

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

The following Management Discussion and Analysis ("MD&A") was prepared as of April 27, 2022 and should be read in conjunction with our unaudited condensed consolidated financial statements ("financial statements"), including notes thereto, for the three and six months ended March 31, 2022 and 2021 and our audited consolidated financial statements, including notes thereto, for the year ended September 30, 2021. All amounts included in this MD&A are reported in thousands of U.S. dollars, unless otherwise stated, and have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP"). Throughout this MD&A, Real Matters Inc. and its subsidiaries are referred to as "Real Matters," "the Company," "we," "our," or "us". Additional information about the Company, including the Company's Annual Information Form for the year ended September 30, 2021, can be found on SEDAR under the Company's profile at www.sedar.com.

Overview

Real Matters provides residential real estate appraisal and title services to mortgage lenders in the United States of America ("U.S.") and residential real estate appraisal and insurance inspection services in Canada. Our technology-based platform creates a competitive marketplace where independent field professionals, including appraisers, real estate agents, property inspectors, notaries, abstractors and other closing agents, compete for volumes provided by our clients based on their performance and professionalism (the "platform"). Our proprietary technology, which we believe is unique in our industry, combined with our network management capabilities, drives greater efficiencies by reducing manual processes through robust quality control mechanisms, logistics management capabilities, capacity planning tools and end-to-end transaction management for our clients. We leverage our technology and field professional partnerships with the goal of delivering first-time quality, faster turnaround times and better performance than our competitors.

Appraisal services

We are one of North America's largest independent providers of residential real estate appraisal services. A residential appraisal is a survey of a home by a qualified appraiser providing their expert opinion on the market value of a residential property. Pricing for residential appraisals varies by region, the type of residential mortgage appraisal conducted and property type. In most cases, our clients order residential appraisals for mortgage loan assessment purposes and to comply with Government Sponsored Entity ("GSE") requirements in the U.S., and the cost of a residential appraisal is typically passed on to the borrower.

We apply our network management capabilities, which are designed to focus on quality at the front-end of the process, to supply residential real estate appraisal services. Our platform is an open network where appraiser performance is tracked and managed in real time. We believe that our national and regionally managed network has the capacity to scale and deliver better performance than our competitors. We provide the breadth of expertise and local knowledge required to find the most qualified appraiser for every mortgage transaction through robust credentials management and scorecarding.

Title services

We are an approved title agent with the largest title insurance underwriters in the U.S. We offer and/or coordinate various title services for refinance, purchase, short sale and real estate owned ("REO") transactions to financial institutions in all 50 states, and the District of Columbia. Each state has differing rules and regulations for title agents. As an independent title agent, we provide services required to close a mortgage transaction, including title search, curative, closing and escrow services and title policy issuance. We act on behalf of title insurance underwriters and retain the agent's portion of the premium paid for the title policy, which is typically 70-90% of the title insurance premium. 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.

The closing process is critical to a consumer's overall experience as it represents an important point of contact in a mortgage transaction. Our focus is to provide the best consumer experience by working with experienced abstractors, notaries and attorneys. We operate a technology-based marketplace where independent field professionals compete for business based on their service level performance and quality of work. Our platform delivers a scalable solution that drives better performance for our clients and a superior consumer experience.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

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Our clients and the market we service

Clients

Our clients include top 100 mortgage lenders in the U.S., the majority of the big five banks in Canada and some of North America's largest insurance carriers. In the U.S., we estimate that the top 100 lenders account for approximately 75% of lender spend on appraisal and title services. Tier 1 (as defined in the "Glossary" section of this MD&A) and other prominent lenders typically require their service providers to have a national footprint, be well capitalized, registered and licensed nationally, have a strong technology and information security infrastructure, and be in good standing with their regulatory authorities. These lenders typically allocate market share to their service providers based on performance, and our performance often results in us obtaining an outsized allocation of transaction volumes from these lenders compared to our competitors.

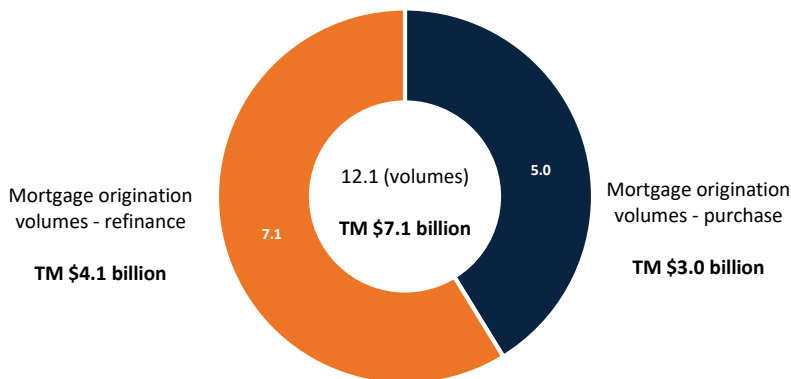
Markets

The U.S. mortgage market is one of the largest asset classes in the world and it is also highly regulated. In fiscal 2021, we estimated that there were approximately 12.1 million mortgage origination transactions (purchase and refinance) in the U.S., representing a total market ("TM") spend of \$7.1 billion by applying our average revenue per transaction for purchase and refinance mortgage originations in fiscal 2021. The graphic below outlines the estimated size of the TM for purchase and refinance mortgage originations in the U.S. for fiscal 2021 and our estimate of the TM spend for these services.

U.S. Market 2021 Total Mortgage Origination Volumes*

(expressed in millions)

*Management estimate at the end of fiscal 2021



U.S. Appraisal

Our U.S. Appraisal segment (as hereinafter defined) provides services to the largest lenders in the U.S., including all six Tier 1 mortgage lenders. We provide appraisal services to mortgage lenders across the following channels: purchase origination, refinance origination, home equity, default and REO. Purchase and refinance mortgage origination revenues accounted for 93% of fiscal 2021 revenues in our U.S. Appraisal segment.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

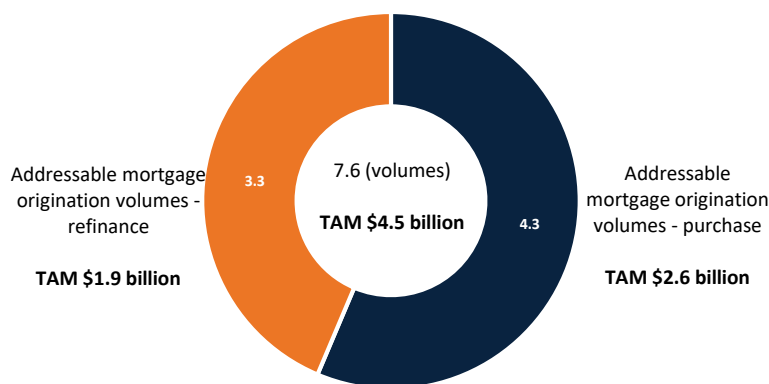
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The total addressable market ("TAM") for our U.S. Appraisal segment excludes appraisal waivers provided by the GSEs and appraisals provided by Veterans Affairs. In fiscal 2021, we estimate that there were approximately 7.6 million appraisals provided for purchase and refinance mortgage originations in the U.S., representing a TAM spend of \$4.5 billion by applying our average revenue per transaction for purchase and refinance mortgage originations in fiscal 2021. We further believe that waivers were at elevated levels in fiscal 2021, due in part to COVID-19, and will moderate back to fiscal 2019 levels by the end of fiscal 2025. The graphic below outlines the estimated size of the TAM for purchase and refinance mortgage originations in the U.S. for fiscal 2021 and our estimate of the TAM spend for these services.

U.S. Market 2021 Addressable Mortgage Origination Volumes*

(expressed in millions)

* Management estimate at the end of fiscal 2021



U.S. Title

Historically, our U.S. Title segment (as hereinafter defined) predominantly serviced Tier 3 and 4 mortgage lenders. However, over the past few years, we have added several top 100 lenders, including our first Tier 1 client for title services in fiscal 2021. Adding clients is in line with our strategy to increase market share in this segment, with a specific focus on targeting additional Tier 1, Tier 2 and Tier 3 clients. Today, we predominantly supply title services for refinance, home equity, default and REO transactions. For fiscal 2021, we estimate that there were 7.1 million refinance transactions serviced representing a total and addressable market spend of \$6.4 billion by applying our average revenue per transaction for refinance mortgage originations in fiscal 2021. The addressable market for our U.S. Title segment is not impacted by waivers or Veterans Affairs volumes.

Canada

In Canada, we provide residential mortgage appraisal services to the majority of the big five banks in Canada and provide residential and commercial property insurance inspection services to some of North America's largest insurance carriers.

Our offices and brands

Headquartered in Markham, Ontario, Real Matters' principal offices include Buffalo, New York, Middletown, Rhode Island and Scottsdale, Arizona. We service the U.S. and Canadian residential mortgage industries through our Solidifi brand and the Canadian property and casualty insurance industry through our iv3 brand.

Seasonality and trends

Residential mortgage origination volumes in North America are a key driver of our 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. 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 see home buyers purchase more homes in our third and fourth fiscal quarters, representing the three months ending June 30 and September 30, respectively. Our market share is impacted by the size of the addressable residential mortgage origination market but also our clients' relative share of the addressable market. As discussed above, the prevalence of appraisal waivers provided by the GSEs and the

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

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volume of appraisals provided by Veterans Affairs can also impact the size of the TAM for our U.S. Appraisal segment. Gains or losses in our clients' share of the addressable market impacts our overall market share. Accordingly, we take a long-term view of our success, since we cannot control the addressable mortgage origination market or the factors that influence it.

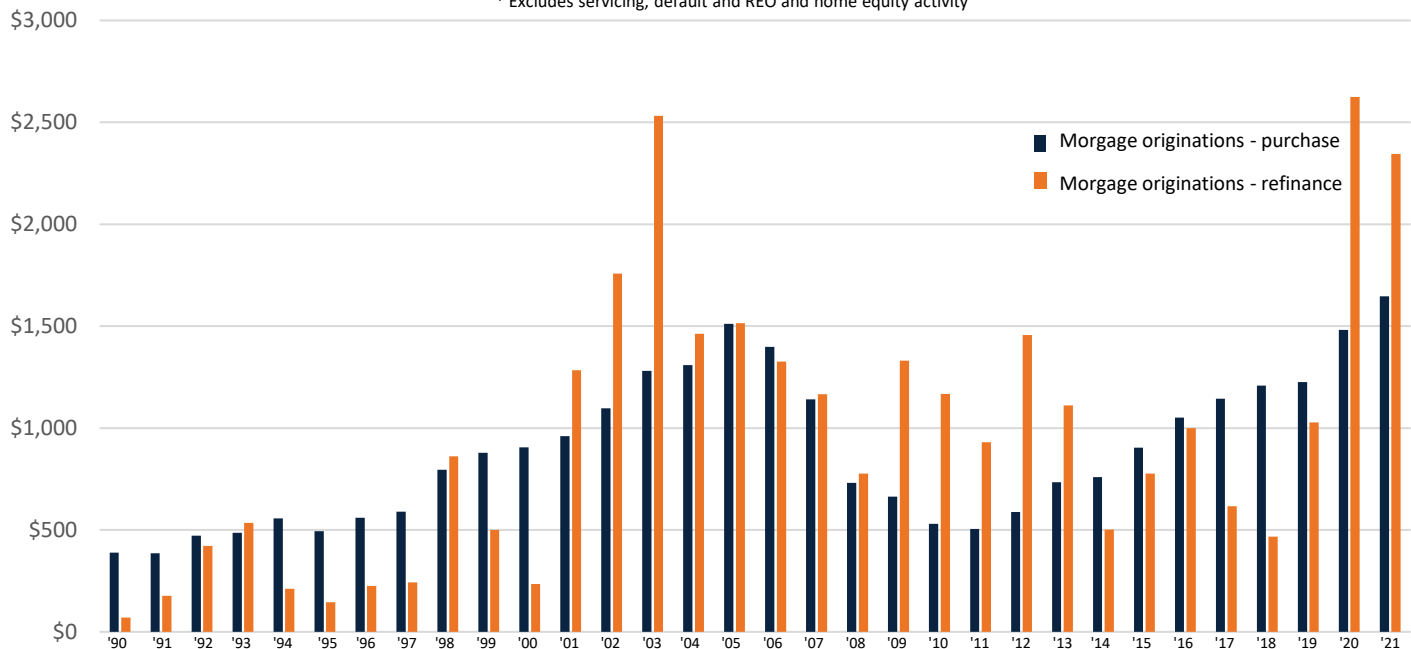
Annual mortgage origination estimates

The table below illustrates estimated U.S. mortgage origination spend for purchase and refinance transactions beginning in 1990 and presented on a calendar year basis. Since 2011, the estimated purchase market has grown at a mid to high single digit growth rate, when expressed on a volume basis, which is highly correlated to the strength of the U.S. economy, among other factors. However, refinance activity is very sensitive to changes in interest rates which has resulted in significant changes in the volume of activity between years. Since the onset of COVID-19, the market has experienced a significant increase in refinance activity due to record low interest rates brought about by COVID-19 and other contributing factors. We believe this historically high level of activity will present a tougher market comparison year-over-year given the recent increase in interest rates.

Annual Mortgage Origination Estimates *

source Mortgage Bankers Association ("MBA")
(expressed in billions of dollars)

* Excludes servicing, default and REO and home equity activity



Scale from volume

Our objective is to leverage our technology, network and logistics management capabilities and field professional partnerships to deliver first time quality, faster turnaround times and better performance than our competitors. As volumes on our platform increase from market share growth, market volume expansion or some combination of the two, we partner with our field professionals to make them more efficient in their daily activities which leads to an expansion of our Net Revenue^(A) margins. In addition, we leverage our operations to expand our Adjusted EBITDA^(A) margins. Our objectives for each of these measures through fiscal 2025 are outlined in the "Our long-term plan – Fiscal 2025 targets" section of this MD&A.

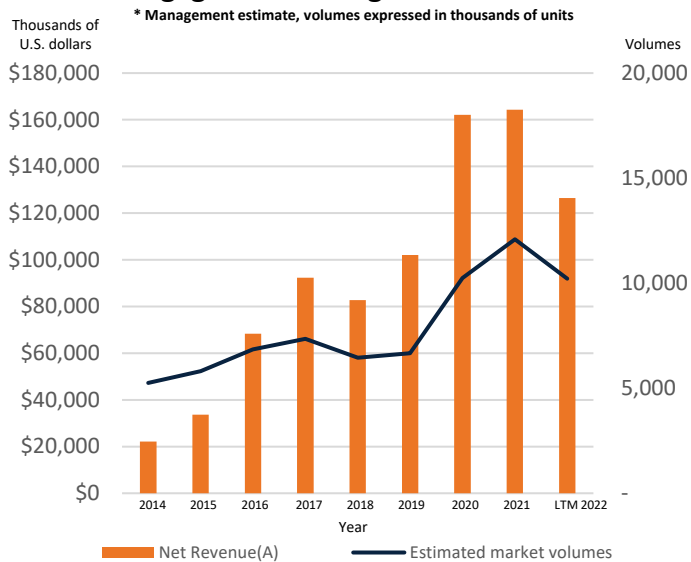
We prepare our financial statements in accordance with IFRS, however, we consider certain Non-GAAP financial measures (as hereinafter defined) useful in the assessment of our financial performance. All Non-GAAP measures are identified in this MD&A by superscript (A). Please refer to the "Non-GAAP Measures" section of this MD&A for additional details regarding our use of Non-GAAP measures, including, but not limited to, the definitions of Net Revenue^(A) and Adjusted EBITDA^(A).

