matters issued 9,620,000 common shares from treasury and 2,436,168 commons shares were sold pursuant to the secondary offering by the Selling Shareholders. Upon completion of the IPO, our common shares were listed on the Toronto Stock Exchange under the symbol "REAL".

The head and registered office of Real Matters Inc. is located at 50 Minthorn Boulevard, Suite 401, Markham, Ontario L3T 7X8.

Structure of Real Matters

The following chart outlines our corporate structure and identifies the jurisdictions of each of the Company's material subsidiaries as at September 30, 2017. Each material subsidiary is wholly-owned, directly or indirectly, by the Company.



GENERAL DEVELOPMENT OF THE BUSINESS

Real Matters was founded in 2004 by Jason Smith and a team of proven technology industry entrepreneurs with deep expertise in the real estate, lending and insurance industries. Real Matters' management team conducted research in Canada and the U.S. to determine how to apply technology to address lenders' key issues in the mortgage industry, in particular, the speed, cost and efficiency of the underwriting process. Through its research, including discussions with leading lending institutions, management decided to focus on the appraisal management process because of its high-cost structure, labour-intensive practices and low-quality, inconsistent output.

In the early 2000s, traditional appraisal management companies ("**AMCs**") were focused on finding the lowest-cost appraiser. This often resulted in poor quality appraisals that did not meet lender and regulatory requirements, and as such AMCs were required to remediate inadequate appraisals through a lengthy, costly and high-touch quality assurance process resulting in very long end-to-end turn times. The traditional AMCs lowered the fees then paid to appraisers as a result of their increasing costs of doing business. These practices, combined with a shift by high-quality appraisers away from traditional AMCs due to unfavourable economics and poor business relationships, provided an ideal entry point for the Company.

The Company launched its platform, which combines the Company's proprietary technology and network management capabilities with tens of thousands of independent qualified Field Agents (as defined below) to create an efficient marketplace for the provision of mortgage lending and insurance industry services (the "**Platform**"), in the appraisal market in Canada in 2006 and in the U.S. in 2008.

In December 2012, Real Matters acquired Buffalo, New York-based Kirchmeyer & Associates. Kirchmeyer & Associates provided the Company with additional Tier 2 clients in the U.S. As a result of the acquisition and the deployment of the Platform with these clients, Real Matters increased its market share with a number of key Tier 2 mortgage lenders.

In May 2015, Real Matters acquired Cincinnati, Ohio-based Southwest Financial Services ("**Southwest**"). Southwest was a leading home-equity service provider in the U.S. This acquisition added new U.S. clients, and provided an opportunity to cross-sell services and deepen client relationships by expanding Real Matters' client offering. The majority of Southwest's revenues were derived from services provided in the home equity channel. Southwest's appraisal operations were ported to the Company's Platform in February 2017.

In April 2016, Real Matters acquired Middletown, Rhode Island-based Linear Settlement Services, LLC ("**Linear**"). This acquisition established a position in the title and closing market for Real Matters to develop and build its Next Generation Closing service. Linear is a national title agency that delivers title and closing services to lenders for refinance, purchase, and real estate owned transactions in all 50 states. It is a national independent provider of primarily refinance and title and closing services in the U.S. which currently services primarily Tier 3 and Tier 4 mortgage lenders. Since the time of the acquisition the Company has leveraged its sales, account management, operations and network management capabilities to develop and introduce its Next Generation Closing offering to its Tier 1 and Tier 2 customers.

On April 1, 2017, the Company purchased the forty-nine percent interest in Keylink National Title LLC that it did not already own.

On May 11, 2017, the Company completed the Offering. See "Corporate Information".

In October of 2017, the Linear business was re-branded as Solidifi Title and Closing**.**

On November 1, 2017, the Company purchased the fifty percent interest in Performance Lender Solutions, LLC that it did not already own.

DESCRIPTION OF THE BUSINESS

Real Matters is a leading network management services provider for the mortgage lending and insurance industries. Real Matters' Platform combines its proprietary technology and network management capabilities with tens of thousands of independent qualified Field Agents to create an efficient marketplace for the provision of mortgage lending and insurance industry services. The Platform facilitates competition between Field Agents, such as residential real estate appraisers, to deliver performance-driven services, which brings superior quality, transparency and efficiency to Real Matters' clients.

Real Matters' Platform was created to address key issues within the mortgage lending and insurance industries. The Company built its Platform to create a long-term competitive advantage relative to traditional service providers, who it believes have high-touch, labour intensive and costly operations. Through its Platform and network management capabilities, Real Matters believes it is able to deliver services faster and with fewer errors. The Company believes the efficiencies it provides allows for fewer touch points, which reduces the Company's cost structure and is a scalable business model.

The Company has realized significant success and disrupted segments of the mortgage lending and insurance industries. Real Matters regularly ranks above its competitors on service level benchmarking data that it receives from clients, with lower error rates and faster turn times. Based on its performance, the Company has been able to obtain market share increases with its clients, often obtaining an outsized allocation of transaction volume relative to its competitors due to its performance advantages. This has resulted in significant growth as the Company has increased its market share and expanded its client base. Today, Real Matters is a leading provider of residential mortgage appraisal, title and closing and insurance inspection services.

Real Matters operates different brands focused on separate market segments in the U.S. and Canada. Real Matters services the U.S. and Canadian residential mortgage industry through its Solidifi brand, and the Canadian property and casualty insurance industry through its iv3 brand.

Real Matters has a strong client base, which has experienced significant growth. In the U.S., Real Matters' clients include more than 60[1] of the top 100[2] mortgage lenders, including all Tier 1 mortgage lenders. The Company:

- provides approximately one in 15 residential mortgage appraisals in the U.S.; and
- is a national independent provider of title and closing services in the U.S.

In Canada, Real Matters' clients include a majority of the largest Canadian chartered banks as well as some of North America's largest insurance companies. The Company provides:

- residential mortgage appraisals to three of the five largest banks in Canada measured by asset size; and
- residential and commercial property insurance inspections to 10 of the top 15 insurance carriers[3] in Canada.

The total annual market spend for services offered by Real Matters was estimated by the Company to be approximately $16.0 billion, which represents the current estimated annual spend by mortgage lenders on residential mortgage appraisal services and written premiums for title insurance services provided by the Company in the U.S., and residential mortgage appraisal and insurance inspection services provided by the Company in Canada.[4]

Real Matters takes a long-term view to manage and measure the success of its ongoing business strategies. In this regard, the Company's principal focus is on market share growth. The Company seeks to achieve market share increases irrespective of residential mortgage origination market conditions. Market share growth can be achieved through both the onboarding of new customers and by increasing market share within its existing client base. The mortgage market and residential mortgage originations are subject to the influence of many external factors, such as broader economic conditions and fluctuating interest rates, over which the Company has no direct control.

Principal Products and Services

Real Matters' Platform

Real Matters' Platform provides network management services for the mortgage lending and insurance industries. The Platform reduces manual processes through robust quality control mechanisms, logistics management capabilities, capacity planning tools and end-to-end transaction management, and provides high-quality services to its clients. The core principle of the Platform is to attract the most qualified independent appraisers, real estate brokers, insurance inspectors, lawyers, notaries, abstractors or closing agents (collectively, "**Field Agents**") to its network who will compete for Real Matters' work and deliver a consistent and high quality work product. In all instances, save

[1] Based on having completed at least one transaction with Real Matters in the fiscal year ended September 30, 2017.
[2] Top 100 mortgage lenders according to Inside Mortgage Finance website: Top 100 Mortgage Lenders (full year 2016).
[3] Facts of the Property and Casualty Insurance Industry in Canada 2016, published by Insurance Bureau of Canada (IBC).
[4] Management estimates of the residential mortgage appraisal market size for fiscal 2017 based on data from the MBA Mortgage Finance Forecast Report of October 24, 2017, plus management estimates of the title market size measured by written premium based on data from American Land Title Association Data for the six month period ended June 30, 2017.

and except for certain transactions related to the title and closing business, the Company is the ultimate service provider, as service contracts are between itself and its customers.

The efficiencies provided by the Platform allow for fewer touch points, which reduces the Company's cost structure and is a scalable business model. The Platform delivers higher quality services and greater scalability compared to traditional competitors.

The Platform offers considerable functionality and benefits to lenders and Field Agents.

Lender Benefits:

- **Best-in-class quality and speed:** Real Matters' Platform is capable of delivering best-in-class quality and faster turn times. Real Matters leverages its technology, including its robust quality control mechanisms, analytics and appraiser assignment technology, to identify the best performing appraisers in their region in terms of property type expertise, timelines, competency and quality.

- **National, quality-driven independent appraiser marketplace:** Lenders benefit from the regional expertise of Field Agents qualified to perform all types of appraisals, providing the scale and capacity required to meet their needs. Field Agents compete for business in the Company's marketplace based on their performance, measured by quality and speed. Real Matters has a robust process for vetting and onboarding new appraisers to its network, including rigorous due diligence. At present, there are approximately 34,000 qualified appraisers in the Company's network, which allows the Company to add significant scale.

- **Robust capacity planning tools:** Lenders benefit from Real Matters' capacity planning capabilities. Managers leverage data and functionality to build and manage capacity on a regional level to ensure the Field Agent network has the capability and capacity to respond to local demand and match a property to the best-qualified Field Agent in the network for that property.

- **Full audit trail of all transaction activities**: Lenders benefit from Real Matters' technology and robust transaction management capabilities to meet regulatory guidelines. Real Matters offers end-to-end transaction management, including transaction processing and tracking workflow, business rules engines, messaging, data extraction and billing with a full audit trail. This delivers a robust and consistent process to ensure all transactions meet stringent regulatory, lender and government sponsored entities ("**GSE**s") (for example, Fannie Mae and Freddie Mac) requirements.

- **Highly scalable technology:** Lenders benefit from the robust infrastructure of Real Matters' technology, which allows the Company to provide a highly scalable service that can meet the significant volume requirements of national Tier 1 mortgage lenders, including seasonal spikes, without compromising quality. The Company's proprietary technology is also built on a uniform code base that is scalable and can be leveraged for different services and industry verticals. Real Matters continuously invests in new technology innovations and functionality to enhance the Company's technology.

- **Improved borrower experience:** Real Matters' Platform benefits lenders by creating a better customer experience for borrowers through focused touch points with best-in-class Field Agents. Real Matters recognizes the importance of the professionalism of its Field Agents by celebrating their performance, customer service and exceptional quality through its "EXTRAORDINARY" Field Agent marketing programs.

Field Agent Benefits:

- **Real-time performance metrics and managed accountability:** Field Agents in the network benefit from a transparent, real-time view of how their performance ranks relative to others that perform in the top-quartile of their region. They are scored on approximately 40 performance and quality metrics and can log in at any time to obtain a current rating. Since Real Matters captures all transaction milestones, the level of transparency and accountability provides an incentive for Field Agents to manage their performance proactively throughout the transaction lifecycle. Our regional managers also use this data for coaching and education of Field Agents, when appropriate. This transparency provides an incentive for Field Agents to consistently deliver high-quality services, as strong historical performance is rewarded with additional work. The Company utilizes a combination of manual review and automated quality scoring technology, which consists of algorithms designed to detect and measure the quality, integrity and accuracy of transactions conducted in Real Matters' marketplace. Leveraging Real Matters' technology, data elements within each transaction are extracted and normalized, enabling a series of risk detection, data analysis, verification and compliance routines to be run automatically.

- **Intelligent assignment of transactions:** Field Agents benefit from the Company's logistics management capabilities that enable it to effectively route transactions in a geographic region. Bundling transactions that are in close proximity enhances productivity by enabling Field Agents to perform more transactions per day.

- **Larger fee splits:** Unlike traditional AMCs, Real Matters creates a marketplace where appraisers can propose their own fees and keep a larger portion of the overall appraisal fee. In addition, by leveraging our core logistics capabilities (such as smarter assignment and enhanced consumer inspection scheduling capabilities) we allow Field Agents to work more efficiently and to complete a higher number of transactions over a given time period. In the end, this results in the Field Agent generating more income, which drives better performance and loyalty.

- **Better Field Agent experience:** Real Matters works to develop deep relationships with Field Agents by providing them with best-in-class tools, meaningful interactions with regional managers and clear performance guidelines. The Company hosts multiple events around the U.S. to educate Field Agents and recognize high performers.

Real Matters' Appraisal Network Management Services

Real Matters' services include:

- **Interior and exterior residential appraisals:** A report indicating the opinion of value of a specific property as developed by a duly accredited professional real estate appraiser, involving comparable analysis and an interior and/or exterior inspection.

- **Desktop appraisals:** A report indicating the opinion of value of a specific property as developed by a duly accredited professional real estate appraiser, which may or may not utilize information on the current property condition as obtained from interior and/or exterior inspection by another third party.

- **Broker price opinions:** A report completed by a real estate licensee indicting the estimated listing price of a specific property, which may or may not include an interior and/or exterior inspection.

- **Property condition reports:** A report completed by a real estate professional indicating the current condition of a specific property and a list of repairs that may be required.

Facilities

Real Matters' Canadian and U.S. headquarters are in Markham, Ontario and Buffalo, New York, respectively. The Company also has principal offices in Cincinnati, Ohio, Middletown, Rhode Island and Denver, Colorado.

Employees

As at September 30, 2017, the Company had approximately 800 employees across North America. Real Matters employees are comprised of technology professionals (software developers, engineers), operations staff, management, shared services and sales and marketing personnel. The aforementioned number does not include Field Agents, who are independent contractors and do not have an employment relationship with Real Matters.

Industry

Real Matters services the residential mortgage industry in the U.S. and Canada and the property and casualty insurance industry in Canada.

U.S. Industry

According to the MBA, the size of the U.S. residential mortgage origination market was estimated at $1.7 trillion in fiscal 2017, which includes purchase and refinance originations. The U.S. mortgage industry is large and complex with multiple parties required to complete any transaction.

Recent Trends in the Industry

The mortgage market has seen significant changes over the past few years.

- **Increased regulation:** Most U.S. mortgage market participants have become subject to increasing regulatory oversight and requirements as federal and state governments have enacted various laws, rules and regulations.

- **Lenders increasingly focused on core operations:** As a result of increased volatility in the mortgage market, greater regulatory scrutiny and the higher cost of doing business, Real Matters believes mortgage lenders have become increasingly focused on their core operations. Lenders have shifted from affiliate business models and in-house technologies to obtaining key services, such as appraisal services, from third party providers.

- **Lenders increasingly focused on end consumer:** Given the importance of the customer relationship, Real Matters believes that mortgage lenders have become increasingly focused on providing best-in-class services and experiences to their customers. Appraisals and title and closing services require significant interactions between borrowers and third party service providers, and these interactions have a significant impact on the customer experience.

- **Growing role of technology:** Mortgage lenders have become increasingly focused on technology to operate more efficiently.

