



Real Matters Reports Fourth Quarter and Fiscal 2024 Financial Results

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

TORONTO (November 21, 2024) – Real Matters Inc. (TSX: REAL) ("Real Matters" or the "Company"), a leading network management services platform for the mortgage and insurance industries, today announced its financial results for the fourth quarter and fiscal year ended September 30, 2024.

"Consolidated revenue increased 8% year-over-year to \$45.6 million in the fourth quarter, and we posted positive Adjusted EBITDA^(A) of \$0.6 million. U.S. Title Net Revenue^(A) increased 30% sequentially on stronger market volumes and market share increases. This growth in Net Revenue^(A) coupled with disciplined cost management allowed us to convert 100% of the increase to Adjusted EBITDA^(A)," said Real Matters Chief Executive Officer Brian Lang. "We launched six lenders in the fourth quarter, three of which were new U.S. Title clients, including one Tier 2 lender. Increases in our market share with our clients continue to underpin our performance, offsetting some of the impact of variable mortgage market conditions."

"Looking back at our fiscal 2024 performance, we delivered Adjusted EBITDA^(A) of \$1.9 million – a significant improvement from a loss of \$2.4 million in fiscal 2023, as we continued to prudently manage our cost base throughout the year in line with the variability in mortgage origination volumes. We grew our market share with our clients across all three segments, launched a total of 16 clients and four new channels during the year, delivering consolidated revenue growth of 5% in a record-low market. Net Revenue^(A) was up 8% from fiscal 2023 and we improved Net Revenue^(A) margins in all three segments," added Lang.

"Heading into fiscal 2025, we are optimistic about the potential for growth as pent-up demand continues to build. Today, there are eight million outstanding mortgages with interest rates above 6% which represents a significant pool of potential refinance candidates. According to our Future Plans of Homeowners Survey, 40% of future buyers plan to buy a primary home when rates decline. These tailwinds, coupled with our market leadership in appraisal and the significant potential for expanding our U.S. Title business, position us well for growth. We continue to maintain a readiness posture to flex the business based on market dynamics and lender positioning. As we drive more transaction volumes on our platform, we expect to expand our margins and profitability in line with our long-term operating model," concluded Lang.

Q4 2024 Highlights

- Consolidated revenues of \$45.6 million, up 8% year-over-year
- Consolidated Adjusted EBITDA^(A) of \$0.6 million and net loss of \$0.2 million
- Year-over-year market share gains with 3 of our top U.S. Appraisal clients
- Year-over-year market share gains with Tier 1 lender and launched 3 new clients in U.S. Title
- Launched 3 new clients in Canada and one new channel

Fiscal 2024 Highlights

- Consolidated revenues of \$172.7 million, up 5% year-over-year
- U.S. Appraisal Net Revenue^(A) margin of 27.6% - in our target operating model range
- Positive consolidated Adjusted EBITDA of \$1.9 million up from \$(2.4) million in fiscal 2023
- Positive consolidated net income in fiscal 2024, up from a loss of \$6.2 million in fiscal 2023
- Year-over-year market share gains in all three segments
- Launched 2 new lenders, 1 new channel in U.S. Appraisal
- Launched 7 new lenders and 1 new channel in U.S. Title
- Launched 7 new clients in Canada and 2 new channels in Canada
- Cash and cash equivalents of \$49.1 million and no outstanding debt