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

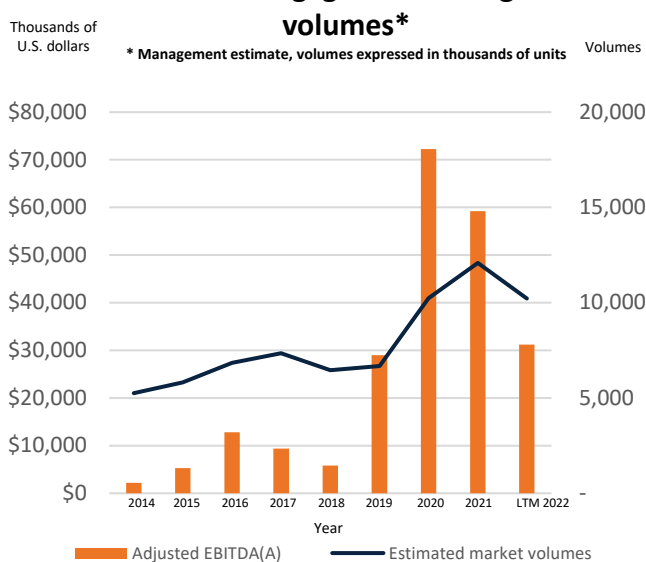
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The tables that follow compare our consolidated Net Revenue^(A), Adjusted EBITDA^(A) and Net Income or Loss to estimated mortgage market origination volumes.

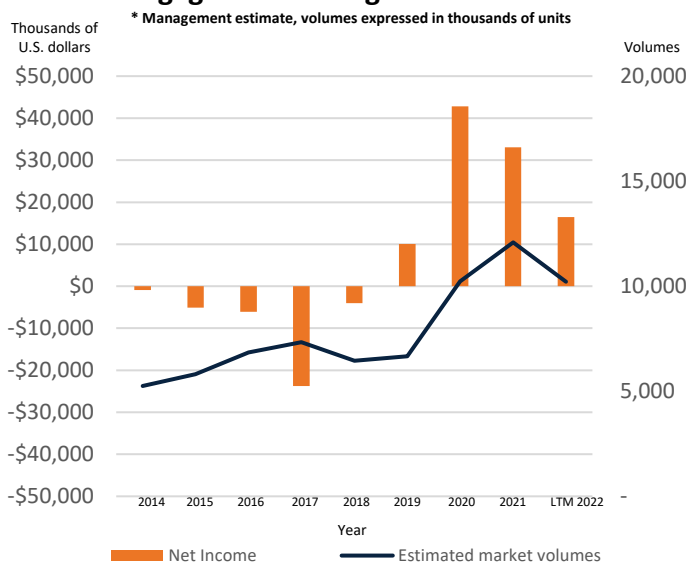
Consolidated Net Revenue^(A) relative to mortgage market origination volumes*



Consolidated Adjusted EBITDA^(A) relative to mortgage market origination volumes*



Consolidated Net Income relative to mortgage market origination volumes*

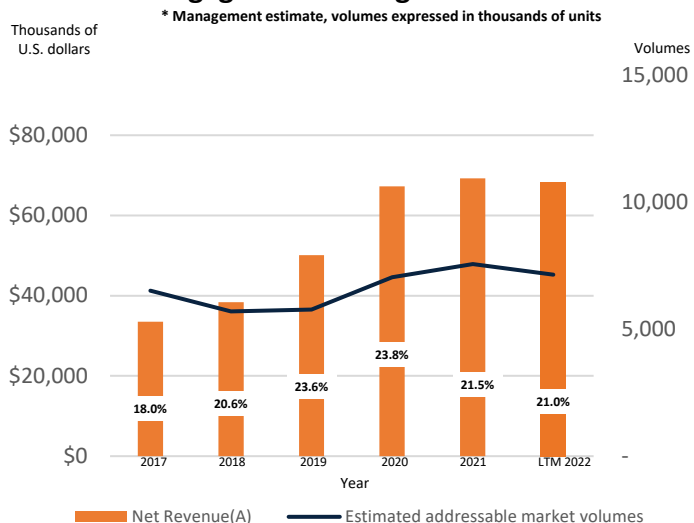


Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

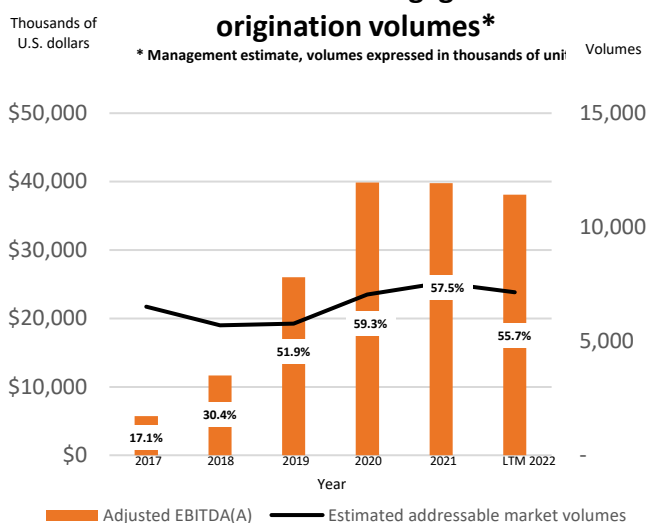
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Our U.S. Appraisal segment is our more mature business in the U.S. Servicing higher volumes on our platform from market share gains and, in recent years, higher market volumes, has resulted in Net Revenue^(A) and Adjusted EBITDA^(A) margin expansion on an annual basis through fiscal 2020. However, in fiscal 2021, and on a last twelve months (“LTM”) basis, we recorded lower Net Revenue^(A) margins and lower Adjusted EBITDA^(A) margins while servicing higher volumes. The primary reason for this contraction is because we have serviced a higher proportion of higher value and more complex properties since the onset of COVID-19, which we attribute, in part, to the higher use of GSE waivers on lower value and less complex properties. We expect the use of GSE waivers to decline as interest rates rise and rate refinance volumes contract. We also expect the proportion of cash out refinance transactions to increase relative to rate refinance transactions, which have historically had a higher waiver rate.

U.S. Appraisal Segment Net Revenue^(A) & Net Revenue^(A) margin vs addressable mortgage market origination volumes*

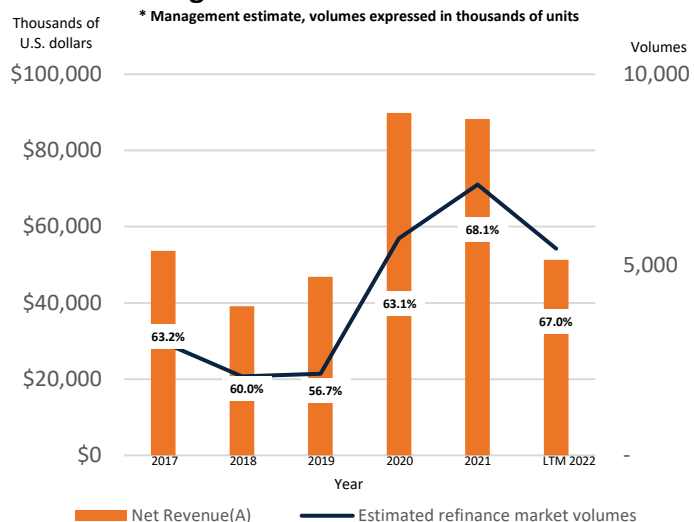


U.S. Appraisal Segment Adjusted EBITDA^(A) & Adjusted EBITDA^(A) margin vs addressable mortgage market origination volumes*

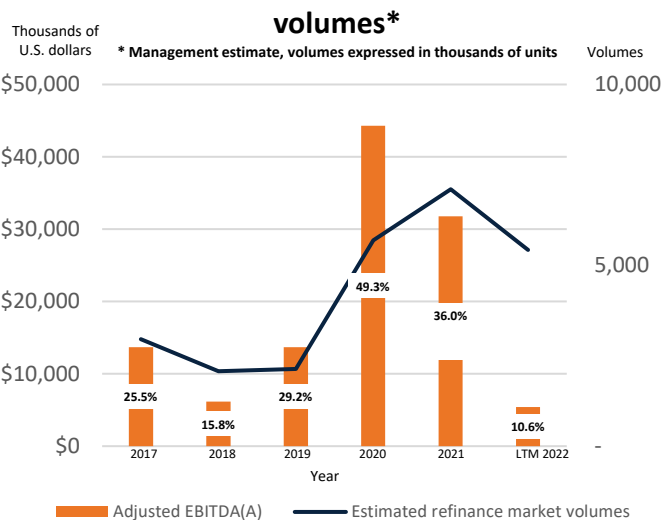


In April 2016, we entered the U.S. Title business through the acquisition of Linear Title & Closing Ltd. (“Linear”). Since then, we have ported this business to our platform and have been investing in our field professional panels with the long-term view of leveraging our network to expand Net Revenue^(A) margins similar to our U.S. Appraisal segment. Today, our U.S. Title segment predominately services refinance mortgage origination activity.

U.S. Title Segment Net Revenue^(A) & Net Revenue^(A) margins vs mortgage market origination refinance volumes*



U.S. Title Segment Adjusted EBITDA^(A) & Adjusted EBITDA^(A) margins vs mortgage market origination refinance volumes*



Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

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Our long-term plan

We take a long-term view to manage and measure the success of our business strategies. Accordingly, our principal focus is on market share growth. Over the long-term, we seek to achieve market share increases in the residential mortgage origination market. Market share growth is achieved by onboarding new customers and increasing market share with our existing clients. The mortgage market is subject to the influence of many factors, such as broader economic conditions, changes to interest rates, changing regulations and our clients' share of the market; each of which are not within our control.

Fiscal 2025 targets

At the end of fiscal 2020, we set targets through the end of fiscal 2025, which remain grounded in the philosophy that has guided us to date. As outlined above, residential mortgage origination volumes in North America are a key driver of our financial performance and are influenced by cyclical trends and seasonality. We continue to be singularly focused on market share growth and Net Revenue^(A) and Adjusted EBITDA^(A) margin expansion given that we can't control the cyclical and seasonal trends that impact the residential mortgage market or our clients' share of the market.

The fiscal 2025 targets are presented for the purpose of assisting investors, security analysts and others in understanding our current objectives, strategic priorities and expectations for the future. Readers are cautioned that our fiscal 2025 targets may not be appropriate for other purposes. Our Net Revenue^(A) and Adjusted EBITDA^(A) margin targets are contingent on achieving our market share goals.

Fiscal 2025 Targets

| | Purchase market share | Refinance market share | Net Revenue ^(A) margin | Adjusted EBITDA ^(A) margin |
|----------------|-----------------------|------------------------|-----------------------------------|---------------------------------------|
| U.S. Appraisal | 7-9% ⁽¹⁾ | 17-19% ⁽¹⁾ | 26-28% | 65-70% |
| U.S. Title | - | 6-8% ⁽²⁾ | 60-65% | 50-55% |
| Canada | - | - | 19-20% | 65-70% |

Note

⁽¹⁾ Market share expressed as a percentage of TAM as described above in this MD&A

⁽²⁾ Market share expressed as a percentage of TM as described above in this MD&A

Our target for our Corporate segment is to contain corporate expenses, excluding stock-based compensation expense, to 7% of Net Revenue^(A) by the end of fiscal 2025.

Our target is to convert 70-75% of Adjusted EBITDA^(A) to Free Cash Flow^(A) between fiscal 2021 through the end of fiscal 2025.

Margin expansion with volume growth

We expect to expand Net Revenue^(A) and Adjusted EBITDA^(A) margins across each of our segments in conjunction with an increase in volumes serviced, please refer to the "Fiscal 2025 targets" section of this MD&A.

We're built for the long-run

We believe we have a significant amount of addressable market beyond our fiscal 2025 objectives. The U.S. mortgage market is one of the largest asset classes in the world and we service large, blue-chip clients in the U.S. and Canada. Getting to first transaction with large mortgage lenders can be a lengthy process; however, once we launch a client, our strategy is to leverage our platform to outperform our competition and grow market share. This helps us solidify and expand the relationships we have with our clients over the long-term. Our business is built for scale; higher transaction volumes typically allow us to expand Net Revenue^(A) and Adjusted EBITDA^(A) margins. We have a strong balance sheet and strong Free Cash Flow^(A) generating profile to support our long-term business objectives.

Important factors affecting our results from operations

Our business is subject to a variety of risks and uncertainties, and the targets described above contain forward-looking information. Please refer to the "Cautionary Note Regarding Forward-Looking Information" contained in this MD&A for a description of the risks that impact our business and that could cause our financial results to vary.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

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Financial Performance

The following is a discussion of our consolidated financial condition and results of operations for the three and six months ended March 31, 2022 and 2021.

Review of Operations - For the three and six months ended March 31, 2022

We conduct our business in the U.S. and Canada through three reportable segments: (i) U.S. appraisal ("U.S. Appraisal"); (ii) U.S. title ("U.S. Title"); and (iii) Canada or Canadian. Expenses attributable to corporate activities are recorded in our Corporate segment. Please refer to the tables in the "Foreign Currency Exchange Rates" section of this MD&A for additional details regarding the impact foreign currency exchange ("FX") had on our consolidated operating results for the three and six months ended March 31, 2022.

Consolidated

| | Three months ended March 31 | | | | Six months ended March 31 | | | |
|---------------------------------------|-----------------------------|------------|-------------|----------|---------------------------|------------|-------------|----------|
| | 2022 | 2021 | Change | % Change | 2022 | 2021 | Change | % Change |
| Revenues | \$ 94,981 | \$ 128,828 | \$ (33,847) | -26.3% | \$ 202,738 | \$ 249,126 | \$ (46,388) | -18.6% |
| Transaction costs | \$ 70,803 | \$ 82,170 | \$ (11,367) | -13.8% | \$ 149,810 | \$ 158,442 | \$ (8,632) | -5.4% |
| Operating expenses | \$ 22,305 | \$ 28,206 | \$ (5,901) | -20.9% | \$ 45,444 | \$ 55,715 | \$ (10,271) | -18.4% |
| Amortization | \$ 1,150 | \$ 1,264 | \$ (114) | -9.0% | \$ 2,332 | \$ 2,502 | \$ (170) | -6.8% |
| <i>Non-GAAP measures</i> | | | | | | | | |
| Net Revenue ^(A) | \$ 24,178 | \$ 46,658 | \$ (22,480) | -48.2% | \$ 52,928 | \$ 90,684 | \$ (37,756) | -41.6% |
| Net Revenue ^(A) margin | 25.5% | 36.2% | -10.7% | -29.6% | 26.1% | 36.4% | -10.3% | -28.3% |
| Adjusted EBITDA ^(A) | \$ 2,508 | \$ 19,013 | \$ (16,505) | -86.8% | \$ 8,425 | \$ 36,431 | \$ (28,006) | -76.9% |
| Adjusted EBITDA ^(A) margin | 10.4% | 40.7% | -30.3% | -74.4% | 15.9% | 40.2% | -24.3% | -60.4% |

Three months ended

Revenues

Consolidated revenues declined due to lower revenues generated by our U.S. Appraisal and U.S. Title segments, which was offset, in part, by revenue growth in our Canadian segment. Revenues in our U.S. Appraisal segment declined due to lower addressable market volumes, partially offset by market share gains with existing clients and new client additions. The revenue decline in our U.S. Title segment was due to lower refinance market volumes, our strategic decisions in fiscal 2021 to focus our centralized operations and rationalize our diversified title business to align with our long-term market share objectives and lower home equity revenues. Canadian segment revenues increased due to net market share gains for appraisal services, modestly higher insurance inspection revenues, as a result of the relaxation of certain COVID-19 restrictions, and FX.

Transaction costs

Transaction costs include expenses directly attributable to a revenue transaction, including appraisal costs, various processing fees, including credit card fees, connectivity fees, insurance inspection costs, closing agent costs and external abstractor and quality review costs.

Transaction costs declined on a consolidated basis. Transaction costs in our U.S. Appraisal segment decreased for the reasons outlined in the revenue discussion above, partially offset by an increase in transaction costs to service a higher proportion of complex properties. Transaction costs in our U.S. Title segment declined due to lower centralized, diversified and other volumes serviced, as outlined in the revenue discussion above. Transaction costs in our Canadian segment increased due to higher overall appraisal and insurance volumes serviced, the mix of appraisal services supplied and FX.

Operating expenses

The decline in consolidated operating expenses was due primarily to our U.S. Title segment which recorded a \$5.8 million decrease due to lower volumes serviced. Of this decline, \$4.4 million was attributable to lower payroll and related costs and \$1.4 million was due to lower courier, office and bank charges. Operating expenses in our U.S. Appraisal segment declined \$0.2 million on lower payroll and related costs and lower licensing fees. Operating expenses in our Canadian segment increased \$0.1 million due to higher other costs. Corporate operating expenses were flat to the same quarter last year.