Residential Mortgage Appraisals

Total annual lender spend for residential mortgage appraisal services in the U.S. for 2017 was estimated at approximately $2.7 billion[5] with Tier 1 mortgage lenders currently accounting for approximately 30% of the mortgage appraisal spend.[6] MBA expects the total market spend for U.S. residential mortgage appraisals to remain stable over the next three years.[7] These estimates are based on a variety of economic assumptions, including interest rates, that may differ from those assumed by the MBA.

A residential appraisal is a survey of a home by a qualified appraiser providing their expert opinion on the market value of a property. There are approximately 74,000 licensed appraisers in the U.S.[8] The typical price for an appraisal in the U.S. can range from $450 to $550.[9] Pricing varies by region, type of residential mortgage appraisal being conducted and property type. Appraisals are mandatory in the U.S. for most mortgage purchase transactions. Appraisals or other valuation services are typically conducted for most refinance transactions and home equity loans. Other common uses for appraisals include estate valuation, divorce settlements, probate, litigation and bankruptcies. In most cases, lenders or financial institutions order appraisals for mortgage loan assessment purposes and to comply with GSE requirements, and the cost of the appraisal is borne by the borrower.

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[5] Management estimates based on data for calendar year 2016 from the MBA Mortgage Finance Forecast Report of February 15, 2017.
[6] Based on Inside Mortgage Finance website: Top 100 Mortgage Lenders (full year 2016), management estimates that Tier 1, Tier 2 and Tier 3 mortgage lenders currently account for approximately 30%, 28% and 35% of the mortgage appraisal spend in the U.S., respectively (assuming an allocation of 8% mortgage appraisal spend to Tier 4 mortgage lenders).
[7] The MBA Mortgage Finance Forecast Report of October 24, 2017.
[8] Appraisal Institute — U.S. Valuation Profession Fact Sheet — December 2016.
[9] Management estimates based on Real Matters actuals of standard interior appraisals for fiscal 2017.

The North American residential mortgage appraisal market has historically been highly regulated, particularly in the U.S. where multiple levels of regulatory oversight exist, including federal banking regulators and state appraiser boards. Under regulations established in 1989, appraisers are required to be certified, licensed, independent and competent within their defined geographic coverage area for all regulated appraisal transactions.

Leading up to the financial crisis of 2008, lending institutions and regulators became increasingly concerned about the quality of the appraisals upon which lending decisions were based and the perceived influence of loan production staff on the appraised value of a home. Following the financial crisis, market practice shifted towards strict appraisal independence and quality guidelines due to increased regulation. Many banks exited internal valuation operations and shifted their focus to identifying the best service providers. Management estimates that approximately 80% of mortgage appraisal transactions are presently conducted by AMCs. Furthermore, banks have become increasingly focused on the quality of appraisals to reduce asset risk and meet more stringent GSE requirements, as well as shorter turn times which allow lenders to close loans faster. These factors have made lenders significantly more focused on finding the best available appraisers.

Title and Closing

Total current annual spend, in terms of written premiums, in the title and closing market is estimated at approximately $14.7 billion, consisting of both purchase and refinance transactions.[10] Title and closing services can be provided by title insurance underwriters through their direct operations, or independent title agents. Independent title agents provide all the services required to close a real estate or mortgage transaction, including title search, closing and escrow services and title policy issuance. Title agents act on behalf of underwriters of title insurance policies and retain the agent's portion of the premium paid for the title policy, which is the majority of the title insurance premium (typically 80%). The remaining portion of the premium is remitted to the underwriter as compensation for bearing the risk of loss in the event a claim is made under the policy. Premium splits can vary by geographic region, and in some states, premiums are fixed by regulation.

In some jurisdictions, the cost of a title insurance policy relative to the cost of a property transaction is about one-half to one percent of the purchase price. Title insurance consists of both an owner's and a lender's policy. The larger the purchase price, the larger the premium on an owner's title policy and the larger the loan, the larger the premium on a lender's policy. Today, Real Matters primarily conducts transactions for refinance mortgages and also provides title search, REO and collateral review services. Total title and closing fees earned by the Company on a residential refinance transaction typically ranges from $800 to $1,000.[11]

In the U.S., most lenders require lender's policies on mortgage loans for risk mitigation purposes and because Freddie Mac and Fannie Mae currently require title insurance on any loans they guarantee. In residential real estate transactions, the borrower can select the title agent or attorney. The lender customarily suggests a title agency for most refinance transactions. For most purchase transactions, the real estate agent refers the borrower to a title agency.

The closing process is critical and represents a point of direct interaction between the borrower and a third-party service provider. In the case of a financed transaction, the lender will send the title agency, attorney or escrow company the final mortgage package and other documentation for a closing. The title agency, attorney or escrow company then schedules a closing with the borrower(s) and often contracts a third party agent (such as an attorney, notary or closing agent) to conduct the closing. This third party agent is customarily paid a small fee for conducting the closing and, as such, is not incented to provide the best experience for the borrower.

Canadian Industry

Real Matters serves the residential mortgage industry and the property and casualty insurance industry in Canada.

[10] Title Written Premiums data from the American Land Title Association for period ending June 30, 2017.
[11] Management estimates based on Real Matters actuals for 2017.

Residential Mortgage Appraisals

The Canadian mortgage industry is highly concentrated, with the five largest banks in Canada, measured by asset size, accounting for approximately 80% of the approximate C$200 million annual residential mortgage appraisal spend.[12] However, growing regulatory pressures around property valuation risk are anticipated to increase the addressable market by increasing the overall appraisal rate from its current level of approximately 50%.[13]

Many of the same factors that affect the U.S. appraisal market also affect the Canadian appraisal market. However, the Canadian market currently has less regulation and differs materially on a price per transaction basis. The price for an appraisal in Canada can range from C$275 to C$350[14] and is expected to remain stable for the foreseeable future. Pricing varies by region, type of residential mortgage appraisal being conducted and property type. In most cases, lenders or financial institutions order appraisals for mortgage loan assessment purposes. In Canada, the lender pays for the appraisal and passes this fee on to its customer or, in certain cases, waives the fee to its customer.

Insurance Inspections

The total current insurance inspection market spend in Canada is estimated to be approximately C$60 million,[15] comprised of C$40 million of outsourced insurance inspections and the remaining C$20 million[16] of insurance inspections are completed by insurance companies' in-house loss control teams. Residential inspections account for approximately 60%[17] of the outsourced inspection market, while commercial inspections account for the balance.[18]

The purpose of an inspection is to establish the replacement cost of a property, unlike a mortgage appraisal that assesses market value. Ultimately, the home inspection helps determine the replacement cost of a property in the event of a major catastrophe such as a fire or a flood. Insurance inspections are used to verify that the insured home matches the address on the policy, that the structure, size and finishes match what has been provided to the insurer and that there is no liability or other hazard that exists on the property that could result in unnecessary exposure for the homeowner and/or insurance company. The inspection is used as an underwriting tool to properly match the risk with the appropriate insurance premium and to verify the accuracy of the information collected at the time of the policy application.

As home construction has become more standardized for low-to-mid-value residential dwellings (with replacement costs of approximately C$750,000 or less), insurance companies have become more reliant on desktop underwriters to assist in calculating the replacement cost of a building with standard features. However, these tools are often unreliable when it comes to calculating the replacement cost of older homes, homes with unique and/or custom features and high-value dwellings, thus maintaining a strong and steady demand for residential risk inspection services. In addition to establishing a replacement cost for the dwelling, insurance companies also rely on trained loss-control inspectors to identify and report on risk characteristics that may give rise to an insured loss, which is something that is only possible with an on-site risk inspection. Underwriters rely on the services of insurance inspectors to ensure that coverage and premiums are in line with home price appreciation and rising building costs. As a result, underwriters place heavy importance on the quality of the inspection, including its accuracy and proper diligence.

Commercial risk inspection services, particularly those pertaining to smaller commercial operations and those operating in remote areas, also continue to be in demand. While the majority of complex or specialty risk inspections are performed by the insurer's in-house loss control teams, opportunities for specialty risk services, such as farm and agricultural risk inspections, continue to be a lucrative source of commercial business.

[12] Management estimates based on internal research.
[13] Ibid.
[14] Management estimates based on Real Matters actuals for fiscal 2017.
[15] Management estimates based on internal research.
[16] Ibid.
[17] Ibid.
[18] Ibid.

Marketing Plans and Growth Strategies

Real Matters has deliberately adopted a controlled and focused growth strategy. This strategy is supported by a consistent focus on profit and scalable software development discipline, and driving innovation in network management services and technology.

In contrast to its competitors, the Company's marketing strategy aims to generate awareness of its brands and disruptive value propositions, leveraging technology and Field Agent partnerships as key differentiators with clients and potential clients.

Real Matters' marketing campaigns highlight "EXTRAORDINARY" Field Agents to recognize a selection of the top 25% performing Field Agents in various regions. Through their performance, customer service and exceptional quality, these "EXTRAORDINARY" Field Agents have become loyal business partners and promoters of the Company to current mortgage lending and insurance clients and prospects. The campaigns provide Field Agents with industry recognition and exposure, and positions them as local experts through the distribution of their local market trends to current mortgage lending clients and prospects. For example, "EXTRAORDINARY" Field Agents are featured on the Company's websites, corporate social media channels, national advertisements and corporate brochures. The Company also routinely hosts recognition receptions where "EXTRAORDINARY" Field Agents are recognized (regionally and nationally) in the presence of the Company's clients.

Competitive Conditions

Our competitors operate in three principal industry markets: appraisal, title and closing, and insurance inspection markets. In the U.S., two of Real Matters' largest competitors are CoreLogic Inc. and Fidelity National Financial, Inc. ("**FNF**"). The major banks have largely exited the residential mortgage appraisals business by selling their captive AMC businesses over the last several years and have reallocated their volume to third party service providers. Management believes that the Company has three principal competitors in the Canadian home appraisal market: Nationwide Appraisal Services, Brookfield RPS and FNF Canada.

Competition in the U.S. title and closing industry is divided between a few large national title insurance underwriters who issue title policies directly to lenders and borrowers (including Fidelity National Title Company, First American Title Insurance Company, Stewart Title Guaranty Company and Old Republic Title), and many local independent title agents who collectively account for approximately 66% of the market.[19]

In Canada, the Company's competitors in the insurance inspection market include SCM Risk Management Services and smaller regional providers.

Our competitive strengths include:

- **The Company's technology cannot be easily replicated:** Real Matters has invested significantly to build its proprietary technology. Real Matters believes its technology creates a differentiated long-term competitive advantage to traditional service providers by addressing key issues within the mortgage lending and insurance industries. The Company follows a disciplined approach to software development and continuously invests in new technology innovations and functionality to enhance its technology. This disciplined software development model has allowed Real Matters to focus development costs into a single, robust technology offering that can be expanded to additional services.

- **Scalable Platform with significant network effect:** Real Matters believes it has a highly attractive and scalable business model derived from its Platform. The Company's significant independent Field Agent network, network management capabilities and technology are designed to accommodate foreseeable growth in clients and transaction volume for appraisals. Real Matters is also able to make cost effective investments to meet evolving regulatory and compliance requirements, further increasing the value proposition to its clients. The Company's source code is the same for all clients and when new features and functionalities are

[19] American Land Title Association consolidated financial statements as of September 30, 2017.

deployed, they are made available to all clients, as applicable. These advantages allow the Company to add new clients with limited incremental cost.

- **Large, blue-chip client base:** Real Matters' clients include more than 60[20] of the top 100[21] mortgage lenders in the U.S. Given its performance track record, the Company has developed deep, long-term client relationships that have proven to be loyal over time, with a client retention rate of approximately 95%.[22]

- **Established brand equity and loyalty with Field Agents:** The features and functionality of Real Matters' technology and its business model have allowed the Company to attract some of North America's best performing Field Agents. Field Agents are able to see scorecards and key performance indicators that they can use to increase productivity and compete for more business in the Company's marketplace. As a result, Real Matters has established a consistently strong track record of performance with clients, which has served to build loyalty to and brand equity of the Company in the Field Agent community. Real Matters believes it is able to put more money into the hands of its Field Agents than its competitors, further enhancing its brand equity.

- **Significant barriers to entry to new entrants and competitors:** Management believes that the sales cycle to become a service provider to Tier 1 mortgage lenders can take up to five years, as it includes a lengthy and rigorous process that involves multi-stage client engagement activities, including multiple audits. The Company's established relationships and associated volume with tens of thousands of Field Agents also presents a significant barrier to entry for new entrants and an advantage over existing competitors.

- **Established track record of profitable growth***:* Real Matters has grown both organically and through acquisitions. The Company has been Adjusted EBITDA positive since the fiscal year ended September 30, 2012.

- **Proven management team with deep industry knowledge:** Real Matters was founded in 2004 by Jason Smith and a team of proven technology industry entrepreneurs with deep expertise in the real estate, lending and insurance industries. Real Matters applies technology to key opportunities for improvement in the mortgage industry, in particular the speed, cost and efficiency of the underwriting process. The management team is composed of experienced professionals that have an average 20-year tenure in the mortgage and technology industries.

Sales Cycles and Seasonality

Mortgage unit volumes in North America are a key driver of the Company's financial performance. The Company's transaction-based revenues are impacted by the seasonality of the residential mortgage industry, with home owners typically purchasing more homes in the Company's fiscal third and fourth quarters, representing the three months ending June 30 and September 30, respectively. Mortgage unit volumes are also impacted by other factors such as interest rate fluctuations, refinancing rates, housing prices, the availability of funds for mortgage loans, credit requirements, regulatory changes, household indebtedness, employment levels and the general health of the North American economy. The Company's market share is impacted by the size of the residential mortgage market but also its clients' relative share of the mortgage origination market when compared to the overall size of the market. Gains or losses in mortgage origination market share by the Company's clients impacts Real Matters' overall market share. Most services are subject to multi-year or evergreen Master Service Agreements. These agreements do not have minimum unit volume guarantees. Instead, the Company relies on its ability to outperform competitors to increase its market share of transaction volumes with its clients.

For the financial year ended September 30, 2017, approximately 90% of the Company's revenues were generated in the U.S. For this reason, among others, the Company has elected to report its consolidated financial

[20] Based on having completed at least one transaction with Real Matters in the fiscal year ended September 30, 2017.
[21] Top 100 mortgage lenders according to *Inside Mortgage Finance website: Top 100 Mortgage Lenders (full year 2016).*
[22] Retention rate calculated since launch based on the number of clients who have completed at least one transaction with the Company in the fiscal year ended September 30, 2017. Based on those Real Matters clients listed on *Inside Mortgage Finance website: Top 100 Mortgage Lenders (full year 2016).*

results in U.S. dollars, although the Company's functional currency is the Canadian dollar. The Company does not hedge the impact foreign currency exchange fluctuations between the Canadian and U.S. dollar can have on our reported amounts of Canadian dollar denominated revenues and expenses.

Proprietary Protection

Real Matters protects its proprietary rights through a combination of copyright, trade-mark and trade secret laws as well as contractual provisions. The source code for its software is protected under Canadian and U.S. copyright laws.

