



Real Matters Reports Second Quarter Financial Results and Intention to Amend and Renew its Normal Course Issuer Bid

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

TORONTO (April 28, 2022) – Real Matters Inc. (TSX: REAL) (“Real Matters” or the “Company”), a leading network management services platform for the mortgage and insurance industries, today announced its financial results for the second quarter ended March 31, 2022.

“We reported consolidated revenues of \$95.0 million and Adjusted EBITDA^(A) of \$2.5 million in the second quarter of fiscal 2022. In U.S. Appraisal, we continued to deliver at the top of our customers’ scorecards and gained market share with four of our top-five customers in the quarter. Overall, we were pleased with how our U.S. Appraisal business performed relative to the market. The U.S. 30-year fixed rate mortgage saw its sharpest increase in 27 years in the quarter and the addressable market for U.S. Appraisal was down 23.0% compared to a decline of 11.5% for our combined purchase and refinance revenues. In U.S. Title, we gained market share year-over-year with our recently launched clients as a result of being ranked a top-performing vendor,” said Real Matters Chief Executive Officer Brian Lang. “Our focus remains on performance as we manage the business through rising mortgage rates in the near-term and leverage our platform to support our clients’ needs across a broad spectrum of services, helping consumers take advantage of the rising equity in their homes. We continue to manage the business with a view to organically expanding our footprint for long-term growth and we remain confident in our fiscal 2025 objectives. Given our outlook for the business and our strong cash position, going forward, our capital allocation strategy will be focused on the purchase of shares as we believe it is the best use of capital at these levels; we do not view the current environment as conducive to accretive merger and acquisition activity,” concluded Lang.

Q2 2022 Key Performance Indicators (year-over-year)	U.S. Appraisal	U.S. Title	Consolidated
Revenues	\$70.4 million	\$10.8 million	\$95.0 million
Revenue % Change	-7.8%	-73.1%	-26.3%
Net loss	-	-	-\$0.5 million
Net Revenue ^(A) % Change	-9.2%	-74.4%	-48.2%
Adjusted EBITDA ^(A) Margin	52.1%	-30.1%	10.4%

Q2 2022 Highlights

- Launched three new lenders in U.S. Appraisal
- Top scorecard performance and market share gains with four of our top-five lenders in U.S. Appraisal
- Launched one new lender in U.S. Title and gained share with our recently launched clients
- Purchased 0.3 million shares under our normal course issuer bid at a cost of \$1.5 million

Fiscal 2022 Year-to-Date Highlights

- Launched seven new lenders and one new channel with one lender in U.S. Appraisal
- Launched two new lenders in U.S. Title
- Purchased 1.1 million shares under our normal course issuer bid at a cost of \$6.6 million

Financial and Operational Summary

(millions of dollars)

Three months ended March 31

	2022	Margin	2021	Margin	\$ Change	% Change
<i>Revenues</i>						
U.S. Appraisal	\$ 70.4		\$ 76.3		\$ (5.9)	-7.8%
U.S. Title	10.8		40.1		(29.3)	-73.1%
Canada	13.8		12.4		1.4	11.2%
Consolidated revenues	\$ 95.0		\$ 128.8		\$ (33.8)	-26.3%
<i>Net Revenue^(A)</i>						
U.S. Appraisal	\$ 15.1	21.4%	\$ 16.6	21.8%	\$ (1.5)	-9.2%
U.S. Title	7.2	67.1%	28.3	70.6%	(21.1)	-74.4%
Canada	1.9	13.4%	1.8	14.1%	0.1	6.1%
Consolidated Net Revenue ^(A)	\$ 24.2	25.5%	\$ 46.7	36.2%	\$ (22.5)	-48.2%
<i>Adjusted EBITDA^(A)</i>						
U.S. Appraisal	\$ 7.9	52.1%	\$ 9.2	55.5%	\$ (1.3)	-14.7%
U.S. Title	(2.2)	-30.1%	13.0	46.1%	(15.2)	-116.7%
Canada	1.3	67.3%	1.3	70.6%	-	1.1%
Corporate	(4.5)		(4.5)		-	0.8%
Consolidated Adjusted EBITDA ^(A)	\$ 2.5	10.4%	\$ 19.0	40.7%	\$ (16.5)	-86.8%
<i>Net (loss) income</i>						
Net (loss) income	\$ (0.5)		\$ 11.7		\$ (12.2)	
Net (loss) income per diluted share	\$ (0.01)		\$ 0.13		\$ (0.14)	
<i>Adjusted Net Income^(A)</i>						
Adjusted Net Income ^(A)	\$ 1.3		\$ 13.1		\$ (11.8)	
Adjusted Net Income ^(A) per diluted share	\$ 0.02		\$ 0.15		\$ (0.13)	