Amortization

Amortization declined due to fully amortized intangible assets in our U.S. Appraisal segment.

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Net Revenue^(A) and Adjusted EBITDA^(A)

On a consolidated basis, Net Revenue^(A) declined on lower revenues generated by our U.S. Appraisal and U.S. Title segments. U.S. Appraisal segment Net Revenue^(A) declined due to lower addressable market volumes and the mix of volumes serviced, partially offset by market share gains with existing clients, new client additions and higher home equity and default volumes serviced. The decline in our U.S. Title segment was due to lower refinance market volumes and our strategic decisions in fiscal 2021 to focus our centralized operations and rationalize our diversified title business to align with our long-term market share objectives. Net Revenue^(A) in our Canadian segment increased due to net market share gains for appraisal services, modestly higher insurance inspection revenues, as a result of the relaxation of certain COVID-19 restrictions, and FX. Net Revenue^(A) margins contracted across all three segments. The decline in U.S. Appraisal Net Revenue^(A) margins was due to the mix of mortgage origination volumes serviced and an increase in lower margin home equity volumes serviced. The decline in U.S. Title Net Revenue^(A) margins was due to a higher proportion of closed centralized orders relative to incoming order volumes in the comparative quarter last year and higher Net Revenue^(A) margins in the comparative quarter last year on home equity volumes serviced. The decline in Net Revenue^(A) margins in our Canadian segment was due to appraisal product mix. We recognized lower consolidated Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins due primarily to the financial performance of our U.S. Title segment, coupled with lower Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins in our U.S. Appraisal segment due to lower addressable market volumes.

Six months ended Revenues

Consolidated revenues declined due to lower revenues generated by our U.S. Title segment, which was offset, in part, by revenue growth in our U.S. Appraisal and Canadian segments. Revenues in our U.S. Appraisal segment increased due to the mix of volumes serviced, net market share gains with existing clients and new client additions, partially offset by lower addressable market volumes. The revenue decline in our U.S. Title segment was due to lower refinance market volumes, our strategic decisions in fiscal 2021 to focus our centralized operations and rationalize our diversified title business to align with our long-term market share objectives and lower home equity revenues. Canadian segment revenues increased due to net market share gains for appraisal services, modestly higher insurance inspection revenues, as a result of the relaxation of certain COVID-19 restrictions, and FX.

Transaction costs

On a consolidated basis, transaction costs declined in the first half of fiscal 2022. This decline was attributable to lower transaction costs incurred in our U.S. Title segment due to lower centralized, diversified and other volumes serviced, as outlined in the revenue discussion above. Transaction costs in our U.S. Appraisal segment increased for the reasons outlined in the revenue discussion above, with a larger proportion of the volume we serviced in the first half of fiscal 2022 being attributable to more complex properties. Transaction costs in our Canadian segment increased due to higher overall volumes serviced, the mix of appraisal services supplied and FX.

Operating expenses

The decline in consolidated operating expenses was due primarily to our U.S. Title segment which recorded a \$10.6 million decrease as a result of lower volumes serviced. Of this decline, \$8.0 million was attributable to lower payroll and related costs and \$2.5 million was due to lower courier, office, bank charges and other expense. Operating expenses in our U.S. Appraisal and Canadian segments increased \$0.8 million and \$0.4 million, respectively. Payroll and related costs increased \$0.7 million in our U.S. Appraisal segment due to higher capacity levels in the first quarter this year and the mix of volumes serviced, while marketing expense increased \$0.2 million due to our in-person participation in an industry trade show in the first quarter this year. The increase in Canadian segment operating expenses was due to higher payroll and related costs, other expense and FX. Corporate operating expenses declined \$0.8 million due entirely to lower payroll and related costs from lower bonus and stock option expense.

Amortization

Amortization declined due to fully amortized intangible assets in our U.S. Appraisal segment.

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Net Revenue^(A) and Adjusted EBITDA^(A)

On a consolidated basis, Net Revenue^(A) declined on lower revenues generated by our U.S. Appraisal and U.S. Title segments. U.S. Appraisal segment Net Revenue^(A) declined due to lower addressable market volumes and the mix of volumes serviced, partially offset by market share gains with existing clients, new client additions and higher home equity and default volumes serviced. The decline in our U.S. Title segment was due to lower refinance market volumes and our strategic decisions in fiscal 2021 to focus our centralized operations and rationalize our diversified title business to align with our long-term market share objectives. Net Revenue^(A) in our Canadian segment increased due to net market share gains for appraisal services, modestly higher insurance inspection revenues, as a result of the relaxation of certain COVID-19 restrictions, and FX. Net Revenue^(A) margins contracted across all three segments. The decline in U.S. Appraisal Net Revenue^(A) margins was due to the mix of mortgage origination volumes serviced and an increase in lower margin home equity volumes serviced. The decline in U.S. Title Net Revenue^(A) margins was due to a higher proportion of closed centralized orders relative to incoming order volumes in the first half of fiscal 2021 and higher Net Revenue^(A) margins in the first half of last year on home equity volumes serviced. The decline in Net Revenue^(A) margins in our Canadian segment was due to appraisal product mix. We recognized lower consolidated Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins due primarily to the financial performance of our U.S. Title segment, coupled with lower Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins in our U.S. Appraisal segment due to lower addressable market volumes.

U.S. Appraisal

| | Three months ended March 31 | | | | Six months ended March 31 | | | | |
|---------------------------------------|-----------------------------|-----------|------------|----------|---------------------------|------------|------------|----------|--|
| | 2022 | 2021 | Change | % Change | 2022 | 2021 | Change | % Change | |
| Revenues | \$ 70,374 | \$ 76,336 | \$ (5,962) | -7.8% | \$ 149,709 | \$ 145,891 | \$ 3,818 | 2.6% | |
| Transaction costs | \$ 55,284 | \$ 59,708 | \$ (4,424) | -7.4% | \$ 118,267 | \$ 113,570 | \$ 4,697 | 4.1% | |
| Operating expenses | \$ 7,225 | \$ 7,407 | \$ (182) | -2.5% | \$ 15,092 | \$ 14,267 | \$ 825 | 5.8% | |
| Amortization | \$ 256 | \$ 373 | \$ (117) | -31.4% | \$ 537 | \$ 766 | \$ (229) | -29.9% | |
| <i>Non-GAAP measures</i> | | | | | | | | | |
| Net Revenue ^(A) | \$ 15,090 | \$ 16,628 | \$ (1,538) | -9.2% | \$ 31,442 | \$ 32,321 | \$ (879) | -2.7% | |
| Net Revenue ^(A) margin | 21.4% | 21.8% | -0.4% | -1.8% | 21.0% | 22.2% | -1.2% | -5.4% | |
| Adjusted EBITDA ^(A) | \$ 7,865 | \$ 9,221 | \$ (1,356) | -14.7% | \$ 16,350 | \$ 18,054 | \$ (1,704) | -9.4% | |
| Adjusted EBITDA ^(A) margin | 52.1% | 55.5% | -3.4% | -6.1% | 52.0% | 55.9% | -3.9% | -7.0% | |
| Revenues - purchase | \$ 23,938 | \$ 24,351 | \$ (413) | -1.7% | \$ 48,795 | \$ 49,411 | \$ (616) | -1.2% | |
| Revenues - refinance | \$ 39,151 | \$ 46,954 | \$ (7,803) | -16.6% | \$ 87,229 | \$ 85,951 | \$ 1,278 | 1.5% | |
| Revenues - other | \$ 7,285 | \$ 5,031 | \$ 2,254 | 44.8% | \$ 13,685 | \$ 10,529 | \$ 3,156 | 30.0% | |

Three months ended Revenues

U.S. Appraisal revenues declined due to lower addressable market volumes, partially offset by market share gains with existing clients and new client additions. Other revenues increased due to higher market volumes for home equity and default services, market share gains with existing clients and new client additions. We estimate that the addressable mortgage origination market declined 23.0% in the second quarter of fiscal 2022, which compares to a decrease of 11.5% for purchase and refinance origination revenues combined.

Transaction costs

Transaction costs in our U.S. Appraisal segment declined for the reasons outlined in the revenue discussion above.

Operating expenses

Operating expenses in our U.S. Appraisal segment declined \$0.2 million on lower payroll and related costs and lower licensing fees.

Amortization

Amortization declined due to fully amortized intangible assets.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Net Revenue^(A) and Adjusted EBITDA^(A)

Net Revenue^(A) in our U.S. Appraisal segment declined due to lower addressable market volumes and the mix of volumes serviced, partially offset by market share gains with existing clients, new client additions and higher home equity and default volumes serviced. Net Revenue^(A) margins declined compared to the second quarter of fiscal 2021 due to the mix of mortgage origination volumes serviced and an increase in lower margin home equity volumes serviced. Adjusted EBITDA^(A) margins contracted on lower Net Revenue^(A) and Net Revenue^(A) margins, and lower addressable market volumes.

Six months ended Revenues

U.S. Appraisal revenues increased due to the mix of volumes serviced, net market share gains with existing clients and new client additions, partially offset by lower addressable market volumes. Other revenues increased due to higher market volumes for home equity and default services, market share gains with existing clients and new client additions. We estimate that the addressable mortgage origination market declined 11.7% in the first half of fiscal 2022, which compares to an increase of 0.5% for purchase and refinance origination revenues combined.

Transaction costs

Transaction costs in our U.S. Appraisal segment increased for the reasons outlined in the revenue discussion above, with a larger proportion of the volume we serviced in the first half of fiscal 2022 representing more complex properties.

Operating expenses

Operating expenses in our U.S. Appraisal segment increased \$0.8 million. Payroll and related costs increased \$0.7 million due to higher capacity levels in the first quarter this year and the mix of volumes serviced, while marketing expense increased \$0.2 million due to our in-person participation in an industry trade show in the first quarter this year.

Amortization

Amortization declined due to fully amortized intangible assets.

Net Revenue^(A) and Adjusted EBITDA^(A)

Net Revenue^(A) in our U.S. Appraisal segment declined due to lower addressable market volumes and the mix of volumes serviced, partially offset by market share gains with existing clients, new client additions and higher home equity and default volumes serviced. The decline in U.S. Appraisal Net Revenue^(A) margins was due to the mix of mortgage origination volumes serviced and an increase in lower margin home equity volumes serviced. Adjusted EBITDA^(A) margins contracted on lower Net Revenue^(A) and Net Revenue^(A) margins, higher capacity levels in the first quarter of fiscal 2022 and lower addressable market volumes.

U.S. Title

| | Three months ended March 31 | | | | Six months ended March 31 | | | |
|---------------------------------------|-----------------------------|-----------|-------------|----------|---------------------------|-----------|-------------|----------|
| | 2022 | 2021 | Change | % Change | 2022 | 2021 | Change | % Change |
| Revenues | \$ 10,775 | \$ 40,050 | \$ (29,275) | -73.1% | \$ 26,970 | \$ 79,987 | \$ (53,017) | -66.3% |
| Transaction costs | \$ 3,545 | \$ 11,772 | \$ (8,227) | -69.9% | \$ 8,987 | \$ 25,029 | \$ (16,042) | -64.1% |
| Operating expenses | \$ 9,405 | \$ 15,254 | \$ (5,849) | -38.3% | \$ 19,716 | \$ 30,319 | \$ (10,603) | -35.0% |
| Amortization | \$ 778 | \$ 736 | \$ 42 | 5.7% | \$ 1,546 | \$ 1,428 | \$ 118 | 8.3% |
| <i>Non-GAAP measures</i> | | | | | | | | |
| Net Revenue ^(A) | \$ 7,230 | \$ 28,278 | \$ (21,048) | -74.4% | \$ 17,983 | \$ 54,958 | \$ (36,975) | -67.3% |
| Net Revenue ^(A) margin | 67.1% | 70.6% | -3.5% | -5.0% | 66.7% | 68.7% | -2.0% | -2.9% |
| Adjusted EBITDA ^(A) | \$ (2,175) | \$ 13,024 | \$ (15,199) | -116.7% | \$ (1,733) | \$ 24,639 | \$ (26,372) | -107.0% |
| Adjusted EBITDA ^(A) margin | -30.1% | 46.1% | -76.2% | -165.3% | -9.6% | 44.8% | -54.4% | -121.4% |
| Revenues - centralized title | \$ 9,270 | \$ 36,694 | \$ (27,424) | -74.7% | \$ 23,517 | \$ 72,848 | \$ (49,331) | -67.7% |
| Revenues - diversified title | \$ 401 | \$ 2,029 | \$ (1,628) | -80.2% | \$ 932 | \$ 4,435 | \$ (3,503) | -79.0% |
| Revenues - other | \$ 1,104 | \$ 1,327 | \$ (223) | -16.8% | \$ 2,521 | \$ 2,704 | \$ (183) | -6.8% |

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Three months ended

Revenues

The revenue decline in our U.S. Title segment was due to lower refinance market volumes, our strategic decisions in fiscal 2021 to focus our centralized operations and rationalize our diversified title business to align with our long-term market share objectives and lower home equity revenues. We estimate the refinance mortgage origination market declined 54.1% in the second quarter of fiscal 2022, which compares to a decrease of 74.7% for centralized title revenues.

Transaction costs

Transaction costs in our U.S. Title segment declined due to lower centralized, diversified and other volumes serviced, as outlined in the revenue discussion above.

Operating expenses

Operating expenses in our U.S. Title segment declined \$5.8 million due to lower volumes serviced. Of this decline, \$4.4 million was attributable to lower payroll and related costs and \$1.4 million was due to lower courier, office and bank charges, each due to lower volumes serviced.

Amortization

Amortization increased due to an increase in amortization attributable to computer equipment.

Net Revenue^(A) and Adjusted EBITDA^(A)

The decline in our U.S. Title segment Net Revenue^(A) was due to lower refinance market volumes and our strategic decisions in fiscal 2021 to focus our centralized operations and rationalize our diversified title business to align with our long-term market share objectives. The decline in U.S. Title Net Revenue^(A) margins was due to a higher proportion of closed centralized orders relative to incoming order volumes in the comparative quarter last year and higher Net Revenue^(A) margins in the comparative quarter last year on home equity volumes serviced. We recognized lower Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins due to lower Net Revenue^(A) and Net Revenue^(A) margins, as outlined above, coupled with higher relative operating expenses to retain capacity.

Six months ended

Revenues

The revenue decline in our U.S. Title segment was due to lower refinance market volumes, our strategic decisions in fiscal 2021 to focus our centralized operations and rationalize our diversified title business to align with our long-term market share objectives and lower home equity revenues. We estimate the refinance mortgage origination market declined 42.7% in the first half of fiscal 2022, which compares to a decrease of 67.7% for centralized title revenues.

Transaction costs

Transaction costs in our U.S. Title segment declined due to lower centralized, diversified and other volumes serviced, as outlined in the revenue discussion above.

Operating expenses

Operating expenses in our U.S. Title segment declined due to lower payroll and related costs of \$8.0 million and lower courier, office, bank charges and other expense of \$2.5 million, each due to lower volumes serviced.

Amortization

Amortization increased due to an increase in amortization attributable to computer equipment.

