

Real Matters Inc.

Interim Condensed Consolidated Statements of Financial Position

March 31, 2024 and September 30, 2023 (unaudited - stated in thousands of United States ("U.S.") dollars)

| | March 31, 2024 | September 30, 2023 |
|--------------------------------------|-------------------|-----------------------|
| ASSETS | | |
| CURRENT | | |
| Cash and cash equivalents | \$ 44,374 | \$ 42,341 |
| Trade and other receivables | 13,608 | 15,295 |
| Income taxes recoverable | 178 | 181 |
| Prepaid expenses | 2,491 | 3,499 |
| | 60,651 | 61,316 |
| NON-CURRENT | | |
| INTANGIBLES | 3,455 | 4,004 |
| GOODWILL | 43,181 | 43,181 |
| PROPERTY AND EQUIPMENT | 3,385 | 3,816 |
| OTHER ASSETS (Note 9) | 861 | 813 |
| DEFERRED TAX ASSETS | 16,890 | 15,608 |
| | 67,772 | 67,422 |
| TOTAL ASSETS | \$ 128,423 | \$ 128,738 |
| LIABILITIES | | |
| CURRENT | | |
| Trade payables | \$ 10,238 | \$ 9,354 |
| Accrued charges | 2,573 | 3,195 |
| Lease liabilities (Note 7) | 1,366 | 1,670 |
| | 14,177 | 14,219 |
| NON-CURRENT | | |
| OTHER LIABILITIES (Note 8) | 1,022 | 508 |
| LEASE LIABILITIES (Note 7) | 2,288 | 2,433 |
| | 3,310 | 2,941 |
| TOTAL LIABILITIES | 17,487 | 17,160 |
| EQUITY | | |
| SHAREHOLDERS' EQUITY | | |
| Common shares | 229,011 | 228,448 |
| Restricted shares | (311) | (311) |
| Contributed surplus | 14,673 | 14,154 |
| Accumulated deficit | (122,477) | (120,952) |
| Accumulated other comprehensive loss | (9,960) | (9,761) |
| TOTAL EQUITY | 110,936 | 111,578 |
| TOTAL LIABILITIES AND EQUITY | \$ 128,423 | \$ 128,738 |

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Real Matters Inc.

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss

For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars except share and net income or loss per share amounts)

| | Three months ended | | Six months ended | |
|---|--------------------|------------|------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| REVENUES (Note 10) | \$ 42,168 | \$ 37,610 | \$ 77,613 | \$ 75,775 |
| TRANSACTION COSTS | 30,639 | 27,680 | 56,409 | 56,054 |
| OPERATING EXPENSES (Note 5) | 11,177 | 11,936 | 22,740 | 25,136 |
| AMORTIZATION | 804 | 996 | 1,643 | 2,041 |
| RESTRUCTURING EXPENSES | - | 325 | - | 1,674 |
| INTEREST EXPENSE | 95 | 79 | 167 | 131 |
| INTEREST INCOME | (428) | (165) | (790) | (276) |
| NET FOREIGN EXCHANGE (GAIN) LOSS | (2,116) | 111 | (171) | 1,111 |
| LOSS (GAIN) ON FAIR VALUE OF DERIVATIVES (Note 9) | 122 | (281) | (50) | (268) |
| INCOME (LOSS) BEFORE INCOME TAX RECOVERY | 1,875 | (3,071) | (2,335) | (9,828) |
| INCOME TAX (RECOVERY) EXPENSE | | | | |
| Current | 264 | 267 | 478 | 407 |
| Deferred | (462) | (758) | (1,288) | (3,036) |
| TOTAL INCOME TAX RECOVERY | (198) | (491) | (810) | (2,629) |
| NET INCOME (LOSS) | 2,073 | (2,580) | (1,525) | (7,199) |
| OTHER COMPREHENSIVE (LOSS) INCOME | | | | |
| Items that will be reclassified to net income or loss: | | | | |
| Foreign currency translation adjustment | (2,312) | 131 | (199) | 1,130 |
| COMPREHENSIVE LOSS | \$ (239) | \$ (2,449) | \$ (1,724) | \$ (6,069) |
| NET INCOME (LOSS) - ATTRIBUTABLE TO COMMON SHAREHOLDERS | \$ 2,073 | \$ (2,580) | \$ (1,525) | \$ (7,176) |
| NET INCOME (LOSS) - ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | \$ - | \$ - | \$ - | \$ (23) |
| COMPREHENSIVE LOSS - ATTRIBUTABLE TO COMMON SHAREHOLDERS | \$ (239) | \$ (2,449) | \$ (1,724) | \$ (6,046) |
| COMPREHENSIVE INCOME (LOSS) - ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | \$ - | \$ - | \$ - | \$ (23) |
| Net income (loss) per weighted average share, basic (Note 4) | \$ 0.03 | \$ (0.04) | \$ (0.02) | \$ (0.10) |
| Net income (loss) per weighted average share, diluted (Note 4) | \$ 0.03 | \$ (0.04) | \$ (0.02) | \$ (0.10) |
| Weighted average number of shares outstanding (thousands), basic (Note 4) | 73,060 | 72,707 | 73,010 | 72,700 |
| Weighted average number of shares outstanding (thousands), diluted (Note 4) | 73,689 | 72,707 | 73,010 | 72,700 |