Financial and Operation Summary (continued)

(millions of dollars)

Six months ended March 31

	2022	Margin	2021	Margin	\$ Change	% Change
<i>Revenues</i>						
U.S. Appraisal	\$ 149.6		\$ 145.9		\$ 3.7	2.6%
U.S. Title	27.0		80.0		(53.0)	-66.3%
Canada	26.1		23.2		2.9	12.1%
Consolidated revenues	\$ 202.7		\$ 249.1		\$ (46.4)	-18.6%
<i>Net Revenue^(A)</i>						
U.S. Appraisal	\$ 31.4	21.0%	\$ 32.3	22.2%	\$ (0.9)	-2.7%
U.S. Title	18.0	66.7%	55.0	68.7%	(37.0)	-67.3%
Canada	3.5	13.4%	3.4	14.6%	0.1	2.9%
Consolidated Net Revenue ^(A)	\$ 52.9	26.1%	\$ 90.7	36.4%	\$ (37.8)	-41.6%
<i>Adjusted EBITDA^(A)</i>						
U.S. Appraisal	\$ 16.3	52.0%	\$ 18.1	55.9%	\$ (1.8)	-9.4%
U.S. Title	(1.7)	-9.6%	24.6	44.8%	(26.3)	-107.0%
Canada	2.2	62.8%	2.4	72.1%	(0.2)	-10.4%
Corporate	(8.4)		(8.7)		0.3	3.7%
Consolidated Adjusted EBITDA ^(A)	\$ 8.4	15.9%	\$ 36.4	40.2%	\$ (28.0)	-76.9%
<i>Net income</i>						
Net income	\$ 2.1		\$ 18.8		\$ (16.7)	
Net income per diluted share	\$ 0.03		\$ 0.21		\$ (0.18)	
<i>Adjusted Net Income^(A)</i>						
Adjusted Net Income ^(A)	\$ 4.8		\$ 25.1		\$ (20.3)	
Adjusted Net Income ^(A) per diluted share	\$ 0.06		\$ 0.29		\$ (0.23)	

Intention to Amend and Renew Normal Course Issuer Bid

Subject to the approval of the Toronto Stock Exchange ("TSX"), we intend to amend our current NCIB (which is set to expire on June 10, 2022) to increase the number of common shares that we may purchase for cancellation from 6,000,000 common shares to 7,648,999 common shares.

We also announced today that, subject to the approval of the Toronto Stock Exchange ("TSX"), the Company intends to renew the current NCIB for a 12-month period commencing June 11, 2022, and ending June 10, 2023. Our Board of Directors has approved the purchase of up to 6.0 million common shares for an aggregate purchase price not to exceed C\$40.0 million.

Conference Call and Webcast

A conference call to review the results will take place at 10:00 a.m. (ET) on Thursday, April 28, 2022, hosted by Chief Executive Officer Brian Lang and Chief Financial Officer Bill Herman. An accompanying slide presentation will be posted to the Investor section of our website shortly before the call.

