



**2024**  
ANNUAL REPORT



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**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.

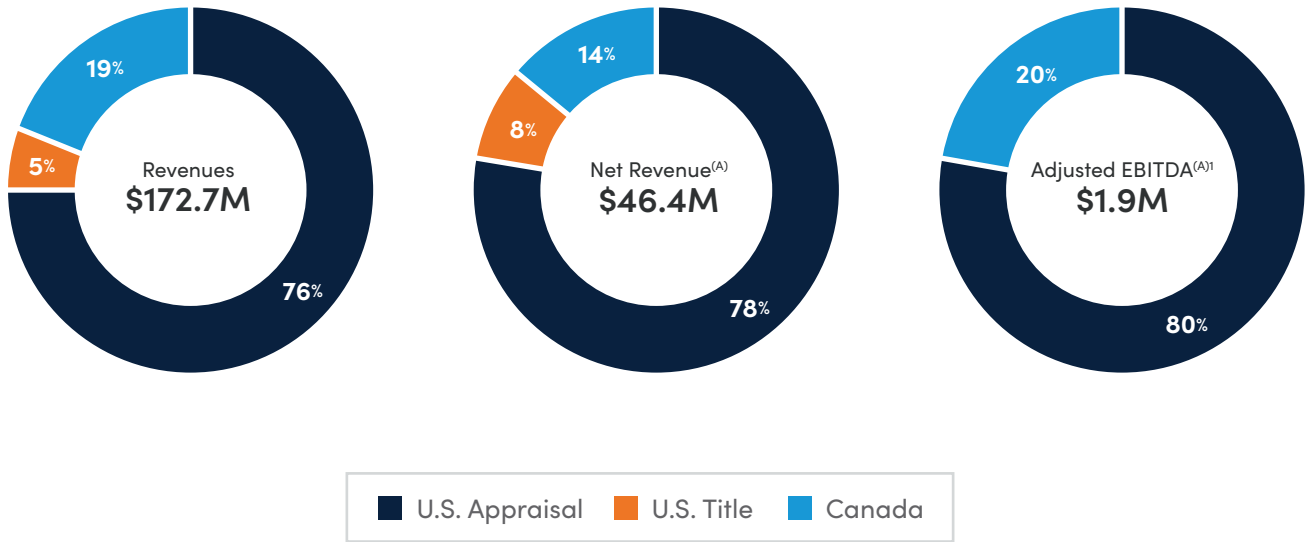
# Performance Highlights

Financial	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020
<b>Consolidated</b>					
Revenues	\$172,722	\$163,914	\$339,642	\$504,107	\$455,945
Net Revenue <sup>(A)</sup>	\$46,364	\$43,015	\$85,439	\$164,292	\$162,117
Net Revenue <sup>(A)</sup> margin	26.8%	26.2%	25.2%	32.6%	35.6%
Net income (loss)	\$18	\$(6,196)	\$(9,265)	\$33,080	\$42,798
Adjusted EBITDA <sup>(A)</sup>	\$1,850	\$(2,359)	\$7,379	\$59,201	\$72,242
Adjusted EBITDA <sup>(A)</sup> margin	4.0%	-5.5%	8.6%	36.0%	44.6%
<b>U.S. Appraisal</b>					
Revenues	\$130,657	\$120,846	\$250,916	\$322,109	\$282,101
Net Revenue <sup>(A)</sup>	\$36,045	\$33,117	\$55,510	\$69,263	\$67,224
Net Revenue <sup>(A)</sup> margin	27.6%	27.4%	22.1%	21.5%	23.8%
Adjusted EBITDA <sup>(A)</sup>	\$16,667	\$14,178	\$26,997	\$39,797	\$39,851
Adjusted EBITDA <sup>(A)</sup> margin	46.2%	42.8%	48.6%	57.5%	59.3%
<b>U.S. Title</b>					
Revenues	\$8,629	\$9,526	\$36,542	\$129,538	\$142,397
Net Revenue <sup>(A)</sup>	\$3,998	\$3,867	\$23,049	\$88,239	\$89,845
Net Revenue <sup>(A)</sup> margin	46.3%	40.6%	63.1%	68.1%	63.1%
Adjusted EBITDA <sup>(A)</sup>	\$(6,811)	\$(8,338)	\$(8,084)	\$31,784	\$44,291
Adjusted EBITDA <sup>(A)</sup> margin	-170.4%	-215.6%	-35.1%	36.0%	49.3%
<b>Canada</b>					
Revenues	\$33,436	\$33,542	\$52,184	\$52,460	\$31,447
Net Revenue <sup>(A)</sup>	\$6,321	\$6,031	\$6,880	\$6,790	\$5,048
Net Revenue <sup>(A)</sup> margin	18.9%	18.0%	13.2%	12.9%	16.1%
Adjusted EBITDA <sup>(A)</sup>	\$4,095	\$4,249	\$4,483	\$4,777	\$3,111
Adjusted EBITDA <sup>(A)</sup> margin	64.8%	70.5%	65.2%	70.4%	61.6%
Cash	\$49,143	\$42,341	\$46,142	\$60,213	\$129,156
Long-term debt	–	–	–	–	–
Cash from operations	\$5,449	\$(2,564)	\$17,567	\$25,021	\$74,689
Shares issued and outstanding	74,002	72,944	72,696	79,048	85,359
Stock options issued and outstanding	2,367	3,581	4,426	4,578	5,111
<b>Operating Metrics</b>					
U.S. Appraisal mortgage origination volumes	150,675	141,690	331,758	511,591	469,299
U.S. Title mortgage origination volumes	3,431	3,312	31,537	129,680	118,388
<b>Trading Statistics (C\$ except volume)</b>					
High	\$9.46	\$7.10	\$10.52	\$27.61	\$33.01
Low	\$4.43	\$3.80	\$4.18	\$9.86	\$7.74
Close	\$9.15	\$6.20	\$4.75	\$10.04	\$25.95
Average Volume	81,329	128,466	559,487	543,366	520,372

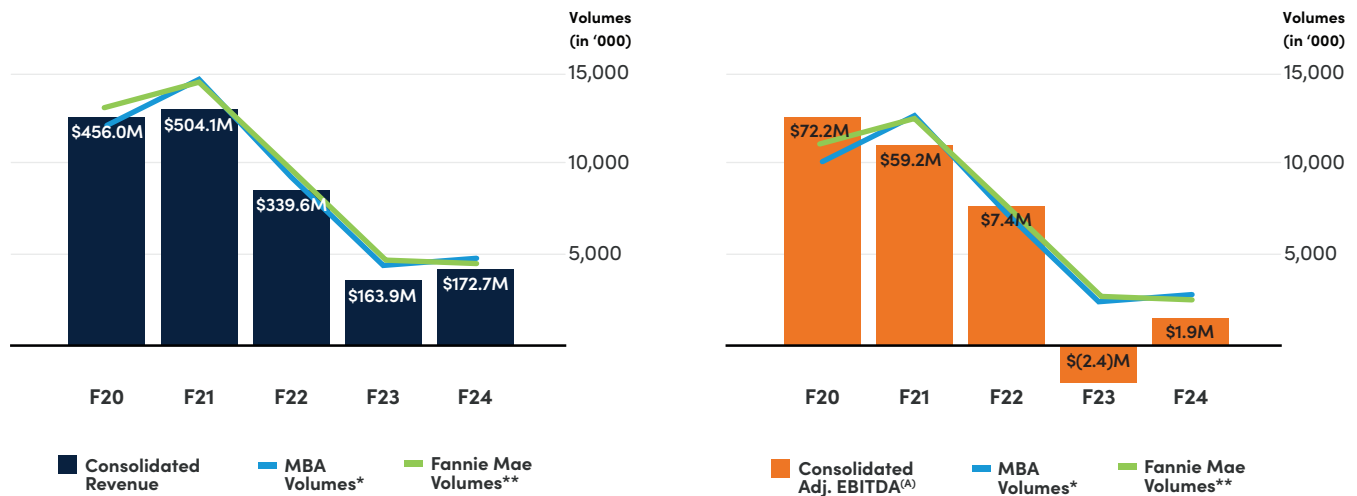
<sup>(A)</sup> Non-GAAP Measures

Net Revenue and Adjusted EBITDA 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 on page 21 of this Annual Report.

# Fiscal 2024 in Review



## Historical Consolidated Financial Performance



<sup>(A)</sup> Non-GAAP Measures

Net Revenue and Adjusted EBITDA 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 on page 21 of this Annual Report.

1 Adjusted EBITDA<sup>(A)</sup> includes negative Adjusted EBITDA<sup>(A)</sup> of \$6.8 for U.S. Title, and \$12.1 million of corporate expenses which is expressed net of stock-based compensation totalling \$2.8 million.

\* Based on the most recent MBA Mortgage Finance Forecast.

\*\* Based on the most recent Fannie Mae Housing Forecast (volumes derived from using the average loan amount from the MBA Forecast).

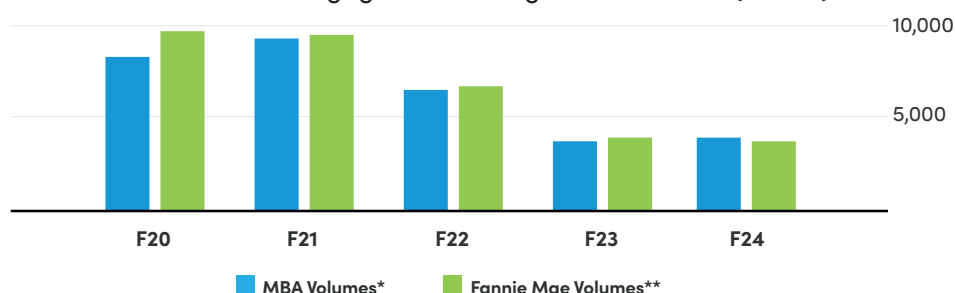
# Target Operating Model

The following targets reflect our expectations of the profitability of our business at higher volume levels.

## U.S. Appraisal

KPI	F20	F21	F22	F23	F24	Assumption/Target
Real Matters annual mortgage origination transaction volumes	469,299	511,591	331,758	141,690	150,675	550,000-620,000
Net Revenue <sup>(A)</sup> Margin	23.8%	21.5%	22.1%	27.4%	27.6%	26-28%
Adj. EBITDA <sup>(A)</sup> Margin	59.3%	57.5%	48.6%	42.8%	46.2%	65-70%
Adj. EBITDA <sup>(A)</sup>	\$39.9M	\$39.8M	\$27.0M	\$14.2M	\$16.7M	\$50-\$65M

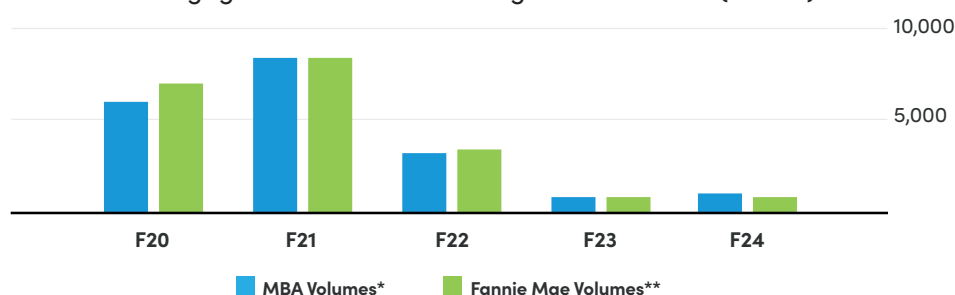
Addressable U.S. Mortgage Market Origination Volumes (in '000)



## U.S. Title

KPI	F20	F21	F22	F23	F24	Assumption/Target
Real Matters annual mortgage origination transaction volumes	118,388	129,680	31,537	3,312	3,431	120,000-150,000
Net Revenue <sup>(A)</sup> Margin	63.1%	68.1%	63.1%	40.6%	46.3%	60-65%
Adj. EBITDA <sup>(A)</sup> Margin	49.3%	36.0%	-35.1%	-215.6%	-170.4%	50-55%
Adj. EBITDA <sup>(A)</sup>	\$44.3M	\$31.8M	\$(8.1)M	\$(8.3)M	\$(6.8)M	\$30-\$45M

U.S. Mortgage Market Refinance Origination Volumes (in '000)



<sup>(A)</sup> Non-GAAP Measures

Net Revenue and Adjusted EBITDA 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 on page 21 of this Annual Report.

\* Based on the most recent MBA Mortgage Finance Forecast.

\*\* Based on the most recent Fannie Mae Housing Forecast (volumes derived from using the average loan amount from the MBA Forecast).

# To our shareholders,

**In fiscal 2024, Real Matters continued to execute on our strategy, focusing on the elements of our business that will deliver sustained, long-term value for our shareholders: launching new clients and expanding market share with our existing clients to drive higher transaction volumes, and in turn, enhanced profitability.**

We continued to prudently manage costs throughout the year to align with the variability in mortgage origination volumes, and our financial performance demonstrated how relative changes in the rate environment can translate into improved margins and profitability.

## **Strong operating leverage**

Our business generated strong operating leverage in fiscal 2024. We improved Net Revenue<sup>(A)</sup> margins in all three segments, converting 87% and 100% of incremental Net Revenue<sup>(A)</sup> to Adjusted EBITDA<sup>(A)</sup> in U.S. Appraisal and U.S. Title, respectively.

We launched 16 new clients and four new channels in fiscal 2024, continued to drive market share increases with our clients in all three segments, and we maintained our top ranking on performance scorecards.

## **Maximizing capabilities with our transition to the cloud**

In fiscal 2024, we moved our U.S. Appraisal and U.S. Title operations to the cloud, and our Canadian operations are scheduled to migrate in the coming months. Our move to the cloud offers a range of significant benefits which will allow us to maximize our capabilities, including the power of our data. It provides enhanced scalability, allowing us to easily adjust our resources based on demand, and we can also drive innovation and help streamline our operations. We've already begun to access these capabilities which will help us improve turnaround times, quality control and overall performance to deliver better service to both homeowners and our clients, which should in turn improve our scorecard performance and our market share.

## **Pent-up demand: a tailwind for growth**

We remain confident about the size of the opportunity that the U.S. mortgage origination market represents, and that there is considerable upside for our business from here as pent-up demand continues to build. Homeowners will continue to look for sources of liquidity to finance life events as well as opportunities to lower their cost of borrowing. New household formation will also persist as younger generations pursue the ambition of home ownership as a source of financial stability.

Today, there are more than eight million outstanding mortgages<sup>1</sup> with an interest rate above 6%, and the inventory of mortgages being written at higher rates continues to climb daily – growing the pool of potential, future refinance candidates.

<sup>1</sup>Source: National Mortgage Database.



When we conducted our annual consumer mortgage survey this year, we found that 60% of consumers plan to refinance in the next two years, and 40% of future buyers plan to purchase a 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. As we drive more transaction volumes on our platform, we expect to expand our margins and profitability in line with our target operating model. Our team remains focused on increasing market share with our existing clients by optimizing scorecard performance and pursuing new client relationships, especially in U.S. Title.

### **Celebrating 20 years**

This past year, Real Matters proudly celebrated its 20th anniversary. Reflecting on our history, two key elements have been foundational to our success as an organization. First and foremost, our culture and the strength of our people. Their passion to win and ability to ‘think big’ about our objectives is what has allowed us to innovate and build for the long-term. To all our team members, we extend our heartfelt gratitude for your continued dedication and commitment. By extension, we also thank the field professionals on our network for their extraordinary contributions.

The second cornerstone of our success lies in our vision: empowering incredibly smart decisions through technology. This guiding principle has been our rallying cry since the company was founded in 2004 and continues to shape the way we grow and evolve.

After dedicating 20 years to the Company, Jason Smith will be retiring from the Real Matters Board of Directors at our 2025 AGM. On behalf of the Board, we would like to thank Jason for his invaluable contributions and leadership. His energy and passion for the business remain deeply ingrained in our culture, and we look forward to carrying on his legacy as we look ahead to the next 20 years.

As always, we are deeply grateful for the continued trust of our clients. We also extend our sincere thanks to our Board of Directors and long-term shareholders for their unwavering support.

A handwritten signature in black ink, appearing to read 'Brian Lang'.

**Brian Lang**  
Chief Executive Officer

# Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

*(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 November 20, 2024 and should be read in conjunction with our consolidated financial statements ("financial statements"), including notes thereto, for the years ended September 30, 2024 and 2023. All amounts 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, 2023, can be found on SEDAR+ under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca).

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<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup>.

## 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 marketplace where independent field professionals, including appraisers, property inspectors, notaries, abstractors and other closing agents, compete for volumes provided by our clients based on their service level, quality of work and professionalism (the "platform"). Our proprietary technology, which we believe is unique in our industry, combined with our network management capabilities, drives greater efficiency 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.

Headquartered in Markham, Ontario, Real Matters' principal offices include Buffalo, New York and Middletown, Rhode Island. 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.

### Our services

#### *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 prepared by a qualified appraiser providing their expert opinion on the market value of a residential property.

We leverage our technology-based platform and apply 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*

In April 2016, we entered the U.S. Title business through the acquisition of Linear Title & Closing Ltd. Our U.S. Title business leverages our technology-based platform and network management capabilities to deliver a scalable solution that drives better performance for our clients and a superior consumer experience. 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 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, home equity, default, short sale and real estate owned ("REO") transactions to financial institutions in all 50 states and the District of Columbia, and 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 insurance policy. Premium splits can vary by geographic region, and in some states, premiums are fixed by regulation.

In addition, we also provide hosted software solutions relating to title services.

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

### *Insurance inspection services*

In Canada, through our iv3 brand, we also supply residential and commercial property insurance inspection and loss control services. The purpose of an inspection is to establish the replacement cost of a property in the event of a major catastrophe such as a fire or a flood. The inspection is used as an insurance underwriting and loss control tool to properly match the risk with the appropriate insurance premium and to verify the accuracy of the information collected at the time of the policy application.

### **Our 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., Tier 1 lenders (as defined in the "Glossary" section of this MD&A) 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.

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 74% of fiscal 2024 revenues in our U.S. Appraisal segment (2023 – 75%).

Our U.S. Title segment (as hereinafter defined) currently services one Tier 1 lender for title origination volumes and other top 100 lenders. Our strategy is to increase market share in this segment by onboarding more Tier 1, Tier 2 and Tier 3 lenders, many of whom are already clients in the U.S. Appraisal segment.

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

### **Markets we service and their trends**

Residential mortgage origination volumes in North America are a key driver of our financial performance. The U.S. mortgage market is one of the largest asset classes in the world and it is highly regulated.