Real Matters also seeks to avoid disclosure of its intellectual property and proprietary information by its practice of requiring employees and consultants to execute non-disclosure and assignment of intellectual property agreements. Such agreements require employees and consultants to assign to the Company all intellectual property developed in the course of their employment or engagement, as applicable. The Company also utilizes non-disclosure agreements to govern interaction with business partners and prospective business partners and other relationships where disclosure of proprietary information may be necessary.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

Our authorized share capital currently consists of an unlimited number of common shares. On September 30, 2017, we had 87,532,246 common shares outstanding, options to purchase up to 6,130,224 common shares and common share purchase warrants to purchase up to 1,731,518 common shares.

Common shareholders are entitled to one vote in respect of each common share held and receive dividends, as and when determined by the board of directors. In the event of the liquidation, dissolution or wind-up of the Company or other distribution of assets of the Company among shareholders for the purpose of winding-up the Company's affairs, common shares shall rank equally as to priority of distribution. Such distribution shall be made in equal amounts per common share on all the common shares outstanding without preference or distinction.

Preferred Shares

The board of directors has authority, without action by the common shareholders, to designate and issue an unlimited number of preferred shares in one or more series and to designate the rights, preferences and privileges of each series. The preferred shares of each series will rank on par with the preferred shares of every other series and, if so designated by the board of directors, will be entitled to preference over the common shares with respect to the payment of dividends and distribution of any assets in the event of the Company's liquidation, dissolution or wind-up. Where the Company does not pay cumulative dividends in full with respect to a series of its preferred shares, the shares of all series of the preferred shares will participate rateably with respect to the accumulated dividends in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full.

The issuance of preferred shares and the terms selected by the board of directors could decrease the amount of earnings and assets available for distribution to holders of common shares and/or adversely affect the rights and powers, including the voting rights, of common shareholders without any further vote or action by the shareholders. Any series of preferred shares issued by the board of directors could have priority over the common shares in terms of dividend or liquidation rights or both. The issuance of preferred shares, or the issuance of rights to purchase preferred shares, could make it more difficult for a third party to acquire a majority of our outstanding voting shares and thereby have the effect of delaying, deferring or preventing a change of control of the Company or an unsolicited acquisition proposal, and could make the removal of management more difficult. The Company has no current intention to issue any preferred shares.

Options

Real Matters has established an equity-based long-term incentive plan, or "**LTIP**", pursuant to which awards granted thereunder consist of stock options, restricted share units ("**RSU**") or performance share units ("**PSU**"). The Company's current intention is to only issue stock options as a long-term incentive and the Company has no intention to grant RSUs or PSUs at this time.

As at September 30, 2017, stock options to purchase an aggregate of up to 6,130,224 of our common shares were outstanding, of which, 4,511,419 were vested and exercisable. No other securities were outstanding under the LTIP as at September 30, 2017.

Warrants

The Company issued a number of special warrants ("**Special Warrants**") which are exchangeable into share purchase warrants ("**Purchase Warrants**") by the holders. All outstanding Special Warrants were automatically converted into Purchase Warrants on the completion of the Offering by the Company (among other events). All Purchase Warrants expire between two and five years following the date of the Company's IPO, May 11, 2017.

As at September 30, 2017, Purchase Warrants to acquire an aggregate of up to 1,731,518 common shares are outstanding, exercisable at a price of C$1.38 per share.

For additional details regarding our share capital, as well as our outstanding options and Warrants, please see notes 9, 10 and 15 to our consolidated audited annual financial statements for the years ended September 30, 2017 and 2016 (the "**Financial Statements**"), a copy of which is available for review under the Company's SEDAR profile at www.sedar.com.

DIVIDENDS AND DISTRIBUTIONS

Our Dividend Policy

Subject to the solvency restrictions in the *Canada Business Corporations Act*, there are no other restrictions in the Company's articles or elsewhere that would prevent us from paying dividends. All of the Company's common shares are entitled to an equal share in any dividends declared and paid.

The Company has never paid cash dividends to its shareholders to date. The Company currently intends to reinvest all future earnings in order to finance the development and growth of its business. As a result, the Company does not currently intend to pay dividends on its common shares in the foreseeable future. Any future determination to pay dividends will be at the discretion of the board of directors and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the board of directors deems relevant.

Dividends and Distributions

During the year ended September 30, 2017, the Company did not declare or pay any dividends or make any distributions on our common shares.

MARKET FOR SECURITIES

The Company's common shares are listed on the Toronto Stock Exchange, or TSX, under the symbol "REAL".

Trading Price and Volume

Trading in the Company's common shares over the facilities of the TSX commenced on May 11, 2017. The following table shows the range of high and low prices per common share as at the close of market (TSX) and total monthly volumes of shares traded on the TSX from May 11, 2017 to September 30, 2017.

	Price per Share		
Month	**High**	**Low**	**Total Volume**
May 2017(1)	C$15.00	C$12.16	4,790,126
June 2017	C$12.65	C$10.65	1,945,137
July 2017	C$10.88	C$8.72	597,287
August 2017	C$10.20	C$8.29	730,401
September 2017	C$11.37	C$8.37	883,138

Source: TMXMoney.com.

Note:
(1) Period from May 11, 2017 to May 31, 2017.

Prior Sales

Other than as set forth below, the Company did not issue any securities in the financial year ended September 30, 2017 that were not listed on the TSX.

An aggregate of 68,525 options were granted by the Company on September 30, 2016, each option being exercisable to acquire one common share at a price of C$8.00. An aggregate of 2,169,758 Class A shares were sold by certain Selling Shareholders pursuant to a secondary offering on November 1, 2016 at a price of C$10.50. An aggregate of 25,000 options were granted by the Company on November 7, 2016, each option being exercisable to acquire one common share at a price of C$10.50. An aggregate of 207,125 options were granted by the Company on December 15, 2016, each option being exercisable to acquire one common share at a price of C$10.50. All share numbers and dollar amounts in this paragraph have been adjusted to reflect the share consolidation effected by the Company on May 11, 2017.

On January 9, 2017, an aggregate of 749,998 Class A shares were issued by the Company for no consideration pursuant to the liquidity penalty provided for in connection with a private placement of Class A shares completed on February 24, 2016.

On February 24, 2017, an aggregate of 945,000 common shares were issued on the exercise of stock options at a price ranging from C$0.10 to C$0.34 per common share.

On May 11, 2017, the Company completed its IPO and a secondary offering by certain Selling Shareholders of an aggregate of 12,056,186 common shares at a price of C$13.00 per common share, for total gross proceeds of C$156,730,418, with Real Matters and the Selling Shareholders receiving gross proceeds of C$125,060,000 and C$31,670,418, respectively. Pursuant to the Offering, Real Matters issued 9,620,000 common shares from treasury and 2,436,168 commons shares were sold pursuant to the secondary offering by the Selling Shareholders.

On May 11, 2017, the Company awarded certain executive officers, directors and employees an aggregate of 1,325,299 stock options all having an exercise price of C$13.00 and expiring 10 years from the date of grant. The stock options granted to directors (202,550 in number) vested immediately on grant, while the balance of the options vest equally on their first, second and third anniversary dates of grant.

On May 17, 2017, the Company awarded certain employees an aggregate of 18,250 stock options. All the options granted vest equally on their first, second and third anniversary dates and expire on the 10th anniversary from the date of grant.

On August 15, 2017, the Company awarded certain employees an aggregate of 51,800 stock options. All the options granted vest equally on their first, second and third anniversary dates and expire on the 10th anniversary from the date of grant.

From May 11, 2017 to September 30, 2017, 673,917 warrants were exercised, of which, 434,783 were exercised through a cashless conversion, resulting in the issuance of 626,673 common shares.

Subsequent to the year ended September 30, 2017, on December 1, 2017, the Company awarded certain employees an aggregate of 117,000 stock options. All of the options granted vest equally on their first, second and third anniversary dates and expire on the 10th anniversary from the date of grant.

DIRECTORS AND OFFICERS

Directors and Officers

The following sets out, for each of our directors and executive officers, the person's name, province or state, and country of residence, position with the Company and principal occupation. The Company's directors are elected annually and hold office for a term expiring at the close of the next annual general meeting of shareholders or until their successors are elected or appointed. As at December 22, 2017, our executive officers and directors as a group beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 9,488,537 common shares, representing approximately 10.78% of our issued and outstanding common shares.

Name and Place of Residence	Position with Real Matters and Date First Appointed to the Board of Directors (if applicable)	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled(1)
Jason Smith Ontario, Canada	President and Chief Executive Officer, Director (November 23, 2004)	President and Chief Executive Officer of Real Matters	4,196,037 (4.77%)
William Herman Ontario, Canada	Executive Vice President and Chief Financial Officer	Executive Vice President and Chief Financial Officer of Real Matters	19,200 (0.02%)
Ryan Smith Ontario, Canada	Executive Vice President and Chief Technology Officer	Executive Vice President and Chief Technology Officer of Real Matters	140,509 (0.16%)
Nicholas Liuzza Jr. Rhode Island, U.S.	Executive Vice President, President (Solidifi Title & Closing, LLC)	President of Solidifi Title and Closing, LLC	1,157,923 (1.32%)
John Nathan Chandler Louisiana, U.S.	Executive Vice President, Chief Operating Officer (Solidifi Title & Closing, LLC)	Chief Operating Officer of Solidifi Title and Closing, LLC	766,603 (0.87%)

Nicolas Catros Ontario, Canada	General Counsel and Corporate Secretary	General Counsel and Corporate Secretary of Real Matters	Nil (0%)
Loren Cooke Ontario, Canada	Executive Vice President, President (Solidifi Corp.)	President of Solidifi Corp.	84,114 (0.1%)
Kim Montgomery Ontario, Canada	Executive Vice President	Executive Vice President of Real Matters.	1,538 (0%)
Craig Rowsell Ontario, Canada	Executive Vice President, Operations and Program Management (Solidifi Corp.)	Executive Vice President, Operations and Program Management of Solidifi Corp.	7,589 (0.01%)
Kevin Walton Ontario, Canada	Executive Vice President Corporate Development	Executive Vice President, Corporate Development of Real Matters	150,000 (0.17%)
Blaine Hobson(3) Ontario, Canada	Chairman of the Board of Directors (April 30, 2008)	Partner of Whitecap Venture Partners	336,227 (0.38%)
Robert Courteau(3) Ontario, Canada	Director (November 22, 2012)	Chief Executive Officer of Altus Group Limited	64,291 (0.07%)
Garry M. Foster(2) Ontario, Canada	Director (June 15, 2016)	Chief Executive Officer of Cortleigh Capital Inc. (2013 – present); Corporate Director; Chief Executive Officer of Baycrest Foundation (2013 – 2017); Vice Chairman of Deloitte (2006 – 2013)	20,192 (0.02%)
William T. Holland(3) Ontario, Canada	Director (November 7, 2016)	Executive Chairman of CI Financial Corp.	2,510,766 (2.85%)
Frank V. McMahon(2) California, U.S.	Director (June 15, 2016)	Founding Partner of American Discovery (2016 – present); President of McMahon Consulting (2014 – 2016); Executive Chairman of DataQuick Information (2011 – 2014)	12,500 (0.01%)
Lisa Melchior(2) Ontario, Canada	Director (February 13, 2017)	Founder and President of Vertu Capital	21,048 (0.02%)

Notes:
(1) Based on a total of 88,056,913 common shares outstanding as at December 22, 2017. Information as to the number of common shares beneficially owned, or over which control or direction is exercised, directly or indirectly, not being within the direct knowledge of the

Company, has been furnished by the respective directors and executive officers individually or obtained from the System for Electronic Disclosure by Insiders and may include common shares owned or controlled by spouses and/or children of such individuals and/or companies controlled by such individuals or their spouses and/or children.

(2) Member of the Audit Committee.

(3) Member of the Compensation Committee.

Biographies of Directors

Blaine Hobson: Mr. Hobson is a seasoned operator, manager and investor with more than 30 years of experience successfully starting, building and running companies. He has been a partner with Whitecap Venture Partners, a diversified early stage venture capital fund investing in high growth companies, since November 2003. Prior to that, Mr. Hobson was the CEO of several Whitecap Venture Partners investee companies, including Photonami Corp. and Avo Photonics Inc. Over the course of his career, he has successfully led a number of entrepreneurial ventures and teams in the automobile, manufacturing, medical supply, telecom and investment industries. Mr. Hobson originally joined Whitecap Venture Partners in 1995 as an Executive Vice President leading the Technology Practice, holding the role of "Entrepreneur in Residence". He holds a degree from the Ivey School of Business, University of Western Ontario. Mr. Hobson has been a director of the Company since April 30, 2008.

Robert Courteau: Mr. Courteau is an accomplished senior executive with extensive experience in leading new business initiatives and achieving growth objectives with some of the world's foremost companies. Mr. Courteau is the CEO of Altus Group Limited, a leading provider of independent advisory services, software and data solutions to the global commercial real estate industry. Most recently, he was President of SAP North America, a global market leader in enterprise application software, with other previous roles including COO of its Global Customer Operations. Prior to joining SAP, Mr. Courteau served as an Executive Vice President for EDS Corporation. Mr. Courteau has been an active board member of numerous North American not-for-profit organizations and has served on the boards of several publicly-traded organizations. Mr. Courteau graduated from Concordia University with a Bachelor of Commerce degree and also holds an Honorary Doctorate of Laws degree from Concordia University. Mr. Courteau has been a director of the Company since November 22, 2012.

William T. Holland: Mr. Holland is Executive Chairman of CI Financial Corp., Canada's third-largest investment fund management company. He joined CI Financial Corp. in 1989 and held several progressively senior positions before being appointed CEO in 1999. He became Chairman in September 2010. Mr. Holland is also a director of the Holland Bloorview Kids Rehabilitation Hospital Foundation. Mr. Holland is on the board of NEXJ Systems Inc., a public company which provides enterprise client relationship management solutions for the financial services, insurance and healthcare industries. Mr. Holland has been a director of the Company since November 7, 2016.

For biographies of Mr. Foster, Mr. McMahon and Ms. Melchior please see the discussion under the heading "Audit Committee - Relevant Education and Experience" below. For the biography of Mr. Smith, please see the discussion under the heading "Biographies of Executive Officers" below.

Biographies of Executive Officers

Jason Smith, President and Chief Executive Officer: Mr. Smith is a highly-regarded technology entrepreneur with more than 20 years of experience building and leading companies in North America. He is the founder, President and CEO of Real Matters. Prior to forming Real Matters, Mr. Smith was a founder, director and executive of Basis100, which he built from a handful of employees into one of the largest publicly-traded technology providers within the mortgage banking industry worldwide. Basis100 was sold in 2004. A leader in the community, Mr. Smith is a director of several corporations and organizations, and is Chairman of the Holland Bloorview Kids Rehabilitation Hospital Foundation. Mr. Smith has been a director of the Company since November 23, 2004.