Net Revenue^(A) and Adjusted EBITDA^(A)

The decline in our U.S. Title segment Net Revenue^(A) was due to lower refinance market volumes and our strategic decisions in fiscal 2021 to focus our centralized operations and rationalize our diversified title business to align with our long-term market share objectives. The decline in U.S. Title Net Revenue^(A) margins was due to a higher proportion of closed centralized orders relative to incoming order volumes in the first half of last year and higher Net Revenue^(A) margins in the first half of last year on home equity volumes serviced. We recognized lower Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins due to lower Net Revenue^(A) and Net Revenue^(A) margins, as outlined above, coupled with higher relative operating expenses to retain capacity.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Canada

| | Three months ended March 31 | | | | Six months ended March 31 | | | |
|---------------------------------------|-----------------------------|-----------|----------|----------|---------------------------|-----------|----------|----------|
| | 2022 | 2021 | Change | % Change | 2022 | 2021 | Change | % Change |
| Revenues | \$ 13,832 | \$ 12,442 | \$ 1,390 | 11.2% | \$ 26,059 | \$ 23,248 | \$ 2,811 | 12.1% |
| Transaction costs | \$ 11,974 | \$ 10,690 | \$ 1,284 | 12.0% | \$ 22,556 | \$ 19,843 | \$ 2,713 | 13.7% |
| Operating expenses | \$ 608 | \$ 515 | \$ 93 | 18.1% | \$ 1,304 | \$ 950 | \$ 354 | 37.3% |
| Amortization | \$ - | \$ - | \$ - | 0.0% | \$ - | \$ - | \$ - | 0.0% |
| <i>Non-GAAP measures</i> | | | | | | | | |
| Net Revenue ^(A) | \$ 1,858 | \$ 1,752 | \$ 106 | 6.1% | \$ 3,503 | \$ 3,405 | \$ 98 | 2.9% |
| Net Revenue ^(A) margin | 13.4% | 14.1% | -0.7% | -5.0% | 13.4% | 14.6% | -1.2% | -8.2% |
| Adjusted EBITDA ^(A) | \$ 1,250 | \$ 1,237 | \$ 13 | 1.1% | \$ 2,199 | \$ 2,455 | \$ (256) | -10.4% |
| Adjusted EBITDA ^(A) margin | 67.3% | 70.6% | -3.3% | -4.7% | 62.8% | 72.1% | -9.3% | -12.9% |

Three months ended

Revenues

Revenues in our Canadian segment increased due to net market share gains for appraisal services, modestly higher revenues from insurance inspection services, as a result of the relaxation of certain COVID-19 restrictions, and FX. Canadian segment revenues from appraisal and insurance inspection services were \$13.1 million and \$0.7 million, respectively, in the second quarter of fiscal 2022, compared to \$11.8 million and \$0.6 million in the second quarter of fiscal 2021.

Transaction costs

Transaction costs in our Canadian segment increased due to higher overall appraisal and insurance volumes serviced, the mix of appraisal services supplied and FX.

Operating expenses

Canadian segment operating expenses increased due to higher other expense.

Amortization

Amortization was unchanged between the second quarter of fiscal 2022 and the second quarter of fiscal 2021.

Net Revenue^(A) and Adjusted EBITDA^(A)

Net Revenue^(A) in our Canadian segment increased due to net market share gains for appraisal services, modestly higher insurance inspection revenues, as a result of the relaxation of certain COVID-19 restrictions, and FX. The decline in Net Revenue^(A) margins in our Canadian segment was due to appraisal product mix. Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins declined due to higher other expense.

Six months ended

Revenues

Canadian segment revenues increased on net market share gains for appraisal services, modestly higher insurance inspection revenues, as a result of the relaxation of certain COVID-19 restrictions, and FX. Canadian segment revenues from appraisal and insurance inspection services were \$24.4 million and \$1.7 million, respectively, in the first half of fiscal 2022, compared to \$21.7 million and \$1.5 million in the first half of fiscal 2021.

Transaction costs

Transaction costs in our Canadian segment increased due to higher overall volumes serviced, the mix of appraisal services supplied and FX.

Operating expenses

Canadian segment operating expenses increased due to higher payroll and related costs, other expense and FX.

Amortization

Amortization was unchanged between the first half of fiscal 2022 and the first half of fiscal 2021.

Net Revenue^(A) and Adjusted EBITDA^(A)

Net Revenue^(A) in our Canadian segment increased due to net market share gains for appraisal services, modestly higher insurance inspection revenues, as a result of the relaxation of certain COVID-19 restrictions, and FX. The decline in Net Revenue^(A) margins in our Canadian segment was due to appraisal product mix. Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins declined due to higher payroll and related costs, other expense and FX.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Corporate and other items

| | Three months ended March 31 | | | | Six months ended March 31 | | | |
|--|-----------------------------|----------|------------|-------------|---------------------------|------------|------------|-------------|
| | 2022 | 2021 | Change | % Change | 2022 | 2021 | Change | % Change |
| Operating expenses | \$ 5,067 | \$ 5,030 | \$ 37 | 0.7% | \$ 9,332 | \$ 10,179 | \$ (847) | -8.3% |
| Amortization | \$ 116 | \$ 155 | \$ (39) | -25.2% | \$ 249 | \$ 308 | \$ (59) | -19.2% |
| Loss on disposal of property and equipment | \$ 236 | \$ - | \$ 236 | 0.0% | \$ 236 | \$ - | \$ 236 | 0.0% |
| Other non-operating costs | \$ 20 | \$ - | \$ 20 | 0.0% | \$ 66 | \$ - | \$ 66 | 0.0% |
| Interest expense | \$ 72 | \$ 128 | \$ (56) | -43.8% | \$ 147 | \$ 253 | \$ (106) | -41.9% |
| Interest income | \$ (15) | \$ (37) | \$ 22 | -59.5% | \$ (30) | \$ (101) | \$ 71 | -70.3% |
| Net foreign exchange loss | \$ 1,311 | \$ 1,515 | \$ (204) | -13.5% | \$ 1,813 | \$ 7,476 | \$ (5,663) | -75.7% |
| Gain on fair value of warrants | \$ (91) | \$ (746) | \$ 655 | -87.8% | \$ (249) | \$ (1,736) | \$ 1,487 | -85.7% |
| Net income tax (recovery) expense | \$ (301) | \$ 4,654 | \$ (4,955) | -106.5% | \$ 1,042 | \$ 7,812 | \$ (6,770) | -86.7% |

Three months ended

Operating expenses

Corporate operating expenses were flat compared to the same quarter last year.

Amortization

The modest decline in amortization expense was due to fully amortized computer equipment, furniture and fixtures and leasehold improvements.

Loss on disposal of property and equipment

The loss incurred in the second quarter of fiscal 2022 was due to an adjustment to a right-of-use asset related to the remeasurement of a lease liability.

Other non-operating costs

Other non-operating costs incurred in the second quarter of fiscal 2022 represent professional fees for advisory services.

Interest expense

The decline in interest expense reflects lower standby fees incurred due to the maturity of our credit facility in April 2021.

Interest income

The decline in interest income was due to lower invested cash balances as a result of significant share purchases in fiscal 2021 under our NCIB (defined below).

Net foreign exchange loss

Net foreign exchange gains or losses represent non-cash gains or losses on long-term financing arrangements between our Canadian and U.S. entities within the consolidated group of companies. The losses recognized in the second quarter of fiscal 2022 and fiscal 2021 were the result of changes in the FX rate between the Canadian and U.S. dollar.

Gain on fair value of warrants

Our share price declined in the second quarter of fiscal 2022 and fiscal 2021, resulting in a reduction to our warrant liability accrual and the recognition of a corresponding gain on the fair value of warrants. At the end of the second quarter in fiscal 2022, no warrants remain outstanding.

Income tax (recovery) expense

We recorded a loss before income tax expense of \$0.8 million in the second quarter of fiscal 2022. Income tax calculated at the statutory income tax rate resulted in an income tax recovery of \$0.2 million, coupled with other income tax recoveries of \$0.1 million.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Six months ended

Operating expenses

Corporate operating expenses declined \$0.8 million due entirely to lower payroll and related costs from lower bonus and stock option expense.

Amortization

The modest decline in amortization expense was due to fully amortized computer equipment, furniture and fixtures and leasehold improvements.

Other non-operating costs

Other non-operating costs incurred in the first half of fiscal 2022 represent professional fees for advisory services.

Interest expense

The decline in interest expense reflects lower standby fees incurred due to the maturity of our credit facility in April 2021.

Interest income

The decline in interest income was due to lower invested cash balances as a result of significant share purchases in fiscal 2021 under our NCIB (defined below).

Net foreign exchange loss

Net foreign exchange gains or losses represent non-cash gains or losses on long-term financing arrangements between our Canadian and U.S. entities within the consolidated group of companies. The losses recognized in the first half of fiscal 2022 and fiscal 2021 were the result of changes in the FX rate between the Canadian and U.S. dollar.

Gain on fair value of warrants

Our share price declined in the first half of fiscal 2022 and fiscal 2021, resulting in a reduction to our warrant liability accrual and the recognition of a corresponding gain on the fair value of warrants. At the end of the second quarter in fiscal 2022, no warrants remain outstanding.

Income tax (recovery) expense

We recorded income before income tax expense of \$3.2 million in the first half of fiscal 2022. Income tax calculated at the statutory income tax rate resulted in income tax expense of \$0.8 million, while the state tax rate differential added \$0.5 million to income tax expense in the first half of this year. These amounts were partially offset by non-deductible expense recoveries of \$0.2 million and other income tax recoveries of \$0.1 million.

Non-GAAP measures

We prepare our financial statements in accordance with IFRS. However, we consider certain Non-GAAP financial measures useful additional information to assess our financial performance. These measures, which we believe are widely used by investors, securities analysts and other interested parties to evaluate our performance, do not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Non-GAAP measures include "Adjusted EBITDA", "Net Revenue", "Adjusted Net Income or Loss", "Free Cash Flow" and "Free Cash Flow Conversion".

(A)

Adjusted EBITDA

All references to "Adjusted EBITDA" in this MD&A are to net income or loss before stock-based compensation expense, amortization, gain or loss on disposal of property and equipment, other non-operating costs, 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 is a measure of our operating profitability and therefore excludes certain items that are viewed by us as either non-cash (in the case of stock-based compensation expense, amortization, gain or loss on disposal of property and equipment, unrealized net foreign exchange gain or loss, gain or loss on the fair value of warrants and deferred income taxes) or non-operating (in the case of other non-operating costs, realized net foreign exchange gain or loss, interest expense, interest income and current income taxes). Adjusted EBITDA is a useful financial and operating metric for the Company and our board of directors and represents a measure of our operating performance to value our Company relative to our peers. The underlying reasons for excluding each item are as follows:

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Stock-based compensation expense: These costs represent non-cash expenses for equity settled stock-based compensation awards. These non-cash amounts are recorded to operating expenses and represent a different class of expense than those included in Adjusted EBITDA.

Amortization: As a non-cash item, amortization is not indicative of our operating profitability and therefore represents a different class of expense than those included in Adjusted EBITDA.

Gain or loss on disposal of property and equipment: As a non-cash item, the disposal of property and equipment is not indicative of our operating profitability and therefore represents a different class of expense than those included in Adjusted EBITDA.

Other non-operating costs: Other non-operating costs represent non-operating items and include professional fees for advisory services not attributable to the operation of the business. These costs are not indicative of continuing operations and therefore represent a different class of expense than those included in Adjusted EBITDA.

Interest expense and income: Interest expense or income reflects our debt and equity mix, interest rates, investment strategy and borrowing position from time-to-time. Accordingly, interest expense or income reflects our treasury and financing activities and therefore represents a different class of expense or income than those included in Adjusted EBITDA.

Net foreign exchange gain or loss: As non-cash items, unrealized net foreign exchange gains or losses are not indicative of our operating profitability. Realized net foreign exchange gains or losses reflect our treasury and financing activities and represents a different class of income or expense than those included in Adjusted EBITDA.

Gain or loss on fair value of warrants: As a non-cash item, gains or losses resulting from the fair value of warrants is not indicative of our operating profitability. Gains or losses from the fair value of warrants reflects our treasury and financing activities and represents a different class of income or expense than those included in Adjusted EBITDA.

Income taxes: Income taxes are a function of tax laws and rates and are affected by matters that are separate from our daily operations. Income taxes are not indicative of our operating profitability and represents a different class of expense or recovery than those included in Adjusted EBITDA.

The reconciling items between Adjusted EBITDA and net income or loss are detailed in the unaudited condensed consolidated statements of operations and comprehensive income or loss for the three and six months ended March 31, 2022 and 2021. The reconciling items between net income or loss and Adjusted EBITDA for the three and six months ended March 31, 2022 and 2021 were as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|--|-----------------------------|-----------|---------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| Net (loss) income | \$ (509) | \$ 11,674 | \$ 2,127 | \$ 18,763 |
| Stock-based compensation expense | 635 | 561 | 941 | 1,462 |
| Amortization | 1,150 | 1,264 | 2,332 | 2,502 |
| Loss on disposal of property and equipment | 236 | - | 236 | - |
| Other non-operating costs | 20 | - | 66 | - |
| Interest expense | 72 | 128 | 147 | 253 |
| Interest income | (15) | (37) | (30) | (101) |
| Net foreign exchange loss | 1,311 | 1,515 | 1,813 | 7,476 |
| Gain on fair value of warrants | (91) | (746) | (249) | (1,736) |
| Income tax (recovery) expense | (301) | 4,654 | 1,042 | 7,812 |
| Adjusted EBITDA | \$ 2,508 | \$ 19,013 | \$ 8,425 | \$ 36,431 |

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Management calculates Adjusted EBITDA as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|---------------------------------------|-----------------------------|------------|---------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenues | \$ 94,981 | \$ 128,828 | \$ 202,738 | \$ 249,126 |
| Less: Transaction costs | 70,803 | 82,170 | 149,810 | 158,442 |
| Less: Operating expenses | 22,305 | 28,206 | 45,444 | 55,715 |
| Add: Stock-based compensation expense | 635 | 561 | 941 | 1,462 |
| Adjusted EBITDA | \$ 2,508 | \$ 19,013 | \$ 8,425 | \$ 36,431 |

Adjusted EBITDA by reportable segment was as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|--|-----------------------------|-----------|---------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| U.S. Appraisal | \$ 7,865 | \$ 9,221 | \$ 16,350 | \$ 18,054 |
| U.S. Title | (2,175) | 13,024 | (1,733) | 24,639 |
| Canada | 1,250 | 1,237 | 2,199 | 2,455 |
| Corporate (excluding stock-based compensation expense) | (4,432) | (4,469) | (8,391) | (8,717) |
| Consolidated Adjusted EBITDA | \$ 2,508 | \$ 19,013 | \$ 8,425 | \$ 36,431 |

Adjusted EBITDA margin (expressed as Adjusted EBITDA divided by Net Revenue) by reportable segment and consolidated was as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|---|-----------------------------|-------|---------------------------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| U.S. Appraisal | 52.1% | 55.5% | 52.0% | 55.9% |
| U.S. Title | -30.1% | 46.1% | -9.6% | 44.8% |
| Canada | 67.3% | 70.6% | 62.8% | 72.1% |
| Consolidated Adjusted EBITDA margin (including Corporate, but excluding stock-based compensation expense) | 10.4% | 40.7% | 15.9% | 40.2% |

Net Revenue

All references to "Net Revenue" in this MD&A are to Adjusted EBITDA plus operating expenses less stock-based compensation expense. Net Revenue is an additional measure of our operating profitability and therefore excludes certain items detailed below. Net Revenue represents the difference between revenues and transaction costs. Transaction costs represent expenses directly attributable to a revenue transaction and include: appraisal costs, various processing fees, credit card fees, connectivity fees, insurance inspection costs, closing agent costs, external abstractor costs and external quality review costs. Net Revenue is a useful financial and operating metric for us and our board of directors to assess our operating performance and serves as a measure to value our Company relative to our peers.