Refinance activity is highly sensitive to changes in interest rates. From the onset of COVID-19 through the first half of fiscal 2022, the mortgage origination market experienced a significant increase in refinance activity due to low interest rates and other contributing factors. Starting in the first half of fiscal 2022 and continuing through fiscal 2023, the U.S. Federal Reserve raised the Federal Funds rate multiple times to mitigate inflationary pressures. Higher mortgage rates, high inflation, reduced affordability, and broader macroeconomic concerns drove significant declines in mortgage origination volume during this period and through fiscal 2024, resulting in mortgage transaction volumes in fiscal 2023 and fiscal 2024 falling to historic 30-year lows.

According to the Mortgage Bankers Association ("MBA"), the average mortgage rate for a 30-year, conventional, fixed-rate mortgage increased by 30 basis points to 6.9% in fiscal 2024 compared with fiscal 2023.

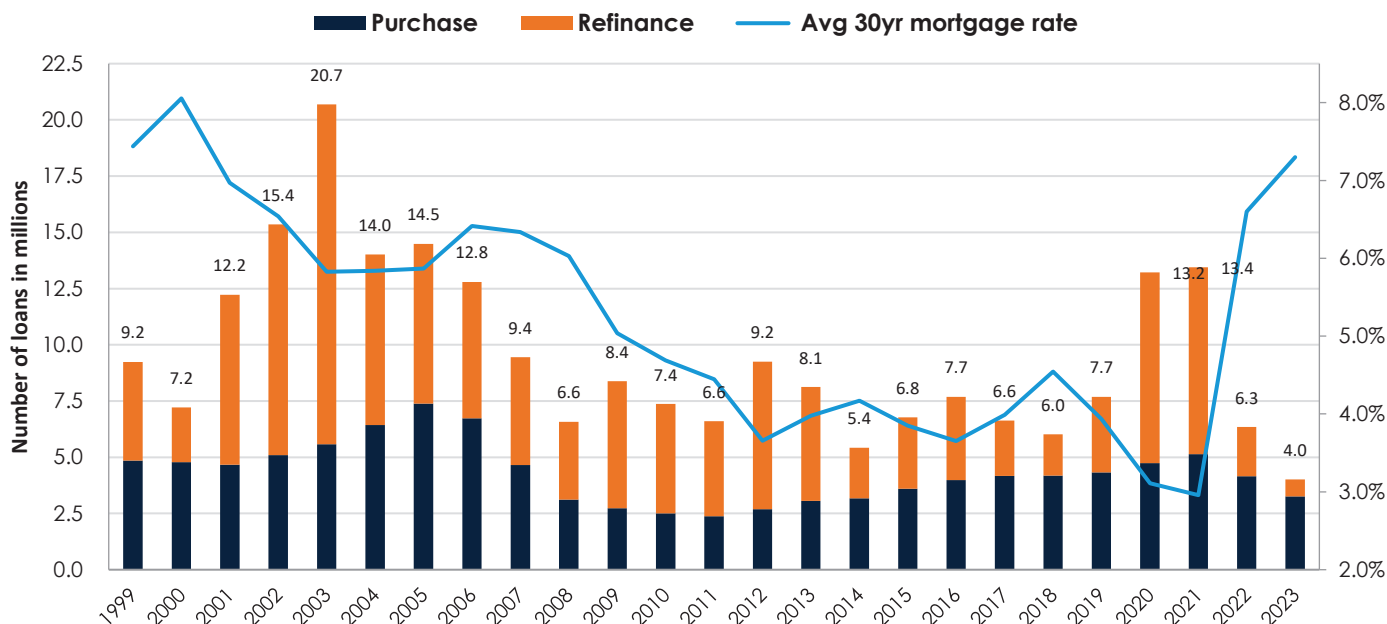
The Home Mortgage Disclosure Act ("HMDA") publishes mortgage origination data annually in the spring for the prior calendar year. According to HMDA, total U.S. mortgage origination volumes (purchase and refinance) decreased 37% year-over-year in calendar 2023 to 4.0 million transactions (purchase - 3.2 million and refinance - 0.8 million).

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

The graph below outlines the number of U.S. mortgage origination loans for purchase and refinance transactions on a calendar year basis from 1999 to 2023.

### U.S. Mortgage Origination Volumes by Calendar Year (excludes default, REO and home equity loans)



Source: HMDA data for calendar 1999 through 2023.

#### Our addressable market

The total addressable market ("TAM") for our U.S. Appraisal segment excludes appraisal waivers from the Government-Sponsored Enterprises ("GSEs") and appraisals provided by Veterans Affairs, the majority of which impacts refinance origination volumes. Based on the 4.0 million total U.S. mortgage origination volumes (purchase and refinance) disclosed by HMDA for calendar 2023, we estimate that in calendar 2023 there were approximately 3.4 million addressable mortgage origination transactions (purchase and refinance) requiring appraisals in the U.S. U.S. Appraisal market share for origination transactions is generally allocated by lenders on a centralized, combined volume basis (i.e. the allocation of volume is driven by the lender).

The TAM for our U.S. Title segment is not impacted by waivers or Veterans Affairs volumes. According to HMDA, there were 0.8 million refinance transactions in calendar 2023. Our U.S. Title segment currently targets refinance transactions as this volume is generally centralized by the mortgage lenders. While we have the capability, and we do occasionally provide title services for purchase transactions, most of the volume for U.S. Title purchase transactions is not allocated by the lender.

As at October 25, 2024, the MBA Forecast estimates that total U.S. mortgage origination volumes increased by 7% year-over-year in fiscal 2024 (purchase - decrease of 2% and refinance - increase of 48%), and that volumes will increase by 36% in fiscal 2025 compared to fiscal 2024 (purchase - increase of 4% and refinance - increase of 127%). As at October 10, 2024, the Fannie Mae Housing Forecast estimates that total U.S. mortgage origination volumes<sup>1</sup> decreased by 3% year-over-year in fiscal 2024 (purchase - decrease of 7% and refinance - increase of 15%), and that volumes will increase by 32% in fiscal 2025 compared to fiscal 2024 (purchase - increase of 9% and refinance - increase of 112%).

In addition to mortgage origination transactions, we also service home equity, default and REO transactions. However, due to the lack of available market data, we are unable to estimate the market size for these transactions.

Due to the lack of available market data, we are unable to estimate the market size for the Canadian segment.

<sup>1</sup> The Fannie Mae Housing Forecast only provides mortgage originations in dollar amounts based on the total dollar value of the transactions. To calculate the number of mortgage origination transactions, the dollar amounts were divided by the average loan amount provided by the MBA Forecast.

# Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

## Seasonality and other trends

Residential mortgage origination volumes in North America 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 inventory, 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 not only impacted by the size of the addressable residential mortgage origination market but also by our clients' relative share of the addressable market. Gains or losses in our clients' share of the addressable market impact our overall market share. As discussed above, the prevalence of appraisal waivers provided by the GSEs and the volume of appraisals provided by Veterans Affairs can also impact the size of the TAM for our U.S. Appraisal segment.

## Long-term focus

We take a long-term view to manage and measure the success of our business strategies due to the cyclicity and seasonality of the mortgage origination market. Accordingly, our principal focus is on growing market share in the residential mortgage origination market over the long-term. 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 in interest rates, changes in our clients' share of the market and regulatory changes. As we scale transaction volumes, we expect to expand Net Revenue<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margins.

## Target Operating Model

In July 2024, we set U.S. Appraisal and U.S. Title Net Revenue<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margin targets contingent upon achieving a range of transaction volumes, irrespective of market size or market share. We also provided absolute dollar target ranges for U.S. Appraisal and U.S. Title Adjusted EBITDA<sup>(A)</sup>.

Our targets, outlined in the table below (the "Target Operating Model"), reflect our expectations of the profitability of our business at higher volume levels.

## Target Operating Model

	U.S. Appraisal Segment	U.S. Title Segment
Real Matters' annual mortgage origination transaction volumes assumption	550,000 - 620,000	120,000 - 150,000
<b>Targets:</b>		
Net Revenue <sup>(A)</sup> margin	26% - 28%	60% - 65%
Adjusted EBITDA <sup>(A)</sup> margin	65% - 70%	50% - 55%
Adjusted EBITDA <sup>(A)</sup>	\$50 - \$65 million	\$30 - \$45 million

The following assumptions were used to determine the Target Operating Model:

- Real Matters' annual mortgage origination transaction volumes between 550,000 to 620,000 in our U.S. Appraisal segment and 120,000 to 150,000 in our U.S. Title segment;
- No changes in laws and regulations in the U.S. mortgage industry that materially adversely impact our business;
- No material changes in the pricing or profitability for our services;
- No material fluctuation of volumes attributable to home equity, REOs, default, diversified or flood services;
- Our ability to continue leveraging our platform to improve Net Revenue<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margins; and
- No impact from acquisitions, dispositions or re-segmentation of existing segments.

We believe the Target Operating Model will better assist investors in understanding our current objectives, strategic priorities, and expectations for the future. Our focus remains on the long term, and we continue to believe in our ability to continue to grow volumes and generate significant earnings with scale.

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

Below is a comparison of our historical performance from fiscal 2020 to 2024 against the Target Operating Model:

	U.S. Appraisal Segment Actuals				
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Real Matters' annual mortgage origination transaction volumes	469,299	511,591	331,758	141,690	150,675
Net Revenue <sup>(A)</sup> margin	23.8%	21.5%	22.1%	27.4%	27.6%
Adjusted EBITDA <sup>(A)</sup> margin	59.3%	57.5%	48.6%	42.8%	46.2%
Adjusted EBITDA <sup>(A)</sup>	\$ 39,851	\$ 39,797	\$ 26,997	\$ 14,178	\$ 16,667

	U.S. Title Segment Actuals				
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Real Matters' annual mortgage origination transaction volumes	118,388	129,680	31,537	3,312	3,431
Net Revenue <sup>(A)</sup> margin	63.1%	68.1%	63.1%	40.6%	46.3%
Adjusted EBITDA <sup>(A)</sup> margin	49.3%	36.0%	-35.1%	-215.6%	-170.4%
Adjusted EBITDA <sup>(A)</sup>	\$ 44,291	\$ 31,784	\$ (8,084)	\$ (8,338)	\$ (6,811)

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 impact the achievement of our Target Operating Model.

### Important factors affecting our results from operations

Our business is subject to a variety of risks and uncertainties, and the targets outlined 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 years ended September 30, 2024 and 2023

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

## FINANCIAL PERFORMANCE

The following is a discussion of our consolidated financial condition and results of operations for the three months and years ended September 30, 2024 and 2023.

### Review of Operations - For the three months and year ended September 30, 2024

This section provides detailed information and analysis about the Company's performance for the three months and year ended September 30, 2024.

Please also 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 months and year ended September 30, 2024.

### Consolidated

	Three months ended September 30				Year ended September 30			
	2024	2023	Change	% Change	2024	2023	Change	% Change
Revenues	\$ 45,622	\$ 42,189	\$ 3,433	8%	\$ 172,722	\$ 163,914	\$ 8,808	5%
Transaction costs	\$ 33,601	\$ 31,023	\$ 2,578	8%	\$ 126,358	\$ 120,899	\$ 5,459	5%
Operating expenses	\$ 12,632	\$ 10,860	\$ 1,772	16%	\$ 47,268	\$ 46,751	\$ 517	1%
Amortization	\$ 753	\$ 873	\$ (120)	-14%	\$ 3,157	\$ 3,877	\$ (720)	-19%
Net (loss) income	\$ (156)	\$ 1,622	\$ (1,778)	-110%	\$ 18	\$ (6,196)	\$ 6,214	100%
<i>Non-GAAP measures</i>								
Net Revenue <sup>(A)</sup>	\$ 12,021	\$ 11,166	\$ 855	8%	\$ 46,364	\$ 43,015	\$ 3,349	8%
Net Revenue <sup>(A)</sup> margin	26.3%	26.5%	-0.2%	-1%	26.8%	26.2%	0.6%	2%
Adjusted EBITDA <sup>(A)</sup>	\$ 560	\$ 594	\$ (34)	-6%	\$ 1,850	\$ (2,359)	\$ 4,209	178%
Adjusted EBITDA <sup>(A)</sup> margin	4.7%	5.3%	-0.6%	-11%	4.0%	-5.5%	9.5%	173%

Consolidated operating results		
	Three months ended September 30, 2024 vs. Three months ended September 30, 2023	Year ended September 30, 2024 vs. Year ended September 30, 2023
<b>Revenues</b>	↑ The 8% increase in consolidated revenues was due to an increase in revenues from all three segments.	↑ The 5% increase in consolidated revenues was primarily due to an increase in revenues from our U.S. Appraisal segment which was partially offset by a decrease in revenues in our U.S. Title segment.
<b>Transaction costs</b>	↑ The 8% increase in transaction costs was primarily due to an increase from our U.S. Appraisal and Canada segments which was partially offset by a decrease in transaction costs from our U.S. Title segment.	↑ The 5% increase in transaction costs was primarily due to an increase from our U.S. Appraisal segment which was partially offset by a decrease in transaction costs from our U.S. Title and Canada segments.
<b>Operating expenses</b>	↑ Operating expenses increased by 16% primarily due to: <ul style="list-style-type: none"> <li>an increase of \$1.6 million in salaries and benefits related to compensation increases, new hires and higher stock-based compensation expense;</li> <li>an increase of \$0.1 million from the amortization of a prepaid client integration fee.</li> </ul>	↑ Operating expenses increased by 1% primarily due to: <ul style="list-style-type: none"> <li>an increase of \$1.6 million in salaries and benefits related to compensation increases, new hires and higher stock-based compensation expense;</li> <li>an increase of \$0.4 million from the amortization of a prepaid client integration fee;</li> <li>partially offset by a \$0.4 million decrease in office, computer and insurance expenses resulting from lower U.S. Title segment variable bank and courier expenses, lower IT expenses, and lower insurance premiums. Bad debt and other expenses also declined by \$0.8 million.</li> </ul>

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

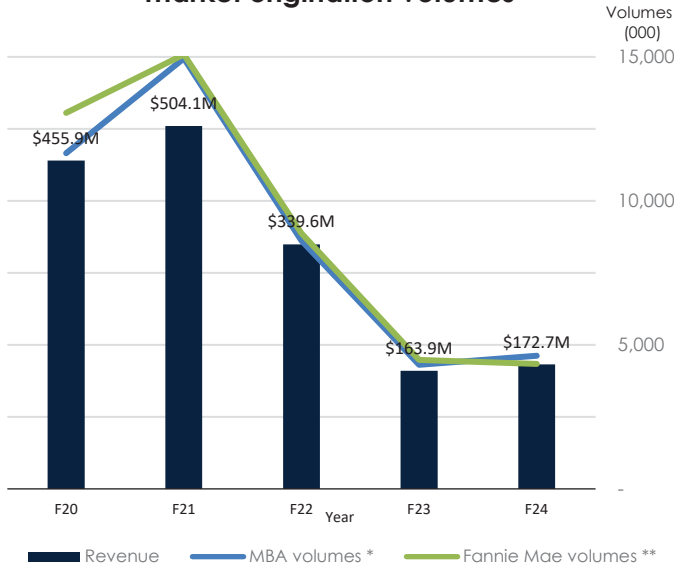
Consolidated operating results		
	Three months ended September 30, 2024 vs. Three months ended September 30, 2023	Year ended September 30, 2024 vs. Year ended September 30, 2023
<b>Amortization</b>	↓ Amortization expense was 14% lower mainly due to a reduction of right-of-use assets related to our leased office space combined with fully amortized computer equipment and leasehold improvements.	↓ Amortization expense was 19% lower due to a reduction of right-of-use assets related to our leased office space combined with fully amortized computer equipment and leasehold improvements.
<b>Net (loss) income</b>	↓ Net loss increased by \$1.8 million. In addition to Adjusted EBITDA <sup>(A)</sup> being relatively flat, as outlined below, the decrease in net income is mainly due to: <ul style="list-style-type: none"> <li>• an increase in net foreign exchange loss of \$3.1 million;</li> <li>• increased stock-based compensation expense of \$0.8 million;</li> <li>• partially offset by an increase in gain on fair value of derivatives of \$1.9 million, higher interest income of \$0.2 million and an increase in income tax recovery of \$0.1 million.</li> </ul>	↑ Net income increased by \$6.2 million. In addition to the increase of \$4.2 million in Adjusted EBITDA <sup>(A)</sup> , as outlined below, the increase in net income is mainly due to: <ul style="list-style-type: none"> <li>• decreased amortization expenses of \$0.7 million;</li> <li>• no restructuring expenses in fiscal 2024 (fiscal 2023 - \$1.7 million);</li> <li>• higher interest income of \$1.0 million;</li> <li>• decrease in net foreign exchange loss of \$0.9 million;</li> <li>• increase in gain on fair value of derivatives of \$1.3 million;</li> <li>• partially offset by lower income tax recovery of \$2.1 million and increased stock-based compensation expense of \$1.4 million.</li> </ul>
<b>Net Revenue<sup>(A)</sup></b>	↑ Consolidated Net Revenue <sup>(A)</sup> increased by 8% primarily due to an increase in consolidated revenues which was partially offset by a modest decrease in consolidated Net Revenue <sup>(A)</sup> margin.	↑ Consolidated Net Revenue <sup>(A)</sup> increased by 8% primarily due to an increase in consolidated revenues and improved consolidated Net Revenue <sup>(A)</sup> margin.
<b>Net Revenue<sup>(A)</sup> margin</b>	↓ Consolidated Net Revenue <sup>(A)</sup> margin decreased by 20 basis points primarily due to a decrease in Net Revenue <sup>(A)</sup> margin from our U.S. Appraisal segment which was partially offset by improved Net Revenue <sup>(A)</sup> margin from U.S. Title and Canada segments.	↑ Consolidated Net Revenue <sup>(A)</sup> margin increased by 60 basis points as we serviced more standard properties due in part to the decline in GSEs waivers.
<b>Adjusted EBITDA<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margin</b>	↓ We recorded slightly lower Adjusted EBITDA <sup>(A)</sup> and Adjusted EBITDA <sup>(A)</sup> margin due to an increase in consolidated operating expenses that was partially offset by higher consolidated Net Revenue <sup>(A)</sup> , as outlined above.	↑ We recorded higher Adjusted EBITDA <sup>(A)</sup> and Adjusted EBITDA <sup>(A)</sup> margin due to an increase in consolidated Net Revenue <sup>(A)</sup> , partially offset by slightly higher consolidated operating expenses, as outlined above.

# Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

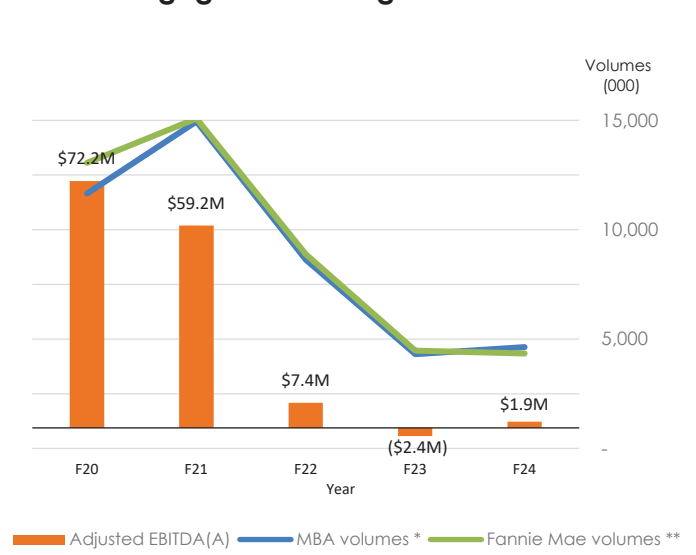
(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

The tables that follow compare our consolidated Revenues, Adjusted EBITDA<sup>(A)</sup> and Net Income or Loss to estimated mortgage market origination volumes.

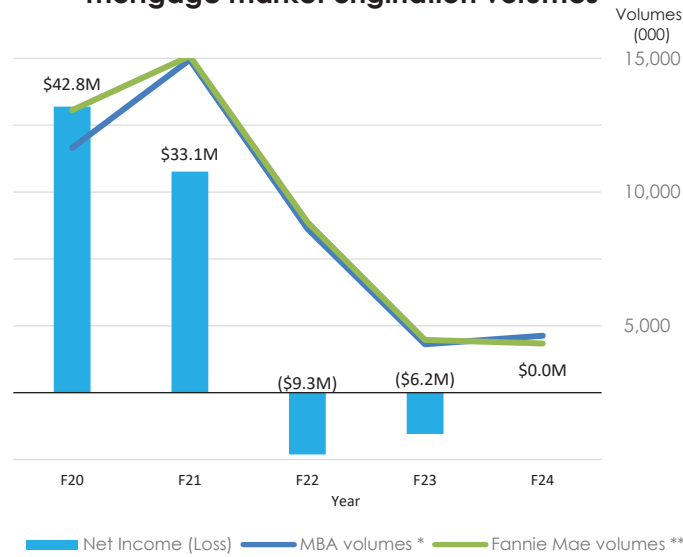
### Consolidated Revenues vs mortgage market origination volumes



### Consolidated Adjusted EBITDA<sup>(A)</sup> vs mortgage market origination volumes



### Consolidated Net Income or Loss vs mortgage market origination volumes



\* Based on the most recent MBA Mortgage Finance Forecast

\*\* Based on the most recent Fannie Mae Housing Forecast (volumes derived from using the average loan amount from the MBA Forecast)

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

### Business Segment Analysis - Review of Operations - For the three months and year ended September 30, 2024

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.

#### U.S. Appraisal

	Three months ended September 30				Year ended September 30			
	2024	2023	Change	% Change	2024	2023	Change	% Change
<b>Revenues</b>								
Purchase origination	\$ 14,890	\$ 14,433	\$ 457	3%	\$ 59,691	\$ 57,947	\$ 1,744	3%
Refinance origination	8,898	7,657	1,241	16%	36,472	32,629	3,843	12%
Home equity	9,063	8,316	747	9%	31,182	27,226	3,956	15%
Other	934	754	180	24%	3,312	3,044	268	9%
	\$ 33,785	\$ 31,160	\$ 2,625	8%	\$ 130,657	\$ 120,846	\$ 9,811	8%
<b>Transaction costs</b>								
Transaction costs	\$ 24,753	\$ 22,601	\$ 2,152	10%	\$ 94,612	\$ 87,729	\$ 6,883	8%
Operating expenses	\$ 4,946	\$ 4,624	\$ 322	7%	\$ 19,378	\$ 18,939	\$ 439	2%
Amortization	\$ 81	\$ 112	\$ (31)	-28%	\$ 336	\$ 550	\$ (214)	-39%
<b>Non-GAAP measures</b>								
Net Revenue <sup>(A)</sup>	\$ 9,032	\$ 8,559	\$ 473	6%	\$ 36,045	\$ 33,117	\$ 2,928	9%
Net Revenue <sup>(A)</sup> margin	26.7%	27.5%	-0.8%	-3%	27.6%	27.4%	0.2%	1%
Adjusted EBITDA <sup>(A)</sup>	\$ 4,086	\$ 3,935	\$ 151	4%	\$ 16,667	\$ 14,178	\$ 2,489	18%
Adjusted EBITDA <sup>(A)</sup> margin	45.2%	46.0%	-0.8%	-2%	46.2%	42.8%	3.4%	8%
<b>Real Matters' mortgage origination volumes (in units)</b>								
	38,795	35,120	3,675	10%	150,675	141,690	8,985	6%

U.S. Appraisal operating results		
	Three months ended September 30, 2024 vs. Three months ended September 30, 2023	Year ended September 30, 2024 vs. Year ended September 30, 2023
<b>Revenues</b>	<p>↑ Revenues from purchase and refinance mortgage originations increased principally due to market share gains with existing and new clients and higher addressable mortgage origination volume for refinance transactions.</p> <p>Home equity revenues increased by 9% and accounted for 27% of the segment's revenues (Q4 2023 – 27%) mainly due to new clients and market share gains.</p>	<p>↑ Revenues from purchase and refinance mortgage originations increased principally due to market share gains with existing and new clients and higher addressable mortgage origination volume for refinance transactions.</p> <p>Home equity revenues increased by 15% and accounted for 24% of the segment's revenues (2023 – 23%) mainly due to new clients and market share gains.</p>
<b>Transaction costs</b>	<p>↑ Transaction costs increased due in large part to market share gains with existing and new clients, higher addressable mortgage origination volume for refinance transactions and higher home equity volumes, as outlined in the revenue discussion above.</p>	<p>↑ Transaction costs increased due in large part to market share gains with existing and new clients, higher addressable mortgage origination volume for refinance transactions and higher home equity volumes, as outlined in the revenue discussion above.</p>

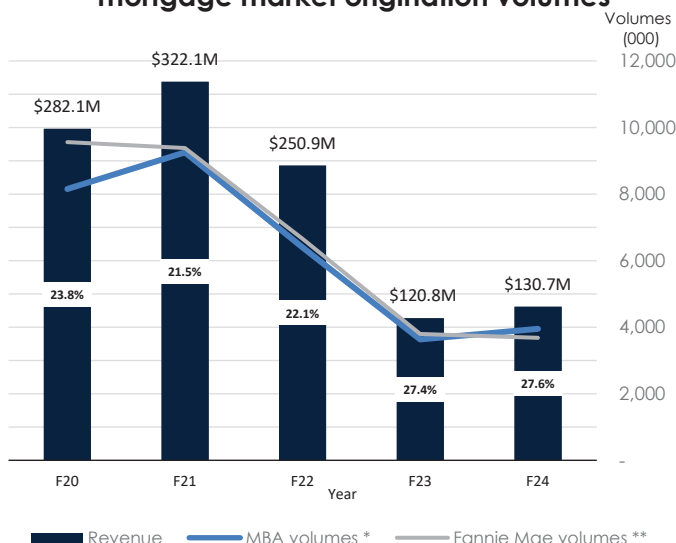
# Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

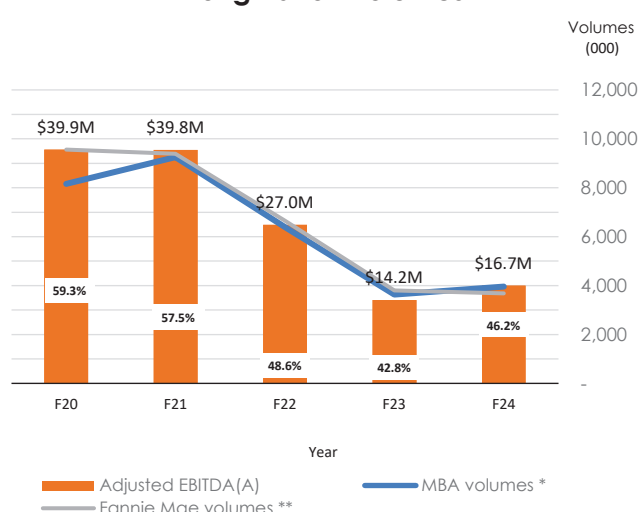
U.S. Appraisal operating results		
	Three months ended September 30, 2024 vs. Three months ended September 30, 2023	Year ended September 30, 2024 vs. Year ended September 30, 2023
<b>Operating expenses</b>	↑ Operating expenses increased by 7% primarily on higher salaries and benefits costs of \$0.4 million due to compensation increases and new hires.	↑ Operating expenses increased by 2% primarily on higher salaries and benefits costs of \$0.9 million due to compensation increases and new hires. This increase was partially offset by lower communication expense of \$0.2 million and a reduction of \$0.1 million in bad debt expense.
<b>Amortization</b>	↓ Amortization expense decreased due to a reduction of right-of-use assets related to our leased office space combined with fully amortized computer equipment and leasehold improvements.	↓ Amortization expense decreased due to a reduction of right-of-use assets related to our leased office space combined with fully amortized computer equipment and leasehold improvements.
<b>Net Revenue<sup>(A)</sup></b>	↑ Net Revenue <sup>(A)</sup> increased by 6% mainly due to market share gains with existing and new clients, higher addressable mortgage origination volume for refinance transactions and higher home equity revenues, partially offset by lower Net Revenue <sup>(A)</sup> margin.	↑ Net Revenue <sup>(A)</sup> increased by 9% mainly due to market share gains with existing and new clients, higher addressable mortgage origination volume for refinance transactions, higher home equity revenues and improved Net Revenue <sup>(A)</sup> margin.
<b>Net Revenue<sup>(A)</sup> margin</b>	↓ Net Revenue <sup>(A)</sup> margin decreased by 80 basis points mostly due to the distribution of transaction volumes as it relates to geographies, clients and product mix.	↑ Net Revenue <sup>(A)</sup> margin increased by 20 basis points mostly due to the distribution of transaction volumes as it relates to geographies, clients and product mix.
<b>Adjusted EBITDA<sup>(A)</sup></b>	↑ Adjusted EBITDA <sup>(A)</sup> increased on higher Net Revenue <sup>(A)</sup> , partially offset by higher operating expenses as described above.	↑ Adjusted EBITDA <sup>(A)</sup> increased on higher Net Revenue <sup>(A)</sup> , partially offset by higher operating expenses as described above.
<b>Adjusted EBITDA<sup>(A)</sup> margin</b>	↓ Adjusted EBITDA <sup>(A)</sup> margin contracted on higher operating expenses, partially offset by higher Net Revenue <sup>(A)</sup> as described above.	↑ Adjusted EBITDA <sup>(A)</sup> margin increased on higher Net Revenue <sup>(A)</sup> , partially offset by higher operating expenses as described above.

The tables that follow compare our U.S. Appraisal segment: (i) Revenues and Net Revenue<sup>(A)</sup> margin; and (ii) Adjusted EBITDA<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margin, against addressable mortgage market origination volumes.

**U.S. Appraisal Revenues & Net Revenue<sup>(A)</sup> margin vs addressable mortgage market origination volumes**



**U.S. Appraisal Adjusted EBITDA<sup>(A)</sup> & Adjusted EBITDA<sup>(A)</sup> margin vs addressable mortgage market origination volumes**



\* Based on the most recent MBA Mortgage Finance Forecast

\*\* Based on the most recent Fannie Mae Housing Forecast (volumes derived from using the average loan amount from the MBA Forecast)

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

Our U.S. Appraisal segment is our more mature business in the U.S. Increased transaction volumes on our platform from net market share gains and higher market volumes resulted in annual Net Revenue<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margin expansion from fiscal 2017 to 2020. In fiscal 2021, despite the year-over-year increase in transaction volumes, our Net Revenue<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margin contracted because we serviced a higher proportion of high-value and complex properties, due in part to an increase in GSEs waivers. The use of GSEs waivers has declined substantially since fiscal 2021, reverting to historical standards.

From fiscal 2022 to fiscal 2023, U.S. mortgage interest rates increased by 213 basis points on average. This resulted in a sharp decline in U.S. mortgage origination transactions, with volumes well below historical 30-year lows. As a result of these market changes, we experienced steep declines in transaction volumes which led to a corresponding decline in our Net Revenue<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> during that period; however, we were able to expand Net Revenue<sup>(A)</sup> margin, as we leveraged our field professional network in a lower market environment and serviced more standard properties, due in part to the decline in GSEs waivers. In fiscal 2024, our Net Revenue<sup>(A)</sup> margin and Adjusted EBITDA<sup>(A)</sup> margin improved for the reasons noted in the table above.

### U.S. Title

	Three months ended September 30				Year ended September 30			
	2024	2023	Change	% Change	2024	2023	Change	% Change
<b>Revenues - title services</b>								
Refinance origination	\$ 1,093	\$ 846	\$ 247	29%	\$ 3,306	\$ 3,028	\$ 278	9%
Home equity	750	776	(26)	-3%	2,937	3,475	(538)	-15%
REO	327	505	(178)	-35%	1,459	2,132	(673)	-32%
Diversified	260	206	54	26%	927	891	36	4%
	\$ 2,430	\$ 2,333	\$ 97	4%	\$ 8,629	\$ 9,526	\$ (897)	-9%
<b>Transaction costs</b>								
Transaction costs	\$ 1,219	\$ 1,282	\$ (63)	-5%	\$ 4,631	\$ 5,659	\$ (1,028)	-18%
Operating expenses	\$ 2,802	\$ 2,632	\$ 170	6%	\$ 10,809	\$ 12,205	\$ (1,396)	-11%
Amortization	\$ 559	\$ 672	\$ (113)	-17%	\$ 2,388	\$ 2,979	\$ (591)	-20%
<b>Non-GAAP measures</b>								
Net Revenue <sup>(A)</sup>	\$ 1,211	\$ 1,051	\$ 160	15%	\$ 3,998	\$ 3,867	\$ 131	3%
Net Revenue <sup>(A)</sup> margin	49.8%	45.0%	4.8%	11%	46.3%	40.6%	5.7%	14%
Adjusted EBITDA <sup>(A)</sup>	\$ (1,591)	\$ (1,581)	\$ (10)	-1%	\$ (6,811)	\$ (8,338)	\$ 1,527	18%
Adjusted EBITDA <sup>(A)</sup> margin	-131.4%	-150.4%	19.0%	13%	-170.4%	-215.6%	45.2%	21%
<b>Real Matters' mortgage origination volumes (in units)</b>								
	1,141	936	205	22%	3,431	3,312	119	4%

U.S. Title operating results		
	Three months ended September 30, 2024 vs. Three months ended September 30, 2023	Year ended September 30, 2024 vs. Year ended September 30, 2023
<b>Revenues</b>	<p>↑ Revenues from refinance mortgage originations increased principally due to market share gains with existing and new clients and higher refinance mortgage origination volume.</p> <p>The decline in home equity and REO revenues were primarily due to changes in our client portfolio. Home equity and REO revenues accounted for 44% of the segment's revenues (Q4 2023 – 55%) which is historically higher than usual due to the significant decrease in our refinance mortgage origination revenues over the last two years.</p>	<p>↓ Revenues from refinance mortgage originations increased principally due to market share gains with existing and new clients and higher refinance mortgage origination volume.</p> <p>The decline in home equity and REO revenues were primarily due to changes in our client portfolio. Home equity and REO revenues accounted for 51% of the segment's revenues (2023 – 59%) which is historically higher than usual due to the significant decrease in refinance mortgage origination revenues over the last two years.</p>

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

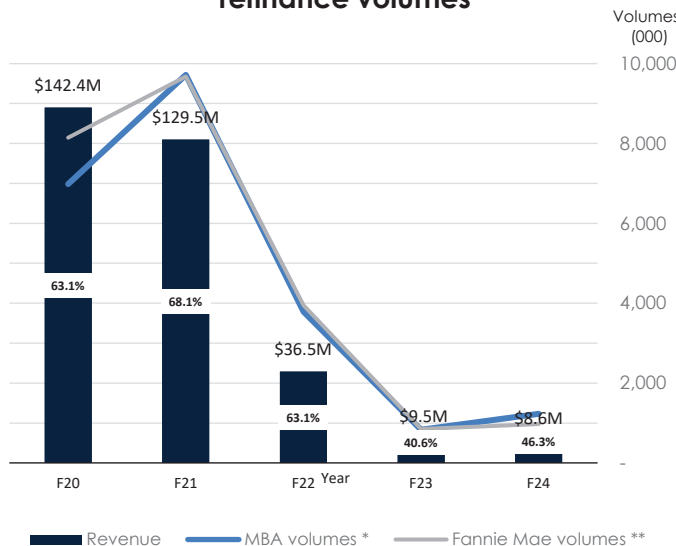
U.S. Title operating results		
	Three months ended September 30, 2024 vs. Three months ended September 30, 2023	Year ended September 30, 2024 vs. Year ended September 30, 2023
<b>Transaction costs</b>	↓ Transaction costs declined due in large part to lower volumes of home equity and REO transactions and higher proportion of incoming order volumes that closed, partially offset by higher refinance mortgage origination volumes as outlined in the revenue discussion above.	↓ Transaction costs declined due in large part to lower volumes of home equity and REO transactions and higher proportion of incoming order volumes that closed, partially offset by higher refinance mortgage origination volumes as outlined in the revenue discussion above.
<b>Operating expenses</b>	↑ Operating expenses increased by 6% mainly due to higher salaries and benefits costs of \$0.1 million principally due to an increase in compensation.	↓ Operating expenses declined by 11% mainly due to lower salaries and benefits costs of \$0.8 million and a reduction in courier, office and bank charges of \$0.5million as a result of lower volumes.
<b>Amortization</b>	↓ Amortization expense decreased due to a reduction of right-of-use assets related to our leased office space combined with fully amortized computer equipment and leasehold improvements.	↓ Amortization expense decreased due to a reduction of right-of-use assets related to our leased office space combined with fully amortized computer equipment and leasehold improvements.
<b>Net Revenue<sup>(A)</sup></b>	↑ Net Revenue <sup>(A)</sup> increased due to higher refinance origination volumes and higher Net Revenue <sup>(A)</sup> margin, partially offset by a decrease in home equity and REO volumes, as outlined in the revenue discussion above.	↑ Net Revenue <sup>(A)</sup> increased due to higher refinance origination volumes and higher Net Revenue <sup>(A)</sup> margin, partially offset by a decrease in home equity and REO volumes, as outlined in the revenue discussion above.
<b>Net Revenue<sup>(A)</sup> margin</b>	↑ Net Revenue <sup>(A)</sup> margin increased by 480 basis points due to a larger proportion of higher margin refinance origination volumes and larger proportion of order volumes that closed.	↑ Net Revenue <sup>(A)</sup> margin increased by 570 basis points due to a larger proportion of higher margin refinance origination volumes and larger proportion of order volumes that closed.
<b>Adjusted EBITDA<sup>(A)</sup></b>	↓ Adjusted EBITDA <sup>(A)</sup> was relatively flat due to the Net Revenue <sup>(A)</sup> and Net Revenue <sup>(A)</sup> margin improvement, as outlined above, offset by higher operating expenses.	↑ Adjusted EBITDA <sup>(A)</sup> improved due to the Net Revenue <sup>(A)</sup> and Net Revenue <sup>(A)</sup> margin improvement and lower operating expenses, as outlined above.
<b>Adjusted EBITDA<sup>(A)</sup> margin</b>	↑ Adjusted EBITDA <sup>(A)</sup> margin increased by 1,900 basis points due to the Net Revenue <sup>(A)</sup> and Net Revenue <sup>(A)</sup> margin improvement, as outlined above, partially offset by higher operating expenses.	↑ Adjusted EBITDA <sup>(A)</sup> margin increased by 4,520 basis points due to the Net Revenue <sup>(A)</sup> and Net Revenue <sup>(A)</sup> margin improvement and lower operating expenses, as outlined above.

# Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

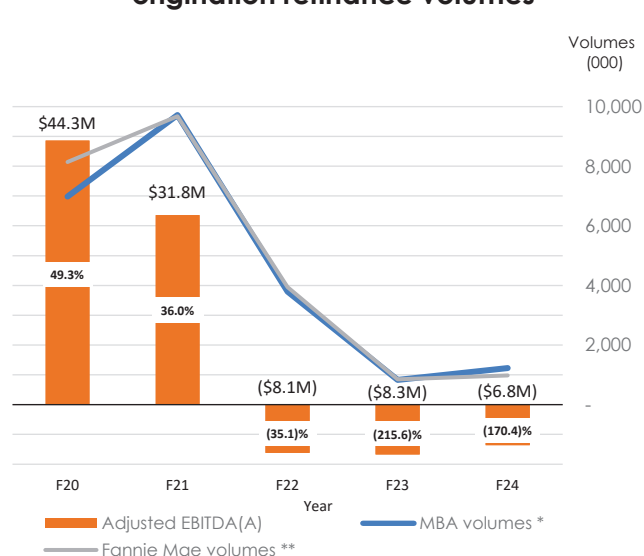
(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

The tables that follow compare our U.S. Title segment: (i) Revenues and Net Revenue<sup>(A)</sup> margin; and (ii) Adjusted EBITDA<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margin, against addressable mortgage market origination volumes.

**U.S. Title Revenues & Net Revenue<sup>(A)</sup> margin vs mortgage market origination refinance volumes**



**U.S. Title Adjusted EBITDA<sup>(A)</sup> & Adjusted EBITDA<sup>(A)</sup> margin vs mortgage market origination refinance volumes**



\* Based on the most recent MBA Mortgage Finance Forecast

\*\* Based on the most recent Fannie Mae Housing Forecast (volumes derived from using the average loan amount from the MBA Forecast)

Currently, our U.S. Title segment predominately services refinance mortgage origination volumes which are highly sensitive to interest rates. Increased transaction volumes on our platform from higher market volumes and market share gains resulted in annual Net Revenue<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margin expansion from fiscal 2018 to 2020. After experiencing a surge due to low interest rates, refinance market volumes began to decline in the second half of fiscal 2021 in line with increases in U.S. mortgage interest rates. Our Net Revenue<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margins contracted in fiscal 2022 and 2023 in line with the substantial decline in transaction volumes on our platform, and we focused on operational efficiencies and significantly reduced our U.S. Title operating expenses. In fiscal 2024, our Net Revenue<sup>(A)</sup> margin and Adjusted EBITDA<sup>(A)</sup> margin improved for the reasons noted in the table above.

## Canada

	Three months ended September 30				Year ended September 30				
	2024	2023	Change	% Change	2024	2023	Change	% Change	
Revenues	\$ 9,407	\$ 8,696	\$ 711	8%	\$ 33,436	\$ 33,542	\$ (106)	0%	
Transaction costs	\$ 7,629	\$ 7,140	\$ 489	7%	\$ 27,115	\$ 27,511	\$ (396)	-1%	
Operating expenses	\$ 575	\$ 422	\$ 153	36%	\$ 2,226	\$ 1,782	\$ 444	25%	
Amortization	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	
<i>Non-GAAP measures</i>									
Net Revenue <sup>(A)</sup>	\$ 1,778	\$ 1,556	\$ 222	14%	\$ 6,321	\$ 6,031	\$ 290	5%	
Net Revenue <sup>(A)</sup> margin	18.9%	17.9%	1.0%	6%	18.9%	18.0%	0.9%	5%	
Adjusted EBITDA <sup>(A)</sup>	\$ 1,203	\$ 1,134	\$ 69	6%	\$ 4,095	\$ 4,249	\$ (154)	-4%	
Adjusted EBITDA <sup>(A)</sup> margin	67.7%	72.9%	-5.2%	-7%	64.8%	70.5%	-5.7%	-8%	

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

Canada operating results		
	Three months ended September 30, 2024 vs. Three months ended September 30, 2023	Year ended September 30, 2024 vs. Year ended September 30, 2023
<b>Revenues</b>	↑ Revenues increased due to higher market volumes and net market share gains with new and existing clients for appraisal services. Insurance inspection revenues were relatively flat.	↓ Revenues were relatively flat, as net market share gains with new and existing clients for appraisal services were offset by lower market volumes and modestly lower insurance inspection revenues.
<b>Transaction costs</b>	↑ Transaction costs increased due to higher market volumes and net market share gains with new and existing clients for appraisal services, as outlined in the revenue discussion above.	↓ Transaction costs declined modestly due in large part to our ability to leverage our field professional network in a lower market environment.
<b>Operating expenses</b>	↑ Operating expenses increased by 36% mainly due to the amortization of a prepaid client integration fee.	↑ Operating expenses increased by 25% mainly due to the amortization of a prepaid client integration fee.
<b>Net Revenue<sup>(A)</sup></b>	↑ Net Revenue <sup>(A)</sup> increased by 14% due to higher market volumes, net market share gains and improved Net Revenue <sup>(A)</sup> margin.	↑ Net Revenue <sup>(A)</sup> increased by 5% due to improved Net Revenue <sup>(A)</sup> margin.
<b>Net Revenue<sup>(A)</sup> margin</b>	↑ Net Revenue <sup>(A)</sup> margin increased by 100 basis points as we leveraged our field professional network in a lower market environment.	↑ Net Revenue <sup>(A)</sup> margin increased by 90 basis points as we leveraged our field professional network in a lower market environment.
<b>Adjusted EBITDA<sup>(A)</sup></b>	↑ Adjusted EBITDA <sup>(A)</sup> improved due to an increase in Net Revenue <sup>(A)</sup> which was partially offset by higher operating expenses, as outlined above.	↓ Adjusted EBITDA <sup>(A)</sup> was lower due to the increase in operating expenses which was partially offset by higher Net Revenue <sup>(A)</sup> , as outlined above.
<b>Adjusted EBITDA<sup>(A)</sup> margin</b>	↓ Adjusted EBITDA <sup>(A)</sup> margin was lower by 520 basis points due to the increase in operating expenses which was partially offset by higher Net Revenue <sup>(A)</sup> , as outlined above.	↓ Adjusted EBITDA <sup>(A)</sup> margin was lower by 570 basis points due to the increase in operating expenses which was partially offset by higher Net Revenue <sup>(A)</sup> , as outlined above.

### Corporate and other items

	Three months ended September 30				Year ended September 30			
	2024	2023	Change	% Change	2024	2023	Change	% Change
Operating expenses	\$ 4,309	\$ 3,182	\$ 1,127	35%	\$ 14,855	\$ 13,825	\$ 1,030	7%
Amortization	\$ 113	\$ 89	\$ 24	27%	\$ 433	\$ 348	\$ 85	24%
Loss on disposal of property and equipment	\$ -	\$ 24	\$ (24)	-100%	\$ -	\$ -	\$ -	0%
Restructuring expenses	\$ -	\$ 14	\$ (14)	-100%	\$ -	\$ 1,703	\$ (1,703)	-100%
Interest expense	\$ 89	\$ 75	\$ 14	19%	\$ 346	\$ 283	\$ 63	22%
Interest income	\$ (509)	\$ (339)	\$ (170)	50%	\$ (1,779)	\$ (825)	\$ (954)	116%
Net foreign exchange loss (gain)	\$ 1,328	\$ (1,797)	\$ 3,125	-174%	\$ 244	\$ 1,186	\$ (942)	-79%
Gain on fair value of derivatives	\$ (1,915)	\$ (60)	\$ (1,855)	3092%	\$ (2,072)	\$ (815)	\$ (1,257)	154%
Income tax recovery	\$ (201)	\$ (106)	\$ (95)	90%	\$ (818)	\$ (2,949)	\$ 2,131	-72%

Corporate operating results		
	Three months ended September 30, 2024 vs. Three months ended September 30, 2023	Year ended September 30, 2024 vs. Year ended September 30, 2023
<b>Operating expenses</b>	↑ Operating expenses increased by \$1.1 million due to higher salaries and benefits costs of \$1.0 million, reflecting an increase in compensation and higher stock-based compensation expenses.	↑ Operating expenses increased by \$1.0 million primarily due to higher salaries and benefits costs of \$1.4 million, reflecting an increase in compensation and higher stock-based compensation expenses partially offset by lower IT expenses and severance costs.
<b>Amortization</b>	↑ Amortization expense increased modestly.	↑ Amortization expense increased modestly.

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

Corporate operating results		
	Three months ended September 30, 2024 vs. Three months ended September 30, 2023	Year ended September 30, 2024 vs. Year ended September 30, 2023
<b>Loss on disposal of property and equipment</b>	↓ We did not dispose of any property and equipment in the current quarter. The loss on disposal of property and equipment incurred in Q4 2023 reflects the disposal of a right-of-use asset.	- We did not dispose of any property and equipment in the current fiscal year. Gains and losses on disposal of property and equipment incurred in fiscal 2023 due to the disposal of right-of-use assets and furniture and fixtures fully offset each other.
<b>Restructuring expenses</b>	↓ We did not incur restructuring expenses during the current quarter. Restructuring expenses incurred in Q4 2023 represented severance costs attributable to changes in our organizational structure.	↓ We did not incur restructuring expenses during the current fiscal year. Restructuring expenses incurred in fiscal 2023 represented severance costs attributable to changes in our organizational structure.
<b>Interest expense and Interest Income</b>	↑ The increase in interest expense and income is mostly related to the current higher interest rates environment and the interest incurred on our total return swaps.	↑ The increase in interest expense and income is mostly related to the current higher interest rates environment and the interest incurred on our total return swaps.
<b>Net foreign exchange loss (gain)</b>	↑ 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 resulting current quarter losses and comparative quarter gains were the result of changes in the FX rate between the Canadian and U.S. dollar.	↓ 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 resulting current and comparative fiscal year losses were the result of changes in the FX rate between the Canadian and U.S. dollar.
<b>Gain on fair value of derivatives</b>	↑ We have two outstanding total return swaps to manage our cash flow exposure arising from changes in our share price attributable to cash-settled RSUs. The fair value of the swap fluctuates on an inverse relationship to our share price.	↑ We have two outstanding total return swaps to manage our cash flow exposure arising from changes in our share price attributable to cash-settled RSUs. The fair value of the swap fluctuates on an inverse relationship to our share price.
<b>Income tax recovery</b>	↑ We recorded a loss before income tax recoveries of \$0.4 million. Income tax calculated at the statutory income tax rate, including foreign income subject to tax at a different statutory tax rate, resulted in an income tax recovery of \$0.1 million. Income tax recoveries related to non-deductible expenses, including RSUs, and non-taxable income totaled \$0.1 million.	↓ We recorded a loss before income tax recoveries of \$0.8 million. Income tax calculated at the statutory income tax rate, including foreign income subject to tax at a different statutory tax rate, resulted in an income tax recovery of \$0.2 million. Income tax recoveries related to non-deductible expenses, including RSUs, and non-taxable income totaled \$0.8 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" and "Adjusted Net Income or Loss".

(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, 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 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 equity-settled stock-based compensation expense, amortization, gain or loss on disposal of property and equipment, unrealized net foreign exchange gain or loss, unrealized gain or loss on the fair value of derivatives and deferred income taxes) or non-operating (in the case of cash-settled stock-based compensation expense, restructuring

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

expenses, realized net foreign exchange gain or loss, realized gain or loss on the fair value of derivatives, 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 reasons for excluding each item are as follows:

*Stock-based compensation expense:* These costs represent non-cash expenses for equity-settled stock-based compensation awards and non-operating expenses for cash-settled stock-based compensation awards. These 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.

*Restructuring expenses:* Restructuring expenses represent costs attributable to employee severance resulting from changes in our management and organizational structure. 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 derivatives:* As a non-cash item, gains or losses resulting from the fair value of derivatives are not indicative of our operating profitability. Gains or losses from the fair value of derivatives reflect our treasury 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 consolidated statements of operations and comprehensive income or loss for the three months and years ended September 30, 2024 and 2023. The reconciling items between net income or loss and Adjusted EBITDA for the three months and years ended September 30, 2024 and 2023 were as follows:

	Three months ended September 30		Year ended September 30	
	2024	2023	2024	2023
Net (loss) income	\$ (156)	\$ 1,622	\$ 18	\$ (6,196)
Stock-based compensation expense	1,171	288	2,754	1,377
Amortization	753	873	3,157	3,877
Loss on disposal of property and equipment	-	24	-	-
Restructuring expenses	-	14	-	1,703
Interest expense	89	75	346	283
Interest income	(509)	(339)	(1,779)	(825)
Net foreign exchange loss (gain)	1,328	(1,797)	244	1,186
Gain on fair value of derivatives	(1,915)	(60)	(2,072)	(815)
Income tax recovery	(201)	(106)	(818)	(2,949)
Adjusted EBITDA	\$ 560	\$ 594	\$ 1,850	\$ (2,359)

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

(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 September 30		Year ended September 30	
	2024	2023	2024	2023
Revenues	\$ 45,622	\$ 42,189	\$ 172,722	\$ 163,914
Less: Transaction costs	33,601	31,023	126,358	120,899
Less: Operating expenses	12,632	10,860	47,268	46,751
Add: Stock-based compensation expense	1,171	288	2,754	1,377
Adjusted EBITDA	\$ 560	\$ 594	\$ 1,850	\$ (2,359)

Adjusted EBITDA by reportable segment was as follows:

	Three months ended September 30		Year ended September 30	
	2024	2023	2024	2023
U.S. Appraisal	\$ 4,086	\$ 3,935	\$ 16,667	\$ 14,178
U.S. Title	(1,591)	(1,581)	(6,811)	(8,338)
Canada	1,203	1,134	4,095	4,249
Corporate (excluding stock-based compensation expense)	(3,138)	(2,894)	(12,101)	(12,448)
Consolidated Adjusted EBITDA	\$ 560	\$ 594	\$ 1,850	\$ (2,359)

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

	Three months ended September 30		Year ended September 30	
	2024	2023	2024	2023
U.S. Appraisal	45.2%	46.0%	46.2%	42.8%
U.S. Title	-131.4%	-150.4%	-170.4%	-215.6%
Canada	67.7%	72.9%	64.8%	70.5%
Consolidated Adjusted EBITDA margin (including Corporate, but excluding stock-based compensation expense)	4.7%	5.3%	4.0%	-5.5%

### 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 to measure our Company relative to our peers.

The reconciling items between net income or loss and Net Revenue for the three months and years ended September 30, 2024 and 2023 are detailed in the consolidated statements of operations and comprehensive income or loss and were as follows:

	Three months ended September 30		Year ended September 30	
	2024	2023	2024	2023
Net (loss) income	\$ (156)	\$ 1,622	\$ 18	\$ (6,196)
Operating expenses	12,632	10,860	47,268	46,751
Amortization	753	873	3,157	3,877
Loss on disposal of property and equipment	-	24	-	-
Restructuring expenses	-	14	-	1,703
Interest expense	89	75	346	283
Interest income	(509)	(339)	(1,779)	(825)
Net foreign exchange loss (gain)	1,328	(1,797)	244	1,186
Gain on fair value of derivatives	(1,915)	(60)	(2,072)	(815)
Income tax recovery	(201)	(106)	(818)	(2,949)
Net Revenue	\$ 12,021	\$ 11,166	\$ 46,364	\$ 43,015

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

(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 September 30		Year ended September 30	
	2024	2023	2024	2023
Revenues	\$ 45,622	\$ 42,189	\$ 172,722	\$ 163,914
Less: Transaction costs	33,601	31,023	126,358	120,899
Net Revenue	\$ 12,021	\$ 11,166	\$ 46,364	\$ 43,015

Net Revenue by reportable segment was as follows:

	Three months ended September 30		Year ended September 30	
	2024	2023	2024	2023
U.S. Appraisal	\$ 9,032	\$ 8,559	\$ 36,045	\$ 33,117
U.S. Title	1,211	1,051	3,998	3,867
Canada	1,778	1,556	6,321	6,031
Consolidated Net Revenue	\$ 12,021	\$ 11,166	\$ 46,364	\$ 43,015

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

	Three months ended September 30		Year ended September 30	
	2024	2023	2024	2023
U.S. Appraisal	26.7%	27.5%	27.6%	27.4%
U.S. Title	49.8%	45.0%	46.3%	40.6%
Canada	18.9%	17.9%	18.9%	18.0%
Consolidated Net Revenue margin	26.3%	26.5%	26.8%	26.2%

### 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, restructuring expenses, net foreign exchange gain or loss, and gain or loss on fair value of derivatives, each net of the related tax effects, as applicable. 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 equity-settled stock-based compensation expense, amortization of intangibles, unrealized net foreign exchange gain or loss and unrealized gain or loss on fair value of derivatives) or non-operating (in the case of cash-settled stock-based compensation expense, restructuring expenses, realized net foreign exchange gain or loss and realized gain or loss on fair value of derivatives). Adjusted Net Income or Loss is a useful financial and operating metric for the Company, and our board of directors, as it represents net income or loss from operations which excludes treasury and capital costs, acquisition and related costs, non-operating costs, and restructuring expenses.