William Herman, Executive Vice President and Chief Financial Officer: Mr. Herman has more than 20 years of experience in finance and accounting, and a proven track record of leadership in a public company environment. Mr. Herman joined Real Matters as Vice President of Finance and Chief Accounting Officer in September 2016. Prior to joining Real Matters, Mr. Herman was Executive Vice President and Interim Chief Financial Officer at Progressive Waste Solutions, a multi-billion dollar North American full-service waste management company, where he held various progressively senior management positions from 2002 to 2016. Prior to Progressive Waste Solutions, Mr. Herman held various positions with Deloitte & Touche LLP. Mr. Herman is a Chartered

Professional Accountant and has a Masters of Business Administration from York University's Schulich School of Business. He also holds a Diploma in Accounting and a Bachelor of Arts (Economics) Degree from Wilfred Laurier University.

Ryan Smith, Executive Vice President and Chief Technology Officer: Mr. Smith has more than 18 years of experience in mortgage technologies and a wealth of experience in driving high-growth, cross-company engineering initiatives and collaboration strategies that deliver mission critical business solutions. He joined Real Matters in 2006. Throughout his career, Mr. Smith has demonstrated experience in building solutions for the Canadian and U.S. mortgage industries and has gained extensive knowledge and involvement in real estate collateral assessment and mortgage processing. Mr. Smith has held various executive positions at multiple organizations within the industry. As Vice President at Basis100, Mr. Smith led business units responsible for point-of-sale applications designed for mortgage brokers as well as managing the development and implementation of an automated underwriting system for lending institutions. Mr. Smith also led the market requirements and delivery of a U.S. collateral assessment solution, which brought the leading automated valuation model and appraisal companies onto a single transaction platform.

Nicholas Liuzza Jr., Executive, Vice President, President (Solidifi Title and Closing, LLC): Mr. Liuzza is the President of Solidifi Title and Closing, LLC. As an innovator and a driving force behind Solidifi Title's technology strategy, he was responsible for building the company into one of the top independent title insurance agencies in the U.S. Mr. Liuzza has more than 20 years of experience as an entrepreneur, with a proven track record for driving growth and building leading market positions. In 2001, he founded New Age Nurses, a healthcare staffing company which he grew into a national provider of healthcare personnel services. Prior to that, Mr. Liuzza was Executive Vice President of AMICUS Legal Staffing, a national staffing services provider with a specialization in real estate transactions. Under his leadership, AMICUS Legal Staffing became one of the largest privately held legal staffing companies in the U.S. Mr. Liuzza started his career with Xerox Corporation in 1988.

John Nathan Chandler, Executive Vice President, Chief Operating Officer (Solidifi Title and Closing, LLC): Mr. Chandler is COO of Solidifi Title and Closing, LLC, where he leads operations, compliance and product implementation. Mr. Chandler joined Linear Title & Closing Ltd. in 2006 and was instrumental in launching multiple mortgage services technologies, while overseeing the company's growth from a start-up with 50 employees to a national provider with more than 400 employees and multiple office locations across the U.S. Mr. Chandler has 15 years of experience in the financial services industry. Prior to joining Linear Title & Closing Ltd., Mr. Chandler held various management positions with leading banks. Mr. Chandler holds a Bachelor of Science degree in Finance from Auburn University.

Nicolas Catros, General Counsel and Corporate Secretary: Mr. Catros has more than 20 years of experience as a commercial lawyer, including 10 years in private practice as a commercial generalist, with a focus on M&A and commercial transactions. Prior to joining Real Matters in 2015, Mr. Catros was a Partner at Goodman and Carr LLP in Toronto. Mr. Catros also served as General Counsel for two public companies, Cryptologic Limited (TSX, NASDAQ and LSE) and Points International Ltd. (TSX and NASDAQ), and is the former Senior Vice President of Business and Legal Affairs of Kobo Inc.

Loren Cooke, Executive Vice President, President (Solidifi Corp. and Solidifi US Inc): Mr. Cooke has 20 years of industry-related experience in promoting and deploying business solutions to the financial services market with an extensive focus on real estate valuation services, mortgage and loan origination technologies and data management. He joined Real Matters in 2008. Prior to joining Real Matters, Mr. Cooke held several senior management positions at Filogix Limited Partnership (a division of Davis & Henderson) and Equifax Inc. in the areas of sales and marketing, operations, client delivery and professional services.

Kim Montgomery, Executive Vice President: Ms. Montgomery leads the team responsible for extending Real Matters' core network operations management capabilities across new product verticals and aligning acquisitions. She joined the Company in 2008 and has been instrumental in building Solidifi's U.S. operations. With more than 15 years of experience in the mortgage lending industry, Ms. Montgomery has a proven track record of identifying and implementing new business practices and delivering high growth. Her diverse background includes leadership positions in sales, operations and compliance, and managing large teams across multiple geographies. Prior to joining Real Matters, Ms. Montgomery held a number of progressively senior roles at HSBC Financial Corp., including leading the virtual mortgage lending channel in Canada.

Craig Rowsell, Executive Vice President, Operations and Program (Solidifi Corp. and Solidifi US Inc.): Mr. Rowsell has more than 20 years of experience in helping build and deliver technology solutions for the mortgage industry. Prior to joining Real Matters in 2014, he served as Senior Vice President of Business Development & Marketing of FNF Canada Company. Mr. Rowsell also held senior management positions at Nationwide Appraisal Services and Teranet Inc. His industry experience includes various leadership roles in the mortgage processing and collateral management industry. During his career, Mr. Rowsell has been responsible for helping to build and deploy a national automated valuation model or AVM, third party risk management solutions, a mortgage collections platform and appraisal management solutions. He has been instrumental in delivering solutions to large institutional clients, forming strategic partnerships, driving operational excellence, leading corporate strategy, expanding core businesses into international markets and building new products and services.

Kevin Walton, Executive Vice President Corporate Development: Mr. Walton's industry experience spans over 16 years, including six years with a global property information services company where he was responsible for developing strategic partnerships, corporate strategy and acquisitions across North America and Europe. Mr. Walton joined Real Matters in 2007. Prior to joining Real Matters, he was active in the development of one of the first data-based, guaranteed valuation solutions in North America. Mr. Walton started his career in venture capital and merchant banking. Mr. Walton is a Chartered Financial Analyst.

Audit Committee

Under National Instrument 52-110 *Audit Committees*, or NI 52-110, we are required to include in this Annual Information Form the disclosure required under Form 52-110F1 with respect to the audit committee of the board of directors, including the composition of the audit committee, the text of the mandate of the audit committee (attached to this Annual Information Form as Appendix A), and the fees paid to our external auditor.

Composition of the Audit Committee

The following are the current members of the audit committee: Garry M. Foster (Chair), Frank V. McMahon and Lisa Melchior. Each member of the audit committee is independent and financially literate within the meaning of NI 52-110.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each audit committee member that is relevant to the performance of his or her responsibilities as an audit committee member is set forth below in their respective biographies.

Garry M. Foster: Mr. Foster is the CEO of Cortleigh Capital Inc., a private investment company, and a corporate director. He has served as President and CEO of the Baycrest Foundation, a charitable foundation that provides the financial resources necessary to support excellence in care, research and education related to aging, from 2013 to February 2017. He is the former Vice-Chair of Deloitte in Canada, a member of the Board of Trustees of SmartCentres REIT, Chair of the Board of Trustees of the Baycrest Foundation, Chair of the Presto subcommittee of Metrolinx, and a member of the Board of Directors of Payments Canada. Mr. Foster has worked with some of Canada's largest and most prestigious companies, advising them on governance, mergers, acquisitions and a wide range of financial activities. He is a Fellow Chartered Professional Accountant, holds a Bachelor of Business Administration and a Masters of Business Administration from the Schulich School of Business and an Institute of Corporate Directors designation certification from the Rotman School of Business. Mr. Foster has been a director of Real Matters since June 15, 2016.

Frank V. McMahon: Mr. McMahon has over 30 years of experience in the financial services industry. Mr. McMahon was Executive Chairman of DataQuick Information Systems, Inc. from 2011 until 2014 when the business was sold to CoreLogic Inc. Previously, he was Vice Chairman and CFO of First American Corporation, and CEO of the Information Solutions Group, LLC (renamed CoreLogic Inc. in 2010). Prior to 2006, he spent 20 years as an investment banker with Lehman Brothers Inc. and Merrill Lynch & Co., where he worked on more than 200 capital raising transactions and 70 strategic transactions. Mr. McMahon previously served on the boards of Decision Insight Information Group and First Advantage Corporation. Mr. McMahon holds a Masters of Business Administration from the Fuqua School of Business at Duke University and holds a Bachelor of Science degree in Economics from Villanova University. Mr. McMahon has been a director of the Company since June 15, 2016.

Lisa Melchior: Ms. Melchior is the founder and President of Vertu Capital. She has more than 20 years of experience in the North American technology sector. Ms. Melchior is a former Managing Director of OMERS Private Equity, where she led the North American Technology Investment Group. She joined OMERS Private Equity in 1999 following a career as an investment banker with CIBC World Markets, and was a key member of the management team that built a direct investing private equity business for OMERS. Ms. Melchior has been a director of the Company since February 13, 2017. Ms. Melchior holds a Bachelor of Arts from the University of Western Ontario and a Masters of Business from the Schulich School of Business at York University.

Reliance on Exemptions

The Company did not rely on any exemptions from the provisions of NI 52-110 during the year ended September 30, 2017.

Audit Committee Oversight

At no time since the commencement of our most recently completed financial year was a recommendation of our audit committee to nominate or compensate an external auditor not adopted by the board of directors.

Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as described in the mandate set out in Appendix A attached hereto.

The policy provides that the audit committee shall pre-approve any non-audit services to be provided by the firm of the independent auditors to the Company.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditor for audit fees in each of the last two fiscal years are approximately as follows:

Financial Year Ended	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
September 30, 2017	C$1,320,000	C$45,000	C$467,216	Nil
September 30, 2016	C$755,000	C$721,450	C$232,492	Nil

The nature of the category and description of fees is summarized below.

Audit fees. For the years ended September 30, 2017 and 2016, the fees disclosed in the table above under the item "Audit fees" represent fees billed for audit and review services performed in connection with the Company's consolidated financial statements, including translation into the French language. For the year ended September 30, 2017, audit fees include translation services for all financial statements included in the Company's prospectus into the French language and various accounting matters related to the Company's 2016 audited consolidated financial statements included in the prospectus.

Audit related fees. For the year ended September 30, 2017 the fees disclosed in the table above under the item "Audit related fees" represent fees to complete our Service Organization Control report and for the year ended September 30, 2016, represent IPO support services, along with fees related to assurance, due diligence and related services not included in audit services, including translation services, transfer pricing and fees related to the IPO.

Tax fees. These fees were for tax compliance services and tax advice and planning.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

To the best of the knowledge of the Company, no director or executive officer of the Company is, or was within ten years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including the Company), that: (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer: or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer. For the purposes hereof, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

Except as described below, to the best of the knowledge of the Company, no director or executive officer of the Company or, to the knowledge of the Company, shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company: (a) is, as at the date of this Annual Information Form, or has been within the ten years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

On May 25, 2015, while Blaine Hobson served as a director, IMRIS, Inc. and certain of its subsidiaries each filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code. The bankruptcy case was subsequently dismissed on September 26, 2016 following the disposition by IMRIS, Inc. of substantially all of its assets. Mr. Hobson is no longer a director of IMRIS, Inc. or any of its subsidiaries.

To the best of the knowledge of the Company, no director or executive officer of the Company or, to the knowledge of the Company, shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. A director who has a material interest in a matter before the board of directors or any committee on which he or she serves is required to disclose such interest as soon as the director becomes aware of it. In situations where a director has a material interest in a matter to be considered by the board of directors or any committee on which he or she serves, such director may be required to absent himself or herself from the meeting while discussions and voting with respect to the matter are taking place. Directors will also be required to comply with the relevant provisions of the CBCA regarding conflicts of interest.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among Real Matters and its directors, officers or other members of management as a result of their outside business interests except that certain of its directors and officers serve, and may in the future serve, as directors or officers of other companies and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

RISK FACTORS

The Company's business is subject to a variety of risks and special considerations. As a result, you should carefully consider the risks described below and the other information included in this Annual Information Form and any information gathered as a result of your own independent evaluation of the Company and its business before deciding to invest in our common shares. The following summary of "risk factors" does not purport to be exhaustive or to summarize all the risks that may be associated with purchasing or owning common shares of the Company. If any of the following risks actually occurs, the Company's business, financial condition and results of operations could suffer. In that case, the value of the common shares could decline and shareholders could lose all or part of your investment.

Risk Factors Related to Our Business

<u>Strategic</u>

The Company may not grow its market share in the residential mortgage appraisal business, with Tier 1 mortgage lender clients in particular, to the levels anticipated in the Company's long-term strategy targets.

The Company's long-term strategy targets are based on achieving a market share of the residential mortgage appraisal business of approximately 30% to 40% with its Tier 1 mortgage lender clients within five years of launch. The Company may not succeed in doing so with all, or any, of its Tier 1 mortgage lender clients. If the Company fails to do so, the Company's business, financial conditions and results of operations could be materially less successful than anticipated in the Company's long-term strategy targets. Decline in the mortgage origination market share of the Company's clients, and in particular its Tier 1 clients, will have a negative impact on the Company's appraisal market share.

The Company may not grow its market share in the U.S. title and closing market to the levels anticipated.

The Company, in 2016, acquired its title and closing business. The Company may not succeed in growing its market share in the U.S. title and closing market with lenders and specifically Tier 1 and Tier 2 clients. If the Company fails to do so, the Company's business, financial conditions and results of operations could be materially less successful than anticipated in the Company's long-term strategy targets. Decline in the mortgage origination market share of the Company's clients will have a negative impact on the Company's title and closing market share. The Company expects a large proportion of its future growth in title and closing to be refinance business from lenders. As such, the proportion of the mortgage origination market weighted between purchase and refinance may have an effect on the Company's overall market share.

Changes in economic conditions may result in fluctuations in demand for the Company's services and affect its operating results.

Uncertainty and negative trends in general economic conditions in Canada and the U.S. historically have created a difficult environment for companies in the lending and real estate industry. Many factors, including factors that are beyond the Company's control, may have a detrimental impact on its operating performance. These factors include, but are not limited to, general economic conditions, unemployment levels, interest rates, mortgage originations, business conditions including changes in the financial markets, a limited supply of mortgage funding, a decline in levels of home ownership and a reduction in the number of mortgage loans outstanding, energy costs as well as events such as natural disasters, acts of war, terrorism and catastrophes.

Revenues are generated from services the Company provides to the mortgage lending and insurance industries on a per-transaction basis and, as a result, a weak economy or housing market (including the level of real estate activity or the average price of real estate) may have a material adverse effect on the Company's business, financial condition and results of operations. The MBA Mortgage Finance Forecast Report of October 24, 2017 for the U.S. estimates a mortgage origination market of $2.1 trillion in 2016, $1.7 trillion in 2017, $1.6 trillion in 2018 and, 2019 and $1.7 trillion in 2020. The volume of mortgage origination and real estate transactions is highly variable and reductions in these transaction volumes could have a direct effect on the revenues generated by the Company.