The reconciling items between net income or loss and Net Revenue are detailed in the unaudited condensed consolidated statements of operations and comprehensive income or loss. The reconciling items between net income or loss and Net Revenue for the three and six months ended March 31, 2022 and 2021 were as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|--|-----------------------------|-----------|---------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| Net (loss) income | \$ (509) | \$ 11,674 | \$ 2,127 | \$ 18,763 |
| Operating expenses | 22,305 | 28,206 | 45,444 | 55,715 |
| Amortization | 1,150 | 1,264 | 2,332 | 2,502 |
| Loss on disposal of property and equipment | 236 | - | 236 | - |
| Other non-operating costs | 20 | - | 66 | - |
| Interest expense | 72 | 128 | 147 | 253 |
| Interest income | (15) | (37) | (30) | (101) |
| Net foreign exchange loss | 1,311 | 1,515 | 1,813 | 7,476 |
| Gain on fair value of warrants | (91) | (746) | (249) | (1,736) |
| Income tax (recovery) expense | (301) | 4,654 | 1,042 | 7,812 |
| Net Revenue | \$ 24,178 | \$ 46,658 | \$ 52,928 | \$ 90,684 |

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Management calculates Net Revenue as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|-------------------------|-----------------------------|------------|---------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenues | \$ 94,981 | \$ 128,828 | \$ 202,738 | \$ 249,126 |
| Less: Transaction costs | 70,803 | 82,170 | 149,810 | 158,442 |
| Net Revenue | \$ 24,178 | \$ 46,658 | \$ 52,928 | \$ 90,684 |

Net Revenue by reportable segment was as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|--------------------------|-----------------------------|-----------|---------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| U.S. Appraisal | \$ 15,090 | \$ 16,628 | \$ 31,442 | \$ 32,321 |
| U.S. Title | 7,230 | 28,278 | 17,983 | 54,958 |
| Canada | 1,858 | 1,752 | 3,503 | 3,405 |
| Consolidated Net Revenue | \$ 24,178 | \$ 46,658 | \$ 52,928 | \$ 90,684 |

Net Revenue margin (expressed as Net Revenue divided by Revenues) by reportable segment and consolidated was as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|---------------------------------|-----------------------------|-------|---------------------------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| U.S. Appraisal | 21.4% | 21.8% | 21.0% | 22.2% |
| U.S. Title | 67.1% | 70.6% | 66.7% | 68.7% |
| Canada | 13.4% | 14.1% | 13.4% | 14.6% |
| Consolidated Net Revenue margin | 25.5% | 36.2% | 26.1% | 36.4% |

Adjusted Net Income or Loss

All references to "Adjusted Net Income or Loss" in this MD&A are to net income or loss before stock-based compensation expense, amortization of intangibles, other non-operating costs, net foreign exchange gain or loss, gain or loss on fair value of warrants, net of the related tax effects. Adjusted Net Income or Loss is a term that does not have a standardized meaning prescribed by IFRS and is unlikely to be comparable to similar measures used by other entities. Adjusted Net Income or Loss is a measure of our operating profitability and, by definition, excludes certain items detailed above. These items are viewed by us as either non-cash (in the case of stock-based compensation expense, amortization of intangibles, unrealized net foreign exchange gain or loss and gain or loss on fair value of warrants) or non-operating (in the case of other non-operating costs and realized net foreign exchange gain or loss). Adjusted Net Income or Loss is a useful financial and operating metric for us and our board of directors as it represents net income from operations which excludes treasury, capital, acquisition and related costs, and non-operating costs.

The reconciling items between net income or loss and Adjusted Net Income or Loss for the three and six months ended March 31, 2022 and 2021 were as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|----------------------------------|-----------------------------|-----------|---------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| Net (loss) income | \$ (509) | \$ 11,674 | \$ 2,127 | \$ 18,763 |
| Stock-based compensation expense | 635 | 561 | 941 | 1,462 |
| Amortization of intangibles | 346 | 432 | 692 | 864 |
| Other non-operating costs | 20 | - | 66 | - |
| Net foreign exchange loss | 1,311 | 1,515 | 1,813 | 7,476 |
| Gain on fair value of warrants | (91) | (746) | (249) | (1,736) |
| Related tax effects | (426) | (325) | (626) | (1,764) |
| Adjusted Net Income | \$ 1,286 | \$ 13,111 | \$ 4,764 | \$ 25,065 |

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Free Cash Flow and Free Cash Flow Conversion

All references to "Free Cash Flow" in this MD&A are to cash generated from operating activities, adjusted for changes in non-cash working capital items, the purchase of property and equipment, income taxes paid, current income tax expense, other non-operating costs, interest expense net of interest paid and net foreign currency exchange gain or loss net of unrealized foreign currency exchange gain or loss on internal financing arrangements. Free Cash Flow is a term that does not have a standardized meaning prescribed by IFRS and is unlikely to be comparable to similar measures used by other entities. Free Cash Flow is a measure of our ability to generate cash from operating activities and represents a proxy for cash to cover costs such as interest expense, current income taxes and the purchase of property and equipment, and by definition, excludes certain items detailed above. Excluded items are viewed by us as non-cash (in the case of net foreign currency exchange gain or loss net of unrealized foreign exchange gain or loss on internal financing arrangements), or non-operating (in the case of other non-operating costs). We have also excluded changes in non-cash working capital items from the calculation of Free Cash Flow, as changes in non-cash working capital items are often temporary in nature and reflect the timing of cash receipts for trade and other receivables or payments made on account of trade payables or accrued liabilities. We have also excluded the differences attributable to the timing of cash tax and interest payments and have reduced Free Cash Flow by the expense recognized for each as recorded in our unaudited condensed consolidated statements of operations and comprehensive income or loss. Free Cash Flow is a useful financial and operating metric for us and our board of directors as it represents a proxy for our ability to generate cash that we can use for other purposes, including but not limited to, the purchase of shares under our NCIB (defined below) and future acquisitions or investment.

All references to "Free Cash Flow Conversion" in this MD&A are to Free Cash Flow divided by Adjusted EBITDA. Free Cash Flow Conversion is a useful financial and operating metric for us and our board of directors as it represents a proxy for our ability to convert Adjusted EBITDA to Free Cash Flow.

| | Three months ended March 31 | | Six months ended March 31 | |
|--|-----------------------------|------------------|---------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Cash generated from operating activities | \$ 7,043 | \$ 18,348 | \$ 25,817 | \$ 25,644 |
| Less: changes in non-cash working capital items | 5,177 | 2,203 | 21,718 | (1,936) |
| Less: purchase of property and equipment | 74 | 389 | 266 | 2,692 |
| Add: income taxes paid | 382 | 2,284 | 3,850 | 5,909 |
| Less: current income tax expense | 140 | 3,604 | 637 | 8,809 |
| Add: other non-operating costs | 20 | - | 66 | - |
| Less: interest expense net of interest paid | - | 14 | - | 29 |
| Add: net foreign currency exchange gain or loss net of unrealized foreign exchange gain or loss on internal financing arrangements | 183 | 507 | 293 | 2,819 |
| Free Cash Flow | \$ 2,237 | \$ 14,929 | \$ 7,405 | \$ 24,778 |

Management calculates Free Cash Flow as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|--|-----------------------------|------------------|---------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Adjusted EBITDA | \$ 2,508 | \$ 19,013 | \$ 8,425 | \$ 36,431 |
| Less: interest expense | 72 | 128 | 147 | 253 |
| Add: interest income | 15 | 37 | 30 | 101 |
| Less: current income tax expense | 140 | 3,604 | 637 | 8,809 |
| Less: purchase of property and equipment | 74 | 389 | 266 | 2,692 |
| Free Cash Flow | \$ 2,237 | \$ 14,929 | \$ 7,405 | \$ 24,778 |

Free Cash Flow Conversion is calculated as follows:

| | Three months ended March 31 | | Six months ended March 31 | |
|----------------------------------|-----------------------------|--------------|---------------------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| Free Cash Flow | \$ 2,237 | \$ 14,929 | \$ 7,405 | \$ 24,778 |
| Divided by: Adjusted EBITDA | \$ 2,508 | \$ 19,013 | \$ 8,425 | \$ 36,431 |
| Free Cash Flow Conversion | 89.2% | 78.5% | 87.9% | 68.0% |

Adjusted EBITDA, Net Revenue, Adjusted Net Income or Loss, Free Cash Flow and Free Cash Flow Conversion should not be considered, in isolation, indicators of our financial performance, or as an alternative to, or a substitute for, net income or loss, cash from operating activities or other financial statement data presented in our financial statements.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Dividends

The Company's current policy is to not pay dividends.

Summary of Quarterly Results

| 2022 | Q2 | Q1 | Total |
|---|-----------|------------|------------|
| Revenues | | | |
| U.S. Appraisal | \$ 70,374 | \$ 79,335 | \$ 149,709 |
| U.S. Title | 10,775 | 16,195 | 26,970 |
| Canada | 13,832 | 12,227 | 26,059 |
| Total revenues | \$ 94,981 | \$ 107,757 | \$ 202,738 |
| Net (loss) income | \$ (509) | \$ 2,636 | \$ 2,127 |
| Net (loss) income - attributable to common shareholders | \$ (545) | \$ 2,670 | \$ 2,125 |
| Net (loss) income per weighted average share, basic | \$ (0.01) | \$ 0.03 | \$ 0.03 |
| Net (loss) income per weighted average share, diluted | \$ (0.01) | \$ 0.03 | \$ 0.03 |

| 2021 | Q4 | Q3 | Q2 | Q1 | Total |
|--|------------|------------|------------|------------|------------|
| Revenues | | | | | |
| U.S. Appraisal | \$ 90,877 | \$ 85,341 | \$ 76,336 | \$ 69,555 | \$ 322,109 |
| U.S. Title | 21,831 | 27,720 | 40,050 | 39,937 | 129,538 |
| Canada | 12,875 | 16,337 | 12,442 | 10,806 | 52,460 |
| Total revenues | \$ 125,583 | \$ 129,398 | \$ 128,828 | \$ 120,298 | \$ 504,107 |
| Net income | \$ 9,055 | \$ 5,262 | \$ 11,674 | \$ 7,089 | \$ 33,080 |
| Net income - attributable to common shareholders | \$ 9,069 | \$ 5,269 | \$ 11,538 | \$ 7,116 | \$ 32,992 |
| Net income per weighted average share, basic | \$ 0.11 | \$ 0.06 | \$ 0.14 | \$ 0.08 | \$ 0.40 |
| Net income per weighted average share, diluted | \$ 0.11 | \$ 0.06 | \$ 0.13 | \$ 0.08 | \$ 0.39 |

| 2020 | Q4 | Q3 | Q2 | Q1 | Total |
|--|------------|------------|------------|------------|------------|
| Revenues | | | | | |
| U.S. Appraisal | \$ 70,801 | \$ 72,601 | \$ 71,320 | \$ 67,379 | \$ 282,101 |
| U.S. Title | 43,935 | 38,931 | 30,808 | 28,723 | 142,397 |
| Canada | 9,695 | 6,558 | 7,515 | 7,679 | 31,447 |
| Total revenues | \$ 124,431 | \$ 118,090 | \$ 109,643 | \$ 103,781 | \$ 455,945 |
| Net income | \$ 12,728 | \$ 6,285 | \$ 18,652 | \$ 5,133 | \$ 42,798 |
| Net income - attributable to common shareholders | \$ 12,568 | \$ 5,893 | \$ 18,519 | \$ 5,011 | \$ 41,991 |
| Net income per weighted average share, basic | \$ 0.15 | \$ 0.07 | \$ 0.22 | \$ 0.06 | \$ 0.50 |
| Net income per weighted average share, diluted | \$ 0.14 | \$ 0.07 | \$ 0.21 | \$ 0.06 | \$ 0.47 |

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Revenues

U.S. Appraisal Segment

| | Q4 | Q3 | Q2 | Q1 | Year-to-date period total | Total | |
|---------------------------|-----------|-----------|----------------|-----------|---------------------------|------------|----------------|
| 2022 | | \$ | 70,374 | \$ | 79,335 | \$ | 149,709 |
| 2021 | \$ 90,877 | \$ 85,341 | \$ 76,336 | \$ 69,555 | \$ 145,891 | \$ 322,109 | |
| 2020 | \$ 70,801 | \$ 72,601 | \$ 71,320 | \$ 67,379 | \$ 138,699 | \$ 282,101 | |
| Change (2022-2021) | | \$ | (5,962) | \$ | 9,780 | \$ | 3,818 |
| Change (2021-2020) | \$ 20,076 | \$ 12,740 | \$ 5,016 | \$ 2,176 | \$ 7,192 | \$ 40,008 | |

2022-2021

U.S. Appraisal revenues increased in the first quarter of fiscal 2022 due to net market share gains and new client additions, partially offset by lower addressable market volumes, while other revenues increased on higher market volumes for home equity and default services.

U.S. Appraisal revenues declined in the second quarter of fiscal 2022 due to lower addressable market volumes, partially offset by market share gains with existing clients and new client additions. Other revenues increased due to higher market volumes for home equity and default services, market share gains with existing clients and new client additions.

2021-2020

U.S. Appraisal revenues increased in all four quarters of fiscal 2021 versus the comparable quarters in fiscal 2020. These increases were due to higher origination (purchase and refinance) market volumes, net market share gains and new client additions, which was partially offset by the decline in home equity and default revenues due to lower market volumes for these services.

U.S. Title Segment

| | Q4 | Q3 | Q2 | Q1 | Year-to-date period total | Total | |
|---------------------------|-------------|-------------|-----------------|-----------|---------------------------|-------------|-----------------|
| 2022 | | \$ | 10,775 | \$ | 16,195 | \$ | 26,970 |
| 2021 | \$ 21,831 | \$ 27,720 | \$ 40,050 | \$ 39,937 | \$ 79,987 | \$ 129,538 | |
| 2020 | \$ 43,935 | \$ 38,931 | \$ 30,808 | \$ 28,723 | \$ 59,531 | \$ 142,397 | |
| Change (2022-2021) | | \$ | (29,275) | \$ | (23,742) | \$ | (53,017) |
| Change (2021-2020) | \$ (22,104) | \$ (11,211) | \$ 9,242 | \$ 11,214 | \$ 20,456 | \$ (12,859) | |

2022-2021

U.S. Title segment revenues declined in the first and second quarters of fiscal 2022 due to lower refinance market volumes, our strategic decisions in fiscal 2021 to focus our centralized operations and rationalize our diversified title business to align with our long-term market share objectives and lower home equity revenues.

2021-2020

Revenues in our U.S. Title segment increased in the first two quarters of fiscal 2021 versus the comparable quarters in fiscal 2020. These increases were due to higher market volumes for refinance activity, market share gains and net new client additions, partially offset by lower revenues for diversified and other services. The lower interest rate environment during the first two quarters of fiscal 2021 contributed to the increase in higher market volumes for refinance activity, while our average revenue per transaction declined due to geographic mix. The decrease in diversified title revenues was due to lower commercial, search and capital markets revenue, as we reallocated internal resources to support the revenue growth for centralized title services while the decline in other revenues was due to lower market activity for home equity services.

Revenues in our U.S. Title segment declined in the third and fourth quarters of fiscal 2021 versus the comparable quarters in fiscal 2020. These declines represented the strategic shift in our centralized title client base due to the launch of our first Tier 1 and roll-out of a new Tier 2 client and the rationalization of our diversified title business. In the fourth quarter of fiscal 2020, due to a high level of refinance market volumes and capacity constraints at that time, we made strategic adjustments to our centralized title client base to create capacity for new franchise title clients that aligned with our long-term market share objectives. The decline in diversified title revenues was due to lower commercial, search and capital markets revenue, attributed to lower market volumes and our strategic decision to rationalize this service offering and reallocate internal resources to support our centralized title service offering. The decline in other revenues was due to lower market activity for home equity services.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Canadian Segment – expressed in thousands of Canadian dollars (“C\$”)

| | Q4 | Q3 | Q2 | Q1 | Year-to-date period total | Total |
|---------------------------|-----------|-----------|------------------|------------------|---------------------------|---------------|
| 2022 | | \$ | 17,511 \$ | 15,406 \$ | 32,917 \$ | 32,917 |
| 2021 | \$ 16,221 | \$ 20,242 | \$ 15,788 | \$ 14,080 | \$ 29,868 | \$ 66,331 |
| 2020 | \$ 12,944 | \$ 9,128 | \$ 10,102 | \$ 10,137 | \$ 20,239 | \$ 42,311 |
| Change (2022-2021) | | \$ | 1,723 \$ | 1,326 \$ | 3,049 | |
| Change (2021-2020) | \$ 3,277 | \$ 11,114 | \$ 5,686 | \$ 3,943 | \$ 9,629 | \$ 24,020 |

2022-2021

Canadian segment revenues increased in the first and second quarters of fiscal 2022 due to net market share gains for appraisal services and modestly higher revenues from insurance inspection services due to the relaxation of certain COVID-19 restrictions.

2021-2020

Canadian segment revenues increased in all four quarters of fiscal 2021 versus the comparable quarters in fiscal 2020. These increases were due to higher appraisal volumes from market share gains, higher market volumes and higher revenues from insurance inspection services in the third and fourth quarters of fiscal 2021 as a result of the relaxation of certain COVID-19 restrictions. Higher revenues from appraisal services were partially offset by modestly lower revenues from insurance inspection services provided in the first two quarters of fiscal 2021 due to COVID-19.