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Real Matters Inc.

Interim Condensed Consolidated Statements of Cash Flows

For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars)

| | Three months ended | | Six months ended | |
|--|--------------------|------------|------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING | | | | |
| OPERATING | | | | |
| Net income (loss) | \$ 2,073 | \$ (2,580) | \$ (1,525) | \$ (7,199) |
| Items not affecting cash: | | | | |
| Stock-based compensation (Note 8) | 358 | 325 | 1,176 | 793 |
| Amortization of intangibles | 412 | 365 | 810 | 722 |
| Amortization of property and equipment | 392 | 631 | 833 | 1,319 |
| Interest expense | 95 | 79 | 167 | 131 |
| Loss (gain) on fair value of derivatives (Note 9) | 122 | (281) | (50) | (268) |
| Income tax recovery | (198) | (491) | (810) | (2,629) |
| Unrealized foreign exchange (gain) loss on internal financing arrangements | (1,864) | 66 | (173) | 1,006 |
| Changes in non-cash working capital items (Note 6) | (1,157) | (648) | 2,653 | 5,713 |
| Interest paid | (95) | (79) | (167) | (131) |
| Income taxes paid | (227) | (213) | (475) | (2,713) |
| Cash (utilized in) generated from operating activities | (89) | (2,826) | 2,439 | (3,256) |
| INVESTING | | | | |
| Intangible asset additions | (143) | (128) | (262) | (239) |
| Property and equipment additions | (4) | (83) | (6) | (236) |
| Payments received from sublease | 152 | 68 | 303 | 135 |
| Cash generated from (utilized in) investing activities | 5 | (143) | 35 | (340) |
| FINANCING | | | | |
| Proceeds from lease liabilities (Note 7) | - | - | - | 146 |
| Repayment of lease liabilities (Note 7) | (362) | (369) | (846) | (792) |
| Proceeds from the exercise of stock options | - | 54 | 422 | 54 |
| Purchase of common shares and related costs | - | - | - | (11) |
| Dividends paid to non-controlling interests | - | - | - | (139) |
| Cash utilized in financing activities | (362) | (315) | (424) | (742) |
| Effect of foreign currency translation on cash and cash equivalents | (284) | - | (17) | 28 |
| NET CASH (OUTFLOW) INFLOW | (730) | (3,284) | 2,033 | (4,310) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD OR YEAR | 45,104 | 45,116 | 42,341 | 46,142 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | \$ 44,374 | \$ 41,832 | \$ 44,374 | \$ 41,832 |
| SUPPLEMENTAL CASH FLOW INFORMATION: | | | | |
| Cash and cash equivalents are comprised of: | | | | |
| Cash | \$ 1,779 | \$ 17,085 | \$ 1,779 | \$ 17,085 |
| Cash equivalents | 42,595 | 24,747 | 42,595 | 24,747 |
| | \$ 44,374 | \$ 41,832 | \$ 44,374 | \$ 41,832 |

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Real Matters Inc.