There can be no assurance that economic conditions will remain favourable for the Company's business or that demand for its services by its clients will remain at current levels. Reduced demand for its services would negatively impact the Company's growth and revenue, and may inhibit its access to capital and negatively impact its profitability.

Increased dependence on larger industry clients will increase the Company's exposure to the loss of such clients.

The Company's largest clients are also the largest mortgage originators in the U.S. During the fiscal year ended September 30, 2017, Tier 1 mortgage lenders accounted for approximately 23.3% of the Company's consolidated revenues, and management expects this number to increase going forward. As a result, the Company expects to derive a high percentage of its revenues from a smaller base of larger clients. In addition, changes in the Company's relationship with one or more of its largest clients or the loss of all or a substantial portion of the business the Company derives from these clients could have a material adverse effect on the Company's business and results of operations. The Company may be disproportionately affected by declining revenues from, or loss of, a significant client.

Since part of the Company's efforts are targeted at larger industry clients, its sales cycle may become longer and more expensive, it may encounter pricing pressure and implementation challenges, and it may have to delay revenue recognition for some complex transactions, all of which could harm its business and operating results.

Part of the Company's business strategy is to target larger mortgage originators and lenders that handle greater volumes of loans. As the Company targets more of its efforts at larger clients, it could face greater costs, longer sales cycles, and less predictability in completing some of its sales. In this market, the client's decision to use the Company's services may be an enterprise-wide decision and, if so, this type of sale could require the Company to provide greater levels of education regarding the use and benefits of its services. In addition, larger clients may demand more complex integration, implementation services, and features. As a result of these factors, these sales opportunities may require the Company to devote greater sales support and professional services resources to individual clients, driving up costs and time required to complete sales and diverting its own sales and professional services resources to a smaller number of larger transactions, while potentially requiring it to delay revenue recognition on some of these transactions until the technical or implementation requirements have been met.

Growth may place significant demands on the Company's management and infrastructure.

The Company's growth has placed and may continue to place significant demands on its management and its operational and financial infrastructure. As its operations grow in size, scope and complexity, Real Matters will need to scale its infrastructure to offer the Company's Platform to an increasing number of clients. The expansion of its infrastructure will require the Company to commit financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. Continued growth could also strain the Company's ability to maintain reliable service levels for its clients, develop and improve its operational, financial and management controls, enhance its reporting systems and procedures and recruit, train and retain highly-skilled personnel. Managing the Company's growth will require expenditures and allocation of valuable management resources. Failure to effectively manage growth could result in difficulty or delays in deploying clients, declines in quality or client satisfaction, increases in costs, difficulties in introducing new features or other operational difficulties, and any of these difficulties could adversely impact the Company's business performance and results of operations.

The Company has incurred, and will continue to incur, increased costs and demands upon management as a result of complying with the laws and regulations affecting public companies, which could harm its operating results.

As a public company, the Company has incurred, and will continue to incur, significant legal, accounting, investor relations and other expenses that it did not incur as a private company, including costs associated with public company reporting requirements. The Company has incurred and will continue to incur costs associated with current corporate governance requirements, including requirements implemented by the OSC and the TSX. The Company's compliance with these rules and regulations to have increased its legal and financial compliance costs substantially and have made some activities more time-consuming and costly. The Company's management team may not successfully or efficiently manage the Company's being a public company subject to significant regulatory oversight and reporting obligations under Canadian securities laws. In particular, these obligations require substantial attention from the Company's management team and could divert their attention away from the day-to-day management of the Company's business. The Company has incurred higher costs to obtain director and officer liability insurance and that it may be more difficult for the Company to attract and retain qualified individuals to serve on its board of directors or as its executive officers.

If the Company is unable to successfully develop or acquire and sell enhancements and new services, its revenue growth will be harmed and the Company's competitive position could be negatively affected.

The Company's ability to attract new clients and increase revenue from existing clients will depend in large part on its ability to successfully develop, bring to market and sell its existing services and new services that effectively respond to client needs. Any enhancements or new services that the Company develops or acquires may not be introduced to the market in a timely or cost-effective manner and may not achieve the broad market acceptance necessary to generate the revenue required to offset the operating expenses and capital expenditures related to development or acquisition. If the Company is unable to develop or acquire and sell enhancements and new services that keep pace with the industry and client needs in a timely fashion, the Company's revenue will not grow as expected and it may not be able to meet profitability expectations.

The Company incurs expenses and expends resources up front to develop, acquire and market new services and technology enhancements to incorporate additional features, improve functionality or otherwise make the Company's Platform more desirable to its Field Agents and clients. New services or the Company's Platform enhancements must achieve high levels of market acceptance in order for the Company to recoup its investment in developing and bringing them to market.

Any new services and changes to the Company's Platform could fail to attain sufficient market acceptance for many reasons, including, without limitation, the following:

- the Company's failure to predict market demand accurately and supply services that meet this demand in a timely fashion;
- clients using the Company's Platform may not like, find useful or agree with any changes;
- defects, errors or failures in the Company's technology;
- negative publicity about the Company's services or the Company's Platform performance or effectiveness;
- delays in releasing to the market new services or the Company's Platform enhancements; and
- the introduction or anticipated introduction of competing services by the Company's competitors.

If the Company's new services or the Company's technology enhancements do not achieve adequate acceptance in the market, its competitive position, revenue and operating results could be harmed. The adverse effect on the Company's financial results may be particularly acute because of the significant development, marketing, sales and other expenses the Company will have incurred in connection with the new services or enhancements.

The Company derives a substantial portion of its revenue from a limited number of the Company's services and failure to maintain demand for these services or diversify its revenue base through increasing demand for the Company's other services could negatively affect its operating results.

Historically, a majority of the Company's revenue was derived from the sales of appraisal and title and closing services. If the Company is unable to develop enhancements to these services to maintain demand for these services or to diversify its revenue base by increasing demand for its other services, the Company's operating results could be negatively impacted.

The Company operates in a competitive business environment and, if the Company is unable to compete effectively, it could have a material adverse effect on the Company's business, financial condition and results of operations.

The markets for the Company's services are intensely competitive and competitors vary in size and in the scope and breadth of the services they offer. Some of the Company's competitors may have substantial resources and have been in business longer. In addition, the Company expects that the markets in which it competes will continue to attract new competitors and new technologies. There can be no assurance that the Company will be able to compete successfully against current or future competitors or that the competitive pressures the Company faces in the markets in which it operates will not have a material adverse effect on its business, financial condition and results of operations.

Further, because many of the Company's larger clients have historically developed their key processing applications in-house and therefore view their system requirements from a make-versus-buy perspective, the Company often competes against its potential clients' in-house capacities. For banks and other potential clients, switching from an internally designed system to an outside service provider, or from one service provider of mortgage processing services to a new service provider, is a significant undertaking. These potential clients worry about potential disadvantages such as loss of custom functionality, increased costs and business disruption. As a result, these potential clients often resist change. There can be no assurance that the Company's strategies for overcoming potential clients' reluctance to change will be successful, and if they are unsuccessful, it could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may not be able to successfully consummate or integrate acquisitions, which may harm the Company's ability to develop and grow its business and operations.

One of the Company's strategies to grow its business is to opportunistically acquire complementary businesses, technologies and services. This strategy will depend on the Company's ability to find suitable acquisitions and finance them on acceptable terms. The identification of suitable acquisition candidates can be difficult, time-consuming and costly, and the Company may not be able to complete acquisitions successfully. The Company may require additional debt or equity financing for future acquisitions. Raising additional capital for acquisitions through debt financing would result in increased interest expense and may involve agreements that include covenants limiting or restricting the Company's ability to take certain actions, such as incurring additional debt, making capital expenditures or declaring dividends. If the Company raises additional capital for acquisitions through equity financing, the ownership interests of existing shareholders will be diluted.

If the Company is unable to acquire suitable acquisition candidates, it may experience slower growth. Further, even if the Company successfully completes acquisitions, it will face challenges in integrating any acquired business. These challenges include eliminating redundant operations, facilities and systems, coordinating management and personnel, retaining key employees, managing different corporate cultures and achieving cost reductions and cross-selling opportunities. Additionally, the acquisition and integration processes may disrupt the Company's business and divert management attention and its resources. If the Company fails to successfully integrate acquired businesses, services, technologies and personnel, it could impair relationships with employees, clients and strategic partners, distract management attention from the Company's core businesses, result in control failures and otherwise disrupt the Company's ongoing business, any of which could have a material adverse effect on its business, financial condition and results of operations. The Company also may not be able to retain key management and other critical employees after an acquisition. In addition, the Company may be required to record future charges for impairment of goodwill and other intangible assets resulting from such acquisitions.

The Company's profitability may be impacted by gains or losses on any sales of businesses, or lost operating income or cash flows from such businesses. The Company also may be required to record asset impairment or restructuring charges related to divested businesses, or indemnify buyers for liabilities, which may reduce its profitability and cash flows. The Company may also be unable to negotiate such divestitures on terms acceptable to it. If the Company is unsuccessful in divesting such businesses, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Negative publicity could result in a decline in the Company's client growth and its business could suffer.

There has been a marked increase in the use of social media platforms and similar channels, including weblogs (blogs), social media websites and other forms of Internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability and impact of information on social media platforms is virtually immediate and the accuracy of such information is not independently verified. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. The Company's reputation is very important to attracting new clients and Field Agents to the Company's Platform as well as selling additional services to existing clients. While the Company believes that it has a good reputation and that it provides its clients with a superior experience, there can be no assurance that the Company will continue to maintain a good relationship with its clients or avoid negative publicity. Any damage to the Company's reputation, whether arising from its conduct of business, negative publicity, regulatory, supervisory or enforcement actions, matters affecting its financial reporting or compliance with the OSC and TSX listing requirements, security breaches or otherwise could have a material adverse effect on its business.

The Company's risk management efforts may not be effective.

The Company could incur substantial losses and its business operations could be disrupted if the Company is unable to effectively identify, manage, monitor and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk and other market-related risk, as well as operational risks related to its business, assets and liabilities. The Company's risk management policies, procedures and techniques may not be sufficient to identify all of the risks the Company is exposed to, mitigate the risks that the Company has identified or identify concentrations of risk or additional risks to which the Company may become subject in the future.

The Company may not be successfully able to integrate Linear (now Solidifi Title and Closing, LLC), which could have a material adverse effect on the Company's business, financial condition and results of operations.

In April 2016, the Company acquired Linear (now Solidifi Title and Closing, LLC ("**Solidifi Title**"), a traditional full-service title and closing business with a national U.S. footprint. The Company plans to leverage Solidifi Title's deep industry knowledge to bring the Company's Platform to the title and closing market, targeting Tier 1 and Tier 2 mortgage lenders. The Company may face challenges integrating Solidifi Title, and may be subject to the risks described in more detail below. If the Company is unable to successfully integrate Solidifi Title, it could have a material adverse effect on the Company's business, financial condition and results of operations.

<u>Operational</u>

Failure to adequately protect the Company's Technology Infrastructure against data corruption, privacy breaches, cyber-based attacks or network breaches could have a material adverse effect on the Company's business.

The Company is highly dependent on its Technology Infrastructure to securely process, transmit and store electronic information. Certain confidential information resides on the third party hosted data centre servers and is transmitted over the Company's network. Real Matters relies on encryption and authentication technology licensed from third parties to effect secure transmission of confidential information, including personal information and credit card numbers. Advances in computer capabilities, new discoveries in the field of cryptography or other developments may result in a compromise or breach of the technology used by the Company to protect confidential information. Servers may also be vulnerable to computer viruses, break-ins and similar disruptions from unauthorized tampering with the Company's and/or a third party's computer systems, which could lead to a loss of critical data or the unauthorized disclosure of confidential information.

If the Company is unable to prevent such security or privacy breaches, its operations could be disrupted, or the Company may suffer loss of reputation, financial loss, risk of litigation and other regulatory penalties because of lost or misappropriated information, including sensitive consumer data. In addition, if the Company's security measures fail to protect credit and debit card information adequately, the Company could be liable to its clients for their losses. The Company may need to expend significant resources to protect against and remedy any potential security breaches and their consequences.

Likewise, the Company's clients are increasingly imposing more stringent contractual obligations on the Company relating to its information security protections. If the Company is unable to maintain protections and processes at a level commensurate with that required by its large clients, it could negatively affect the Company's relationships with those clients and harm its business.

There are Canadian, U.S. and foreign laws regarding privacy and the storing, sharing, use, handling, maintenance, disposal, transmittal, disclosure and protection of personally identifiable information and sensitive data. Specifically, personally identifiable information is increasingly subject to legislation and regulations to protect the privacy of personally identifiable information that is collected, processed and transmitted. Any violations of these laws and regulations may require the Company to change its business practices or operational structure, address legal claims and sustain monetary penalties and/or other harms to its business.

The regulatory framework for privacy issues in Canada, the U.S. and abroad is constantly evolving and is likely to remain uncertain for the foreseeable future. The interpretation and application of such laws is often uncertain and such laws may be interpreted and applied in a manner inconsistent with its current policies and practices or require changes to the features of the Company's Platform. If either the Company or its third party service providers are unable to address any privacy concerns, even if unfounded, or to comply with applicable laws and regulations, including but not limited to the Personal Information Protection and Electronic Documents Act (Canada) and the Gramm-Leach-Bliley Act (U.S.), it could result in additional costs and liability, damage the Company's reputation and harm its business.

Material defects or errors in the Company's Technology Infrastructure could harm the Company's reputation, result in significant costs to the Company and impair its ability to sell its services.

Software developed for the Company's technology can contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced. Despite internal testing, the Company's technology may contain serious errors or defects that cause performance problems or service interruptions, security vulnerabilities or software bugs that the Company may be unable to successfully correct in a timely manner, or at all, which could result in:

- a reduction in new sales;
- unexpected sales credits or refunds to the Company's clients, loss of clients and other potential liabilities;
- delays in client payments, increasing the Company's collection reserve and collection cycle;
- diversion of development resources and associated costs;
- harm to the Company's reputation and brand; and
- unanticipated litigation costs.

System interruptions that impair access to the Company's technology could damage the Company's reputation and brand and substantially harm its business.

The satisfactory performance, reliability and availability of the Company's technology, its website and network infrastructure (collectively, the "**Technology Infrastructure**") are critical to the Company's reputation and its ability to attract and retain clients and Field Agents.

Any system interruption that results in the unavailability of the Company's Technology Infrastructure or impairs access could result in interruption of business operations, loss of clients, diversion of technical and other resources, negative publicity, damage to the Company's reputation and brand and cause its business and operating results to suffer. Any one or more of the foregoing occurrences could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may experience temporary system interruptions for a variety of reasons, including network failures, power failures, software errors or an overwhelming number of users trying to access its network during periods of strong demand. In addition, the Company's primary data centres are hosted by third party service providers over which the Company has little control.

