



## Real Matters Reports Fourth Quarter and Fiscal 2022 Financial Results

(all amounts are expressed in millions of U.S. dollars, excluding per share amounts and unless otherwise stated)

**TORONTO (November 16, 2022)** – Real Matters Inc. (TSX: REAL) (“Real Matters” or the “Company”), a leading network management services platform for the mortgage and insurance industries, today announced its financial results for the fourth quarter and fiscal year ended September 30, 2022.

“With the strength of a scalable operating model and a healthy balance sheet, we continued to focus on the core fundamentals of our business in fiscal 2022, launching 27 new clients, gaining market share with our five largest lenders and surpassing the 50% market share threshold with one of our Tier 1 lenders in U.S. Appraisal while maintaining top performance on lender scorecards. We also increased U.S. Appraisal Net Revenue<sup>(A)</sup> margins by 470 bps in the fourth quarter as a result of the network effect on our platform. With growing market demand for home equity products, our team continues to leverage this opportunity to expand our channels with existing and new appraisal and title clients to build long-term franchise value,” said Real Matters Chief Executive Officer Brian Lang. “Throughout the year, we managed our expenses by progressively scaling down our cost structure in response to the decline in mortgage origination market volumes while ensuring our operations maintained leading performance levels with our clients.”

“During fiscal 2022, we leveraged our strong balance sheet to purchase 6.5 million shares under our normal course issuer bid. Since going public, we have purchased 24% of our outstanding shares since our initial public offering. We ended the year with \$46.1 million in cash, no debt, and the financial strength to manage through the current downturn in the mortgage market cycle. Our focus remains on running an operationally efficient business and delivering on our long-term growth objectives,” concluded Lang.

<b>Q4 2022 Key Performance Indicators (year-over-year)</b>	<b>U.S. Appraisal</b>	<b>U.S. Title</b>	<b>Canada</b>	<b>Consolidated</b>
Revenues	\$43.9 million	\$4.0 million	\$10.3 million	\$58.2 million
Revenue % Change	-51.7%	-81.8%	-19.8%	-53.7%
Net loss	-	-	-	-\$10.0 million
Net Revenue <sup>(A)</sup> % Change	-40.7%	-88.1%	-4.0%	-58.9%
Adjusted EBITDA <sup>(A)</sup> Margin	41.0%	-167.5%	65.0%	-7.7%

### Q4 2022 Highlights

- Launched 5 new lenders, 1 new channel in U.S. Appraisal
- Surpassed 50% market share threshold with one Tier 1 lender in U.S. Appraisal
- Increased U.S. Appraisal Net Revenue<sup>(A)</sup> margins by 470 basis points year-over-year
- Launched 3 new lenders in U.S. Title
- Purchased 0.4 million shares under our normal course issuer bid at a cost of \$1.5 million

<b>Fiscal 2022 Key Performance Indicators (year-over-year)</b>	<b>U.S. Appraisal</b>	<b>U.S. Title</b>	<b>Canada</b>	<b>Consolidated</b>
Revenues	\$250.9 million	\$36.5 million	\$52.2 million	\$339.6 million
Revenue % Change	-22.1%	-71.8%	-0.5%	-32.6%
Net loss	-	-	-	-\$9.3 million
Net Revenue <sup>(A)</sup> % Change	-19.9%	-73.9%	1.3%	-48.0%
Adjusted EBITDA <sup>(A)</sup> Margin	48.6%	-35.1%	65.2%	8.6%

## Fiscal 2022 Highlights

- Launched 14 new lenders, 2 new channels in U.S. Appraisal
- Launched 7 new lenders in U.S. Title
- Launched 6 new clients in Canada
- Purchased 6.5 million shares under our normal course issuer bid at a cost of \$28.7 million

## Financial and Operational Summary

	Three months ended September 30					
	2022		2021		\$	%
		Margin		Margin	Change	Change
<i>Revenues</i>						
U.S. Appraisal	\$ 43.9		\$ 90.9		\$ (47.0)	-51.7%
U.S. Title	4.0		21.8		(17.8)	-81.8%
Canada	10.3		12.9		(2.6)	-19.8%
Consolidated revenues	\$ 58.2		\$ 125.6		\$ (67.4)	-53.7%
<i>Net Revenue<sup>(A)</sup></i>						
U.S. Appraisal	\$ 11.1	25.4%	\$ 18.8	20.7%	\$ (7.7)	-40.7%
U.S. Title	1.8	44.1%	14.7	67.1%	(12.9)	-88.1%
Canada	1.5	14.3%	1.5	11.9%	-	-4.0%
Consolidated Net Revenue <sup>(A)</sup>	\$ 14.4	24.7%	\$ 35.0	27.9%	\$ (20.6)	-58.9%
<i>Adjusted EBITDA<sup>(A)</sup></i>						
U.S. Appraisal	\$ 4.5	41.0%	\$ 11.2	59.5%	\$ (6.7)	-59.2%
U.S. Title	(2.9)	-167.5%	2.9	19.7%	(5.8)	-201.3%
Canada	1.0	65.0%	1.0	66.2%	-	-5.6%
Corporate	(3.7)		(4.1)		0.4	9.9%
Consolidated Adjusted EBITDA <sup>(A)</sup>	\$ (1.1)	-7.7%	\$ 11.0	31.4%	\$ (12.1)	-110.1%
<i>Net (loss) income</i>						
Net (loss) income	\$ (10.0)		\$ 9.1		\$ (19.1)	
Net (loss) income per diluted share	\$ (0.14)		\$ 0.11		\$ (0.25)	
<i>Adjusted Net Income<sup>(A)</sup></i>						
Adjusted Net Income <sup>(A)</sup>	\$ -		\$ 7.5		\$ (7.5)	
Adjusted Net Income <sup>(A)</sup> per diluted share	\$ -		\$ 0.09		\$ (0.09)	