Interim Condensed Consolidated Statements of Equity

For the three months ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars)

| | Common shares | Restricted shares | Contributed surplus | Accumu- lated deficit | Accumu- lated other comprehen- sive loss | Total equity |
|---|-------------------|----------------------|------------------------|--------------------------|---|-------------------|
| Balance at December 31, 2023 | \$ 229,011 | \$ (311) | \$ 14,592 | \$ (124,550) | \$ (7,648) | \$ 111,094 |
| Net income | | | | 2,073 | | 2,073 |
| Stock-based compensation | | | 81 | | | 81 |
| Foreign currency translation adjustment | | | | | (2,312) | (2,312) |
| Balance at March 31, 2024 | \$ 229,011 | \$ (311) | \$ 14,673 | \$ (122,477) | \$ (9,960) | \$ 110,936 |

| | Non- controlling interests | Common shares | Restricted shares | Contributed surplus | Accumu- lated deficit | Accumu- lated other comprehen- sive loss | Total equity |
|--|----------------------------------|------------------|----------------------|------------------------|--------------------------|---|-----------------|
| Balance at December 31, 2022 | \$ (9) | \$ 227,276 | \$ (311) | \$ 14,065 | \$ (119,375) | \$ (9,954) | \$ 111,692 |
| Net loss | | | | | (2,580) | | (2,580) |
| Common shares issued on the exercise of stock options | | 67 | | (13) | | | 54 |
| Stock-based compensation | | | | 173 | | | 173 |
| Purchase of subsidiary shares from non-controlling interests | 9 | | | (9) | | | - |
| Foreign currency translation adjustment | | | | | | 131 | 131 |
| Balance at March 31, 2023 | \$ - | \$ 227,343 | \$ (311) | \$ 14,216 | \$ (121,955) | \$ (9,823) | \$ 109,470 |

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Real Matters Inc.

Condensed Consolidated Statements of Equity

For the six months ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars)

| | Common shares | Restricted shares | Contributed surplus | Accumulated deficit | Accumulated other comprehensive loss | Total equity |
|---|-------------------|-------------------|---------------------|---------------------|--------------------------------------|-------------------|
| Balance at September 30, 2023 | \$ 228,448 | \$ (311) | \$ 14,154 | \$ (120,952) | \$ (9,761) | \$ 111,578 |
| Net loss | | | | (1,525) | | (1,525) |
| Common shares issued on the exercise of stock options | 563 | | (141) | | | 422 |
| Stock-based compensation | | | 660 | | | 660 |
| Foreign currency translation adjustment | | | | | (199) | (199) |
| Balance at March 31, 2024 | \$ 229,011 | \$ (311) | \$ 14,673 | \$ (122,477) | \$ (9,960) | \$ 110,936 |

| | Non-controlling interests | Common shares | Restricted shares | Contributed surplus | Accumulated deficit | Accumulated other comprehensive loss | Total equity |
|--|---------------------------|-------------------|-------------------|---------------------|---------------------|--------------------------------------|-------------------|
| Balance at September 30, 2022 | \$ 115 | \$ 227,285 | \$ (311) | \$ 13,647 | \$ (114,777) | \$ (10,953) | \$ 115,006 |
| Net loss | (23) | | | | (7,176) | | (7,199) |
| Dividends paid to non-controlling interests | (139) | | | | | | (139) |
| Common shares issued on the exercise of stock options | | 67 | | (13) | | | 54 |
| Stock-based compensation | | | | 629 | | | 629 |
| Purchase of common shares and related costs | | (9) | | | (2) | | (11) |
| Purchase of subsidiary shares from non-controlling interests | 9 | | | (9) | | | - |
| Dissolution of partially owned subsidiary | 38 | | | (38) | | | - |
| Foreign currency translation adjustment | | | | | | 1,130 | 1,130 |
| Balance at March 31, 2023 | \$ - | \$ 227,343 | \$ (311) | \$ 14,216 | \$ (121,955) | \$ (9,823) | \$ 109,470 |

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Real Matters Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

1. Nature of Operations

Real Matters Inc. ("Real Matters" or the "Company") is a leading technology and network management company providing appraisal and title services through its Solidifi brand to the mortgage lending industry in the U.S. and appraisal and insurance inspection services to the mortgage lending and insurance industries in Canada through its Solidifi and iv3 brands, respectively.