The reconciling items between net income or loss and Adjusted Net Income or Loss for the three months and years ended September 30, 2024 and 2023 were as follows:

	Three months ended September 30		Year ended September 30	
	2024	2023	2024	2023
Net (loss) income	\$ (156)	\$ 1,622	\$ 18	\$ (6,196)
Stock-based compensation expense	1,171	288	2,754	1,377
Amortization of intangibles	441	385	1,672	1,485
Restructuring expenses	-	14	-	1,703
Net foreign exchange loss (gain)	1,328	(1,797)	244	1,186
Gain on fair value of derivatives	(1,915)	(60)	(2,072)	(815)
Related tax effects	41	388	49	(929)
Adjusted Net Income (Loss)	\$ 910	\$ 840	\$ 2,665	\$ (2,189)

Adjusted EBITDA, Net Revenue and Adjusted Net Income or Loss should not be considered, in isolation, indicators of our financial performance, or as an alternative to, or a substitute for, net income or loss or other information presented in our financial statements.

# Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

## SELECTED ANNUAL INFORMATION

	Year ended September 30		
	2024	2023	2022
Revenues	\$ 172,722	\$ 163,914	\$ 339,642
Net income (loss)	\$ 18	\$ (6,196)	\$ (9,265)
Net income (loss) per weighted average share, basic	\$ 0.00	\$ (0.08)	\$ (0.12)
Net income (loss) per weighted average share, diluted	\$ 0.00	\$ (0.08)	\$ (0.12)
Total assets	\$ 134,280	\$ 128,738	\$ 137,004
Total non-current liabilities	\$ 4,239	\$ 2,941	\$ 4,312

### Revenues

#### 2024-2023

Please see the "Review of Operations – For the three months and year ended September 30, 2024" section of this MD&A for a detailed discussion regarding the change in revenues between fiscal 2024 and fiscal 2023.

#### 2023-2022

Consolidated revenues declined due to lower revenues across all three segments. Revenues in our U.S. Appraisal segment declined due to lower addressable mortgage origination volumes, partially offset by higher home equity revenues from new clients and market share gains. The revenue decline in our U.S. Title segment was due primarily to lower refinance mortgage origination market volumes, changes in our client portfolio, and lower home equity volumes serviced. Canadian segment revenues declined due to lower market volumes for appraisal services, modestly lower insurance inspection revenues and FX, partially offset by net market share gains for appraisal services with new and existing clients.

### Net income (loss)

#### 2024-2023

Please see the "Review of Operations – For the three months and year ended September 30, 2024" section of this MD&A for a detailed discussion of the components comprising the change in net income between fiscal 2024 and fiscal 2023.

#### 2023-2022

Net loss in fiscal 2023 improved by \$3.1 million compared to fiscal 2022 as we recognized a goodwill impairment charge in fiscal 2022 attributable to our U.S. Title segment due to the continued decline in economic and market conditions for mortgage origination refinance activity. No such charge was recorded in fiscal 2023. Other favourable changes included a gain on fair value of our total return swap entered into in fiscal 2023 and higher interest income. These positive contributions were partially offset by lower Adjusted EBITDA<sup>(A)</sup> and higher net foreign exchange losses due to changes in the FX rate between the Canadian and U.S. dollar.

### Total Assets

#### 2024-2023

Total assets increased by \$5.5 million between fiscal 2023 and fiscal 2024. Higher cash and cash equivalents of \$6.8 million (discussed below under the header "Cash Flows") was partially offset by a decrease in trade and other receivable of \$2.0 million due to timing of collections and a reduction in prepaid expenses of \$0.4 million due to normal course amortization. Non-current assets increased by \$1.2 million mainly due to an increase in deferred tax assets of \$1.1 million and higher other assets of \$2.1 million representing the change in fair value of our total return swaps, partially offset by a reduction of \$2.0 million in intangibles and property equipment due to normal course amortization of those balances.

#### 2023-2022

Total assets declined \$8.3 million between fiscal 2022 and fiscal 2023. Lower cash and cash equivalents of \$3.8 million, lower trade and other receivables of \$4.5 million, lower income tax recoverable of \$0.9 million, lower intangibles of \$1.0 million, lower property and equipment of \$3.1 million, was partially offset by higher other assets of \$0.8 million and higher deferred tax assets of \$3.5 million. A decline in Adjusted EBITDA<sup>(A)</sup> impacted our cash and cash equivalents balance. Trade and other receivables declined due to lower mortgage origination market activity for our U.S. and Canadian operations. The decline in intangibles was the result of normal course amortization. Lower property and equipment balances were due to the disposal of a right-of-use asset and normal course amortization, partially offset by new equipment additions. The decrease in income taxes recoverable reflects income tax refunds collected during the year. Other assets represent the fair value of our total return swap. The increase in deferred tax assets is largely attributable to loss carryforwards in our U.S. and Canadian operating entities.

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

### Total Non-Current Liabilities

2024-2023

Total non-current liabilities increased by \$1.3 million due primarily to an increase in other liabilities of \$2.0 million associated with the future payment of cash-settled RSUs, which was partially offset by a decrease in lease liabilities of \$0.7 million, mainly representing normal course lease payments and lease amendments.

We expect to satisfy our total non-current liabilities as they come due based on our expectations of future operating performance and our current cash and cash equivalents balance.

2023-2022

Total non-current liabilities declined \$1.4 million due primarily to lower long-term lease liabilities of \$1.9 million, mainly representing normal course lease payments and lease amendments, partially offset by an increase in other liabilities of \$0.5 million associated with the future payment of cash-settled RSUs.

### SUMMARY OF QUARTERLY RESULTS

The following table sets out selected financial information and Non-GAAP measures as reported for each of the eight most recent quarters, the latest of which ended September 30, 2024. The financial information has been prepared on the same basis as the Company's audited consolidated financial statements, and all necessary adjustments have been included in the amounts stated below to present fairly the unaudited quarterly results when read in conjunction with the audited consolidated financial statements of the Company and the related notes to those statements.

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Revenues								
U.S. Appraisal	\$ 33,785	\$ 37,505	\$ 32,567	\$ 26,800	\$ 31,160	\$ 33,430	\$ 27,996	\$ 28,260
U.S. Title	2,430	2,129	2,034	2,036	2,333	2,609	2,223	2,361
Canada	9,407	9,853	7,567	6,609	8,696	9,911	7,391	7,544
Total revenues	\$ 45,622	\$ 49,487	\$ 42,168	\$ 35,445	\$ 42,189	\$ 45,950	\$ 37,610	\$ 38,165
Net (loss) income	\$ (156)	\$ 1,699	\$ 2,073	\$ (3,598)	\$ 1,622	\$ (619)	\$ (2,580)	\$ (4,619)
Net (loss) income per weighted average share, basic and diluted	\$ 0.00	\$ 0.02	\$ 0.03	\$ (0.05)	\$ 0.02	\$ (0.01)	\$ (0.04)	\$ (0.06)
Net Revenue <sup>(A)</sup>								
U.S. Appraisal	\$ 9,032	\$ 10,339	\$ 9,205	\$ 7,469	\$ 8,559	\$ 9,204	\$ 7,730	\$ 7,624
U.S. Title	1,211	929	894	964	1,051	1,178	818	820
Canada	1,778	1,871	1,430	1,242	1,556	1,746	1,382	1,347
Total Net Revenue <sup>(A)</sup>	\$ 12,021	\$ 13,139	\$ 11,529	\$ 9,675	\$ 11,166	\$ 12,128	\$ 9,930	\$ 9,791
Net Revenue <sup>(A)</sup> margin								
U.S. Appraisal	26.7%	27.6%	28.3%	27.9%	27.5%	27.5%	27.6%	27.0%
U.S. Title	49.8%	43.6%	44.0%	47.3%	45.0%	45.2%	36.8%	34.7%
Canada	18.9%	19.0%	18.9%	18.8%	17.9%	17.6%	18.7%	17.9%
Net Revenue <sup>(A)</sup> margin	26.3%	26.6%	27.3%	27.3%	26.5%	26.4%	26.4%	25.7%
Adjusted EBITDA <sup>(A)</sup>								
U.S. Appraisal	\$ 4,086	\$ 5,499	\$ 4,406	\$ 2,676	\$ 3,935	\$ 4,788	\$ 3,140	\$ 2,315
U.S. Title	(1,591)	(1,949)	(1,652)	(1,619)	(1,581)	(1,574)	(2,285)	(2,898)
Canada	1,203	1,296	891	705	1,134	1,286	964	865
Corporate (excluding stock-based compensation)	(3,138)	(3,196)	(2,935)	(2,832)	(2,894)	(2,831)	(3,500)	(3,223)
Adjusted EBITDA <sup>(A)</sup>	\$ 560	\$ 1,650	\$ 710	\$ (1,070)	\$ 594	\$ 1,669	\$ (1,681)	\$ (2,941)
U.S. Appraisal mortgage origination volume (expressed in units)	38,795	42,864	37,285	31,731	35,120	38,154	33,398	35,018
U.S. Title mortgage origination volume (expressed in units)	1,141	720	705	865	936	959	624	793

### Seasonality

Residential mortgage origination volumes in North America 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 inventory, demand for housing, the availability of funds for mortgage loans, credit requirements, regulatory

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

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.

### Net (loss) income

Net income or loss generally follows the rise and fall in revenues. 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, restructuring expenses, interest expense, interest income, net foreign exchange gains or losses and net gains or losses on fair value of derivatives. Net income tax expense or recovery also impacts net income or loss.

Please see the “Review of Operations – For the three months and year ended September 30, 2024” section of this MD&A for a detailed discussion of the components comprising the change in net income (loss) between the fourth quarter of fiscal 2024 and the fourth quarter of fiscal 2023.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

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

	As at September 30		As at September 30		
	2024		2023		Change
Trade and other receivables	\$	13,336	\$	15,295	\$ (1,959)
Intangibles	\$	2,855	\$	4,004	\$ (1,149)
Goodwill	\$	43,181	\$	43,181	\$ -
Working capital position					
- (current assets less current liabilities)	\$	51,333	\$	47,097	\$ 4,236

#### Trade and other receivables

The decrease in trade and other receivables was due in large part to timing of collections.

#### Intangibles

The decline in intangibles was due to normal course amortization, partially offset by capitalized software development costs incurred to enhance our software platforms.

#### Working capital position

Our consolidated working capital position increased on a comparative basis to \$51.3 million. The Company has no outstanding debt. Total current assets increased by \$4.4 million, while total current liabilities increased by \$0.1 million. The increase in total current assets was primarily due to an increase in cash and cash equivalents of \$6.8 million (discussed below under the header “Cash Flows”), partially offset by a decrease in trade and other receivables of \$2.0 million.

### Cash Flows

	Three months ended September 30			Year ended September 30		
	2024	2023	Change	2024	2023	Change
Cash flows generated from (utilized in):						
Operating activities	\$ 6,352	\$ (29)	\$ 6,381	\$ 5,449	\$ (2,564)	\$ 8,013
Investing activities	(218)	(174)	(44)	(169)	(799)	630
Financing activities	1,367	201	1,166	1,424	(445)	1,869
Effect of foreign currency translation on cash and cash equivalents	256	(192)	448	98	7	91
Net cash inflow (outflow)	\$ 7,757	\$ (194)	\$ 7,951	\$ 6,802	\$ (3,801)	\$ 10,603

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

Changes in cash flows generated from (utilized in):		
	Three months ended September 30, 2024 vs. Three months ended September 30, 2023	Year ended September 30, 2024 vs. Year ended September 30, 2023
<b>Operating activities</b>	<p>↑ Cash generated by operating activities increased by \$6.4 million due in part to:</p> <ul style="list-style-type: none"> <li>increased change in non-cash working capital items of \$9.4 million mainly related to the timing of collection for trade and other receivables;</li> <li>partially offset by a decrease in income taxes recovered of \$2.8 million.</li> </ul>	<p>↑ Cash generated by operating activities increased by \$8.0 million due in part to:</p> <ul style="list-style-type: none"> <li>a \$4.2 million increase in Adjusted EBITDA<sup>(A)</sup> as outlined in the “Review of Operations - For the three months and year ended September 30, 2024” section of this MD&amp;A;</li> <li>reduction of \$1.7 million in restructuring expenses as no further restructuring activities were undertaken in fiscal 2024;</li> <li>an increase in interest income of \$1.0 million;</li> <li>increased change in non-cash working capital items of \$1.8 million;</li> <li>partially offset by \$0.6 million lower income taxes recovered and an increase of \$0.1 million in interest paid.</li> </ul>
<b>Investing activities</b>	<p>↓ Cash utilized in investing activities was relatively flat.</p>	<p>↑ Cash utilized in investing activities decreased by \$0.6 million due to higher payments received from subleased office space and lower additions of property and equipment.</p>
<b>Financing activities</b>	<p>↑ Cash generated from financing activities increased by \$1.2 million mainly due to an increase in proceeds from the exercise of stock options.</p>	<p>↑ Cash generated from financing activities increased by \$1.9 million mainly due to increased proceeds from the exercise of stock options partially offset by lower proceeds from lease liabilities.</p>

### Contractual Obligations

As at September 30, 2024

	Payments due				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Leases	\$ 3,096	\$ 1,221	\$ 1,308	\$ 567	-
Trade payables and accrued charges	13,252	13,252	-	-	-
Other liabilities	2,501	-	2,501	-	-
<b>Total contractual obligations</b>	<b>\$ 18,849</b>	<b>\$ 14,473</b>	<b>\$ 3,809</b>	<b>\$ 567</b>	<b>-</b>

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

#### Total return swaps

The Company entered into total return swaps to manage our cash flow exposure arising from changes in our share price attributable to cash-settled RSUs. Details of the total return swaps as at September 30, 2024 are as follows:

#### Total return swaps

Date entered	Notional amount C\$ (expressed in millions)	Share price C\$	Number of units (expressed in millions)	Effective date	Expiration date
December 2022	\$2.4	\$4.21	0.6	December 2022	December 2025
November 2023	\$2.0	\$5.78	0.4	December 2023	December 2026

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### DISCLOSURE OF OUTSTANDING SHARE DATA

Number of shares issued and outstanding (in thousands)	September 30, 2024	November 20, 2024
Common shares	74,002	74,002
Restricted shares	(101)	(101)
Preferred shares	-	-
Total contributed equity	73,901	73,901

#### Stock options

At September 30, 2024, stock options issued and outstanding totaled 2.4 million (September 30, 2023 – 3.6 million) and 2.2 million (September 30, 2023 – 3.2 million) were exercisable for common shares of the Company.

#### RSUs

At September 30, 2024, RSUs issued and outstanding totaled 1.2 million (September 30, 2023 – 0.8 million) and 0.3 million (September 30, 2023 – 0.2 million) were vested but unsettled.

#### Dividends

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

### 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 2024			Fiscal 2023		
	Consolidated Balance Sheet	Consolidated Statement of Operations and Comprehensive Income or loss		Consolidat- ed Balance Sheet	Consolidated Statement of Operations and Comprehensive Income or loss	
	Current	Average	Cumulative Average	Current	Average	Cumulative Average
December 31	\$ 0.7561	\$ 0.7343	\$ 0.7343	0.7383	0.7364	0.7364
March 31	\$ 0.7380	\$ 0.7414	\$ 0.7378	0.7389	0.7398	0.7381
June 30	\$ 0.7306	\$ 0.7308	\$ 0.7355	0.7553	0.7445	0.7402
September 30	\$ 0.7408	\$ 0.7333	\$ 0.7349	0.7396	0.7456	0.7415

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### 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 months and year ended September 30, 2024.

	Three months ended September 30			
	2023	2024	2024	2024
	(as reported)	(as reported)	(FX impact)	(current period amounts applying prior period FX rate)
<b>Consolidated Statement of Operations</b>				
Revenues	\$ 42,189	\$ 45,622	\$ (147)	\$ 45,769
Transaction costs	\$ 31,023	\$ 33,601	\$ (118)	\$ 33,719
Operating expenses	\$ 10,860	\$ 12,632	\$ (75)	\$ 12,707
Net income (loss)	\$ 1,622	\$ (156)	\$ 42	\$ (198)
Net Revenue <sup>(A)</sup>	\$ 11,166	\$ 12,021	\$ (29)	\$ 12,050
Adjusted EBITDA <sup>(A)</sup>	\$ 594	\$ 560	\$ 31	\$ 529
Adjusted Net Income <sup>(A)</sup>	\$ 840	\$ 910	\$ 33	\$ 877
<b>Year ended September 30</b>				
	2023	2024	2024	2024
	(as reported)	(as reported)	(FX impact)	(current year amounts applying prior year FX rate)
<b>Consolidated Statement of Operations</b>				
Revenues	\$ 163,914	\$ 172,722	\$ (302)	\$ 173,024
Transaction costs	\$ 120,899	\$ 126,358	\$ (244)	\$ 126,602
Operating expenses	\$ 46,751	\$ 47,268	\$ (154)	\$ 47,422
Net (loss) income	\$ (6,196)	\$ 18	\$ 87	\$ (69)
Net Revenue <sup>(A)</sup>	\$ 43,015	\$ 46,364	\$ (58)	\$ 46,422
Adjusted EBITDA <sup>(A)</sup>	\$ (2,359)	\$ 1,850	\$ 71	\$ 1,779
Adjusted Net (Loss) Income <sup>(A)</sup>	\$ (2,189)	\$ 2,665	\$ 73	\$ 2,592

## 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 value for derivatives and financial instruments and the likelihood of realizing deferred income tax assets. Estimates and judgments are based on our 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.

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### 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 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 segment.

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

### 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

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loss carryforwards in Canada prior to their expiry. Unutilized loss carryforwards in the U.S. 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, \$10.9 million at September 30, 2024. 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, assessing provisions, estimating the likelihood of collection to determine our allowance for doubtful accounts, the fair value of derivatives and 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.