## Financial and Operation Summary (continued)

(millions of dollars)

Year ended September 30

	2022	Margin	2021	Margin	\$ Change	% Change
<i>Revenues</i>						
U.S. Appraisal	\$ 250.9		\$ 322.1		\$ (71.2)	-22.1%
U.S. Title	36.5		129.5		(93.0)	-71.8%
Canada	52.2		52.5		(0.3)	-0.5%
Consolidated revenues	\$ 339.6		\$ 504.1		\$ (164.5)	-32.6%
<i>Net Revenue<sup>(A)</sup></i>						
U.S. Appraisal	\$ 55.5	22.1%	\$ 69.3	21.5%	\$ (13.8)	-19.9%
U.S. Title	23.0	63.1%	88.2	68.1%	(65.2)	-73.9%
Canada	6.9	13.2%	6.8	12.9%	0.1	1.3%
Consolidated Net Revenue <sup>(A)</sup>	\$ 85.4	25.2%	\$ 164.3	32.6%	\$ (78.9)	-48.0%
<i>Adjusted EBITDA<sup>(A)</sup></i>						
U.S. Appraisal	\$ 27.0	48.6%	\$ 39.8	57.5%	\$ (12.8)	-32.2%
U.S. Title	(8.1)	-35.1%	31.8	36.0%	(39.9)	-125.4%
Canada	4.5	65.2%	4.8	70.4%	(0.3)	-6.2%
Corporate	(16.0)		(17.2)		1.2	6.6%
Consolidated Adjusted EBITDA <sup>(A)</sup>	\$ 7.4	8.6%	\$ 59.2	36.0%	\$ (51.8)	-87.5%
<i>Net (loss) income</i>						
Net (loss) income	\$ (9.3)		\$ 33.1		\$ (42.4)	
Net (loss) income per diluted share	\$ (0.12)		\$ 0.39		\$ (0.51)	
<i>Adjusted Net Income<sup>(A)</sup></i>						
Adjusted Net Income <sup>(A)</sup>	\$ 2.5		\$ 40.6		\$ (38.1)	
Adjusted Net Income <sup>(A)</sup> per diluted share	\$ 0.03		\$ 0.48		\$ (0.45)	
<i>Market Share</i>						
U.S. Appraisal - purchase mortgage originations	4.1%		4.4%			
U.S. Appraisal - refinance mortgage originations	12.1%		9.9%			
U.S. Title - refinance mortgage originations	1.2%		1.8%			

### Conference Call and Webcast

A conference call to review the results will take place at 10:00 a.m. (ET) on Wednesday, November 16, 2022, hosted by Chief Executive Officer Brian Lang and Chief Financial Officer Bill Herman. An accompanying slide presentation will be posted to the Investor section of our website shortly before the call.

To access the call:

- Participant Local (Toronto) Number: (416) 764-8658
- Participant Toll-Free Number: (888) 886-7786
- Conference ID: 76903946

To listen to the live webcast of the call:

- Go to: <https://event.on24.com/wcc/r/3289743/711CEBFDAE72AB3E3BB65FDFC6112573>

The webcast will be archived and a transcript of the call will be available in the Investor section of our website following the call.

#### (A) Non-GAAP Measures

The non-GAAP measures used in this Press Release, including Net Revenue, Adjusted EBITDA and Adjusted Net Income do not have a standardized meaning prescribed by International Financial Reporting Standards and are therefore unlikely to be comparable to similar measures presented by other issuers. These non-GAAP measures are more fully defined and discussed in the Company's MD&A for the year ended September 30, 2022 under the heading "Non-GAAP measures", which is incorporated by reference in this Press Release and available on SEDAR at [www.sedar.com](http://www.sedar.com).

Real Matters financial results for the year ended September 30, 2022 are included in the annual audited consolidated financial statements and the accompanying MD&A, each of which are available on SEDAR at [www.sedar.com](http://www.sedar.com). In addition, supplemental information is available on our website at [www.realmatters.com](http://www.realmatters.com).