Net (loss) income

| | Q4 | Q3 | Q2 | Q1 | Year-to-date period total | Total |
|---------------------------|------------|------------|--------------------|-------------------|---------------------------|--------------|
| 2022 | | \$ | (509) \$ | 2,636 \$ | 2,127 \$ | 2,127 |
| 2021 | \$ 9,055 | \$ 5,262 | \$ 11,674 | \$ 7,089 | \$ 18,763 | \$ 33,080 |
| 2020 | \$ 12,728 | \$ 6,285 | \$ 18,652 | \$ 5,133 | \$ 23,785 | \$ 42,798 |
| Change (2022-2021) | | \$ | (12,183) \$ | (4,453) \$ | (16,636) | |
| Change (2021-2020) | \$ (3,673) | \$ (1,023) | \$ (6,978) | \$ 1,956 | \$ (5,022) | \$ (9,718) |

Net income or loss generally follows the rise and fall in revenues due to the seasonal and cyclical nature of our business. However, net income or loss is also impacted by changes in stock-based compensation expense, amortization, gains or losses on disposal of property and equipment, other non-operating costs, interest expense, interest income, net foreign exchange gains or losses and gains or losses on fair value of warrants, which are not tied to the seasonal and cyclical nature of our business and fluctuate with other non-operating variables. Net income tax expense or recovery also impacts net income or loss.

2022-2021

Net income in the first quarter of fiscal 2022 declined versus the first quarter in fiscal 2021 due to lower Adjusted EBITDA^(A) contributions across each of our segments, but primarily attributable to our U.S. Title segment. The decline in Adjusted EBITDA^(A) for our U.S. Title segment was due to lower refinance market volumes and our strategic decisions in fiscal 2021 to focus our centralized operations and rationalize our diversified title business to align with our long-term market share objectives. The comparative decline in Adjusted EBITDA^(A) and corresponding impact to net income between quarters, was partially offset by lower net foreign exchange losses of \$5.5 million, due to a weaker Canadian versus U.S. dollar, and lower income tax expense due to the lower comparative operating performance of our U.S. Title segment.

Net income in the second quarter of fiscal 2022 declined versus the second quarter in fiscal 2021 due to lower Adjusted EBITDA^(A) contributions in our U.S. operating segments, as outlined in the “Review of Operations - For the three and six months ended March 31, 2022” section of this MD&A. The comparative decline in Adjusted EBITDA^(A) of \$16.5 million led to a \$5.0 million decline in income tax expense between quarters. The decline in gains recognized on the fair value of warrants of \$0.7 million also contributed to the decline in net income in the second quarter of fiscal 2022 versus the same quarter in fiscal 2021.

2021-2020

Net income in the first quarter of fiscal 2021 increased versus the first quarter in fiscal 2020 due to higher Adjusted EBITDA^(A) contributions from our U.S. Title and Canadian segments, while Adjusted EBITDA^(A) from our U.S. Appraisal segment was flat to the same quarter in the comparative year. Market share gains, net new client additions, higher market volumes in Canada and higher market volumes for refinance activity in the U.S., each contributed to the increase in Adjusted EBITDA^(A). The

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

improvement to first quarter net income in fiscal 2021 compared to first quarter net income in fiscal 2020 was also attributable to higher gains recorded on the fair value of warrants due to a decline in our share price in the first quarter of fiscal 2021, offset by higher net foreign exchange losses due to the strength of the Canadian dollar compared to its U.S. counterpart. Income tax expense was lower in the first quarter of fiscal 2021 due to lower non-deductible expenses attributable to capital losses from foreign currency exchange.

Net income in the second quarter of fiscal 2021 declined versus the second quarter in fiscal 2020 due to the decrease in net foreign exchange gains between periods. The net foreign exchange loss in the second quarter of fiscal 2021 and the comparable gain in the second quarter of fiscal 2020 were the result of changes in the FX rate between the Canadian and U.S. dollar. Lower foreign exchange gains were partially offset by higher Adjusted EBITDA^(A) contributions from our U.S. Title and Canadian segments, while contributions to Adjusted EBITDA^(A) from our U.S. Appraisal segment were lower due to softer comparative Net Revenue^(A) margins. Higher gains on the fair value of warrants resulting from a decline in our share price partially offset lower net foreign exchange gains between periods. Income tax expense was lower in the second quarter of fiscal 2021 on lower income before tax amounts.

Net income in the third quarter of fiscal 2021 declined versus the third quarter in fiscal 2020 due to lower Adjusted EBITDA^(A), most notably from our U.S. Title segment. Lower Adjusted EBITDA^(A) was partially offset by lower net foreign exchange losses in the third quarter of fiscal 2021 due to changes in the FX rate between the Canadian and U.S. dollar and lower comparable losses on the fair value of warrants resulting from a lower comparable increase in our share price year-over-year. Income tax expense was lower in the third quarter of fiscal 2021 on lower income before tax amounts.

Net income in the fourth quarter of fiscal 2021 declined versus the fourth quarter in fiscal 2020 due to lower Adjusted EBITDA^(A), most notably from our U.S. Title segment. Lower Adjusted EBITDA^(A) was partially offset by higher net foreign exchange gains in the fourth quarter of fiscal 2021 due to changes in the FX rate between the Canadian and U.S. dollar and higher gains on the fair value of warrants due to a decline in our share price in the fourth quarter of fiscal 2021. Income tax expense was lower in the fourth quarter of fiscal 2021 on lower income before income tax amounts.

Net income per weighted average share, basic and diluted 2022-2021

The change in net income per weighted average share in the first and second quarters of fiscal 2022 versus the same quarters in fiscal 2021 is detailed above. The comparative change in our diluted weighted average share count was attributable to stock option grants and forfeitures, the exercise of warrants and shares purchased under our NCIB (defined below).

2021-2020

The change in net income per weighted average share in each quarter of fiscal 2021 versus the comparable quarters in fiscal 2020 is detailed above. The comparative change in our diluted weighted average share count was attributable to stock option grants and forfeitures, the exercise of warrants in the fourth quarter of fiscal 2021 and shares purchased under our NCIB (defined below).

Financial Condition

Select Consolidated Statement of Financial Position (“Balance Sheet”) Information

| | As at March 31, 2022 | | | |
|---|--------------------------|------------|-----------|-----------|
| | U.S. | Canada | Corporate | Total |
| Trade and other receivables | \$ 20,709 | \$ 2,530 | \$ - | \$ 23,239 |
| Intangibles | \$ 5,536 | \$ - | \$ - | \$ 5,536 |
| Goodwill | \$ 60,477 | \$ - | \$ - | \$ 60,477 |
| Working capital position - (current assets less current liabilities) | \$ 79,265 | \$ (2,225) | \$ 3,929 | \$ 80,969 |
| | As at September 30, 2021 | | | |
| | U.S. | Canada | Corporate | Total |
| Trade and other receivables | \$ 44,025 | \$ 1,996 | \$ - | \$ 46,021 |
| Intangibles | \$ 6,228 | \$ - | \$ - | \$ 6,228 |
| Goodwill | \$ 60,477 | \$ - | \$ - | \$ 60,477 |
| Working capital position - (current assets less current liabilities) | \$ 80,689 | \$ (1,397) | \$ 1,988 | \$ 81,280 |

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Trade and other receivables – March 31, 2022 versus September 30, 2021

| | | |
|-----------------------|----|----------|
| Change - Consolidated | \$ | (22,782) |
| Change - U.S. | \$ | (23,316) |
| Change - Canada | \$ | 534 |
| Change - Corporate | \$ | - |

The decline in trade and other receivables for our U.S. operations was due in large part to two significant clients making payments to us totaling \$17.6 million within two business days after the end of fiscal 2021. Both clients are current with amounts owed to us at the end of the second quarter in fiscal 2022. Lower appraisal services supplied by our U.S. Appraisal segment, due to lower market volumes for refinance activity and lower seasonal purchase market activity, also contributed to the decline in trade and other receivable for our U.S. operations, and lower diversified services supplied by our U.S. Title segment further contributed to the decline. The increase in Canadian trade and other receivables was due to higher volumes serviced by our Canadian segment, resulting from market share gains for appraisal services and modestly higher insurance inspection revenues as a result of the relaxation of certain COVID-19 restrictions.

Intangibles – March 31, 2022 versus September 30, 2021

| | | |
|-----------------------|----|-------|
| Change - Consolidated | \$ | (692) |
| Change - U.S. | \$ | (692) |
| Change - Canada | \$ | - |
| Change - Corporate | \$ | - |

The decline in intangibles was due to normal course amortization recorded in our U.S. segments.

Goodwill – March 31, 2022 versus September 30, 2021

| | | |
|-----------------------|----|---|
| Change - Consolidated | \$ | - |
| Change - U.S. | \$ | - |
| Change - Canada | \$ | - |
| Change - Corporate | \$ | - |

No change to goodwill between periods.

Working capital position – March 31, 2022 versus September 30, 2021

| | | |
|-----------------------|----|---------|
| Change - Consolidated | \$ | (311) |
| Change - U.S. | \$ | (1,424) |
| Change - Canada | \$ | (828) |
| Change - Corporate | \$ | 1,941 |

Our consolidated working capital position declined on a comparative basis. Total current assets declined \$2.4 million while total current liabilities declined \$2.1 million. The decline in total current assets was due to lower trade and other receivables of \$22.8 million, lower prepaid expenses of \$0.8 million, partially offset by higher cash and cash equivalents of \$17.8 million and higher income taxes recoverable of \$3.2 million. The decline in trade and other receivables was due in large part to the timing of payments received from two significant clients in our U.S. Appraisal segment, coupled with lower appraisal and diversified title volumes serviced which was partially offset by higher trade and other receivables in our Canadian segment. The decline in prepaid expenses was due to the amortization of prepaid insurance premiums in the first half of fiscal 2022. The increase in cash and cash equivalents was due to changes in non-cash working capital of \$21.7 million and Adjusted EBITDA^(A) of \$8.4 million, partially offset by income taxes paid of \$3.9 million, the purchase of common shares and related costs under the NCIB (defined below) of \$6.6 million, the normal course repayment of lease liabilities of \$0.9 million and the purchase of restricted shares held in trust for the benefit of certain executives of \$0.5 million. As outlined in the trade and other receivables discussion above, the timing of payments received from two significant clients in our U.S. Appraisal segment was the primary contributor to the change in non-cash working capital in the first half of fiscal 2022 and details of Adjusted EBITDA^(A) for the first half of fiscal 2022 are outlined in the "Review of Operations – For the three and six months ended March 31, 2022" section of this MD&A. Income taxes paid reflect the timing of tax payments. The increase in income taxes recoverable reflects the timing of payment, partially offset by the provision for income taxes recorded in the first half of fiscal 2022. The decrease in total current liabilities was due to the decline in trade payables of \$1.9 million. The decline in trade payables reflects the comparative decline in volumes serviced by our U.S. operations, offset, in part, by higher trade payables in our Canadian segment.

The working capital position in our U.S. operations declined on a comparative basis. Total current assets declined \$5.0 million while total current liabilities declined \$3.6 million. The decline in total current assets was attributable to lower trade and other receivables of \$23.3 million and lower prepaid expenses of \$0.3 million, partially offset by higher cash and cash equivalents of

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

\$15.6 million and higher income taxes recoverable of \$2.8 million. The decline in trade and other receivables was due in large part to the timing of payments received from two significant clients in our U.S. Appraisal segment, coupled with lower appraisal and diversified title volumes serviced, while the decline in prepaid expenses was due to the amortization of prepaid insurance premiums in the first half of fiscal 2022. The increase in cash and cash equivalents was due in large part to the collection of trade and other receivables from the two significant clients mentioned above, coupled with Adjusted EBITDA^(A) generated in the first half of fiscal 2022, which was partially offset by the movement of cash between the U.S. and Canada to support the purchase of shares under our NCIB (defined below). The increase in income taxes recoverable reflects the timing of payment, partially offset by the provision for income taxes recorded in the first half of fiscal 2022. The decrease in total current liabilities was due to the decline in trade payables of \$3.6 million reflecting the decline in volumes serviced across our U.S. operations.

The working capital position in our Canadian and Corporate segments increased on a comparative basis. Total current assets increased \$2.6 million while total current liabilities increased \$1.5 million. The increase in total current assets was attributable to higher cash and cash equivalents of \$2.2 million, higher trade and other receivables of \$0.5 million and an increase of \$0.4 million for income taxes recoverable, partially offset by lower prepaid expenses of \$0.5 million. The increase in cash and cash equivalents was due to the movement of cash between the U.S. and Canada, while the increase in trade and other receivables was due to higher volumes serviced by our Canadian segment, resulting from market share gains for appraisal services and modestly higher insurance inspection revenues as a result of the relaxation of certain COVID-19 restrictions. The increase in income taxes recoverable reflects the timing of payment, partially offset by the provision for income taxes recorded in the first half of fiscal 2022. The decline in prepaid expenses was due to the amortization of prepaid insurance premiums in the first half of fiscal 2022. The increase in total current liabilities was due to an increase in trade payables of \$1.7 million, partially offset by a decline in accrued charges of \$0.1 million and a \$0.1 million decline in finance lease obligations. The increase in trade payables reflects the comparative increase in volumes serviced. The decline in accrued charges reflects lower bonus amounts accrued while the decline in finance lease obligations reflects normal course lease payments.

Disclosure of outstanding share capital

| | March 31, 2022 | |
|--------------------------|----------------|---------|
| | Shares | \$ |
| Common shares | 78,110 | 243,688 |
| Restricted shares | (101) | (311) |
| Preferred shares | - | - |
| Total contributed equity | 78,009 | 243,377 |

| | April 27, 2022 | |
|--------------------------|----------------|---------|
| | Shares | \$ |
| Common shares | 77,994 | 243,583 |
| Restricted shares | (101) | (311) |
| Preferred shares | - | - |
| Total contributed equity | 77,893 | 243,272 |

Normal course issuer bid ("NCIB")

Effective June 11, 2021, we received approval from the Toronto Stock Exchange ("TSX") to renew our NCIB for a one-year period expiring on June 10, 2022. Under the renewed NCIB, we were approved to purchase up to 4 million common shares. Daily purchases made on the TSX, or through alternative Canadian trading systems, are limited to a maximum of 153,956 common shares. Effective November 24, 2021, we received approval from the TSX to amend our NCIB to increase the number of common shares available for purchase and cancellation from 4 million to 6 million.

We are permitted to purchase a block of common shares once a week which can exceed the daily purchase limit subject to certain conditions, including a limitation that the block cannot be owned by an insider. All shares purchased pursuant to the NCIB have been, or will be, cancelled.

For the six months ended March 31, 2022, 1.1 million (2021 – 1.8 million) common shares were purchased and cancelled at an aggregate cost of \$6.6 million (2021 - \$26.9 million).

As of April 27, 2022, 0.2 million additional common shares were purchased and cancelled or settled since March 31, 2022.

Warrants

At March 31, 2022, no previously issued share purchase warrants ("warrants") remain outstanding and exercisable for common shares of the Company (September 30, 2021 – 0.1 million). Each warrant had an exercise price of C\$1.38.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Stock options

At March 31, 2022, stock options issued and outstanding totaled 4.8 million (September 30, 2021 – 4.6 million) and 4.0 million (September 30, 2021 – 3.7 million) were exercisable for common shares of the Company.

Restricted share units (“RSUs”)

At March 31, 2022, RSUs issued and outstanding totaled 0.2 million (September 30, 2021 – nil) and 0.07 million (September 30, 2021 – nil) were vested but unsettled.

Liquidity and Capital Resources

Contractual obligations

March 31, 2022

| | Payments due | | | | |
|-------------------------------|--------------|------------------|-----------|-----------|---------------|
| | Total | Less than 1 year | 1-3 years | 4-5 years | After 5 years |
| Leases | \$ 5,270 | \$ 1,860 | \$ 2,578 | \$ 832 | \$ - |
| Total contractual obligations | \$ 5,270 | \$ 1,860 | \$ 2,578 | \$ 832 | \$ - |

The Company expects that cash and cash equivalents and future operating cash flows will enable the Company to fund its ongoing business requirements, including working capital and other contractual obligations.