Real Matters' head office and Canadian operations are located at 50 Minthorn Boulevard, Markham, Ontario and its U.S. subsidiaries operate at the Company's principal offices in Buffalo, New York and Middletown, Rhode Island.

2. Basis of Presentation and Significant Accounting Policies

The unaudited interim condensed consolidated financial statements ("financial statements") are presented in thousands of U.S. dollars.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. These financial statements should be read in conjunction with the annual audited consolidated financial statements, and notes thereto, for the years ended September 30, 2023 and 2022 (the "annual financial statements").

These financial statements were authorized for issue by the board of directors on May 6, 2024.

Use of estimates and judgments

The preparation of these financial statements requires management to employ certain accounting estimates and judgments in the application of the Company's accounting policies. The areas involving significant estimate and judgment are set out in Note 2 to the Company's annual financial statements. There have been no notable changes in the methods employed by management to determine significant estimates and judgments since September 30, 2023, except as outlined in Note 3.

Summary of Significant Accounting Policies

The significant accounting policies and methodologies applied by the Company in preparing these financial statements are the same as those outlined in the most recent annual financial statements, except as outlined in Note 3.

Seasonality

Residential mortgage origination volumes in North America are a key driver of the Company's financial performance and are influenced by cyclical trends and seasonality. Cyclical trends include changes in interest rates, refinancing rates, the capacity of lenders to underwrite mortgages, house prices, housing stock, demand for housing, 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 transaction-based revenues for appraisal services in our U.S. Appraisal and Canadian segments are also impacted by the seasonal nature of the residential mortgage industry, which typically sees home buyers purchase more homes in the Company's third and fourth fiscal quarters, representing the three months ending June 30 and September 30, respectively. The results reported in these financial statements should not be regarded as an indication of the results expected for the entire year.

Real Matters Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

3. Recent Accounting Pronouncements

Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued "Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)" which provided a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendment clarified that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Only rights to defer settlement by at least 12 months, which are in place at the end of the reporting period, affect the classification of a liability. Classification is unaffected by an entities' expectation to exercise its right to defer settlement of a liability.

In October 2022, the IASB issued "Non-current liabilities with covenants (amendments to IAS 1)" which clarified that only covenants that an entity is required to comply with as of the reporting date affect the classification of a liability as current or non-current. Entities are required to disclose that non-current liabilities with covenants could become repayable within 12 months from the reporting date.

These amendments are to be applied retrospectively and are effective for annual reporting periods beginning on or after January 1, 2024. The Company expects to apply these amendments to the classification of liabilities on October 1, 2024, and adopting this amendment is not expected to have a significant impact on the Company's financial statements.

4. Net Income (Loss) per Weighted Average Share

The following table outlines the components used to calculate basic and diluted net income (loss) per share attributable to common shareholders:

| | Three months ended March 31 | | Six months ended March 31 | |
|--|-----------------------------|------------|---------------------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net income (loss) | \$ 2,073 | \$ (2,580) | \$ (1,525) | \$ (7,199) |
| Net income (loss) attributable to common shareholders | \$ 2,073 | \$ (2,580) | \$ (1,525) | \$ (7,176) |
| Weighted average number of shares, basic | 73,060 | 72,707 | 73,010 | 72,700 |
| Dilutive effect of stock options and equity-settled RSUs | 629 | - | - | - |
| Weighted average number of shares, diluted | 73,689 | 72,707 | 73,010 | 72,700 |
| Net income (loss) per weighted average share, basic | \$ 0.03 | \$ (0.04) | \$ (0.02) | \$ (0.10) |
| Net income (loss) per weighted average share, diluted | \$ 0.03 | \$ (0.04) | \$ (0.02) | \$ (0.10) |

At March 31, 2024, 3,728 (2023 - 4,224) stock options and restricted share units ("RSUs") were excluded from the dilutive weighted average number of shares because their effect would have been anti-dilutive.