## 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.

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

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

### Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 - "Presentation and Disclosure in Financial Statements" to achieve more transparent and comparable information of the financial performance of similar entities. IFRS 18 introduces new requirements and guidance on presentation and disclosure in the financial statements including the following:

- requirements to improve the structure and comparability of the income statement through the presentation of income and expenses within five defined categories – operating, investing, financing, income tax and discontinued operations. Entities will also be required to present new defined subtotals, including operating profit;
- introduction of disclosures about management-defined performance measures to be explained and included in a separate note to the financial statements;
- enhanced guidance on organizing information and whether to provide information in the financial statements or the notes while ensuring material information is not obscured;
- improved transparency about operating expenses.

IFRS 18 replaces IAS 1 "Presentation of Financial Statements" but carries forward many requirements from IAS 1 unchanged. The standard is effective for annual reporting periods beginning on or after January 1, 2027, but earlier application is permitted. We are currently assessing the impact of this standard on our financial statements and expect to apply this standard on October 1, 2027.

### Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)" to address matters identified during the post-implementation review of classification and measurement requirements of IFRS 9 - "Financial Instruments". The IASB provided clarification to improve the understandability of the following: derecognition of a financial liability settled through electronic transfer, classification of certain financial assets

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and disclosures related to investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026 on a retrospective basis but restatement of prior periods is not required. We expect to apply these amendments on October 1, 2026, and we are currently assessing the 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, trade and other receivables and when and as applicable, total return swaps. In all instances, our risk management objective, whether of credit, liquidity, market, equity or otherwise, is to mitigate our risk exposures to a level consistent with our risk tolerance.

#### *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 consolidated statements of financial position as at September 30, 2024, \$49.1 million (September 30, 2023 - \$42.3 million). We hold no collateral or other credit enhancements as security over our cash or cash equivalent balances, 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 consolidated statements of financial position as at September 30, 2024, \$13.3 million (September 30, 2023 - \$15.3 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 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 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 September 30, 2024 were not considered significant.

#### *Total return swaps*

Our maximum exposure to credit risk, when and as applicable, is equal to the estimated fair value of total return swaps recorded to other assets on our consolidated statements of financial position. We hold no collateral or other credit enhancements as security over these agreements. We deem the agreements' credit quality to be high due to our assessment of the counterparty to this agreement and no amounts are either past due or impaired.

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### 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, equity 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 a party to any FX agreements. Accordingly, we are exposed to currency risk in 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 use of 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.

We are exposed to equity price risk related to certain share-based compensation plans that are accounted for as liabilities. We have entered into total return swap agreements with terms to match the vesting period of the corresponding awards to reduce this exposure.

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, 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 counterparties 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.

The total return swaps are recorded at their estimated fair value based on quotes received from the financial institution that is the counterparty to the agreements. We verify the reasonableness of the quotes by comparing them to share price movement adjusted for interest using a market rate of interest specific to the terms of the underlying contract. As at September 30, 2024 there were two total return swaps outstanding. Accordingly, the risk of having a material impact on the determination of fair value using different assumptions and or estimation methods is expected to be unlikely.

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

## CONTINGENCIES

From time to time, we are involved in legal proceedings, claims and litigation in the ordinary course of business with customers, former employees and other parties. Although it is not possible to determine the outcome of such matters, based on all currently available information, we believe that our liabilities, if any, arising from such matters will not have a material adverse effect on our consolidated financial position or results of operations and have been adequately provided for in the consolidated financial statements.

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In the ordinary course of business, we are subject to tax audits from various government agencies relating to income and commodity taxes. As a result, from time to time, the tax authorities may disagree with the positions and conclusions we made in our tax filings, which could lead to assessments and reassessments. These assessments and reassessments may have a material adverse effect on our consolidated financial position or results of operations.

### FINANCIAL INFORMATION CONTROLS AND PROCEDURES

#### Disclosure controls and procedures

Our disclosure controls and procedures are designed to provide reasonable assurance that the information we are required to disclose in reports filed or submitted under Canadian securities laws is recorded, processed, summarized and reported within the time periods specified under those laws, and include controls and procedures that are designed to ensure that the information is accumulated and communicated to management, including our Chief Executive Officer ("CEO") and Executive Vice-President and Chief Financial Officer ("CFO"), to allow for timely decisions in respect of these requirements.

As at September 30, 2024, management evaluated, under the supervision of, and with the participation of, the CEO and the CFO, the effectiveness of our disclosure controls and procedures, as defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109").

Based on that evaluation, the CEO and CFO concluded that our disclosure controls and procedures were effective as at September 30, 2024.

#### Internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in NI 52-109. Our internal control over financial reporting is a process designed under the supervision of the CEO and CFO, and effected by the board of directors, management and other personnel of the Company, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. However, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis.

Management evaluated, under the supervision of and with the participation of the CEO and the CFO, the effectiveness of our internal control over financial reporting as at September 30, 2024, based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on that evaluation, the CEO and CFO concluded that our internal control over financial reporting was effective as at September 30, 2024.

There have been no changes during the year ended September 30, 2024 in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

### 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.

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The forward-looking information in this MD&A includes, but is not limited to, statements related to:

- our business prospects, goals and Target Operating Model;
- our expectations regarding certain of our future results and information, including, among others, Net Revenue<sup>(A)</sup> margin, Adjusted EBITDA<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margin for our U.S. Appraisal and U.S. Title segments under our Target Operating Model;
- the key factors that have a significant impact on our financial performance;
- anticipated economic conditions, including the market activity for purchase, refinance, home equity, REO 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 and cyclicity of our business;
- the factors influencing the allocation of transaction volumes to us;
- our expectation regarding legal proceedings, claims and litigation arising in the ordinary course of business; and
- our intentions with respect to the implementation of new accounting standards.

In addition, our assessment of, and targets for Net Revenue<sup>(A)</sup> margins, Adjusted EBITDA<sup>(A)</sup> and Adjusted EBITDA<sup>(A)</sup> margins for our U.S. Appraisal and U.S. Title segments in our Target Operating Model 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.

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, 2023, which is filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca):

### *Strategic Risks*

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

### *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 legal and regulatory proceedings and claims;
- risks associated with the potential reclassification of exempt employees and field professionals;
- 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;

## Real Matters Inc. – MD&A for the years ended September 30, 2024 and 2023

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

### *Financial and Reporting Risks*

- 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.

### **Glossary**

Tier 1 means the top five U.S. banks by asset size as at June 30, 2022, 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 2022).

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 2022), 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 2022), 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.

# Independent Auditor's Report

To the Shareholders and the Board of Directors of Real Matters Inc.

## Opinion

We have audited the consolidated financial statements of Real Matters Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2024 and 2023, and the consolidated statements of operations and comprehensive income (loss), equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

## Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended September 30, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### **Revenue Recognition – Refer to Notes 2 and 16 to the financial statements**

#### *Key Audit Matter Description*

The Company generates most of its revenue by providing residential mortgage appraisals through its technology-based platform, title services, and search services to the mortgage lending industries in the United States of America. The Company also generates revenue by providing residential mortgage appraisals through its technology-based platform to the mortgage lending industries in Canada. Revenue is recognized at a point in time when the performance obligation associated with the order is satisfied. For residential mortgage appraisals, the Company recognizes revenue when the appraisal report is delivered to the client. Title revenues are recorded when a transaction closes or when the documents are submitted to the county for recording. Title search revenues are recorded when the report is delivered to the client.

Revenue from residential mortgage appraisals, title services, and search services is a key audit matter due to the significant audit effort required in performing audit procedures related to Company's revenue recognition due to the volume of data as well as the various sources of evidence required to support each transaction.

#### *How the Key Audit Matter was Addressed in the Audit*

Our audit procedures related to revenue included the following, among others:

- Tested the operating effectiveness of internal controls relating to revenue; and
- On a sample basis, evaluated revenue by tracing samples to pricing agreements or other evidence of customer approval of pricing adjustments, reconciliations to cash receipts, evidence of delivery of finalized mortgage appraisal reports or signed title documents, and when applicable independent searches.

## Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Dominic Di Giacomo.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants

November 20, 2024

# Real Matters Inc.

## Consolidated Statements of Financial Position

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

	2024	2023
<b>ASSETS</b>		
CURRENT		
Cash and cash equivalents	\$ 49,143	\$ 42,341
Trade and other receivables (Note 13)	13,336	15,295
Income taxes recoverable	81	181
Prepaid expenses	3,110	3,499
	<b>65,670</b>	<b>61,316</b>
NON-CURRENT		
INTANGIBLES	2,855	4,004
GOODWILL (Note 4)	43,181	43,181
PROPERTY AND EQUIPMENT	2,989	3,816
OTHER ASSETS (Note 13)	2,903	813
DEFERRED TAX ASSETS (Note 14)	16,682	15,608
	<b>68,610</b>	<b>67,422</b>
<b>TOTAL ASSETS</b>	<b>\$ 134,280</b>	<b>\$ 128,738</b>
<b>LIABILITIES</b>		
CURRENT		
Trade payables	\$ 10,205	\$ 9,354
Accrued charges	3,047	3,195
Lease liabilities	1,085	1,670
	<b>14,337</b>	<b>14,219</b>
NON-CURRENT		
OTHER LIABILITIES (Note 10)	2,501	508
LEASE LIABILITIES	1,738	2,433
	<b>4,239</b>	<b>2,941</b>
<b>TOTAL LIABILITIES</b>	<b>18,576</b>	<b>17,160</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 12)</b>		
<b>EQUITY</b>		
SHAREHOLDERS' EQUITY (Note 5)		
Common shares	232,554	228,448
Restricted shares (Notes 5 and 10)	(311)	(311)
Contributed surplus	13,926	14,154
Accumulated deficit	(120,934)	(120,952)
Accumulated other comprehensive loss	(9,531)	(9,761)
	<b>115,704</b>	<b>111,578</b>
<b>TOTAL EQUITY</b>	<b>115,704</b>	<b>111,578</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 134,280</b>	<b>\$ 128,738</b>

Signed on behalf of the Board of Directors:

Jason Smith (signed) – Chairman

Garry M. Foster (signed) – Audit Committee Chair

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

# Real Matters Inc.

## Consolidated Statements of Operations and Comprehensive Income (Loss)

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars except outstanding share and net income or loss per share amounts)

	2024	2023
REVENUES (Note 16)	\$ 172,722	\$ 163,914
TRANSACTION COSTS	126,358	120,899
OPERATING EXPENSES (Note 7)	47,268	46,751
AMORTIZATION	3,157	3,877
RESTRUCTURING EXPENSES	-	1,703
INTEREST EXPENSE	346	283
INTEREST INCOME	(1,779)	(825)
NET FOREIGN EXCHANGE LOSS	244	1,186
GAIN ON FAIR VALUE OF DERIVATIVES (Note 13)	(2,072)	(815)
LOSS BEFORE INCOME TAX RECOVERY	(800)	(9,145)
INCOME TAX (RECOVERY) EXPENSE (Note 14)		
Current	259	494
Deferred	(1,077)	(3,443)
TOTAL INCOME TAX RECOVERY	(818)	(2,949)
NET INCOME (LOSS)	18	(6,196)
OTHER COMPREHENSIVE INCOME		
Items that will be reclassified to net income or loss:		
Foreign currency translation adjustment	230	1,192
COMPREHENSIVE INCOME (LOSS)	\$ 248	\$ (5,004)
NET INCOME (LOSS) - ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 18	\$ (6,173)
NET LOSS - ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	\$ -	\$ (23)
COMPREHENSIVE INCOME (LOSS) - ATTRIBUTABLE TO COMMON SHAREHOLDERS	\$ 248	\$ (4,981)
COMPREHENSIVE LOSS - ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	\$ -	\$ (23)
Net income (loss) per weighted average share, basic (Note 6)	\$ 0.00	\$ (0.08)
Net income (loss) per weighted average share, diluted (Note 6)	\$ 0.00	\$ (0.08)
Weighted average number of shares outstanding (thousands), basic (Note 6)	73,183	72,763
Weighted average number of shares outstanding (thousands), diluted (Note 6)	73,774	72,763

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

# Real Matters Inc.

## Consolidated Statements of Cash Flows

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars)

	2024	2023
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING</b>		
<b>OPERATING</b>		
Net income (loss)	\$ 18	\$ (6,196)
Items not affecting cash:		
Stock-based compensation (Note 10)	2,754	1,377
Amortization of intangibles	1,672	1,485
Amortization of property and equipment	1,485	2,392
Interest expense	346	283
Gain on fair value of derivatives (Note 13)	(2,072)	(815)
Income tax recovery	(818)	(2,949)
Unrealized foreign exchange loss on internal financing arrangements	121	1,086
Changes in non-cash working capital items (Note 8)	2,448	636
Interest paid	(346)	(283)
Income taxes (paid) recovered	(159)	420
<b>Cash generated from (utilized in) operating activities</b>	<b>5,449</b>	<b>(2,564)</b>
<b>INVESTING</b>		
Intangible asset additions	(522)	(496)
Property and equipment additions	(259)	(534)
Payments received from sublease	612	231
<b>Cash utilized in investing activities</b>	<b>(169)</b>	<b>(799)</b>
<b>FINANCING</b>		
Proceeds from lease liabilities (Note 9)	-	392
Repayment of lease liabilities (Note 9)	(1,677)	(1,545)
Proceeds from the exercise of stock options	3,101	858
Purchase of common shares and related costs	-	(11)
Dividends paid to non-controlling interests	-	(139)
Cash generated from (utilized in) financing activities	1,424	(445)
Effect of foreign currency translation on cash and cash equivalents	98	7
<b>NET CASH INFLOW (OUTFLOW)</b>	<b>6,802</b>	<b>(3,801)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>42,341</b>	<b>46,142</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 49,143</b>	<b>\$ 42,341</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
Cash and cash equivalents are comprised of:		
Cash	\$ 3,089	\$ 10,118
Cash equivalents	46,054	32,223
	<b>\$ 49,143</b>	<b>\$ 42,341</b>

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



# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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### 1. Nature of Operations

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

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

### 2. Basis of Presentation and Material Accounting Policies

#### Statement of compliance

The consolidated financial statements ("financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the board of directors on November 20, 2024.

#### Basis of presentation

The financial statements are presented in thousands of U.S. dollars and have been prepared applying the historical cost method, except for certain financial instruments which are measured at fair value. Historical cost reflects the fair value of consideration exchanged for an asset on the date it was acquired or owed for a liability on the date it was assumed.

The material accounting policies and methodologies outlined below have been applied consistently and for all periods presented in these financial statements.

#### Basis of consolidation

These financial statements include the accounts of the Company and subsidiaries controlled by the Company. The Company is deemed to control a subsidiary when it is exposed to, or has the right to, variable returns from its involvement with an investee and it has the ability to direct the activities of the investee that significantly affects the investee's returns through its power over the subsidiary. Where the Company's interest in a subsidiary is less than one hundred percent, the Company recognizes a non-controlling interest in the investee. All intercompany transactions, balances, revenues and expenses are eliminated on consolidation.

The carrying amount of non-controlling interests is the amount recognized initially, plus the non-controlling interests' share of subsequent changes in the capital of the company and changes in ownership interests, if any. Total comprehensive income or loss is attributed to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The financial statements of controlled entities are included in these financial statements from the date control is effective until the date control ceases.

#### Functional and presentation currency

The Company's functional currency is the Canadian dollar. Accordingly, its financial position, results of operations, cash flows and equity are consolidated in Canadian dollars.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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The Company translates its U.S. subsidiaries' assets and liabilities to Canadian dollars from their functional currency of U.S. dollars using the exchange rate in effect at the date the statement of financial position is presented. Revenues and expenses from the Company's U.S. subsidiaries are translated to Canadian dollars at the average monthly exchange rate in effect during the year. The resulting translation adjustments are included in other comprehensive income or loss.

The Company has elected to report its financial results in U.S. dollars. Accordingly, the Company's consolidated statements of financial position are translated from Canadian to U.S. dollars at the foreign currency exchange rate in effect at the date the statement of financial position is presented. Certain transactions affecting shareholders' equity and the statements of cash flows are translated at their historical foreign currency exchange rates or at the foreign currency exchange in effect at the time of the transaction, respectively. The consolidated statements of operations and comprehensive income or loss and consolidated statements of cash flows, excluding certain transactions, are translated to U.S. dollars applying the average foreign currency exchange rate in effect during the reporting period and the resulting translation adjustments are included in other comprehensive income or loss. Reporting the Company's financial results in U.S. dollars reduces the impact foreign currency fluctuations have on its reported amounts because the Company's operations are larger in the U.S. than they are in Canada. The Company remains a legally domiciled Canadian entity and its functional currency is the Canadian dollar. Translating the Company's U.S. financial position, results of operations and cash flows into Canadian dollars, the Company's functional currency, and re-translating these amounts to U.S. dollars, the Company's reporting currency, has no translation impact on the Company's financial statements. Accordingly, U.S. results retain their original values when expressed in the Company's reporting currency.

Monetary assets and liabilities denominated in foreign currencies, including certain long-term financing arrangements between Canadian and U.S. entities within the consolidated group of companies that are not considered part of the net investment in a foreign operation and that are different from the Company's functional currency, are translated to the Company's functional currency applying the foreign exchange rate in effect at the date the statement of financial position is presented. Realized and unrealized foreign currency differences are recognized in the consolidated statement of operations and comprehensive income or loss.

Exchange differences on monetary assets and liabilities receivable or payable with a foreign operation, for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in a foreign operation, are recognized initially in other comprehensive income or loss and presented within equity. The cumulative amount of the resulting exchange differences recorded to other comprehensive income or loss, are reclassified from equity to the consolidated statements of operations and comprehensive income or loss on settlement.

### Summary of material accounting policies

#### Cash and cash equivalents

Cash and cash equivalents include short-term investments in highly liquid marketable securities, which have a term to maturity of three months or less.

Included in cash is \$2,135 (2023 - \$2,067) set aside by the Company to demonstrate that it has sufficient liquidity to support a county title license for the conduct of business in the state of California. Additionally, included in cash is \$3,381 (2023 - \$1,806) set aside by the Company to demonstrate that it has sufficient liquidity to support the settlement of its total return swap arrangement.

The Company's residential real estate title services requires it to hold cash in escrow accounts that it does not own. Accordingly, cash held in escrow, including escrow receivables and escrow liabilities, are not recorded as assets or liabilities on the Company's consolidated statements of financial position. All cash held in escrow is deposited in non-interest bearing bank accounts.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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### Goodwill

Goodwill represents the difference between consideration and the fair value of the net identifiable assets acquired in a business combination. Goodwill is recorded at cost less accumulated impairment losses, if any. Goodwill is not amortized and is allocated to each of the Company's cash-generating units ("CGU" or "CGUs") or group of CGUs that benefit from the acquisition, irrespective of whether other assets or liabilities acquired are assigned to those units. For the purpose of goodwill impairment testing the Company's CGUs represent its operating segments which is consistent with the level goodwill is monitored.