Cash flows

| | Three months ended March 31 | | | Six months ended March 31 | | |
|--|-----------------------------|------------|-------------|---------------------------|-------------|-----------|
| | 2022 | 2021 | Change | 2022 | 2021 | Change |
| Cash flows generated from (utilized in): | | | | | | |
| Operating activities | \$ 7,043 | \$ 18,348 | \$ (11,305) | \$ 25,817 | \$ 25,644 | \$ 173 |
| Investing activities | \$ (52) | \$ (442) | \$ 390 | \$ (244) | \$ (2,745) | \$ 2,501 |
| Financing activities | \$ (2,360) | \$ (8,004) | \$ 5,644 | \$ (7,842) | \$ (25,497) | \$ 17,655 |

Three months ended

Operating activities

Cash generated from operating activities declined \$11.3 million due to lower Adjusted EBITDA^(A) of \$16.5 million as outlined in the “Review of Operations - For the three and six months ended March 31, 2022” section of this MD&A. The decline in Adjusted EBITDA^(A) was partially offset by lower income taxes paid of \$1.9 million, resulting from the comparative decline in our financial performance, and an increase in cash from non-cash changes in working capital of \$3.0 million. The increase in cash from non-cash changes in working capital was largely attributable to the change in trade and other receivables of \$6.9 million due to lower addressable market volumes serviceable by our U.S. Appraisal segment and lower diversified services supplied by our U.S. Title segment. This increase was partially offset by a decline in trade payables and accrued charges of \$4.1 million. The decline in trade payables and accrued charges reflects the comparative decline in volumes serviced by our U.S. operations, offset, in part, by higher trade payables in our Canadian segment due to higher volumes serviced.

Investing activities

Cash utilized in investing activities declined on a comparative basis by \$0.4 million. Investments made in the second quarter of fiscal 2021 for computer equipment were not required in the second quarter of fiscal 2022.

Financing activities

Cash utilized in financing activities declined by \$5.6 million. The purchase of shares under our NCIB declined \$6.5 million between the second quarter of fiscal 2022 and the second quarter of fiscal 2021, which was partially offset by lower proceeds received from the exercise of stock options of \$0.3 million and the purchase of restricted shares held in trust for the benefit of certain executives of \$0.5 million.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Six months ended

Operating activities

Cash generated from operating activities increased \$0.2 million. The increase in non-cash working capital of \$23.7 million was largely attributable to the \$26.8 million change in trade and other receivables between periods. This source of cash reflects the timing of payments received from two significant clients in our U.S. Appraisal segment, coupled with lower comparative appraisal and diversified volumes serviced due to lower addressable market volumes and the strategic decision to rationalize our diversified title business. Lower trade payables, net of the change in accrued charges, partially offset the source of cash from trade and other receivables by a combined \$3.9 million. This decline was due to the comparative decrease in volumes serviced by our U.S. operations, offset, in part, by higher trade payables in our Canadian segment due to higher volumes serviced. Lower income taxes paid of \$2.1 million contributed to the increase in cash from operating activities and reflects the timing of payment and a lower financial performance, while changes in FX gains and losses due to changes in the Canadian dollar relative to its U.S. counterpart also contributed to the increase in cash generated from operating activities. These increases were partially offset by a decline in Adjusted EBITDA^(A) of \$28.0 million as outlined in the "Review of Operations - For the three and six months ended March 31, 2022" section of this MD&A.

Investing activities

Cash utilized in investing activities declined on a comparative basis by \$2.5 million. Investments made in the first half of fiscal 2021 for right-of-use assets and computer equipment in our U.S. Title segment, which were incurred in connection with the expansion of our operations footprint to Dallas, Texas and Phoenix, Arizona, were not required in the first half of fiscal 2022.

Financing activities

Cash utilized in financing activities declined on a comparative basis by \$17.7 million. The purchase of shares under our NCIB declined \$20.3 million between the first half of fiscal 2022 and the first half of fiscal 2021. This was partially offset by lower proceeds of \$1.6 million received from lease liabilities due to the expansion of our U.S. Title operations to Dallas, Texas and Phoenix, Arizona, lower proceeds received from the exercise of stock options of \$0.4 million and the purchase of restricted shares held in trust for the benefit of certain executives of \$0.5 million.

Foreign Currency Exchange Rates

Although our functional currency is the Canadian dollar, we have elected to report our financial results in U.S. dollars to improve the comparability of our financial results with our peers. Reporting our results in U.S. dollars also reduces the impact foreign currency exchange fluctuations have on our reported amounts because our complement of assets and operations are larger in the U.S. than they are in Canada.

Our consolidated financial position and operating results have been translated to U.S. dollars applying FX rates outlined in the table below. FX rates are expressed as the amount of U.S. dollars required to purchase one Canadian dollar and represents the daily average rate published by the Bank of Canada.

| | Fiscal 2022 | | | Fiscal 2021 | | |
|-------------|--------------------------------------|---|--------------------|--------------------------------------|---|--------------------|
| | Condensed Consolidated Balance Sheet | Condensed Consolidated Statement of Operations and Comprehensive Income or loss | Cumulative Average | Condensed Consolidated Balance Sheet | Condensed Consolidated Statement of Operations and Comprehensive Income or loss | Cumulative Average |
| | Current | Average | | Current | Average | |
| December 31 | \$ 0.7888 | \$ 0.7936 | \$ 0.7936 | \$ 0.7854 | \$ 0.7675 | \$ 0.7675 |
| March 31 | \$ 0.8003 | \$ 0.7897 | \$ 0.7917 | \$ 0.7952 | \$ 0.7895 | \$ 0.7783 |

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

FX Impact on Consolidated Results

The following tables have been prepared to assist readers in assessing the FX impact on select operating results for the three and six months ended March 31, 2022.

| | Three months ended March 31 | | | |
|---|-----------------------------|---------------|-------------|--|
| | 2021 | 2022 | 2022 | 2022 |
| | (as reported) | (as reported) | (FX impact) | (current period amounts applying prior period FX rate) |
| Condensed Consolidated Statement of Operations | | | | |
| Revenues | \$ 128,828 | \$ 94,981 | \$ 36 | \$ 94,945 |
| Transaction costs | \$ 82,170 | \$ 70,803 | \$ 31 | \$ 70,772 |
| Operating expenses | \$ 28,206 | \$ 22,305 | \$ 15 | \$ 22,290 |
| Net income (loss) | \$ 11,674 | \$ (509) | \$ (23) | \$ (486) |
| Net Revenue^(A) | \$ 46,658 | \$ 24,178 | \$ 5 | \$ 24,173 |
| Adjusted EBITDA^(A) | \$ 19,013 | \$ 2,508 | \$ (4) | \$ 2,512 |
| Adjusted Net Income^(A) | \$ 13,111 | \$ 1,286 | \$ (5) | \$ 1,291 |

Note: ^(A) – Please refer to the “Non-GAAP measures” section of this MD&A

| | Six months ended March 31 | | | |
|---|---------------------------|---------------|-------------|--|
| | 2021 | 2022 | 2022 | 2022 |
| | (as reported) | (as reported) | (FX impact) | (current year amounts applying prior year FX rate) |
| Condensed Consolidated Statement of Operations | | | | |
| Revenues | \$ 249,126 | \$ 202,738 | \$ 439 | \$ 202,299 |
| Transaction costs | \$ 158,442 | \$ 149,810 | \$ 380 | \$ 149,430 |
| Operating expenses | \$ 55,715 | \$ 45,444 | \$ 179 | \$ 45,265 |
| Net income | \$ 18,763 | \$ 2,127 | \$ (154) | \$ 2,281 |
| Net Revenue^(A) | \$ 90,684 | \$ 52,928 | \$ 59 | \$ 52,869 |
| Adjusted EBITDA^(A) | \$ 36,431 | \$ 8,425 | \$ (104) | \$ 8,529 |
| Adjusted Net Income^(A) | \$ 25,065 | \$ 4,764 | \$ (118) | \$ 4,882 |

Note: ^(A) – Please refer to the “Non-GAAP measures” section of this MD&A

Critical Accounting Estimates

General

We use information from our financial statements, prepared in accordance with IFRS and expressed in U.S. dollars, to prepare our MD&A. Our financial statements include estimates and judgments that affect the reported amount of our assets, liabilities, revenues, expenses and, where and as applicable, disclosures of contingent assets and liabilities. On a periodic basis, we evaluate our estimates, including those that require a significant level of judgment or are otherwise subject to an inherent degree of uncertainty. Areas that are subject to judgment and estimate include revenue recognition, impairment of goodwill and non-financial assets, the determination of fair values in connection with business combinations, the determination of fair value for warrants and financial instruments, lease terms, estimation of incremental borrowing rates to determine the carrying amount of right-of-use assets and lease liabilities and the likelihood of realizing deferred income tax assets. Our estimates and judgments are based on historical experience, our observation of trends, and information, valuations and other assumptions that we believe are reasonable when making an estimate of an asset or liability's fair value. Due to the inherent complexity, judgment and uncertainty in estimating fair value, actual amounts could differ significantly from these estimates.

Areas requiring the most significant estimate and judgment are outlined below.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Revenue recognition

The satisfaction of performance obligations requires us to make judgments when control of the underlying good or service transfers to the customer. Determining when a performance obligation is satisfied affects the timing of revenue recognition. We consider indicators of the transfer of control, including when the customer is obligated to pay and whether the transfer of significant risks and rewards has occurred, which represents the time when the customer has acquired the ability to direct and use the good or service and obtained substantially all of the benefits.

We use judgment in our assessment of whether we are acting as an agent or principal to a transaction. When we are not primarily responsible for fulfilling the obligation to provide a specified good or service and do not have discretion to establish price, we are acting as an agent to the transaction. We are acting as a principal when we control the deliverables prior to delivery to the customer and establish pricing.

Goodwill

Goodwill is not amortized and is tested annually for impairment or more frequently if an event or circumstance occurs that more likely than not reduces the fair value of a cash generating unit ("CGU"), or group of CGUs, below its carrying amount. Examples of such events or circumstances include: a significant adverse change in the technological, market, economic or legal environment in which an entity operates; changes in market interest rates or other market rates of return on investments that are likely to affect the discount rate used in calculating an assets value in use; the carrying amount of an entities' net assets is more than its market capitalization; evidence of physical damage to the asset or obsolescence is present; significant changes to an asset's expected use; or, performance expectations for the asset are worse than expected. Goodwill is not tested for impairment when the assets and liabilities that make up the CGU unit have not changed significantly since the most recent fair value determination, the most recent fair value determination results in an amount that exceeded the carrying amount by a substantial margin, and based on an analysis of events that have occurred and circumstances that have changed since the most recent fair value determination, the likelihood that a current fair value determination would be less than the current carrying amount of the CGU is remote. The amount of goodwill assigned to each CGU and methodology employed to make such assignments has been applied on a consistent basis. For the purpose of testing goodwill for impairment, our CGUs align with our operating segments since this is consistent with the level at which goodwill is monitored.

The carrying value of a CGU or group of CGUs is compared to its recoverable amount, where the recoverable amount is the higher of fair value less cost to sell and its value in use. The value in use for a CGU or group of CGUs is determined by discounting three-year cash flow projections from financial forecasts prepared by management. Projections reflect past experience and future expectations of operating performance and we apply perpetuity growth rates to cash flows in the terminal year. None of the perpetuity growth rates exceed the long-term historical growth rates for the markets in which we operate. The discount rate applied to the cash flow projections are derived from the weighted average cost of capital of comparable publicly traded companies. To determine fair value, for the purpose of estimating fair value less cost to sell, we apply various trading multiples of comparable public companies and merger and acquisition transactions for like or similar businesses to our last twelve months performance, and expected performance in the subsequent year, for our U.S. Appraisal and U.S. Title segments.

We monitor both economic and financial conditions and we re-perform our goodwill test for impairment as conditions dictate.

Business combinations

Applying the acquisition method to business combinations requires us to measure each identifiable asset and liability at fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recorded to goodwill. The purchase price allocation involves judgment to identify the intangible assets acquired and our fair value estimates for the assets acquired and liabilities assumed, including pre-acquisition contingencies and contingent consideration. Changes in any of the assumptions or estimates used to identify intangible assets acquired or to determine the fair value of acquired assets and liabilities assumed, including pre-acquisition contingencies or contingent consideration, could affect the amounts assigned to assets, liabilities and goodwill in the purchase price allocation.

We make estimates, assumptions and judgments when valuing goodwill and intangible assets in connection with the initial purchase price allocation of an acquired entity, and our continuing evaluation of the recoverability of goodwill and intangible assets. These estimates are based on several factors, including historical experience, market conditions, information gained on our review of the target entities' operations and information obtained from management of the acquired companies. Critical estimates in valuing certain intangible assets include, but are not limited to, historical and projected attrition rates, discount rates, anticipated revenue growth from acquired customers, acquired technology and the expected use of the acquired assets. These factors are also considered in determining the useful life of acquired intangible assets. The amounts and useful lives assigned to identified intangible assets also impacts the amount and timing of future amortization expense.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Unanticipated events and circumstances may affect the accuracy or validity of such assumptions, estimates and our actual results.

Warrants

We used the Black-Scholes-Merton option pricing model to estimate the fair value of warrant liabilities in previous reporting periods, which required the use of several input variables. These input variables were subject to estimate and any change in these input variables could have materially impacted the estimated fair value of warrant liabilities. Accordingly, the fair value amount previously reported may not have represented the transaction value of the warrants on the date of exchange.

Leases

Lease terms represent the contractual non-cancellable period for a lease, plus all periods covered by an option to renew the lease if we are reasonably certain to exercise this option and the periods covered by an option to terminate the lease if we are reasonably certain to not exercise this option. We apply judgment in our assessment of all factors that create an economic incentive to exercise extension options, or to not exercise termination options, available in our lease arrangements. We review our initial assessment if a significant event or change in circumstances occurs which affects our initial assessment and is within our control.

To determine the carrying amount of right-of-use assets, lease liabilities and net investment in sublease, we estimate the incremental borrowing rate specific to each leased asset or portfolio of leased assets if the interest rate implicit in the lease is not readily determinable. We determine the incremental borrowing rate attributable to each leased asset, or portfolio of leased assets, by assessing our creditworthiness, the security, term and value of the underlying leased asset and the economic environment in which the leased asset operates. The incremental borrowing rate is subject to change mainly because of macroeconomic changes.

Income taxes

Deferred income tax is recognized applying the liability method, which recognizes the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their equivalent tax amounts. Deferred income tax is not recognized on the initial recording of assets or liabilities for financial reporting purposes that is not a business combination and that affects neither accounting income nor taxable income or loss. Deferred income tax assets and liabilities are measured applying tax rates expected to be in effect when the temporary differences reverse, applying tax rates that have been enacted or substantively enacted at the reporting date.

Significant changes to enacted tax rates or laws, or estimates of timing differences and their reversal, could result in a material adverse or positive impact to our financial condition and operating performance. In addition, changes in regulation or insufficient taxable income could impact our ability to utilize tax loss carryforwards, which could impact deferred income tax assets and deferred income tax expense or recovery.

The recognition of deferred tax assets attributable to unutilized loss carryforwards is supported by our historical and expected future ability to generate income subject to tax and our ability to implement tax planning measures along with other substantive evidence. However, should we be unable to continue generating income subject to tax, deferred tax assets attributable to unutilized loss carryforwards may not be available to us prior to their expiry in Canada. We have historically used, and will continue to use, every effort to limit the use of discretionary tax deductions to maximize our use of loss carryforwards in Canada prior to their expiry. As a result of U.S. tax reform, unutilized loss carryforwards arising after December 31, 2017 can be carried forward indefinitely; however, the deduction of unutilized loss carryforwards in a given tax year is limited to 80% of an entity's taxable earnings in that year. Should we not be able to realize our deferred tax assets attributable to loss carryforwards, we would record deferred income tax expense in the period that we determine the likelihood of realizing these losses was less likely than not. Our maximum exposure is equal to the carrying amount of the deferred tax asset attributable to loss carryforwards, \$1.6 million at March 31, 2022. Accordingly, due to our historical ability to generate income subject to tax, our expectations to generate income subject to the tax in the future and available tax planning measures, we view the risk of not realizing these deferred tax assets as low.