Net Revenue represents the difference between revenues and transaction costs. Net Revenue margin is calculated as Net Revenue divided by Revenues. The reconciling items between net income or loss and Net Revenue for the three months and years ended September 30, 2022 and 2021 were as follows:

	Three months ended September 30		Year ended September 30	
	2022	2021	2022	2021
Net (loss) income	\$ (10.0)	\$ 9.1	\$ (9.3)	\$ 33.1
Operating expenses	15.7	24.5	79.5	107.6
Amortization	1.1	1.2	4.5	5.0
Loss on disposal of property and equipment	0.4	-	0.6	-
Other non-operating costs	-	-	0.1	-
Restructuring expenses	1.0	0.1	1.5	0.1
Impairment of goodwill	17.3	-	17.3	-
Interest expense	0.1	0.1	0.3	0.4
Interest income	(0.1)	-	(0.1)	(0.2)
Net foreign exchange (gain) loss	(5.0)	(2.3)	(5.7)	7.4
Gain on fair value of warrants	-	(0.9)	(0.2)	(2.1)
Income tax (recovery) expense	(6.1)	3.2	(3.1)	13.0
Net Revenue	\$ 14.4	\$ 35.0	\$ 85.4	\$ 164.3

Adjusted EBITDA represents net income or loss before stock-based compensation expense, amortization, loss on disposal of property and equipment, other non-operating costs, restructuring expenses, impairment of goodwill, interest expense, interest income, net foreign exchange gain or loss, gain or loss on fair value of warrants and income tax expense or recovery. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Net Revenue. The reconciling items between net income or loss and Adjusted EBITDA for the three months and years ended September 30, 2022 and 2021 were as follows:

	Three months ended September 30		Year ended September 30	
	2022	2021	2022	2021
Net (loss) income	\$ (10.0)	\$ 9.1	\$ (9.3)	\$ 33.1
Stock-based compensation expense	0.2	0.5	1.5	2.5
Amortization	1.1	1.2	4.5	5.0
Loss on disposal of property and equipment	0.4	-	0.6	-
Other non-operating costs	-	-	0.1	-
Restructuring expenses	1.0	0.1	1.5	0.1
Impairment of goodwill	17.3	-	17.3	-
Interest expense	0.1	0.1	0.3	0.4
Interest income	(0.1)	-	(0.1)	(0.2)
Net foreign exchange (gain) loss	(5.0)	(2.3)	(5.7)	7.4
Gain on fair value of warrants	-	(0.9)	(0.2)	(2.1)
Income tax (recovery) expense	(6.1)	3.2	(3.1)	13.0
Adjusted EBITDA	\$ (1.1)	\$ 11.0	\$ 7.4	\$ 59.2

The reconciling items between net income or loss and Adjusted Net Income or Loss for the three months and years ended September 30, 2022 and 2021 were as follows:

	Three months ended September 30		Year ended September 30	
	2022	2021	2022	2021
Net (loss) income	\$ (10.0)	\$ 9.1	\$ (9.3)	\$ 33.1
Stock-based compensation expense	0.2	0.5	1.5	2.5
Amortization of intangibles	0.4	0.4	1.4	1.7
Other non-operating costs	-	-	0.1	-
Restructuring expenses	1.0	0.1	1.5	0.1
Impairment of goodwill	17.3	-	17.3	-
Net foreign exchange (gain) loss	(5.0)	(2.3)	(5.7)	7.4
Gain on fair value of warrants	-	(0.9)	(0.2)	(2.1)
Related tax effects	(3.9)	0.6	(4.1)	(2.1)
Adjusted Net Income	\$ -	\$ 7.5	\$ 2.5	\$ 40.6

### Forward-Looking Information

This Press Release contains "forward-looking information" within the meaning of applicable Canadian securities laws. Words such as "could", "forecast", "target", "may", "will", "would", "expect", "anticipate", "estimate", "intend", "plan", "seek", "believe", "likely" and "predict" and variations of such words and similar expressions are intended to identify such forward-looking information, although not all forward-looking information contains these identifying words.

The forward-looking information in this Press Release includes statements which reflect the current expectations of management with respect to our business and the industry in which we operate and is based on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes appropriate and reasonable in the circumstances. The forward-looking information reflects management's beliefs based on information currently available to management, including information obtained from third party sources, and should not be read as a guarantee of the occurrence or timing of any future events, performance or results.

The forward-looking information in this Press Release is subject to risks, uncertainties and other factors that are difficult to predict and that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. A comprehensive discussion of the factors which could cause results or events to differ from current expectations can be found in the "Risk Factors" section of our Annual Information Form for the year ended September 30, 2021, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Readers are cautioned not to place undue reliance on the forward-looking information, which reflect our expectations only as of the date of this Press Release. Except as required by law, we do not undertake to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

### About Real Matters

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 professionals to create an efficient marketplace for the provision of mortgage lending and insurance industry services. Our clients include top 100 mortgage lenders in the U.S. and some of the largest insurance companies in North America. We are a leading independent provider of residential real estate appraisals to the mortgage

market and a leading independent provider of title services in the U.S. Headquartered in Markham (ON), Real Matters has principal offices in Buffalo (NY) and Middletown (RI). Real Matters is listed on the Toronto Stock Exchange under the symbol REAL. For more information, visit [www.realmatters.com](http://www.realmatters.com).

**For more information:**

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