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Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

5. Operating Expenses

| | Three months ended March 31 | | Six months ended March 31 | |
|--------------------------|-----------------------------|-----------|---------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Operating expenses: | | | | |
| Salaries and benefits | \$ 8,910 | \$ 9,017 | \$ 17,699 | \$ 18,620 |
| Office and computer | 1,489 | 1,860 | 3,018 | 3,964 |
| Professional fees | 581 | 681 | 1,066 | 1,226 |
| Sales and marketing | 93 | 12 | 478 | 310 |
| Travel and entertainment | 176 | 75 | 287 | 227 |
| Other | (72) | 291 | 192 | 789 |
| | \$ 11,177 | \$ 11,936 | \$ 22,740 | \$ 25,136 |

6. Changes in Non-Cash Working Capital Items

The following table outlines changes in non-cash working capital items:

| Inflow (outflow) | Three months ended March 31 | | Six months ended March 31 | |
|---|-----------------------------|------------|---------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Trade and other receivables | \$ (4,029) | \$ (1,777) | \$ 1,384 | \$ 7,974 |
| Prepaid expenses | 174 | (981) | 1,008 | (270) |
| Trade payables | 2,454 | 1,838 | 884 | (1,435) |
| Accrued charges | 327 | 204 | (622) | (639) |
| Effect of foreign currency translation adjustments and other non-cash changes | (83) | 68 | (1) | 83 |
| | \$ (1,157) | \$ (648) | \$ 2,653 | \$ 5,713 |

7. Changes in Liabilities Arising from Financing Activities

| | Three months ended March 31, 2024 | | | | | | |
|-------------------|-----------------------------------|----------|-------------|----------------------|--|------------------------|---------------------------------|
| | Cash flows | | | | Non-cash changes | | |
| | Opening balance - January 1, 2024 | Proceeds | Re-payments | Change in fair value | Effect of foreign currency translation | Other non-cash changes | Ending balance - March 31, 2024 |
| Lease liabilities | \$ 3,620 | - | (362) | - | (15) | 411 | \$ 3,654 |

| | Three months ended March 31, 2023 | | | | | | |
|-------------------|-----------------------------------|----------|-------------|----------------------|--|------------------------|---------------------------------|
| | Cash flows | | | | Non-cash changes | | |
| | Opening balance - January 1, 2023 | Proceeds | Re-payments | Change in fair value | Effect of foreign currency translation | Other non-cash changes | Ending balance - March 31, 2023 |
| Lease liabilities | \$ 5,586 | - | (369) | - | - | - | \$ 5,217 |

Real Matters Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

| | Cash flows | | | | | Six months ended March 31, 2024 | | Ending balance - March 31, 2024 |
|-------------------|-----------------------------------|----------|-------------|----------------------|--|---------------------------------|----------|---------------------------------|
| | Opening balance - October 1, 2023 | Proceeds | Re-payments | Change in fair value | Effect of foreign currency translation | Other non-cash changes | | |
| Lease liabilities | \$ 4,103 | - | (846) | - | (14) | 411 | \$ 3,654 | |

| | Cash flows | | | | | Six months ended March 31, 2023 | | Ending balance - March 31, 2023 |
|-------------------|-----------------------------------|----------|-------------|----------------------|--|---------------------------------|----------|---------------------------------|
| | Opening balance - October 1, 2022 | Proceeds | Re-payments | Change in fair value | Effect of foreign currency translation | Other non-cash changes | | |
| Lease liabilities | \$ 5,860 | 146 | (792) | - | 3 | - | \$ 5,217 | |

8. Stock-Based Compensation

Stock options

The Company granted the following stock options during the six months ended March 31, 2024:

| Grant date | Recipient | Vesting period | Expiry date | Aggregate number of stock options granted |
|-------------------|-------------------|--|---|---|
| November 21, 2023 | Certain employees | Equally on the first, second and third anniversary date from the date of grant | 7th anniversary date from the date of grant | 3 |
| February 5, 2024 | Certain employees | Equally on the first, second and third anniversary date from the date of grant | 7th anniversary date from the date of grant | 5 |