Goodwill is tested annually for impairment, or more frequently when there is an indication that goodwill may be impaired. If the recoverable amount of the CGU, representing the higher of its fair value less cost to sell ("FVLCS") and its value in use, is less than its carrying amount, any resulting impairment loss is first allocated to goodwill and subsequently to other assets of the CGU on a pro rata basis. Any goodwill impairment loss is recorded to the consolidated statements of operations and comprehensive income or loss in the period of impairment. Previously recognized impairment losses for goodwill are not reversed in subsequent periods.

Upon disposal of a CGU or group of CGUs, the portion of goodwill attributable to the CGU is included in the determination of profit or loss recorded to the consolidated statements of operations and comprehensive income or loss.

Goodwill is tested for impairment annually on June 30th.

### Income taxes

Income tax expense or recovery is comprised of current and deferred income tax which is recognized in the consolidated statements of operations and comprehensive income or loss, except for income taxes attributable to a business combination or equity transaction.

Current income tax represents the expected amounts payable or receivable as a result of taxable income or loss generated by the Company in the period applying enacted or substantively enacted tax rates, at the reporting date. Current income taxes may include prior period adjustments to income taxes payable or receivable.

Deferred income tax is recognized applying the liability method, which recognizes the temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their equivalent tax bases. 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 impacts neither accounting income nor taxable income or loss. Deferred income tax assets and liabilities are measured applying tax rates that have been enacted or substantively enacted at the reporting date and are expected to be in effect when the temporary differences reverse.

Deferred income tax assets are recognized when it is probable that future taxable income will be available to realize the benefit of the deferred tax asset. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realized. The related tax benefit is subsequently increased only when the probability of future taxable income is present. Deferred income tax liabilities are not recognized on temporary differences that arise from goodwill that is not deductible for tax purposes.

Deferred income tax assets and liabilities are offset when the entity has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or different taxable entities when there is an intention to either settle current income tax liabilities on a net basis or realize the tax assets and settle tax liabilities simultaneously in a future period.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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### Revenues

The Company evaluates whether the contracts it enters meet the definition of a contract with a customer at contract inception and recognizes revenue when control of the goods or services has been transferred. Revenue is measured based on the consideration the Company expects to be entitled to in exchange for transferring goods or services to a customer. When applicable, the Company excludes amounts collected on behalf of third-parties from revenue when it does not control the goods or services before they are transferred to a customer, since it is acting as an agent rather than a principal to the transaction. The Company has determined that no significant financing component exists between the date a promised good or service is transferred to a customer and the date the customer pays for that good or service, when the period is one year or less.

The Company records revenue at a point in time, unless otherwise indicated below.

#### *Residential Mortgage Appraisals*

The Company provides residential mortgage appraisals through its technology-based platform (the "Platform") and network of independent qualified field professionals. Revenue is derived from transaction fees earned from mortgage lenders on residential appraisal products such as complete home appraisals, a broker price opinion, property condition reports, property evaluation reports, desktop appraisals and automated valuation model reports. The Company recognizes revenue when the appraisal report is delivered to its client.

#### *Title Services*

The Company provides title services to residential clients which include title search procedures for title insurance policies, curative, escrow and other closing services. Title revenues, which are recorded exclusive of amounts remitted to third-party insurance underwriters and certain work performed by attorneys in attorney work share states, are recorded when a transaction closes. Recording services are recognized as revenue when the documents are submitted to the county for recording.

#### *Insurance Inspection*

The Company provides insurance inspection services to property and casualty insurers through the Platform. The Company records revenue when the insurance inspection report is delivered to the client.

#### *Software Services*

The Company provides three hosted software solutions. Contracts for these services are generally term-based ranging from one to three years. On-going service fee revenues are recognized as services are provided. Any usage-based fees and minimum transaction fees are recognized monthly as services are provided over the term of the arrangement.

#### *Contract Costs*

Incremental costs to obtain customer contracts include commissions that are incurred in connection with obtaining the contract. As a practical expedient, the Company recognizes the incremental costs to obtain a contract as an immediate expense if the amortization period of the asset is one year or less.

The Company manages and reviews its operations by geographical location and service type. For detailed information about the Company's reportable segments and disaggregated revenue, see Note 16.

### Transaction costs

Transaction costs represent 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.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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### Provisions

Provisions are recognized when it is probable that the Company is required to settle an obligation (legal or constructive), as a result of a past event, and the obligation can be reliably estimated. The provision represents the Company's best estimate of the amounts required to settle the obligation at the end of the reporting period. When a provision is determined applying a measure of cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the impact of the time value of money is material). When some or all of the amounts required to settle a provision are expected to be recoverable from a third-party, a receivable is recognized when it is virtually certain that reimbursement is receivable and the expected reimbursement can be reliably measured.

### Financial instruments

Financial assets and financial liabilities, including derivatives and embedded derivatives in certain contracts, are recognized in the consolidated statements of financial position when the Company becomes party to the contractual provisions of a financial instrument or non-financial derivative contract.

#### *Classification and Measurement*

The Company classifies and measures financial assets based on their contractual cash flow characteristics and the Company's business model for the financial asset. A financial asset is classified and measured at: amortized cost; fair value through other comprehensive income ("FVOCI"); or fair value through profit and loss ("FVPL").

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVPL:

- it is held within a business whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified and measured at amortized cost or FVOCI are classified and measured at FVPL, which includes all derivative financial assets. On initial recognition, a financial asset that meets the measurement requirements of amortized cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets classified and measured at amortized cost are subsequently measured applying the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment losses, are recognized in the consolidated statements of operations and comprehensive income or loss. Financial assets are derecognized when the contractual rights to receive cash flows and benefits from the financial asset expire, or if the Company transfers control or substantially all the risks and rewards of ownership to another party. Any resulting gain or loss on derecognition is recorded to the consolidated statements of operations and comprehensive income or loss in the period of derecognition.

Financial assets classified and measured at FVPL are subsequently measured at fair value at each reporting date. Net gains and losses, including any interest or dividend income, are recorded to the consolidated statements of operations and comprehensive income or loss.

Financial liabilities are classified and measured as either amortized cost or FVPL. Derivatives embedded in contracts where the host is a financial asset within the scope of the standard are not separated, and the hybrid financial instrument is assessed for classification as a whole. Financial liabilities are derecognized when obligations under the contract expire, are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recorded to the consolidated statements of operations and comprehensive income or loss in the period of derecognition.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

Below is a summary showing the measurement categories of the Company's financial assets and liabilities.

Financial assets and liabilities	Measurement Category
Cash and cash equivalents	Amortized cost
Trade and other receivables	Amortized cost
Other assets - total return swaps	FVPL
Trade payables	Amortized cost
Accrued charges	Amortized cost

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than financial assets and financial liabilities classified as FVPL, are added to or deducted from the fair value of financial assets or financial liabilities, as appropriate. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVPL are expensed to the consolidated statements of operations and comprehensive income or loss.

### *Costs of issuing debt and equity*

The cost of issuing debt is included as part of long-term debt and is accounted for at amortized cost applying the effective interest method. When long-term debt amounts are nil, but amounts are still available to be drawn, costs of issuing debt are reclassified to other assets in the consolidated statements of financial position. The cost of issuing equity is reflected as a direct charge to common shares.

### *Derivative financial instruments*

The Company has entered into total return swaps to manage the Company's cash flow exposure arising from changes in its share price attributable to cash-settled restricted share units ("RSUs") and has elected not to apply hedge accounting to this derivative financial instrument. The Company may enter into foreign currency exchange agreements from time-to-time as part of its strategy to manage foreign currency exposure. The Company does not hold or issue derivative financial instruments for trading purposes. Derivatives, including derivatives that are embedded in financial or non-financial contracts where the host contract is not a financial asset, are measured at their estimated fair values. Gains or losses on financial instruments measured at their estimated fair values are recorded to the consolidated statements of operations and comprehensive income or loss in the periods in which they arise, with the exception of gains and losses on certain financial instruments that are part of a designated hedging relationship.

### *Fair value*

Fair value represents the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company classifies its fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making such measurements. IFRS establishes a fair value hierarchy based on the level of independent, objective evidence applied to measure fair value. Financial assets or financial liabilities are categorized within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. An entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following three levels of inputs are applied to measure fair value:

- Level 1 – quoted prices in active markets for identical assets or liabilities
- Level 2 – observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted market prices in markets that are not active, or model derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability
- Level 3 – unobservable inputs that are supported by little or no market activity

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

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### Impairment

#### *Financial assets*

The impairment of financial assets is based on an expected credit loss ("ECL") model. The ECL model applies to financial assets measured at amortized cost and requires the Company to consider factors that include past events, current conditions and forecasts of future economic conditions.

Loss allowances are measured on either of the following bases:

- *12-month ECLs*: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- *lifetime ECLs*: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company elects to measure loss allowances for trade and other receivables at an amount equal to lifetime ECLs applied at each reporting date. The Company determines ECLs on trade and other receivables using a provision matrix based on historical credit loss experience to estimate lifetime ECLs adjusted for estimated changes to credit risks and forecasts of future economic conditions.

Impairment losses are recorded to operating expenses in the consolidated statement of operations and comprehensive income or loss with the carrying amount of the financial asset or group of financial assets reduced through the use of impairment allowance accounts. When an impairment loss has decreased in a subsequent period, and such decrease can be related objectively to conditions and changes in factors occurring after the impairment was initially recognized, the previously recognized impairment loss is immediately reversed in the consolidated statements of operations and comprehensive income or loss. The reversal of an impairment loss may not exceed the amortized cost had no impairment loss been recognized.

#### *Non-financial assets*

The carrying value of property and equipment and intangibles are reviewed at each reporting period to determine if indicators of impairment exist. If any such indicators exist, the asset's recoverable amount is estimated.

For the purpose of impairment testing, the recoverable amount is determined for an individual asset or are grouped together into CGUs, representing the smallest group of assets that generates independent cash inflows. If the carrying amount of the asset or CGU exceeds its recoverable amount, an impairment loss is recognized in the consolidated statements of operations and comprehensive income or loss as a reduction in the carrying amount of the asset to its recoverable amount. The recoverable amount of an asset or CGU is the higher of its FVLCS and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairments of non-financial assets recognized in a prior period are re-assessed at the end of each reporting period to determine if indicators of impairment have reversed or no longer exist. An impairment loss is reversed if the estimated recoverable amount exceeds the asset or CGU's carrying amount. The reversal of an impairment loss may not exceed the carrying amount, net of amortization, of the asset or CGU had no impairment loss been recognized.

### Stock-based payments

The Company grants equity-settled stock options under its stock-based compensation plan. The fair value of stock options at the grant date is estimated using the Black-Scholes-Merton option pricing model and is subject to the satisfaction of certain vesting conditions. Uncertain vesting conditions do not result in compensation expense being recognized until they are satisfied or deemed to be probable of satisfaction. Stock-based compensation expense is recorded to the consolidated statements of operations and comprehensive income

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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or loss over the vesting period based on the estimated number of stock options expected to vest with a corresponding increase to shareholders' equity. Management's estimate of the number of awards expected to vest occurs at the time of grant and at each reporting date up to the vesting date. The estimated forfeiture rate is adjusted for actual forfeitures in the period they occur.

### Restricted share units

RSUs issued by the Company that are substantially settled in the Company's common shares are accounted for as equity-settled awards.

The fair value of an equity-settled RSU is measured at the grant date price of the Company's common shares and compensation expense is recorded to the consolidated statements of operations and comprehensive income or loss over the vesting period with a corresponding increase to shareholders' equity.

RSUs issued by the Company that are substantially settled in cash are accounted for as liabilities.

The Company uses the Black-Scholes-Merton pricing model to estimate the fair value of cash-settled RSUs. Compensation expense or recovery represents the change in the estimated fair value of the cash-settled RSUs at each reporting period multiplied by the percentage of the service period satisfied at the reporting date. Compensation expense or recovery is recorded to the consolidated statement of operations and comprehensive income or loss as operating expenses.

Management estimates the forfeiture rate for RSUs at the time of grant and at each reporting date up to the vesting date. The estimated forfeiture rate is adjusted to actual forfeitures in the period they occur.

The Company established a trust to hold common shares purchased in the open market for certain Canadian participants until each RSU vests and the award is settled. The Company is the sponsor of the trust and has assigned a trustee to carry out the trusts' custodial duties. The trust is considered a structured entity which is consolidated in the Company's financial statements. The cost of common shares purchased in the open market are recorded at book value to restricted shares in the consolidated statements of equity with any resulting premium or deficit recorded to accumulated deficit until the common shares are issued to settle the RSU obligation.

### Net income or loss per share

Basic net income or loss per share is calculated by dividing net income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the reporting period. Diluted net income or loss per share is calculated by dividing the net income or loss attributable to common shareholders of the Company by the weighted average number of shares outstanding adjusted for all potentially dilutive equity instruments, comprising stock options and equity-settled RSUs.

### Operating segments

An operating segment is a component of the Company that engages in business activities. An operating segment may earn revenues and incur expenses, including revenues and expenses incurred by virtue of activities with any of the Company's other operations. An operating segment has discrete financial information available which is regularly reviewed by the Company's Chief Operating Decision Maker ("CODM") to assess performance or make resource allocation decisions.

### Significant judgments, estimates and assumptions

The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and the accompanying underlying assumptions are reviewed at least annually or more frequently as required. Revisions

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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to accounting estimates are recognized in the period of revision, which may impact future reporting periods. Areas that are subject to judgment and estimate include revenue recognition, the identification of CGUs, impairment of goodwill and non-financial assets, the determination of fair value for financial instruments, stock-based payments, including RSUs, the likelihood of realizing deferred income tax assets, provisions and contingencies.

### **Critical accounting judgments and estimates**

Management believes the following accounting policies are subject to the most critical judgments and estimates and could have the most significant impact on the amounts recognized in these financial statements.

#### *(a) Revenues – satisfaction of performance obligations*

The satisfaction of performance obligations requires management 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. Management considers 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 substantively all of the benefits.

#### *(b) Revenues – agent versus principal*

The Company uses judgment in its assessment of whether it is acting as an agent or principal to a transaction. When the Company is not primarily responsible for fulfilling the obligation to provide a specified good or service and does not have discretion to establish price, it is acting as an agent to the transaction. The Company is acting as a principal when it controls the deliverables prior to delivery to the customer and establishes pricing.

#### *(c) Identification of CGUs*

The Company has allocated its tangible assets, intangible assets and goodwill to the smallest identifiable group of assets that generate cash inflows and that are largely independent of cash inflows derived from other assets. The determination of CGUs or groups of CGUs for the purpose of annual impairment testing requires judgment.

#### *(d) Impairment of goodwill and non-financial assets*

Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of property and equipment and intangible assets is reviewed each reporting period to determine whether impairment indicators exist. The recoverable amount attributable to a CGU or non-financial asset is the higher of FVLCS or value in use. The Company's determination of a CGU or non-financial assets recoverable amount applying FVLCS, uses market information to estimate the amount the Company could obtain from disposing of the CGU or non-financial asset in an arm's length transaction, less the estimated cost of disposal. The Company estimates value in use by discounting estimated future cash flows for the CGU or non-financial asset to its present value using a pre-tax discount rate reflecting a current market assessment of the time value of money and certain risks specific to the CGU or non-financial asset. Estimated cash flows are based on management's assumptions and business plans which are supported by internal strategies, plans and external information.

The estimated recoverable amount for a CGU or non-financial asset requires the use of significant estimates, including assembling appropriate market information, disposal costs, future cash flows, growth rates, and terminal and discount rates.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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*(e) Stock-based payments*

The Company uses the Black-Scholes-Merton option pricing model to estimate the fair value of stock-based compensation which requires the use of several input variables. These input variables are subject to estimate and changes in these inputs can materially affect the estimated fair value of stock-based compensation. The fair value reported may not represent the transaction value of stock-based compensation at the date of exercise.

*(f) Valuation of deferred income tax assets*

The Company assesses its ability to generate taxable income in future periods from its internal forecasts. Taxable income is adjusted to reflect certain non-taxable income and expense or the use of unused credits and tax losses. The Company's estimate of future taxable income, to determine the existence of a deferred tax asset, depends on many factors, including the Company's ability to generate income subject to tax in future periods and implement tax planning measures, including other substantive evidence. The occurrence or non-occurrence of certain future events may lead to significant changes in the measurement of deferred tax assets.

*(g) Provisions*

Due to the nature of provisions, there is a degree of uncertainty inherent in their measurement. Management uses its best efforts to estimate and provide for potential losses. Assumptions applied reflect the most probable set of economic conditions and planned courses of action by the Company.

*(h) Other*

Other areas where the Company employs judgment and estimates include, the determination of its allowance for doubtful accounts, financial instruments, its control assessment of subsidiaries and contingencies related to litigation, claims and assessments.

### 3. Recent Accounting Pronouncements

#### **Classification of Liabilities as Current or Non-Current**

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

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

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

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

### Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 - "Presentation and Disclosure in Financial Statements" to achieve more transparent and comparable information about the financial performance of similar entities. IFRS 18 introduces new requirements and guidance on presentation and disclosure in the financial statements including the following:

- requirements to improve the structure and comparability of the income statement through the presentation of income and expenses within five defined categories – operating, investing, financing, income tax and discontinued operations. Entities will also be required to present new defined subtotals, including operating profit;
- introduction of disclosures about management-defined performance measures to be explained and included in a separate note to the financial statements;
- enhanced guidance on organizing information and whether to provide information in the financial statements or the notes while ensuring material information is not obscured;
- improved transparency about operating expenses.

IFRS 18 replaces IAS 1 - "Presentation of Financial Statements" but carries forward many requirements from IAS 1 unchanged. The standard is effective for annual reporting periods beginning on or after January 1, 2027, but earlier application is permitted. The Company is currently assessing the impact of this standard on the financial statements and expects to apply this standard on October 1, 2027.

### Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)" to address matters identified during the post-implementation review of classification and measurement requirements of IFRS 9 – "Financial Instruments". The IASB provided clarification to improve the understandability of the following: derecognition of a financial liability settled through electronic transfer, classification of certain financial assets and disclosures related to investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026 on a retrospective basis but restatement of prior periods is not required. The Company expects to apply these amendments on October 1, 2026, and is currently assessing the impact on the Company's financial statements.