Real Matters depends on third party service providers to provide continuous and uninterrupted access to the elements of the Technology Infrastructure. The Company does not control their performance, which may make the Company's operations vulnerable to their performance failures. In addition, if for any reason the Company's relationship with any such third party were to end, it would require a significant amount of time to transition the hosting of the Company's data centres to a new third party service provider. Because the Company is dependent on third parties for the implementation and maintenance of certain aspects of its systems and because some of the causes of system interruptions may be outside of its control, Real Matters may not be able to remedy such interruptions in a timely manner, if at all. As the Company relies heavily on its servers, computer and communications systems and the

Internet to conduct its business, any system disruptions could negatively impact its ability to run its business and either directly or indirectly disrupt its clients' businesses, which could have an adverse effect on the Company's business.

The Company's business is subject to the risks of earthquakes, fires, floods and other natural catastrophic events and to interruption by man-made problems such as terrorism.

The Company's systems and operations, including its primary data centres which are hosted by third party services providers, are vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war and similar events. For example, a significant natural disaster, such as an earthquake, fire or flood, could have a material adverse impact on the Company's business, operating results and financial condition and its insurance coverage may be insufficient to compensate the Company for losses that may occur. Acts of terrorism, which may be targeted at metropolitan areas which have higher population density than rural areas, could cause disruptions in the Company's or its clients' businesses or the economy as a whole. Real Matters may not have sufficient protection or recovery plans in certain circumstances, such as natural disasters affecting any area in which its data centres are located, and its business interruption insurance may be insufficient to compensate the Company for losses that may occur.

The effort, time and expense associated with switching from competitors' software and services to that of the Company's may limit the Company's growth.

The costs for a mortgage lender to switch providers of technology, data and analytics services can be significant and the process can sometimes take 12 to 18 months or more to complete. As a result, potential clients may decide that it is not worth the time and expense to begin using the Company's services, even if the Company offers competitive and economic advantages. If the Company is unable to convince these clients to switch to its software and services, the Company's ability to increase market share will be limited, which could have a material adverse effect on its business, financial condition and results of operations.

Failure to adapt to technological changes may render the Company's technology obsolete or decrease the attractiveness of its services to its clients and Field Agents.

If new industry standards and practices emerge, or if competitors introduce new services or technologies, the Company's technology may become obsolete. The Company's future success will depend on its ability to, amongst other things:

- enhance its existing services;
- develop new services and technologies that address the needs of its existing and prospective clients; and
- respond to changes in industry standards and practices on a cost-effective and timely basis.

The Company must continue to enhance the features and functionality of its technology. These initiatives carry the risks associated with any new service development effort, including cost overruns, delays in delivery and performance issues. The effective performance, reliability and availability of the Company's technology infrastructure are critical to its reputation and its ability to attract and retain clients and Field Agents. There can be no assurance that the Company will be successful in developing, marketing and selling new services and services that meet changing client demands, and that the Company will not experience difficulties in achieving market acceptance. If the Company does not continue to make investments in software development and, as a result, or due to other reasons, fails to attract new and retain existing mortgage originators, lenders, investors and service providers, the Company may lose existing Field Agents, which could significantly decrease the value of the Company's Platform to all participants.

As a result, the Company is subject to the risks inherent in the development and integration of new technologies, including defects or undetected errors in technology services, difficulties in installing or integrating Company technology on platforms used by clients or Field Agents, or other unanticipated performance, stability and compatibility problems. Any of these problems could result in material delays in the introduction or acceptance of the Company's services, increased costs, decreased client satisfaction, breach of contract claims, harm to industry reputation and reduced or delayed revenues. If the Company is unable to deliver new services or upgrades or other enhancements to its existing services on a timely and cost-effective basis, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Failing to maintain Field Agent engagement could limit the Company's ability to grow.

The Company relies on independent Field Agents to provide residential mortgage appraisals, title and closing services and insurance inspection services to its clients. The Company's ability to build and maintain good working relationships with Field Agents (which includes appraisers, real estate brokers, lawyers, notaries and closing agents) in multiple geographies and who have a diverse skill set capable of addressing a variety of real estate property types, is essential to the success of its business. Failure to recruit, onboard and maintain an adequate number of Field Agents on its network could have a material adverse impact on the Company's ability to grow its share of business with existing clients, to attract new clients and to offer new services. This could in turn impact the Company's financial results.

Some of the Company's services and technologies may use "open source" software, which may restrict how it uses or distributes the Company's services or require that the Company release the source code of certain services subject to those licenses.

Some of the Company's services and technologies may incorporate software licensed under so-called "open source" licenses. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Additionally, open source licenses typically require that source code subject to the license be made available to the public and that any modifications or derivative works to open source software continue to be licensed under open source licenses. These open source licenses typically mandate that proprietary software, when combined in specific ways with open source software, become subject to the open source license. If the Company combines its proprietary software with open source software, it could be required to release the source code of its proprietary software.

The Company has processes in place to guard against its proprietary software being combined with, or incorporating, open source software in ways that would require its proprietary software to be subject to an open source license. However, relatively few courts have interpreted open source licenses in different jurisdictions, and the manner in which these licenses may be interpreted and enforced is therefore subject to some uncertainty. Additionally, the Company relies on multiple software programmers to design its proprietary technologies, and although the Company takes steps to prevent its programmers from including open source software in the technologies and software code that they design, write and modify, the Company does not exercise complete control over the development efforts of its programmers, and the Company cannot be certain that its programmers have not incorporated open source software into its proprietary services and technologies or that they will not do so in the future. In the event that portions of the Company's proprietary technology are determined to be subject to an open source license, the Company could be required to publicly release the affected portions of its source code, re-engineer all or a portion of its technologies, or otherwise be limited in the licensing of the Company's technologies, each of which could reduce or eliminate the value of its services and technologies and materially and adversely affect the Company's business, results of operations and prospects.

If the Company cannot maintain its corporate culture, the Company could lose valuable qualities from its workforce.

The Company believes that its corporate culture and four core values, being passion, innovation, caring and excellence, are critical components of its success. As the Company continues to grow, the Company may find it difficult to maintain these valuable aspects of its corporate culture. Failure to preserve its corporate culture could negatively impact the Company's future success, including its ability to attract and retain employees, encourage innovation and teamwork and effectively focus on and pursue its corporate objectives.

Real Matters depends on key and highly-skilled personnel to operate its business and if the Company is unable to retain its current, or hire additional, personnel, its ability to develop and successfully market its business could be harmed.

The Company believes its future success will depend in large part upon its ability to attract and retain highly skilled managerial, technical, finance, creative and sales and marketing personnel. Moreover, management believes that the Company's future success is highly dependent on the contributions of its senior officers. The loss of any key employees or the Company's inability to attract or retain qualified personnel could delay the development and introduction of, and harm its ability to sell, its services and harm the market's perception of Real Matters. Qualified individuals are in high demand and the Company may incur significant costs to attract and retain them.

Real Matters may be unable to attract and retain suitably qualified individuals who are capable of meeting its growing sales, operational and managerial requirements, or may be required to pay increased compensation in order to do so. If the Company is unable to attract and retain the qualified personnel it needs to succeed, its business will suffer. If the Company grows, the number of people it needs to hire will increase. The Company will also need to increase its hiring if it is not able to maintain its attrition rate through current recruiting and retention policies.

Legal and Compliance

The Company is subject to various governmental regulations, and a failure to comply with governmental regulations or changes in these regulations could result in penalties, restrict operations or make it more burdensome to conduct operations, which would have a negative effect on the Company's business and operations.

Laws and regulations may affect the Company's domestic and U.S. operations in a number of areas. The U.S. laws and regulations that affect the Company's activities include, but are not limited to, areas of appraiser independence, customary and reasonable fees disclosure, consumer protection, real estate, anti-corruption, anti-bribery, anti-money laundering, conflict of interest, unfair lending practices, labour, billing, e-commerce, promotions, quality of services, telecommunications, mobile communications and media, intellectual property ownership and infringement, tax, import and export requirements, foreign exchange controls and cash repatriation restrictions, privacy and data privacy requirements, anti-competition, environmental health and safety, advertising and digital content. The Company's failure to comply with applicable laws and regulations could restrict its ability to provide certain services or result in the imposition of civil fines and criminal penalties, substantial regulatory and compliance costs, litigation expense, adverse publicity and loss of revenues.

The residential mortgage market in which the Company operates is highly regulated, particularly in the U.S. where multiple levels of regulatory oversight exist, including federal banking regulators, state appraiser boards and state insurance boards. The Company's activities are currently subject to examination by both federal and state regulators and the Company believes the level of examination and oversight may increase in the future. If the Company is unable to adapt its services to conform to the new laws and regulations, or if these laws and regulations have a negative impact on the Company's clients, the Company's business and results of operations could be negatively affected.

Compliance with these laws, regulations and similar requirements may be onerous and expensive, and they may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance. A failure of the Company's services or a failure to appropriately update its services to reflect and comply with changes to existing laws or regulations or with new laws or regulations may contribute to violations by the Company's clients of such laws and regulations. If the Company's services fail to address relevant laws and regulations, it could be subject to claims by clients as well as potential claims by borrowers or government agencies. Such claims could result in substantial cost and the Company could incur judgments to enter into settlements of claims that could have a material adverse effect on its business and operating results. This increases the costs of doing business, and any such costs which may arise in the future as a result of changes in these laws and regulations or in their interpretation could individually or in the aggregate make the Company's services less attractive to its clients, limit the manner in which business is conducted, delay the introduction of new services in one or more regions, or cause the Company to change or limit its business practices. Furthermore, failure of the Company's services and services to address relevant laws and regulations could result in negative publicity, damage its reputation and brand, hinder its ability to enroll new clients and cause the loss of current clients, all of which could substantially harm the Company's business and operating results.

Alternatively, it is possible that regulatory oversight of the residential mortgage market may, in the future, be scaled back. Any change or reduction in the existing regulations may affect the barriers to entry that the current regulatory environment pose in certain of the Company's business segments, which could have an adverse effect on the Company's business, financial conditions and results of operations.

The Company operates licensed entities at the state level in both the mortgage appraisal and title and closing markets. As such, it is required to maintain these licenses in good standing; failure to do so may impact the Company's ability to operate in one or more jurisdictions.

The Company has implemented policies and procedures designed to ensure compliance with these laws and regulations, but there can be no assurance that the Company's employees, contractors, or agents will not violate Company policies and procedures designed to ensure compliance with such laws and regulations.

The Company's business is subject to the risks of U.S. operations.

The Company derives a substantial portion of its revenue and earnings from its U.S. operations. Compliance with applicable U.S. laws and regulations, such as import and export requirements, anti-corruption laws, tax laws, foreign exchange controls and cash repatriation restrictions, data privacy requirements, environmental laws, labour laws and anti-competition regulations, increases the costs of doing business in the U.S. Although the Company has implemented policies and procedures to comply with these laws and regulations, a violation by the Company's employees, contractors or agents could nevertheless occur. As a Canadian domiciled entity, changes in the applicable U.S. laws and regulations could have a material impact on the Company.

Field Agent work product liability.

The Company manages a network of independent Field Agents who produce work products such as appraisal reports that lenders rely on to make underwriting decisions. Should the Field Agent produce work that is defective and results in the lender or insurer incurring a financial loss, lenders or insurers may choose to seek indemnification.

In certain contracts, the Company accepts liability for defects of an independent Field Agent's work product, and as such these lenders or insurers may choose to seek indemnification from the Company directly. In the event a lender or insurer seeks recourse from the Company, the Company can in turn seek recourse from the Field Agent, as its contracts with Field Agents require the Field Agent to indemnify the Company in these circumstances. In addition, the Company requires that Field Agents in its network maintain errors and omissions insurance to ensure they have the financial means of indemnifying the Company.

Reclassification of exempt employees and Field Agents.

The Company classifies its employees as exempt or non-exempt for the purpose of determining certain entitlements therefor, including the entitlement to receive overtime pay. The Company also engages thousands of Field Agents as independent contractors. A reclassification of any such individuals by a court or regulatory or tax authority having jurisdiction over the Company could subject the Company to the payment of additional compensation and taxes, interest and penalties in respect of past periods or future periods where the Company is found to be non-compliant, and could have an adverse effect on the Company's business, financial condition and results of operation and could negatively impact the Company's operating model going forward.

If tax laws change or the Company experiences adverse outcomes resulting from examination by the tax authorities of its income tax returns, the Company's results of operations could be adversely affected.

The Company is subject to federal, provincial, state and local income taxes in Canada and in foreign jurisdictions. The Company's future effective tax rates and the value of its deferred tax assets could be adversely affected by changes in tax laws. In addition, the Company is subject to the examination of its income tax returns by the Canadian Revenue Agency and other tax authorities, including the U.S. Internal Revenue Service. The Company regularly assesses the likelihood of adverse outcomes resulting from such examinations to determine the adequacy of its provision for income tax. Significant judgment is required in determining the Company's worldwide provision for income taxes. Although the Company believes it has made appropriate provisions for taxes in the jurisdictions in which it operates, changes in the tax laws or challenges from tax authorities under existing tax laws could adversely affect the Company's business, financial condition and results of operations.

Current or future litigation could substantially harm the Company's business.

The Company is not currently involved in any material litigation; however, it may be involved in legal proceedings, claims and other litigation in the future.

Furthermore, Real Matters may be subject to various legal proceedings and claims arising out of the ordinary course of business. While management does not expect the outcome of any such litigation to have a material adverse effect on the Company's financial position or results of operations, litigation is unpredictable and excessive verdicts, both in the form of monetary damages and injunctions, could occur. In the future, litigation could result in substantial costs and diversion of resources and the Company could incur judgments or enter into settlements of claims that could have a material adverse effect on its business. Insurance may not cover such investigations and claims, may not be sufficient for one or more such investigations or claims and may not continue to be available on acceptable terms. An investigation or claim brought against the Company could also result in unanticipated costs and reputational harm.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

In order to protect the Company's technologies and processes, the Company relies in part on confidentiality agreements with its employees, licensees, independent contractors and other advisors. These agreements may not effectively prevent disclosure of confidential information, including trade secrets, and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover the Company's trade secrets and proprietary information, and in such cases the Company could not assert any trade secret rights against such parties. To the extent that the Company's employees, contractors or other third parties with whom it does business use intellectual property owned by others in their work for the Company, disputes may arise as to the rights in related or resulting know-how and inventions. The loss of trade secret protection could make it easier for third parties to compete with the Company's services by copying functionality. In addition, any changes in, or unexpected interpretations of, intellectual property laws may compromise the Company's ability to enforce its trade secret and intellectual property rights. Costly and time-consuming litigation could be necessary to enforce and determine the scope of the Company's proprietary rights, and failure to obtain or maintain protection of its trade secrets or other proprietary information could harm the Company's business, results of operations, reputation and competitive position.

If the Company's services are found to infringe on the proprietary rights of others, the Company may be required to change its business practices and may also become subject to significant costs and monetary penalties.