Financial and Operational Summary

	Quarter ended					% Change ¹	Year ended		% Change ¹	
	2024	2024	2024	2024	2023		2024	2023		
	Q4	Q3	Q2	Q1	Q4		September 30	September 30		
Consolidated										
Revenue	\$ 45.6	\$ 49.5	\$ 42.2	\$ 35.4	\$ 42.2	-8%	8%	\$ 172.7	\$ 163.9	5%
Net Revenue ^(A)	\$ 12.0	\$ 13.1	\$ 11.5	\$ 9.7	\$ 11.2	-9%	8%	\$ 46.4	\$ 43.0	8%
Adjusted EBITDA ^(A)	\$ 0.6	\$ 1.7	\$ 0.7	\$ (1.1)	\$ 0.6	-66%	-6%	\$ 1.9	\$ (2.4)	178%
Net (loss) income	\$ (0.2)	\$ 1.7	\$ 2.1	\$ (3.6)	\$ 1.6	-109%	-110%	\$ -	\$ (6.2)	100%
Net income (loss) per diluted share	\$ 0.00	\$ 0.02	\$ 0.03	\$ (0.05)	\$ 0.02	-100%	-100%	\$ 0.00	\$ (0.08)	100%
Adjusted Net income (loss) ^(A)	\$ 0.9	\$ 1.7	\$ 1.3	\$ (1.2)	\$ 0.8	-45%	13%	\$ 2.7	\$ (2.2)	223%
Adjusted Net income (loss) ^(A) per diluted share	\$ 0.01	\$ 0.02	\$ 0.02	\$ (0.02)	\$ 0.01	-50%	0%	\$ 0.04	\$ (0.03)	233%
U.S. Appraisal segment										
Revenue	\$ 33.8	\$ 37.5	\$ 32.6	\$ 26.8	\$ 31.2	-10%	8%	\$ 130.7	\$ 120.8	8%
Net Revenue ^(A)	\$ 9.0	\$ 10.3	\$ 9.2	\$ 7.5	\$ 8.6	-13%	6%	\$ 36.1	\$ 33.1	9%
Net Revenue ^(A) margin	26.7%	27.6%	28.3%	27.9%	27.5%			27.6%	27.4%	
Adjusted EBITDA ^(A)	\$ 4.1	\$ 5.5	\$ 4.4	\$ 2.7	\$ 3.9	-26%	4%	\$ 16.7	\$ 14.1	18%
Adjusted EBITDA ^(A) margin	45.2%	53.2%	47.9%	35.8%	46.0%			46.2%	42.8%	
U.S. Title segment										
Revenue	\$ 2.4	\$ 2.1	\$ 2.0	\$ 2.0	\$ 2.3	14%	4%	\$ 8.6	\$ 9.6	-9%
Net Revenue ^(A)	\$ 1.2	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.0	30%	15%	\$ 4.0	\$ 3.9	3%
Net Revenue ^(A) margin	49.8%	43.6%	44.0%	47.3%	45.0%			46.3%	40.6%	
Adjusted EBITDA ^(A)	\$ (1.6)	\$ (1.9)	\$ (1.7)	\$ (1.6)	\$ (1.6)	18%	-1%	\$ (6.8)	\$ (8.3)	18%
Adjusted EBITDA ^(A) margin	-131.4%	-209.8%	-184.8%	-167.9%	-150.4%			-170.4%	-215.6%	

	<u>Quarter ended</u>					<u>% Change¹</u>		<u>Year ended</u>		<u>%</u>
	<u>2024</u>	2024	2024	2024	2023	Quarter over Quarter	Year over Year	<u>2024</u>	2023	<u>Change¹</u>
	<u>Q4</u>	Q3	Q2	Q1	Q4			<u>September 30</u>	September 30	<u>Year over Year</u>
Canadian segment										
Revenue	\$ 9.4	\$ 9.9	\$ 7.6	\$ 6.6	\$ 8.7	-5%	8%	\$ 33.4	\$ 33.5	0%
Net Revenue ^(A)	\$ 1.8	\$ 1.9	\$ 1.4	\$ 1.2	\$ 1.6	-5%	14%	\$ 6.3	\$ 6.0	5%
Net Revenue ^(A) margin	18.9%	19.0%	18.9%	18.8%	17.9%			18.9%	18.0%	
Adjusted EBITDA ^(A)	\$ 1.2	\$ 1.3	\$ 0.9	\$ 0.7	\$ 1.2	-7%	6%	\$ 4.1	\$ 4.2	-4%
Adjusted EBITDA ^(A) margin	67.7%	69.3%	62.3%	56.8%	72.9%			64.8%	70.5%	
Corporate segment										
Adjusted EBITDA ^(A)	\$ (3.1)	\$ (3.2)	\$ (2.9)	\$ (2.9)	\$ (2.9)	2%	-8%	\$ (12.1)	\$ (12.4)	3%

Note 1 – Percentage change is calculated based on figures disclosed in our MD&A which are rounded to the nearest thousands of dollars.

Conference Call and Webcast

A conference call to review the results will take place at 10:00 a.m. (ET) on Thursday, November 21, 2024, hosted by Chief Executive Officer Brian Lang and Chief Financial Officer Rodrigo Pinto. An accompanying slide presentation will be posted to the Investor section of our website shortly before the call.

To access the call:

- Participant Local (Toronto): (416) 764-8624
- Participant Toll Free Dial-In Number: (888) 259-6580
- Conference ID: 77493257

To listen to the live webcast of the call:

- Go to: <https://events.q4inc.com/attendee/195642986>

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 news 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 months and year ended September 30, 2024 under the heading "Non-GAAP measures", which is incorporated by reference in this Press Release and available on SEDAR+ at www.sedarplus.ca.