The following table outlines changes to stock options:

| | Six months ended March 31 | | | |
|--|---------------------------|---------------------------------|-------------------------|---------------------------------|
| | 2024 | | 2023 | |
| | Number of stock options | Weighted average exercise price | Number of stock options | Weighted average exercise price |
| Outstanding balance, beginning of year | 3,581 | C\$ 8.12 | 4,426 | C\$ 8.47 |
| Granted, during the period | 8 | C\$ 6.11 | - | C\$ - |
| Exercised, during the period | (116) | C\$ 4.96 | (26) | C\$ 2.85 |
| Forfeited, during the period | (18) | C\$ 12.01 | (353) | C\$ 11.15 |
| Outstanding balance, end of period | 3,455 | C\$ 8.20 | 4,047 | C\$ 8.27 |
| Stock options exercisable, end of period | 3,264 | C\$ 8.32 | 3,767 | C\$ 8.13 |

Real Matters Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

The Company recorded stock-based compensation expense attributable to stock options of \$57 and \$160 (2023 - \$90 and \$176) to operating expenses in the interim condensed consolidated statements of operations and comprehensive loss for the three and six months ended March 31, 2024.

The following table summarizes certain information for stock options outstanding as at March 31, 2024:

| Exercise price range | Number of stock options | Weighted average remaining contractual life, expressed in years | Number of stock options exercisable |
|-----------------------|-------------------------|---|-------------------------------------|
| C\$ 2.40 – C\$ 3.17 | 492 | 0.66 | 492 |
| C\$ 3.18 – C\$ 4.26 | 385 | 1.67 | 385 |
| C\$ 4.27 – C\$ 5.79 | 305 | 2.77 | 216 |
| C\$ 5.80 – C\$ 6.25 | 469 | 1.11 | 469 |
| C\$ 6.26 – C\$ 6.70 | 254 | 4.75 | 166 |
| C\$ 6.71 – C\$ 11.48 | 414 | 2.26 | 407 |
| C\$ 11.49 – C\$ 12.89 | 345 | 2.63 | 341 |
| C\$ 12.90 – C\$ 13.50 | 481 | 3.08 | 481 |
| C\$ 13.51 – C\$ 20.88 | 310 | 3.49 | 307 |
| | 3,455 | 2.30 | 3,264 |

RSUs

The Company granted the following RSUs during the six months ended March 31, 2024:

| Grant date | Plan | Group granted to | Vesting date | Number of RSUs granted | Weighted average grant date fair value, expressed in Canadian dollars ("C\$") |
|-------------------|------------------|--|-------------------|------------------------|---|
| December 15, 2023 | 2022 Equity Plan | Executive officers and certain employees | December 15, 2026 | 320 | C\$ 6.23 |
| December 15, 2023 | 2022 Equity Plan | Executive officers | February 1, 2025 | 8 | C\$ 6.23 |
| December 15, 2023 | 2017 Equity Plan | Directors | December 15, 2023 | 96 | C\$ 6.24 |

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Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

The following table outlines changes to RSUs:

| | Six months ended March 31 | |
|--|---------------------------|----------------|
| | 2024 | 2023 |
| | Number of RSUs | Number of RSUs |
| Outstanding balance, beginning of year | 803 | 183 |
| Granted | 424 | 652 |
| Settled | - | - |
| Forfeited | (13) | - |
| Outstanding balance, end of period | 1,214 | 835 |
| Vested, but not settled, end of period | 269 | 164 |

At March 31, 2024, 101 (2023 - 101) common shares were held in trust to settle future obligations under the 2022 Equity Plan.

The Company recorded stock-based compensation expense attributable to RSUs of \$301 and \$1,016 (2023 - \$235 and \$617), including fair value changes in RSUs classified as liabilities, to operating expenses in the interim condensed consolidated statements of operations and comprehensive loss for the three and six months ended March 31, 2024.

The total carrying amount of liabilities for cash-settled RSUs at March 31, 2024 was \$1,022 (September 30, 2023 - \$508) and is recorded in Other Liabilities.