To access the call:

- Participant Toll Free Dial-In Number: (833) 247-5856
- Participant International Dial-In Number: (647) 689-4232
- Conference ID: 3552655

To listen to the live webcast of the call:

- Go to: <https://event.on24.com/wcc/r/3289578/4E32D8D862FF59C7AA863AB15230EEF5>

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

(A) Non-GAAP Measures

The non-GAAP measures used in this Press Release, including Net Revenue, Adjusted EBITDA and Adjusted Net Income do not have a standardized meaning prescribed by International Financial Reporting Standards and are therefore unlikely to be comparable to similar measures presented by other issuers. These non-GAAP measures are more fully defined and discussed in the Company's MD&A for the three and six months ended March 31, 2022 under the heading "Non-GAAP measures", which is incorporated by reference in this Press Release and available on SEDAR at www.sedar.com.

Real Matters financial results for the three and six months ended March 31, 2022 are included in the unaudited condensed consolidated financial statements and the accompanying MD&A, each of which are available on SEDAR at www.sedar.com. In addition, supplemental information is available on our website at www.realmatters.com.

Net Revenue represents the difference between revenues and transaction costs. Net Revenue margin is calculated as Net Revenue divided by Revenues. The reconciling items between net income or loss and Net Revenue for the three 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	\$ (0.5)	\$ 11.7	\$ 2.1	\$ 18.8
Operating expenses	22.3	28.2	45.5	55.7
Amortization	1.2	1.3	2.3	2.5
Loss on disposal of property and equipment	0.2	-	0.2	-
Other non-operating costs	-	-	0.1	-
Interest expense	0.1	0.1	0.1	0.3
Interest income	-	-	-	(0.1)
Net foreign exchange loss	1.3	1.5	1.8	7.5
Gain on fair value of warrants	(0.1)	(0.8)	(0.2)	(1.8)
Income tax (recovery) expense	(0.3)	4.7	1.0	7.8
Net Revenue	\$ 24.2	\$ 46.7	\$ 52.9	\$ 90.7

Adjusted EBITDA represents net income or loss before stock-based compensation expense, amortization, 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 margin is calculated as Adjusted EBITDA divided by Net Revenue. 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	\$ (0.5)	\$ 11.7	\$ 2.1	\$ 18.8
Stock-based compensation expense	0.6	0.5	1.0	1.4
Amortization	1.2	1.3	2.3	2.5
Loss on disposal of property and equipment	0.2	-	0.2	-
Other non-operating costs	-	-	0.1	-
Interest expense	0.1	0.1	0.1	0.3
Interest income	-	-	-	(0.1)
Net foreign exchange loss	1.3	1.5	1.8	7.5
Gain on fair value of warrants	(0.1)	(0.8)	(0.2)	(1.8)
Income tax (recovery) expense	(0.3)	4.7	1.0	7.8
Adjusted EBITDA	\$ 2.5	\$ 19.0	\$ 8.4	\$ 36.4

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	\$ (0.5)	\$ 11.7	\$ 2.1	\$ 18.8
Stock-based compensation expense	0.6	0.5	1.0	1.4
Amortization of intangibles	0.3	0.4	0.7	0.9
Other non-operating costs	-	-	0.1	-
Net foreign exchange loss	1.3	1.5	1.8	7.5
Gain on fair value of warrants	(0.1)	(0.8)	(0.2)	(1.8)
Related tax effects	(0.3)	(0.2)	(0.7)	(1.7)
Adjusted Net Income	\$ 13	\$ 13.1	\$ 4.8	\$ 25.1

Forward-Looking Information

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

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

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

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

About Real Matters

Real Matters is a leading network management services provider for the mortgage lending and insurance industries. Real Matters’ platform combines its proprietary technology and network management capabilities with tens of thousands of independent qualified field professionals to create an efficient marketplace for the provision of mortgage lending and insurance industry services. Our clients include top 100 mortgage lenders in the U.S. and some of the largest insurance companies in North America. We are a leading independent provider of residential real estate appraisals to the mortgage market and a leading independent provider of title services in the U.S. Headquartered in Markham (ON), Real Matters has principal offices in Buffalo (NY), Middletown (RI), and Scottsdale (AZ). Real Matters is listed on the Toronto Stock Exchange under the symbol REAL. For more information, visit www.realmatters.com.

For more information:

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