Real Matters financial results for the three months and year ended September 30, 2024 are included in the annual audited consolidated financial statements and the accompanying MD&A, each of which are available on SEDAR+ at www.sedarplus.ca. 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 were as follows:

	Quarter ended					Year ended	
	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	September 30, 2024	September 30, 2023
Net (loss) income	\$ (0.2)	\$ 1.7	\$ 2.1	\$ (3.6)	\$ 1.6	\$ -	\$ (6.2)
Operating expenses	12.6	11.8	11.2	11.6	10.9	47.3	46.8
Amortization	0.8	0.8	0.8	0.8	0.9	3.2	3.9
Restructuring expenses	-	-	-	-	-	-	1.7
Interest expense	0.1	0.1	0.1	0.1	0.1	0.3	0.3
Interest income	(0.5)	(0.5)	(0.4)	(0.4)	(0.3)	(1.8)	(0.8)
Net foreign exchange loss (gain)	1.3	(0.9)	(2.2)	2.0	(1.8)	0.2	1.0
(Gain) loss on fair value of derivatives	(1.9)	(0.1)	0.1	(0.2)	(0.1)	(2.0)	(0.8)
Income tax (recovery) expense	(0.2)	0.2	(0.2)	(0.6)	(0.1)	(0.8)	(2.9)
Net Revenue	\$ 12.0	\$ 13.1	\$ 11.5	\$ 9.7	\$ 11.2	\$ 46.4	\$ 43.0

Adjusted EBITDA represents net income or loss before stock-based compensation expense, amortization, restructuring expenses, interest expense, interest income, net foreign exchange gain or loss, gain or loss on fair value of derivatives 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 were as follows:

	Quarter ended					Year ended	
	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	September 30, 2024	September 30, 2023
Net (loss) income	\$ (0.2)	\$ 1.7	\$ 2.1	\$ (3.6)	\$ 1.6	\$ -	\$ (6.2)
Stock-based compensation expense	1.2	0.4	0.4	0.8	0.3	2.8	1.4
Amortization	0.8	0.8	0.8	0.8	0.9	3.2	3.9
Restructuring expenses	-	-	-	-	-	-	1.7
Interest expense	0.1	0.1	0.1	0.1	0.1	0.3	0.3
Interest income	(0.5)	(0.5)	(0.4)	(0.4)	(0.3)	(1.8)	(0.8)
Net foreign exchange loss (gain)	1.3	(0.9)	(2.2)	2.0	(1.8)	0.2	1.0
(Gain) loss on fair value of derivatives	(1.9)	(0.1)	0.1	(0.2)	(0.1)	(2.0)	(0.8)
Income tax (recovery) expense	(0.2)	0.2	(0.2)	(0.6)	(0.1)	(0.8)	(2.9)
Adjusted EBITDA	\$ 0.6	\$ 1.7	\$ 0.7	\$ (1.1)	\$ 0.6	\$ 1.9	\$ (2.4)

The reconciling items between net income or loss and Adjusted Net Income or Loss were as follows:

	Quarter ended					Year ended	
	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	September 30, 2024	September 30, 2023
Net (loss) income	\$ (0.2)	\$ 1.7	\$ 2.1	\$ (3.6)	\$ 1.6	\$ -	\$ (6.2)
Stock-based compensation expense	1.2	0.4	0.4	0.8	0.3	2.8	1.4
Amortization of intangibles	0.5	0.4	0.4	0.4	0.4	1.6	1.6
Restructuring expenses	-	-	-	-	-	-	1.7
Net foreign exchange loss (gain)	1.3	(0.9)	(2.2)	2.0	(1.8)	0.2	1.0
(Gain) loss on fair value of derivatives	(1.9)	(0.1)	0.1	(0.2)	(0.1)	(2.0)	(0.8)
Related tax effects	-	0.2	0.5	(0.6)	0.4	0.1	(0.9)
Adjusted Net Income	\$ 0.9	\$ 1.7	\$ 1.3	\$ (1.2)	\$ 0.8	\$ 2.7	\$ (2.2)

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, 2023, which is available on SEDAR+ at www.sedarplus.ca.

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 banks and

insurance companies in Canada. We are a leading independent provider of residential real estate appraisals to the mortgage market and a leading independent provider of title services in the U.S. Headquartered in Markham (ON), Real Matters has principal offices in Buffalo (NY) and Middletown (RI). Real Matters is listed on the Toronto Stock Exchange under the symbol REAL. For more information, visit www.realmatters.com.

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