As the Company continues to develop and expand its services, the Company may become increasingly subject to infringement claims from third parties such as software providers or suppliers of data. Likewise, if the Company is unable to maintain adequate controls over how third party software and data are used, the Company may be subject to claims of infringement. Any claims, whether with or without merit, could:

- be expensive and time consuming to defend;
- cause the Company to cease making, licensing or using applications that incorporate the challenged intellectual property;
- require the Company to redesign its applications;
- divert management's attention and resources; and
- require the Company to enter into royalty or licensing agreements in order to obtain the right to use necessary technology.

Any one or more of the foregoing outcomes could have a material adverse effect on the Company's business, financial condition and results of operations. Additionally, the Company may be liable for damages for past infringement if a court determines that the Company's software or technologies infringe upon a third- party's patent or other proprietary rights.

The Company's insurance coverage reserves may not cover future claims.

The Company maintains various insurance policies for general liability, specialty professional liability, workplace safety and property damage. The Company has third party insurance coverage to limit exposure for both individual and aggregate claim costs. The Company is also responsible for losses up to a certain limit for general liability, specialty professional liability and property damage insurance.

The Company's history of claims experience is short and its significant growth rate could affect the accuracy of estimates based on historical experience. If a greater amount of claims occur compared to what the Company estimated, its accrued liabilities might not be sufficient and it may be required to record additional expenses. Unanticipated changes may also produce materially different amounts of expenses than reported under these programs, which could adversely impact the Company's results of operations.

As noted above, the Company's failure to comply with federal, state, provincial and foreign laws regarding privacy and protection of data could lead to significant fines and penalties imposed by regulators, as well as claims by the Company's clients. In addition, if the Company's security measures fail to protect credit and debit card information adequately, the Company could be liable to its clients for their losses. There can be no assurance that the limitations of liability in the Company's contracts would be enforceable or adequate or would otherwise protect the Company from any such liabilities or damages with respect to any particular claim. The Company also cannot be sure that its existing general liability insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or will be available in sufficient amounts to cover one or more large claims, or that the Company's insurers will not deny coverage as to any future claim. The successful assertion of one or more large claims against the Company that exceeds its available insurance coverage, or changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on the Company's business, financial condition and results of operations.

Failure to adequately protect its intellectual property could harm the Company's business.

The protection of the Company's intellectual property rights, including its technology, is crucial to the success of its business. The Company relies on a combination of copyright, trademark and trade secret law and contractual restrictions to protect its intellectual property. The Company may, in the future, obtain patents for elements of its intellectual property, where appropriate. The Company's intellectual property rights, including future patents, may provide only limited protection for its technology and may not be sufficient to provide competitive advantage to the Company. Furthermore, management cannot provide assurance that any patents will be issued to the Company as a result of any future patent applications, or that any issued patents will be valid or enforceable. Real Matters also relies in part on confidentiality and intellectual property assignment agreements with its employees, independent contractors and consultants. Despite the Company's efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of the Company's Platform and functionality or obtain and use information that the Company considers proprietary. Policing the Company's proprietary rights is difficult and may not always be effective.

Real Matters has registered the Real Matters trademark in Canada and the U.S. Real Matters has also registered the iv3 trademarks in Canada but not yet applied for these marks in the U.S. Competitors may adopt service names similar to its own, thereby impeding the Company's ability to build brand identity and possibly leading to client confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of the terms "Real Matters", "Solidifi" or the Company's other trademarks.

Litigation before the courts or proceedings before the Canadian and/or U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in Canada and the U.S. may be necessary in the future to enforce the Company's intellectual property rights, protect its patent and copyright rights, trade secrets and domain names and determine the validity and scope of the proprietary rights of others. The Company's efforts to enforce or protect its proprietary rights may be ineffective and could result in substantial costs and diversion of resources and could harm the Company's business.

The Company's by-laws provide that any derivative actions, actions relating to breach of fiduciary duties and other matters relating to the internal affairs of the Company will be required to be litigated in Canada, which could limit a shareholder's ability to obtain a favourable judicial forum for disputes with the Company.

The Company's by-laws include a forum selection provision that provides that, unless the Company consents in writing to the selection of an alternative forum, the Superior Court of Justice of the Province of Ontario, Canada and appellate Courts therefrom (or, failing such Court, any other "court" (as defined in the CBCA) having jurisdiction and the appellate Courts therefrom), shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on the Company's behalf, (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of the Company's directors, officers, or other employees to the Company, (iii) any action or proceeding asserting a claim arising pursuant to any provision of the CBCA or the articles or the by-laws of the Company (as either may be amended from time to time) or (iv) any action or proceeding asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors and/or officers, but excluding claims related to the business carried on by the Company or its affiliates and their respective shareholders, directors and/or officers. The Company's by-laws also provide that its shareholders are deemed to have consented to personal jurisdiction in the Province of Ontario and to service of process on their counsel in any foreign action initiated in violation of the Company's by-laws. Therefore, it may not be possible for shareholders to litigate any action relating to the foregoing matters outside of the Province of Ontario. While forum selection clauses in corporate charters and by-laws are becoming more commonplace for public companies in the U.S. and have been upheld by courts in certain states, they are untested in Canada. It is possible that the validity of the Company's forum selection by-law could be challenged and that a court could rule that such by-law is inapplicable or unenforceable. If a court were to find the Company's forum selection by-law inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, the Company may incur additional costs associated with resolving such matters in other jurisdictions and the Company may not obtain the benefits of limiting jurisdiction to the courts selected.

It may be difficult for shareholders to enforce within Canada any judgments obtained against the Company and to effect service of process against the Company's directors and officers who are not resident in Canada.

The majority of the Company's subsidiaries and the majority of its assets are located outside of Canada. Accordingly, it may be difficult for shareholders to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws or otherwise. Consequently, shareholders may be effectively prevented from pursuing remedies against the Company under Canadian securities laws.

The Company has subsidiaries incorporated in the U.S. and certain directors and officers reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against the Company's directors and officers who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of the directors or officers for violations of Canadian securities laws, it may not be possible to enforce such judgment against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims or otherwise in original actions instituted in the U.S. Courts, and these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a U.S. court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

Claims for indemnification by the Company's directors and officers may reduce its available funds to satisfy successful third party claims against the Company and may reduce the amount of money available to it.

The Company has entered into agreements to indemnify each of its directors and officers. Under the terms of these indemnification agreements, the Company is required to indemnify each of its directors and officers, to the fullest extent permitted by the laws of Ontario, Canada, if the basis of the indemnitee's involvement was by reason of the fact that the indemnitee is or was a director or officer of the Company or any of its subsidiaries. The Company must indemnify its officers and directors against all reasonable fees, expenses, charges and other costs of any type or nature whatsoever, including any and all expenses and obligations paid or incurred in connection with investigating, defending, being a witness in, participating in (including on appeal) or preparing to defend, be a witness in or participate in any completed, actual, pending or threatened action, suit, claim or proceeding, whether civil, criminal, administrative or investigative, or establishing or enforcing a right to indemnification under the indemnification agreement. The indemnification agreements also require the Company, if so requested, to advance within 10 days of such request all reasonable fees, expenses, charges and other costs that such director or officer incurred, provided that such person will return any such advance if it is ultimately determined that such person is not entitled to indemnification by the Company. Any claims for indemnification by the Company’s directors and officers may reduce its available funds to satisfy successful third party claims against the Company and may reduce the amount of money available to it.

Financial and reporting

The forward-looking statements contained in this Annual Information Form may prove to be incorrect.

The forward-looking statements relating to, among other things, future results, performance, achievements, prospects or opportunities of the Company included in this Annual Information Form (including, in particular, the information contained in “Description of the Business” and “Risk Factors”), are based on opinions, assumptions and estimates made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. Actual results of the Company in the future may vary significantly from the historical and estimated results and those variations may be material. There is no representation by the Company that actual results achieved by the Company in the future will be the same, in whole or in part, as those included in this Annual Information Form. See “Forward-Looking Information”.

The Company routinely makes accounting estimates and judgments. If these are proven to be incorrect, subsequent adjustments could require the Company to restate its historical financial statements.

The Company routinely makes accounting estimates and judgments in the ordinary course of business. Such accounting estimates and judgments will affect the reported amounts of its assets and liabilities at the date of its financial statements and the reported amounts of its operating results during the periods presented. Additionally, the Company interprets the accounting rules in existence as of the date of its financial statements when the accounting rules are not specific to a particular event or transaction. If the underlying estimates are ultimately proven to be incorrect, subsequent adjustments could have an adverse effect on the Company’s operating results for the period or periods in which the change is identified. Additionally, subsequent adjustments could require the Company to restate its historical financial statements. The Company continually reviews accounting rules and regulations and works with its auditors and third party experts on all significant accounting and valuation matters.

The Company may need additional capital, which it may not be able to raise on favourable terms, or at all.

Real Matters may require additional capital if it experiences higher-than-anticipated expenses or cost overruns, encounters unanticipated problems or delays, fails to achieve further market adoption of its services or engages in acquisitions or joint ventures. The Company may require additional financing in the future to further expand its business strategy through mergers and acquisitions. Additional financing may not be available to the Company on favourable terms when required, or at all. If Real Matters were to raise additional funds through the issuance of equity, equity-related or debt securities, those securities may have rights, preferences or privileges senior to those of the common shares and the Company’s shareholders may experience additional dilution. If it cannot raise additional funds, further business development may be delayed, the Company may lose clients and/or Field Agents and its sales and growth may be limited.

Failure to maintain effective internal controls in accordance NI 52-109 could have a material adverse effect on the Company’s business and the market price of the common shares.

As a publicly-traded company, the Company is subject to reporting and other obligations under applicable Canadian securities laws and rules of the TSX, including National Instrument 52-109 — Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"). These reporting and other obligations place significant demands on the Company's management, administrative, operational and accounting resources. In order to meet such requirements, the Company is required to establish systems and implement financial and management controls, reporting systems and procedures. Any failure to maintain effective internal controls could cause the Company to fail to satisfy its reporting obligations or result in material misstatements in its financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely effected which could also cause investors to lose confidence in the Company's reported financial information, which could result in a reduction in the trading price of the common shares.

The Company does not expect that its disclosure controls and procedures and internal controls over financial reporting will prevent all error and fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

The adoption of new accounting standards or interpretations could adversely affect the Company's financial results.

The Company's implementation of and compliance with changes in accounting rules and interpretations could adversely affect its operating results or cause unanticipated fluctuations in its results in future periods. The accounting rules and regulations that the Company must comply with are complex and continually changing. The Company cannot predict the impact of future changes to accounting principles on its financial statements going forward.

The Company's credit facility contains restrictive covenants and require it to meet certain financial ratios and financial condition tests.

The terms of the Company's credit facility contain restrictive covenants that limit the discretion of its management with respect to certain business matters. These covenants place restrictions on, among other things, the Company's ability to incur additional indebtedness, to create liens or other encumbrances not permitted by the credit facility, to make any material change to the nature of its business, to sell or otherwise dispose of assets, subject to certain conditions, to acquire or purchase common shares or equity interests, subject to certain conditions, and to make a distribution when the Company is in an event of default. In addition, the Company's credit facility contains a number of financial covenants that require certain financial ratios and financial condition tests to be satisfied. A failure to comply with these terms could result in an event of default which, if not cured or waived, could result in accelerated repayment when the Company has amounts drawn on its credit facilities. If the repayment of the credit facility (when any amounts are outstanding) was to be accelerated, there can be no assurance that the security provided thereunder would be sufficient to repay the credit facility in full.

The Company is a holding company and dependent on its subsidiaries for cash flows.

The Company is a holding company and substantially all of its operations are carried out by the Company's subsidiaries. The Company has no direct operations and no significant assets other than the shares of its subsidiaries and cash proceeds from the Offering. Accordingly, the Company is dependent on the cash flows from its subsidiaries to meet its obligations. The ability of the Company's subsidiaries to provide the Company with payments may be constrained by factors such as the cash flows generated by operations, investment activities and financing activities, and the level of taxation, particularly corporate profits and withholding taxes. If the Company is unable to receive sufficient cash from its subsidiaries, it may be required to incur indebtedness, raise funds in a public or private equity or debt offering, or sell some or all of the Company's assets. There can be no assurance that any such financing will be available on satisfactory terms or that it will be sufficient.

The Company may be subject to limitations on the repatriation of earnings in each of the countries where it, including its subsidiaries, does business. There can be no assurance that arbitrary changes in exchange controls in each of the countries where the Company does business will not take place, which may adversely impact the Company's ability to receive cash payments from its subsidiaries and the ability of shareholders to recover their investment.

Exchange rate fluctuations may adversely affect the Company's results and/or compliance with financial covenants.

The Company's reported results are expressed in U.S. dollars; however, a portion of its assets, liabilities and operations reside, or are conducted, in Canada. A significant change in the foreign currency exchange rate between the Canadian and U.S. dollar could result in a significant change in the Company's reported amount of total assets and liabilities and its reported financial performance. Changes in the foreign currency exchange rate could further impact the Company's financial covenants when the Company has amounts drawn on its credit facilities, since the foreign currency exchange rate applied to any outstanding obligations under its credit facility are unlikely to be translated at the same foreign currency exchange rate as its financial performance. This may result in the Company incurring additional interest expense resulting solely from a change in foreign currency exchange rates, or result in the Company falling outside of a covenant threshold, i.e., an event of default. An event of default that is not cured or waived could accelerate repayment of outstanding underlying indebtedness, if any. If repayment of the Company's credit facility (when any amounts are outstanding) was to be accelerated, there can be no assurance that its assets would be sufficient to repay the credit facility in full.

Future offerings of debt securities, which would rank senior to the common shares upon bankruptcy or liquidation, and future offerings of equity securities that may be senior to the common shares for the purposes of dividend and liquidating distributions, may adversely affect the market price of the common shares.

In the future, the Company may attempt to increase its capital resources by making offerings of debt securities or additional offerings of equity securities. Upon bankruptcy or liquidation, holders of the Company's debt securities, holders of any preferred shares and lenders with respect to any other borrowings, as applicable, will each be entitled to receive a distribution of the Company's available assets prior to the holders of the common shares. Additional equity offerings may dilute the holdings of the Company's existing shareholders or reduce the market price of the common shares, or both, and may result in future limitations under applicable tax legislation that could reduce the pace at which the Company utilizes any net operating loss carry-forwards to reduce its taxable income. Preferred shares, if issued, could have a preference on liquidating distributions or a preference on dividend payments or both that could limit the Company's ability to make a dividend distribution to the holders of the common shares. The Company's decision to issue securities in any future offering will depend on market conditions and other factors beyond its control. As a result, the Company cannot predict or estimate the amount, timing or nature of its future offerings, and holders of common shares bear the risk of the Company's future offerings reducing the market price of the common shares and diluting their ownership interest in the Company.

Future sales of common shares by existing shareholders could reduce the market price of the common shares.

Sales of a substantial number of the common shares in the public market could occur. These sales, or the market perception that the holders of a large number of common shares intend to sell common shares, could reduce the market price of the common shares.