9. Financial Instruments

The following table categorizes the Company's derivative financial assets and liabilities and presents their estimated fair values. Financial instruments are recorded as other assets or other liabilities in the Company's interim condensed consolidated statements of financial position.

| | March 31, September 30, | |
|--|-------------------------|--------|
| | 2024 | 2023 |
| Financial assets | | |
| <i>Derivatives not designated in a hedging relationship:</i> | | |
| Non-current - other assets - total return swaps | \$ 861 | \$ 813 |

Unrealized and realized amounts recorded to net gain or loss on fair value of derivatives in the interim condensed consolidated statement of operations and comprehensive loss are as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|------------------------|-----------------------------|----------|---------------------------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| Total return swaps | | | | |
| Unrealized loss (gain) | \$ 122 | \$ (281) | \$ (50) | \$ (268) |
| Realized gain | - | - | - | - |
| | \$ 122 | \$ (281) | \$ (50) | \$ (268) |

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Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

The following table outlines the hierarchical measurement categories for the fair value of financial assets or liabilities. At March 31, 2024 and September 30, 2023, financial assets or liabilities had the following estimated fair values expressed on a gross basis:

| | March 31, 2024 | | | |
|-----------------------------------|--|---|---|--------|
| | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant un- observable inputs (Level 3) | Total |
| Other assets - total return swaps | \$ - | \$ 861 | \$ - | \$ 861 |
| | \$ - | \$ 861 | \$ - | \$ 861 |
| | September 30, 2023 | | | |
| | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant un- observable inputs (Level 3) | Total |
| Other assets - total return swaps | \$ - | \$ 813 | \$ - | \$ 813 |
| | \$ - | \$ 813 | \$ - | \$ 813 |

The hierarchical measurement categories for financial assets and liabilities, recognized at fair value on a recurring basis, are re-assessed at the end of each reporting period.

For the three and six months ended March 31, 2024 and 2023, there were no transfers between levels or changes to the valuation techniques used to estimate fair value.

The estimated fair values of financial instruments are calculated using available market information, and commonly accepted valuation methods. Considerable judgment is required to interpret market information used to develop these estimates. Accordingly, these fair value estimates are not necessarily indicative of the amounts the Company, or counterparties to the instruments, could realize in a current market exchange.

Total return swaps

The Company's total return swaps are recorded at estimated fair value based on quotes received from the financial institution that is counterparty to the agreements. The Company verifies the reasonableness of the quotes by comparing them to share price movements adjusted for interest using a market rate of interest specific to the terms of the underlying contract. The use of different assumptions and or estimation methods could result in differing estimates of fair value, which the Company believes would not be material.

Real Matters Inc.

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For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

The Company entered into the following total return swaps outlined in the table below:

Total return swaps

| Date entered | Notional amount | Share price | Number of units | Effective date | Expiration date |
|---------------|-----------------|-------------|-----------------|----------------|-----------------|
| December 2022 | C\$ 2,345 | C\$ 4.21 | 557 | December 2022 | December 2025 |
| November 2023 | C\$ 2,029 | C\$ 5.78 | 351 | December 2023 | December 2026 |

Estimated fair value

The carrying value of cash and cash equivalents, trade and other receivables, trade payables and accrued charges approximate their fair values due to the relatively short maturities of these instruments.

10. Segmented Reporting

The Company conducts its business through three reportable segments: U.S. Appraisal, U.S. Title and Canada. The Company reports segment information based on internal reports used by the Chief Operating Decision Maker ("CODM") to make operating and resource allocation decisions and to assess performance. The CODM is the Chief Executive Officer of the Company.

The U.S. Appraisal segment provides residential mortgage appraisals for purchase, refinance, home equity and default transactions through its Solidifi brand.

The U.S. Title segment serves the title market by providing various title services for refinance, purchase, home equity, short sale and real estate owned ("REO") transactions to financial institutions through its Solidifi brand. As an independent title agent, the Company provides services required to close a mortgage transaction, including title search, curative, closing and escrow services and title policy issuance. Diversified title services represent software subscription fees earned from other title insurance agencies and mortgage lenders.

The Canadian segment's primary service offerings include residential mortgage appraisals for purchase, refinance and home equity transactions provided through its Solidifi brand. Additionally, the Company provides insurance inspection services to property and casualty insurers across Canada through its iv3 brand.

The Company excludes corporate costs in the determination of each operating segment's performance. Corporate costs include certain executive and employee costs, legal, finance, internal audit, treasury, investor relations, compliance, human resources, technical and software development, corporate development and other administrative support function costs.