Other

Other estimates include, but are not limited to, the following: identification of CGUs, impairment assessments for non-financial assets, inputs to the Black-Scholes-Merton option pricing model used to value stock-based compensation, estimates of property and equipment's useful life, assessing provisions, estimating the likelihood of collection to determine our allowance for doubtful accounts, the fair value of financial instruments, control assessment of subsidiaries, contingencies related to litigation and contingent acquisition payables, claims and assessments and various economic assumptions used in the development of fair value estimates, including, but not limited to, interest and inflation rates and a variety of option pricing model estimates.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

New Accounting Policies Adopted or Requiring Adoption

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 twelve 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. The amendments are to be applied retrospectively and are effective for annual reporting periods beginning on or after January 1, 2023. We expect to apply the amendment to the classification of liabilities on October 1, 2023, and adopting this amendment is not expected to have a significant impact on our financial statements.

Narrow-scope amendments and Annual Improvements to IFRS Standards 2018-2020

In May 2020, the IASB issued a series of narrow-scope amendments that impact the following standards: IAS 16 – “Property, Plant and Equipment – Proceeds before Intended Use” (“IAS 16”), IAS 37 – “Onerous Contracts – Costs of Fulfilling a Contract” (“IAS 37”), IFRS 3 – “Reference to the Conceptual Framework” (“IFRS 3”), and annual improvements to IFRS 1, IFRS 9, IFRS 16, and IAS 41.

The amendment to IAS 37 clarified the meaning of “costs to fulfil a contract” to include incremental costs, and the allocation of other costs that directly relate to fulfilling the contract. This could result in an entity recording a provision for the expected loss attributable to the onerous contract in its financial statements earlier or that it wouldn’t have recognized if not for this amendment. IFRS 3 was updated to refer to the 2018 Conceptual Framework for Financial Reporting when determining what constitutes an asset or a liability in a business combination. Without this new update, an entity may have recognized certain liabilities in a business combination that it would not recognize under IAS 37. IAS 16 and the annual improvements are not applicable.

These amendments are effective January 1, 2022 and earlier application is permitted. We expect to apply the amendments on October 1, 2022, and adopting these amendments is not expected to have a significant impact on our financial statements.

Narrow-scope amendments to IAS 1 and IAS 8

In February 2021, the IASB amended IAS 1 – “Presentation of Financial Statements” which requires companies to disclose information attributable to material accounting policies rather than focusing on significant accounting policies. The amendment clarifies that accounting policy information is material, if its absence inhibits a financial statements user’s ability to understand other material information in the financial statements.

Additionally, the IASB amended IAS 8 – “Accounting Policies, Changes in Accounting Estimates and Errors” to improve accounting policy disclosures and assist entities in distinguishing between changes in accounting policies, which are generally applied retrospectively to both historical, current and future transactions, and estimates, which are applied prospectively to future transactions.

These amendments are effective January 1, 2023 and earlier application is permitted. We expect to apply the amendments on October 1, 2023, and adopting these amendments is not expected to have a significant impact on our financial statements.

Clarifying amendment to account for deferred tax on leases and decommissioning obligations

In May 2021, the IASB amended IAS 12 – “Income Taxes” to clarify that the initial recognition exemption does not apply to leases and decommissioning obligations. As a result, companies are required to recognize deferred tax on such transactions.

The amendment is effective January 1, 2023 and earlier application is permitted. We expect to apply the amendment on October 1, 2023, and adopting this amendment is not expected to have a significant impact on our financial statements.

Financial Instruments

Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. Our exposure to credit risk is limited principally to cash and cash equivalents and trade and other receivables. In all instances, our risk management objective, whether of credit, liquidity, market or otherwise, is to mitigate our risk exposures to a level consistent with our risk tolerance.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Cash and cash equivalents

Certain management are responsible for determining which financial institutions we bank and hold deposits with. We typically select financial institutions that we have a relationship with and those deemed by us to be of sufficient size, liquidity and stability. We review our exposure to credit risk from time-to-time or as conditions indicate that our exposure to credit risk has or is subject to change. Our maximum exposure to credit risk is equal to the fair value of cash and cash equivalents recorded on our unaudited condensed consolidated statements of financial position as at March 31, 2022, \$78.0 million (September 30, 2021 - \$60.2 million). We hold no collateral or other credit enhancements as security over our cash or cash equivalent balances and we deem the credit quality of our cash and cash equivalent balances to be high and no amounts are impaired.

Trade and other receivables

In the normal course of business, our trade and other receivables balance is subject to credit risk. Our maximum exposure to credit risk is the fair value of trade and other receivables recorded on our unaudited condensed consolidated statements of financial position as at March 31, 2022, \$23.2 million (September 30, 2021 - \$46.0 million). We regularly perform credit checks or may accept payment or security in advance to limit our exposure to credit risk. Our client base is sufficiently diverse, consisting of banks and mortgage lending institutions that are generally of sufficient size and capitalization, to mitigate a portion of any credit risk exposure we may be subject to. We have also assigned various employees to carry out collection efforts in a manner consistent with our trade receivable and credit and collections policies. These policies establish procedures to manage, monitor, control, investigate, record and improve trade receivable credit and collection. We also have policies and procedures which establish estimates for doubtful account allowances. These calculations are based on an expected credit loss ("ECL") model which considers expected losses that result from all possible default events over the expected life of our trade and other receivable balances and include factors such as past events, current conditions and forecasts of future economic conditions. We conduct specific account balance reviews, where practical, and consideration is given to the credit quality of the client, payment history and other factors specific to the client, including bankruptcy or insolvency.

Trade and other receivables determined by management to be at risk of collection are provided for through an allowance account. When trade or other receivables are considered uncollectable, they are written-off against this account. Subsequent recoveries of amounts previously written-off are credited against the allowance account and subsequently recorded to operating expenses in our unaudited condensed consolidated statements of operations and comprehensive income or loss. We have elected to measure loss allowances for trade and other receivables at an amount equal to estimated lifetime ECLs using a provision matrix based on historical credit loss experience adjusted for estimated changes in credit risk and forecasts of future economic conditions.

Trade and other receivables are generally due within 15 to 45 days from the invoice date. Accordingly, all amounts outstanding beyond these periods are past due. Based on historical collections, the majority of receivables we have collected have not been outstanding for greater than 90 days. We assess the credit quality of trade and other receivables that are neither past due nor impaired as high. Our maximum exposure to credit risk is equivalent to our net carrying amount. Trade and other receivables considered impaired at March 31, 2022 were not considered significant.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting our obligations to settle our financial liabilities. Our exposure to liquidity risk is due primarily to the settlement of trade payables and lease liabilities. Certain management are responsible to ensure that we have sufficient short, medium and long-term liquidity to address these liabilities as they become due. We manage liquidity risk on a continuous basis by monitoring actual and forecasted cash flows and monitoring our available liquidity.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency, interest rate and other price risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in FX rates. Our exposure to currency risk is attributable to the exchange of U.S. monies to the Canadian dollar or vice versa. We may enter into FX agreements to mitigate our exposure to currency risk; however, as of the date of this MD&A, we are not party to any FX agreements. Accordingly, we are exposed to currency risk on U.S. dollars charged to our U.S. operations in the form of management fees, royalties and interest on long-term financings. To mitigate this risk, management uses discretion, and actively reviews its exposure to and requirement for FX agreements.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises from our interest bearing financial assets and liabilities. We are subject to interest rate risk on investments we make in cash equivalent, short-term investments.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Our risk management objective is to mitigate risk exposures to a level consistent with our risk tolerance. Derivative financial instruments are evaluated against the exposures they are expected to mitigate and the selection of a derivative financial instrument may not increase our net exposure to risk. Derivative financial instruments may expose us to other types of risk, which may include, but is not limited to, credit risk. The exposure to other types of risk is evaluated against the selected derivative financial instrument and is subject to a cost versus benefit review and analysis. We do not use derivative financial instruments for speculative or trading purposes and the value of the derivative financial instrument cannot exceed the risk exposure of the underlying asset, liability or cash flow it is expected to mitigate.

Fair value methods and assumptions

The fair values of financial instruments, and when applicable, warrant liabilities and contingent consideration, are calculated using available market information and commonly accepted valuation methods, or expectations of achievement in the case of contingent consideration discounted at a market rate of interest. Considerable judgment is required to develop these estimates. Accordingly, fair value estimates are not necessarily indicative of the amounts we, or counter-parties to the instruments, could realize in a current market exchange, or expect to pay, in the case of contingent consideration. The use of different assumptions and or estimation methods could have a material impact on these fair values.

Financial assets and liabilities recorded at fair value, as and where applicable, are recorded to our unaudited condensed consolidated statements of financial position.

Financial Information Controls and Procedures

Internal control over financial reporting

There have been no changes during the three months ended March 31, 2022 in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Impact of COVID-19

Operations

To date, our operations have not experienced any significant adverse impacts as a result of COVID-19.

Supply of services

The health and safety of our employees, clients, field professionals and the communities we service remains a top priority. We continue to practice social distancing in our daily routines in recognition of the significant impact COVID-19 has had on our clients and the field professionals on our network. The field professionals on our networks continue to deliver their unwavering support as an essential service provider.

While the way in which our field professionals deliver service for our clients may have changed, and may be subject to further change as a result of COVID-19, we do not believe that any resulting changes will be significant to the essential services we provide for our clients.

Employees

We have mandated, where possible, that our employees work from home. Currently, we have over 90% of our employees working remotely, and only those that are in facility-dependent roles, where their work cannot be completed from home, remain in our offices. To date, our remote operations have not adversely impacted our ability to provide services to our clients nor have we experienced any significant change in our employee's ability to access our systems. In addition, we have succession and continuity plans in place for certain key employees which were reviewed and updated, where appropriate, during the third quarter of fiscal 2020 and were revisited and updated again during the third quarter of fiscal 2021.

Supply chain

We proactively identified additional redundancy required in our supply chain and we actively added vendors to strengthen redundancy where required. To date, our supply chain has not had a material adverse impact on our operations and the delivery of our services.

Financial condition

Our Company is built for the long-run, which includes maintaining a strong balance sheet to weather the cyclical and seasonal nature of the industry we operate in, and to weather financial shocks and crises like the one COVID-19 is having on the world and the world economy. On March 31, 2022, we had \$78.0 million of cash and cash equivalents on our balance sheet. We provide services to the financial services sector, which was deemed by the U.S. Department of Homeland Security (Cybersecurity and Infrastructure Security Agency), as well as state and provincial governmental orders, to be an essential service. As such, to date COVID-19 has not had a significant adverse impact on our financial condition. However, we continue

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

to monitor our cash positions daily, including cash inflows and outflows and adjust as and where necessary to manage our cash resources.

Capital and financial resources

We have sufficient cash and cash equivalents on hand and continue to generate cash from operations. Accordingly, we have no immediate concerns regarding our ability to service our financial obligations, including obligations under lease commitments for office space. To date, COVID-19 has not had any significant impact on our overall liquidity position and because we provide services to many of the largest mortgage lenders in the U.S. and Canada, we have not seen any significant changes in their ability to make payments to us. However, we continue to be vigilant in our collection efforts and have regular touch points with the clients we service, paying particular attention to our clients who account for a larger proportion of our revenues and the few non-bank clients we provide service to that have significant servicing portfolios.

Internal controls

Our operations have remained largely unchanged as a result of COVID-19, even with the vast majority of our employees working from home. Our financial reporting systems, internal control over financial reporting and disclosure controls and procedures remain largely unchanged as well. Accordingly, we have not experienced a significant change in our control environment that would have a material impact on our internal controls over financial reporting.

Business continuity plans

Our business continuity plans were rolled out without significant issue and the vast majority of our employees have been mobilized to work-at-home environments. We have not experienced any material resource constraints in connection with the implementation of these plans.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains “forward-looking information” within the meaning of applicable Canadian securities laws. Words such as “aim”, “could”, “forecast”, “target”, “may”, “might”, “will”, “would”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “seek”, “believe”, “predict” and “likely”, 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 MD&A includes statements which reflect the current expectations of the Company's management with respect to the Company's business and the industry in which it operates 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 MD&A includes, but is not limited to, statements related to:

- our business prospects, goals and long-term strategy targets;
- our expectations regarding certain of our future results and information, including, among others, Net Revenue^(A) and Adjusted EBITDA^(A) margins for each of our segments, market share targets for our U.S. Appraisal and U.S. Title segments, corporate expenses (excluding stock-based compensation expense), conversion of Adjusted EBITDA^(A) to Free Cash Flow^(A) and the total addressable market;
- the key factors that have a significant impact on our financial performance;
- anticipated economic conditions, including the market activity for purchase, refinance and home equity and default transactions;
- the scalability of the platform;
- the regulatory environment in which we operate;
- our competitive position relative to our competitors;
- anticipated industry and market trends, including the seasonality of our business and our expectations regarding appraisal waivers provided by the GSE's and cash out refinance transactions relative to rate refinance transactions;
- our intentions with respect to the implementation of new accounting standards; and
- the impact of COVID-19 on our operations, supply of services, employees, supply chain, financial condition, capital and financial resources, internal controls and business continuity plans.

In addition, our assessment of, and targets for, market share, Net Revenue^(A) margins, Adjusted EBITDA^(A) margins, corporate expenses (excluding stock-based compensation expense) and conversion of Adjusted EBITDA^(A) to Free Cash Flow^(A) are considered forward-looking information. See the “Overview” section of this MD&A for additional information regarding our strategies and market outlook in relation to these assessments.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

The forward-looking information in this MD&A 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. Factors which could cause results or events to differ from current expectations include, but are not limited to, the following, each of which are discussed in further detail in the “Risk Factors” section of our Annual Information Form for the year ended September 30, 2021, which is filed on SEDAR at www.sedar.com:

Strategic Risks

- changes in economic conditions resulting in fluctuations in demand for our services;
- failing to grow market share in our U.S. Appraisal business to anticipated levels;
- failing to grow market share in our U.S. Title business to anticipated levels;
- risks associated with targeting large mortgage lenders, including longer sales cycles, pricing pressures, implementation complexities and concentration risk;
- growth placing significant demands on our management and infrastructure;
- maintaining our competitive position in a competitive business environment;
- inability to successfully identify, consummate or integrate future acquisitions;
- damage to our reputation causing a loss of existing clients and/or difficulty attracting new clients;

Operational Risks

- failing to adequately protect our technology infrastructure;
- issues with the platform;
- failing to retain key employees or hire highly skilled personnel;
- failing to maintain field professional engagement;
- the occurrence of catastrophic events which are beyond our control;

Legal and Compliance Risks

- regulatory risks applicable to us;
- risks associated with the potential reclassification of exempt employees and field professionals;
- risks associated with legal and regulatory proceedings and claims;
- failing to adequately protect our intellectual property;
- potential losses arising from field professional work product liability;
- potential infringement of our services on the proprietary rights of others;
- difficulty for shareholders to enforce judgments obtained against us;

Financial and Reporting Risks

- the potential for significant fluctuations in the market price of our shares;
- potential inability to raise additional capital in the future when needed, either on acceptable terms or at all;
- failing to maintain effective internal controls, including the inherent limitations in all control systems;
- potential tax law changes or adverse tax examinations;
- inaccurate accounting estimates and judgments;
- potential dilution to existing shareholders as a result of future share issuances;
- ineffectiveness of our financial and operational risk management efforts;
- our dependence on our subsidiaries for cash flows; and
- changing accounting pronouncements and other financial reporting standards.

We caution that the above list of risk factors and uncertainties is not exhaustive and that additional risks and uncertainties may be discussed in documents filed with the applicable Canadian securities regulatory authorities from time to time. Other risks and uncertainties not presently known by us or that we presently believe are not material could also cause actual results or events to differ materially from those expressed in the forward-looking information. Readers are cautioned not to place undue reliance on the forward-looking information, which reflect our expectations only as of the date of this MD&A. 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.

Real Matters Inc. – MD&A for the three and six months ended March 31, 2022 and 2021

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Glossary

Tier 1 means the top five U.S. banks by asset size as at June 30, 2021, 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 (first six months of calendar 2021).

Tier 2 means the top 30 mortgage lenders in the U.S. according to the Inside Mortgage Finance website: Top 100 Mortgage Lenders (first six months of calendar 2021), excluding Tier 1 mortgage lenders.

Tier 3 means the top 100 mortgage lenders in the U.S. according to the Inside Mortgage Finance website: Top 100 Mortgage Lenders (first six months of calendar 2021), excluding Tier 1 and Tier 2 mortgage lenders.

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