In addition, holders of unexercised options may have an immediate income inclusion for tax purposes when they exercise their options (that is, tax is not deferred until they sell the underlying common shares). As a result, these holders may need to sell common shares purchased on the exercise of options in the same year that they exercise their options. This might result in a greater number of common shares being sold in the public market by, and fewer long-term holders of common shares among, the Company's management and employees.

Dilution and future issuances of common shares.

The Company may issue additional common shares or preferred shares in the future, which may dilute a shareholder's holding in the Company. The Company's articles permit the issuance of an unlimited number of common shares and an unlimited number of preferred shares and shareholders will have no pre-emptive rights in connection with such further issuances. The board of directors of the Company have the discretion to determine if an issuance of common shares or preferred shares is warranted, the price at which such issuance is effected and the other terms of issuance. Also, the Company may issue additional common shares upon the exercise of options under the LTIP, which will result in further dilution to the shareholders. See "Options".

Securities analysts' research or reports could impact the price of the common shares.

The trading market for the common shares relies on in part on the research and reports that industry or financial analysts publish about the Company or the Company's business. If one or more of the analysts covering the Company's business downgrade their evaluations of the common shares or common share price, the price of the common shares could decline. If one or more of these analysts cease to cover the common shares, the Company could lose visibility in the market for the common shares, which in turn could cause the common shares price to decline.

The Company may have indebtedness in a future period that could have consequences to shareholders, such as the increased vulnerability to adverse general economic and industry conditions. The Company may find it more difficult to fund future working capital, capital expenditures, general corporate expenses or other items, and the Company could have to allocate a substantial portion of its cash resources to the payment on its indebtedness, which would reduce the funds available for operations.

In the future, the Company may have indebtedness. Its ability to make payments of principal and interest on its debt will depend on its future operating performance and its ability to enter into additional debt and equity financings which, to a certain extent, is subject to economic, financial, competitive and other factors beyond the Company's control. If, in the future, the Company is unable to generate sufficient cash flows to service its debt, the Company may be required to refinance all or a portion of its existing debt or obtain additional financing. There can be no assurance that any such refinancing would be possible or that any additional financing could be obtained on terms acceptable to the Company or at all. The inability to obtain additional financing could have a material adverse effect on the Company's operating performance and any additional equity financing would result in the dilution of shareholders.

The Company's debt servicing costs could increase.

Borrowing rates are near historical lows in the U.S. and Canada, though interest rates have begun to rise. If the North American economy strengthens further, the Company would expect interest rates to continue to rise. An increase in interest rates would result in higher interest expense on borrowing tied to variable rates of interest, partially offset by lower current or deferred income tax expense when the Company has amounts drawn on its credit facilities. Furthermore, adverse credit market conditions could limit the Company's ability to refinance its existing credit facility.

Market price of common shares may fluctuate significantly and could fall below the expectation of securities analysts and investors due to various factors.

The market price of the common shares could be subject to significant fluctuations, and it may decline, which could result in substantial losses for investors. Some of the factors that may cause the market price of the common shares to fluctuate include:

- significant volatility in the market price and trading volume of comparable companies;
- actual or anticipated changes or fluctuations in the Company's operating results or in the expectations of market analysts;
- adverse market reaction to any indebtedness the Company may incur or securities it may issue in the future;
- short sales, hedging and other derivative transactions in the common shares;
- announcements of acquisitions, new partners, new services, strategic alliances, capital commitments or significant agreements by the Company or by its competitors;
- changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company;
- litigation or regulatory action against the Company;

- investors' general perception of the Company and the public's reaction to its press releases, other public announcements and filings with applicable securities regulators;
- publication of research reports or news stories about the Company, its competitors or its industry, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in general political, economic, industry and market conditions and trends;
- sales of the common shares by the Company's directors, executive officers and existing shareholders and their affiliates;
- recruitment or departure of key personnel; and
- the other risk factors described in this section of the Annual Information Form.

In addition, the stock markets have historically experienced substantial price and volume fluctuations. Broad market and industry factors may harm the market price of the common shares. Hence, the price of the common shares could fluctuate based upon factors that have little or nothing to do with the Company or its operations, and these fluctuations could materially reduce the price of the common shares regardless of the Company's operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has been instituted against that company. If the Company were involved in any similar litigation, it could incur substantial costs, management's attention and resources could be diverted and it could harm the Company's business, operating results and financial condition.

Because the Company does not expect to pay any dividends on the common shares for the foreseeable future, investors in the Company's common shares may never receive a return on their investment.

The Company does not have a present intention to pay cash dividends on the common shares and it does not anticipate paying any cash dividends on common shares in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of the board of directors and will depend on the Company's financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors the board of directors may deem relevant.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set forth below, none of (i) the Company's directors or executive officers, (ii) the shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of the Company's voting securities, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this Annual Information Form or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

On April 1, 2016, the Company acquired substantially all of the assets and liabilities of Linear Title & Closing Ltd. (for the purpose of this section, the "**Vendor**") pursuant to an asset purchase agreement between the Company and the Vendor (the "**Linear Acquisition Agreement**").

As part of the purchase price therefor, contingent consideration comprised of earn-out payments are due to the Vendor upon meeting certain performance objectives. For the 12 month period from the close of the acquisition, the Vendor was entitled to further consideration of $10 million due to its having achieved a pre-determined net revenue target and an additional $10 million due to its having achieved a pre-determined EBITDA target. For the subsequent 12 month period, the Vendor is entitled to additional consideration of up to $5 million upon achieving a pre-determined net revenue target and an additional $5 million upon achieving a pre-determined EBITDA target (the "**Subsequent Earn-Out**"). Failing to achieve the net revenue and EBITDA targets would reduce the additional consideration to 75% of the maximum amount payable, or $nil should the achievement of minimum thresholds not be met. The Vendor achieved its pre-determined net revenue and EBITDA targets for the 12 month period from the closing of the acquisition, resulting in payment by the Company of $20 million, which amount was satisfied using a portion of the proceeds of the Offering. The Company has entered into a subsequent agreement with the Vendor which resulted in the Company guaranteeing the payment of the Subsequent Earn-Out, which amount is payable on or before April 5, 2018.

Prior to being appointed as executive officers of the Company, Nicholas Liuzza Jr. and John Nathan Chandler were, and continue to be, shareholders of the Vendor and, as such, are indirectly entitled to receive a portion of the aforementioned contingent payments.

MATERIAL CONTRACTS

Except as follows, Real Matters did not enter into any material contracts during the year ended September 30, 2017 or before the financial year ended September 30, 2017 that are still in effect, other than in the ordinary course of business:

- the Underwriting Agreement dated May 5, 2017 in respect of the Offering; and
- the Linear Acquisition Agreement, which is described in "Interests of Management and Others in Material Transactions".

Copies of such agreements are available under the Company's profile on SEDAR at www.sedar.com.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is from time to time involved in legal proceedings of a nature considered normal to its business. The Company believes that none of the litigation in which the Company is currently involved, or has been involved since the beginning of the most recently completed financial year, individually or in the aggregate, is material to its consolidated financial condition or results of operations.

To the best of the Company's knowledge, it is not currently a party to any regulatory investigation or proceeding or subject to any potential penalty, individually or in the aggregate, which is likely to have a material adverse effect on the business, operations or financial condition of the Company as a whole.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's common shares is TSX Trust Company at its principal transfer office in Toronto, Ontario.

INTEREST OF EXPERTS

Deloitte LLP, the external auditor of the Corporation, reported on the Financial Statements. Deloitte LLP has confirmed to the Company that it is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario (registered name of The Institute of Chartered Accountants of Ontario).

ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's SEDAR profile at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our securities and securities authorized for issuance under our equity compensation plan is contained in the Company's final long form prospectus dated May 5, 2017 prepared and filed in connection with our IPO completed on May 11, 2017.

Additional financial information is provided in the Company's consolidated financial statements and Management's Discussion and Analysis for the years ended September 30, 2017 and 2016.

APPENDIX A

REAL MATTERS INC.

MANDATE OF THE AUDIT COMMITTEE

As approved by the Board of Directors of the Company (the "**Board**") on December 15, 2016.

A. PURPOSE AND SCOPE

The Audit Committee (the "**Committee**") of the Board shall be responsible for assisting in the Board's oversight of the reliability and integrity of the accounting principles and practices, financial statements and other financial reporting, and disclosure practices followed by management of the Company. The Committee shall also have oversight responsibility for: (i) the qualifications, independence and performance of the independent auditors; (ii) the establishment by management of an adequate system of internal controls; (iii) the preparation by management of quarterly and annual financial statements; and (iv) the maintenance by management of practices and processes to ensure compliance with applicable laws.

B. COMPOSITION AND MEETINGS

The Committee shall be comprised of a minimum of three directors as appointed by the Board, each of whom shall meet the criteria for independence, financial literacy and audit committee composition requirements (collectively, the "**Applicable Requirements**") of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") of the Canadian Securities Administrators, any exchange upon which securities of the Company are traded or any governmental or regulatory body exercising authority over the Company (each a "**Regulatory Body**" and collectively, the "**Regulatory Bodies**").

A majority of the members of the Committee shall constitute a quorum at any meeting of the Committee, but in no case shall a quorum be comprised of less than two members of the Committee, and the action of a majority of those present, after determining a quorum, shall be the act of the Committee.

The Committee shall ensure that all necessary and proper disclosures shall be made in all applicable filings with Regulatory Bodies as to composition of the Committee. Committee members may enhance their familiarity with finance and accounting by participating in education programs conducted by the Company or an outside consultant.

The members of the Committee shall be appointed by the Board at the meeting of the Board following each annual meeting of shareholders and shall serve until their successors shall be duly elected and qualified or until the earlier of death, resignation or removal. The Board may fill a vacancy in the membership of the Committee and remove a member of the Committee at any time for any reason. The Board shall appoint the chair of the Committee (the "**Chair**") from the Committee members. In the absence of the Chair at a duly convened meeting, the Committee shall select a temporary substitute from among its members.

The Committee shall meet on a regularly-scheduled basis at least 4 times per year or more frequently as circumstances dictate. At the invitation of the Committee, members of the Company's management and others may attend Committee meetings as the Committee considers necessary or desirable. The Company's independent auditors are entitled to attend and be heard at each Committee meeting. The Committee shall meet without management present at each Committee meeting. All independent directors may attend Committee meetings, provided that directors who are not members of the Committee shall not be entitled to vote, nor shall their attendance be counted as part of the quorum of the Committee.

The Chair, any member of the Committee, the Company's independent auditors, the Chair of the Board or the Chief Executive Officer or Chief Financial Officer may call a meeting by notifying the Company's Corporate Secretary who will notify members of the Committee. Ordinarily, meetings of the Committee should be convened with no less than seven days' notice having been given. In exceptional circumstances the requirement for notice can be waived subject to the formal consent of no less than the number of Committee members that constitutes a quorum of the Committee or instruction by a resolution of the Board.

The Committee shall report its actions to the members of the Board and the Corporate Secretary of the Company. The Committee may appoint a Committee member or any other attendee to be the secretary of a meeting and shall keep written minutes of its meetings which shall be recorded and filed with the books and records of the Company. Minutes of each meeting will be made available to the members of the Board and the Company's auditors. The Committee shall report its decisions and recommendations to the Board promptly after each Committee meeting.

C. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Committee shall:

1. review and assess the adequacy of this Mandate annually, and recommend any proposed changes to the Board for approval;

2. review, at least annually, the performance of the independent auditors, and annually recommend to the Board, for approval by the shareholders, the appointment of the independent auditors of the Company in accordance with the *Canada Business Corporations Act;*

3. at least every five (5) years, perform a comprehensive review of the performance of the external auditors over multiple years to provide further insight on the audit firm, its independence and application of professional standards;

4. engage in an active dialogue with the independent auditors on their independence from the Company, and where it is determined that independence no longer exists, recommend that the Board take appropriate action;

5. review and recommend to the Board for approval, the terms of any annual audit engagement of the independent auditors, including the appropriateness of the proposed audit fees and the auditors independence with respect to the engagement of the independent auditors for any audit related services;

6. approve any non-audit services to be provided by the firm of the independent auditors to the Company in accordance with NI 52-110;

7. review and approve annually the overall scope of the independent auditors' annual audit plan;

8. periodically review the status and findings of the independent auditors' audit plan and the adequacy of internal controls established by management and, where appropriate, make recommendations or reports thereon to the Board;

9. understand the scope, principal risks and integrity of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses;

10. annually, and at any time in response to a specific request by management or the independent auditors, meet separately with the relevant parties with respect to such matters as the effectiveness of the system of internal controls established by management, the adequacy of the financial reporting process, the quality and integrity of the financial statements, the evaluation of the performance of the independent auditor and any other matter that may be appropriate;

11. review and discuss the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;

12. review and make recommendations to the Board regarding, the adequacy of the Company's risk management policies and procedures with regard to identification of the Company's principal risks and implementation of appropriate systems and controls to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Company;

13. periodically review the Company's policies and procedures for reviewing and approving or ratifying related party transactions;

14. review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements;

15. review the quarterly and annual financial statements and corresponding management discussion and analysis, and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting principles;

16. review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual reports to shareholders, management proxy circulars, business acquisition reports, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such documents or information;

17. review significant changes in the accounting principles to be observed in the preparation of the accounts of the Company and its subsidiaries, or in their application, and in financial statement presentation;

18. review and, following discussion with the independent auditors (following their review of the financial statements) and management, recommend to the Board, approval of unaudited quarterly and audited annual consolidated financial statements of the Company;

19. review the Company's policies relating to the avoidance of conflicts of interest and review and approve all material payments to be made pursuant to any related party transactions involving executive officers and members of the Board, as required by any Regulatory Body;

20. cause the Chair of the Audit Committee to review and approve all expense reimbursements of the CEO;

21. review and monitor practices and procedures adopted by management to assure compliance with applicable laws, and, where appropriate, make recommendations or reports thereon to the Board; and

22. monitor and periodically review the Whistleblower Policy of the Company and associated procedures for:

    a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
    b. the confidential, anonymous submission by directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters; and
    c. if applicable, any violations of applicable law, rules or regulations that relates to corporate reporting and disclosure, or violations of the Company's Code of Conduct.

D. ACCESS TO MANAGEMENT AND INDEPENDENT ADVICE

The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company and, from time to time may hold unscheduled or regularly scheduled meetings or portions of meetings in executive session or otherwise with the Company's independent auditors, the Chief Financial Officer, the Chief Executive Officer or the Chief Legal Officer and Corporate Secretary.

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties as described above, and may seek, retain and terminate accounting, legal, consulting or other expert advice from a source independent of management, at the expense of the Company, with notice to either the independent lead director of the Board or the non-executive Chair of the Board or the Chief Executive Officer of the Company, as deemed appropriate by the Committee. In furtherance of the foregoing, the Committee shall have the sole authority to retain and terminate any such consultant or advisor to be used to assist in the evaluation of such matters and shall have the sole authority to approve the consultant or advisor's fees and other retention terms.

While the Committee has the responsibilities and powers set forth in this Mandate, it is not the duty of the Committee to plan or conduct audits, to establish the Company’s accounting and financial reporting systems, or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.