The CODM does not evaluate operating segments using discrete asset information and the Company does not specifically allocate assets to operating segments for internal reporting purposes.

The accounting policies for each operating segment are the same as those described in the basis of presentation and significant accounting policies note, Note 2. The Company evaluates segment performance based on revenues, net of transaction costs.

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For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

| | Three months ended March 31 | | Six months ended March 31 | |
|---|-----------------------------|-------------------|---------------------------|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenues | | | | |
| U.S. Appraisal | \$ 32,567 | \$ 27,996 | \$ 59,367 | \$ 56,256 |
| U.S. Title | 2,034 | 2,223 | 4,070 | 4,584 |
| Canada | 7,567 | 7,391 | 14,176 | 14,935 |
| | \$ 42,168 | \$ 37,610 | \$ 77,613 | \$ 75,775 |
| Revenues net of transaction costs | | | | |
| U.S. Appraisal | \$ 9,205 | \$ 7,730 | \$ 16,674 | \$ 15,354 |
| U.S. Title | 894 | 818 | 1,858 | 1,638 |
| Canada | 1,430 | 1,382 | 2,672 | 2,729 |
| | \$ 11,529 | \$ 9,930 | \$ 21,204 | \$ 19,721 |
| Amortization | | | | |
| U.S. Appraisal | \$ 84 | \$ 153 | \$ 173 | \$ 308 |
| U.S. Title | 609 | 769 | 1,260 | 1,559 |
| Canada | - | - | - | - |
| Corporate | 111 | 74 | 210 | 174 |
| | \$ 804 | \$ 996 | \$ 1,643 | \$ 2,041 |
| Operating expenses | \$ 11,177 | \$ 11,936 | \$ 22,740 | \$ 25,136 |
| Restructuring expenses | \$ - | \$ 325 | \$ - | \$ 1,674 |
| Interest expense | \$ 95 | \$ 79 | \$ 167 | \$ 131 |
| Interest income | \$ (428) | \$ (165) | \$ (790) | \$ (276) |
| Net foreign exchange (gain) loss | \$ (2,116) | \$ 111 | \$ (171) | \$ 1,111 |
| Loss (gain) on fair value of derivatives | \$ 122 | \$ (281) | \$ (50) | \$ (268) |
| Income (loss) before income tax recovery | \$ 1,875 | \$ (3,071) | \$ (2,335) | \$ (9,828) |

Geographic segmentation of the Company's assets is as follows:

| | March 31, 2024 | | | |
|------------------------|--------------------|--------|-----------|-----------|
| | U.S. | Canada | Corporate | Total |
| Intangibles | \$ 2,822 | \$ - | \$ 633 | \$ 3,455 |
| Goodwill | \$ 43,181 | \$ - | \$ - | \$ 43,181 |
| Property and equipment | \$ 2,917 | \$ - | \$ 468 | \$ 3,385 |
| | | | | |
| | September 30, 2023 | | | |
| | U.S. | Canada | Corporate | Total |
| Intangibles | \$ 3,501 | \$ - | \$ 503 | \$ 4,004 |
| Goodwill | \$ 43,181 | \$ - | \$ - | \$ 43,181 |
| Property and equipment | \$ 3,641 | \$ - | \$ 175 | \$ 3,816 |

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Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2024 and 2023 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

Revenues by service type

The Company's revenue is derived from contracts with customers. The disaggregation of revenue by service type is reconciled to the Company's segment revenue:

| | Three months ended March 31 | | Six months ended March 31 | |
|---|-----------------------------|-----------|---------------------------|-----------|
| | 2024 | 2023 | 2024 | 2023 |
| Appraisal | \$ 39,405 | \$ 34,633 | \$ 72,010 | \$ 69,563 |
| Title - mortgage origination, home equity and REO | 1,801 | 1,997 | 3,636 | 4,129 |
| Title - diversified | 233 | 226 | 434 | 455 |
| Insurance inspection | 729 | 754 | 1,533 | 1,628 |
| | \$ 42,168 | \$ 37,610 | \$ 77,613 | \$ 75,775 |