## 4. Goodwill

	<b>2024</b>		
	U.S. Appraisal	U.S. Title	Total
Cost			
Balance, beginning of year	\$ 43,181	\$ 17,296	\$ 60,477
Balance, end of year	\$ 43,181	\$ 17,296	\$ 60,477
Accumulated impairment			
Balance, beginning of year	\$ -	\$ 17,296	\$ 17,296
Balance, end of year	\$ -	\$ 17,296	\$ 17,296
Net carrying value, end of year	\$ 43,181	\$ -	\$ 43,181

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

					2023
	U.S. Appraisal		U.S. Title		Total
<b>Cost</b>					
Balance, beginning of year	\$	43,181	\$	17,296	\$ 60,477
Balance, end of year	\$	43,181	\$	17,296	\$ 60,477
<b>Accumulated impairment</b>					
Balance, beginning of year	\$	-	\$	17,296	\$ 17,296
Balance, end of year	\$	-	\$	17,296	\$ 17,296
Net carrying value, end of year	\$	43,181	\$	-	\$ 43,181

### Impairment testing

The Company determined the recoverable amount based on a FVLCS calculation for its U.S. Appraisal CGU. To determine FVLCS for the U.S. Appraisal CGU group, the Company applied market valuation multiples derived from merger and acquisition transactions for like or similar businesses, including the Company's historical acquisition data, to its last 12-month results of revenues less transaction costs and operating expenses.

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed its recoverable amount.

## 5. Shareholders' Equity

The authorized share capital of the Company consists of an unlimited number of common and preferred shares. At September 30, 2024 and 2023, no preferred shares were issued.

Details of the Company's common shares are as follows:

	2024	
	Number of shares	Amount
Balance, beginning of year	72,944	\$ 228,448
Common shares issued on the exercise of stock options (Note 10)	1,058	4,106
Balance, end of year	74,002	\$ 232,554
2023		
	Number of shares	Amount
Balance, beginning of year	72,696	\$ 227,285
Common shares issued on the exercise of stock options (Note 10)	251	1,172
Purchase of common shares	(3)	(9)
Balance, end of year	72,944	\$ 228,448

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

Details of the Company's restricted shares are as follows:

	2024		2023	
	Number of shares	Amount	Number of shares	Amount
Balance, beginning of year	(101)	\$ (311)	(101)	\$ (311)
Balance, end of year	(101)	\$ (311)	(101)	\$ (311)

### 6. Net Income (Loss) per Weighted Average Share

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

	2024		2023	
Net income (loss)	\$	18	\$	(6,196)
Net income (loss) attributable to common shareholders	\$	18	\$	(6,173)
Weighted average number of shares, basic		73,183		72,763
Dilutive effect of stock options and equity-settled RSUs		591		-
Weighted average number of shares, diluted		73,774		72,763
Net income (loss) per weighted average share, basic	\$	0.00	\$	(0.08)
Net income (loss) per weighted average share, diluted	\$	0.00	\$	(0.08)

At September 30, 2024, 1,115 (2023 - 3,758) stock options were excluded from the dilutive weighted average number of shares because their effect would have been anti-dilutive.

### 7. Operating Expenses

	2024		2023	
Operating expenses:				
Salaries and benefits	\$	36,651	\$	35,041
Office and computer		6,175		7,077
Professional fees		2,077		2,036
Sales and marketing		772		558
Travel and entertainment		677		549
Other		916		1,490
	\$	47,268	\$	46,751

For the year ended September 30, 2024, the Company recognized an expense of \$271 (2023 - \$212) to salaries and benefits for contributions made in connection with defined contribution retirement plans.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

### 8. Changes in Non-Cash Working Capital Items

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

Inflow (outflow)	2024		2023	
Trade and other receivables	\$	1,348	\$	4,994
Prepaid expenses		389		(865)
Trade payables		851		(2,515)
Accrued charges		(148)		(1,074)
Effect of foreign currency translation adjustments and other non-cash changes		8		96
	\$	2,448	\$	636

### 9. Changes in Liabilities Arising from Financing Activities

	2024				2023			
	Cash flows		Non-cash changes		Cash flows		Non-cash changes	
	Opening balance - October 1, 2023	Proceeds	Re-payments	Change in fair value	Effect of foreign currency translation	Other non-cash changes	Ending balance - September 30, 2024	
Lease liabilities	\$ 4,103	-	(1,677)	-	(14)	411	\$ 2,823	
								2023
	Opening balance - October 1, 2022	Proceeds	Re-payments	Change in fair value	Effect of foreign currency translation	Other non-cash changes	Ending balance - September 30, 2023	
Lease liabilities	\$ 5,860	392	(1,545)	-	5	(609)	\$ 4,103	

### 10. Stock-Based Compensation

#### Long-term incentive plans

The Company established an equity plan in 2017 ("2017 Equity Plan") to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, directors and consultants and to align compensation with Company and stock price performance. The following types of awards may be issued under the LTIP: RSUs, performance share units ("PSUs") and stock options. To date, the Company has only issued stock options and RSUs as long-term incentive plan awards and has not issued any PSUs.

#### RSUs

The duration of the vesting period and other vesting terms applicable to any RSUs granted under the 2017 Equity Plan are determined by the plan administrator at the time of grant. Upon vesting, holders receive, at the option of the plan administrator, either one common share from treasury for each vested RSU, the cash equivalent or a combination of a cash payment and common shares.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

In February 2022, the Company established a new equity incentive plan ("2022 Equity Plan") that may issue RSU awards. The vesting period and other vesting terms applicable are similar to RSU awards granted under the 2017 Equity Plan. RSUs shall be settled by a cash payment, the delivery of common shares or a combination of a cash payment and common shares unless otherwise specified by the plan administrator at the time of grant. In connection with the 2022 Equity Plan, the Company established a trust to hold common shares purchased in the open market for certain Canadian participants until each RSU vests and the award is settled.

The Company granted the following RSUs during the year ended September 30, 2024:

Grant date	Plan	Group granted to	Vesting date	Number of RSUs granted		Weighted average grant date fair value, expressed in Canadian dollars ("C\$")
December 15, 2023	2022 Equity Plan	Executive officers and certain employees	December 15, 2026	320	C\$	6.23
December 15, 2023	2022 Equity Plan	Executive officers	February 1, 2025	8	C\$	6.23
December 15, 2023	2017 Equity Plan	Directors	December 15, 2023	96	C\$	6.24
May 9, 2024	2017 Equity Plan	Director	May 9, 2024	5	C\$	5.79

The following table outlines changes to RSUs:

	2024	2023
	Number of RSUs	Number of RSUs
Outstanding balance, beginning of year	803	183
Granted	429	652
Settled	-	-
Forfeited	(19)	(32)
Outstanding balance, end of year	1,213	803
Vested, but not settled, end of year	276	168

At September 30, 2024, 101 (2023 - 101) common shares were held in trust to settle future obligations under the 2022 Equity Plan.

The Company recorded RSU expense of \$2,527 (2023 - \$1,009), including fair value changes in RSUs classified as liabilities, to operating expenses in the consolidated statements of operations and comprehensive income (loss) for the year ended September 30, 2024.

The total carrying amount of liabilities for cash-settled RSUs as at September 30, 2024 was \$2,501 (2023 - \$508) and are recorded in Other Liabilities.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

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*PSUs*  
A PSU entitles the holder to receive common shares based on the achievement of performance goals over a period of time as established by the plan administrator. The performance goals established by the plan administrator may be based on the achievement of corporate, divisional or individual goals, and may be established relative to performance against an index or comparator group, in each case, determined by the plan administrator. The plan administrator may modify the performance goals as necessary to align them with the Company's corporate objectives. The performance goals may include a threshold level of performance below which no payment will be made, levels of performance at which specified payments will be made and a maximum level of performance above which no additional payment will be made. Upon vesting, holders will receive, at the option of the plan administrator, either common shares issued from treasury in proportion to the number of vested PSUs held and the level of performance achieved, the cash equivalent or a combination of a cash payment and common shares.

RSUs and PSUs granted under the 2017 Equity Plan shall be credited with dividend equivalents in the form of additional RSUs or PSUs, as applicable. Dividend equivalents shall vest in proportion to the awards to which they relate.

To date, the Company has not issued any PSUs.

*Stock options*  
Subject to the discretion of the plan administrator, stock options granted under the 2017 Equity Plan vest equally on their first, second and third anniversary from the date of grant. Each stock option expires on the date that is the earlier of 10 years from the date of grant or such earlier date as may be set out in the participant's award agreement.

The Company granted the following stock options during the year ended September 30, 2024:

<b>Grant date</b>	<b>Recipient</b>	<b>Vesting period</b>	<b>Expiry date</b>	<b>Aggregate number of stock options granted</b>
November 21, 2023	Certain employees	Equally on the first, second and third anniversary date from the date of grant	7th anniversary date from the date of grant	3
February 5, 2024	Certain employees	Equally on the first, second and third anniversary date from the date of grant	7th anniversary date from the date of grant	5
May 9, 2024	Certain employees	Equally on the first, second and third anniversary date from the date of grant	7th anniversary date from the date of grant	5

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To estimate the fair value of stock options, the Company used the Black-Scholes-Merton option pricing model which required the use of several input variables. These variables include the expected volatility, the risk-free interest rate and the estimated length of time employees will retain their stock options before exercising them. Changes in these variables can materially impact the estimated fair value of stock-based compensation and consequently, the related amount recognized to operating expenses in the consolidated statements of operations and comprehensive income (loss). To calculate the fair value of stock options at the date of grant, the following weighted average assumptions were applied:

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

Grant date		May 9, 2024		February 5, 2024		November 21, 2023
Dividend yield		-		-		-
Expected volatility		48.3%		50.1%		55.0%
Risk free interest rate		3.7%		3.4%		3.8%
Expected remaining life, stated in years		4.5		4.5		4.5
Exercise price	C\$	5.79	C\$	6.52	C\$	5.29
Fair value, per stock option	C\$	2.56	C\$	2.94	C\$	2.58

		2024			2023	
	Number of stock options	Weighted average exercise price		Number of stock options	Weighted average exercise price	
Outstanding balance, beginning of year	3,581	C\$ 8.12		4,426	C\$ 8.47	
Granted, during the year	13	C\$ 5.98		83	C\$ 5.60	
Exercised, during the year	(1,058)	C\$ 3.99		(251)	C\$ 4.61	
Forfeited, during the year	(21)	C\$ 12.13		(675)	C\$ 11.44	
Expired, during the year	(148)	C\$ 12.35		(2)	C\$ 2.21	
Outstanding balance, end of year	2,367	C\$ 9.66		3,581	C\$ 8.12	
Stock options exercisable, end of year	2,211	C\$ 9.91		3,239	C\$ 8.04	

The Company recorded stock option expense of \$227 (2023 - \$368) to operating expenses in the consolidated statements of operations and comprehensive income (loss) for the year ended September 30, 2024.

The following table summarizes certain information for stock options outstanding as at September 30, 2024:

Exercise price range	Number of stock options	Weighted average remaining contractual life, expressed in years	Number of stock options exercisable
C\$ 3.93 – C\$ 4.26	261	1.17	261
C\$ 4.27 – C\$ 5.63	290	2.35	231
C\$ 5.64 – C\$ 6.25	190	0.77	185
C\$ 6.26 – C\$ 6.70	218	4.39	131
C\$ 6.71 – C\$ 8.32	318	1.82	313
C\$ 8.33 – C\$ 12.73	351	2.19	351
C\$ 12.74 – C\$ 13.50	446	2.61	446
C\$ 13.51 – C\$ 17.70	47	2.61	47
C\$ 17.71 – C\$ 20.88	246	3.13	246
	2,367	2.32	2,211

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

### 11. Related Party Transactions

#### *Compensation of Key Management Personnel*

The Company's key management personnel comprise the board of directors and current and former members of the executive team. Compensation for key management personnel, recorded to operating expenses and restructuring expenses, was as follows:

	2024	2023
Salaries and benefits	\$ 2,900	\$ 2,953
Post-employment benefits <sup>1</sup>	\$ -	\$ 725
Stock-based compensation	\$ 1,258	\$ 789

Note

(1) \$400 was recorded to restructuring expenses for the year ended September 30, 2023.

### 12. Commitments and Contingencies

The Company administers escrow accounts for undisbursed funds received for the settlement of certain residential real estate title transactions. Deposits at Federal Deposit Insurance Corporation ("FDIC") institutions are insured up to \$250 for each separate escrow owner's funds. Undisbursed cash deposited in these escrow accounts totaled \$7,671 at September 30, 2024 (2023 - \$6,726) which are not assets of the Company and are not included in the Company's consolidated statements of financial position. However, the Company remains contingently liable to disburse these deposits.

The Company is also subject to certain lawsuits and other claims arising in the ordinary course of business. The outcome of these matters is subject to resolution. Based on management's evaluation and analysis of these matters, when determinable, the amount of any potential loss is accrued. Management believes that any amounts above those already accrued will not materially affect the financial statements.

### 13. Financial Instruments

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

	2024	2023
<b>Financial assets</b>		
<i>Derivatives not designated in a hedging relationship:</i>		
Non-current - other assets - total return swaps	\$ 2,903	\$ 813

Unrealized and realized amounts recorded to net gain or loss on fair value of derivatives in the consolidated statements of operations and comprehensive income (loss) are as follows:

	2024	2023
Total return swaps		
Unrealized gain	\$ (2,072)	\$ (815)
Realized gain	-	-
	\$ (2,072)	\$ (815)

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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

	<b>2024</b>			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant un- observable inputs (Level 3)	Total
Other assets - total return swaps	\$ -	\$ 2,903	\$ -	\$ 2,903
	\$ -	\$ 2,903	\$ -	\$ 2,903

	<b>2023</b>			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant un- observable inputs (Level 3)	Total
Other assets - total return swaps	\$ -	\$ 813	\$ -	\$ 813
	\$ -	\$ 813	\$ -	\$ 813

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

For the year ended September 30, 2024 and 2023, there were no transfers between levels or changes to the valuation techniques used to estimate fair value.

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

### *Total return swaps*

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

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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

### Total return swaps

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

### Estimated fair value

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

### Financial risk management

In the normal course of business, the Company is exposed to financial risks that have the potential to impact its financial performance, including credit risk, market risk and liquidity risk. The Company's primary objective is to protect its operations, cash flows and ultimately shareholder value. The Company designs and implements risk management strategies but does not typically use derivative financial instruments to manage these risks.

### Credit risk

Credit risk is the risk that the Company's counterparties will fail to meet their financial obligations to the Company, resulting in a financial loss for the Company. The Company's principal financial assets are cash and cash equivalents and trade and other receivables. The carrying amounts of financial assets recorded to the consolidated statements of financial position represent the Company's maximum exposure to credit risk at the date presented. The Company's credit risk is primarily attributable to its trade receivables which is limited by the Company's broad customer base. At September 30, 2024, two customers represented more than 10% (2023 – one customer represented more than 10%) of the Company's total trade and other receivables.

To limit credit risk, the Company monitors its aged receivable balances monthly. In addition, a significant portion of the Company's revenue is settled on closing through an escrow account which have no credit terms attributable to collection. The Company's customers are financial and lending institutions that are typically well funded, which also limits the Company's exposure to credit risk. In certain circumstances, the Company may require customer deposits or pre-payments to limit credit risk. While the Company has risk mitigation processes in place, there can be no certainty that it can eliminate all credit risk. Accordingly, these processes may not be effective in the future and the potential for credit losses may increase.

When applicable, the Company is subject to credit risk on total return swap agreements. The Company will only enter into agreements with highly rated and experienced counterparties who have successfully demonstrated that they can execute these agreements. The Company's maximum exposure to credit risk is equal to the estimated fair value of total return swaps recorded to other assets on the Company's consolidated statements of financial position. The Company holds no collateral or other credit enhancements as security over these agreements. The Company deems the agreements' credit quality to be high, due to its assessment of the counterparty and no amounts are either past due or impaired. In all instances, the Company's risk management objective is to mitigate its risk exposures to a level consistent with its risk tolerance.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

### Trade and other receivables

	2024	2023
Trade receivables	\$ 12,782	\$ 14,187
Settlement receivables	159	112
Net investment in sublease	402	1,014
Allowance for doubtful accounts	(7)	(18)
	<b>\$ 13,336</b>	<b>\$ 15,295</b>

The following table outlines the change in the allowance for doubtful accounts:

	2024	2023
Balance, beginning of year	\$ (18)	\$ (27)
Impairment losses recognized, during the year	(33)	(158)
Write-offs, during the year	44	167
Balance, end of year	<b>\$ (7)</b>	<b>\$ (18)</b>

The aging of trade and other receivables was as follows:

	2024	2023
Current	\$ 11,506	\$ 10,667
Over 30 days	1,669	4,430
Over 60 days	126	222
Over 90 days	42	(6)
Total gross trade and other receivables	<b>13,343</b>	<b>15,313</b>
Less: allowance for doubtful accounts	<b>7</b>	<b>18</b>
Total trade and other receivables	<b>\$ 13,336</b>	<b>\$ 15,295</b>

### Foreign currency risk

Foreign currency risk arises due to fluctuations in foreign currency exchange rates. The Company's objective is to minimize its net exposure to foreign currency cash flows by holding U.S. dollar cash balances and matching them with U.S. dollar obligations arising from its U.S. operations and matching Canadian dollar cash balances and obligations to its Canadian operations.

Since the Company has elected to report its financial results in U.S. dollars, the Company is exposed to foreign currency fluctuations on its reported amounts of Canadian assets and liabilities. As at September 30, 2024, the Company had net assets of \$28,777 (2023 – net assets of \$16,487) denominated in Canadian dollars. A 10% change in the exchange rate between the U.S. and Canadian dollar results in a plus or minus \$2,878 (2023 - \$1,649) change in the value of net assets recorded on the Company's consolidated statements of financial position. All such changes are recorded to other comprehensive income or loss.

### Interest rate risk

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. The Company is subject to interest rate risk on investments in cash equivalent, short-term investments.

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations to settle financial liabilities through the delivery of cash or another financial asset. The Company's objective is to manage operational uncertainties, including, but not limited to, unfavourable real estate trends, market share and sales volumes.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

The Company also maintains sufficient levels of working capital to settle its financial liabilities when they are contractually due and manages its compliance with its debt covenants, when and as applicable.

The following tables outline the Company's remaining contractual maturities for its non-derivative financial liabilities based on the earliest date the Company is required to make payment on these amounts:

						<b>2024</b>
						Payments due
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years	
Trade payables	\$ 10,205	\$ 10,205	\$ -	\$ -	-	
Accrued charges	\$ 3,047	\$ 3,047	\$ -	\$ -	-	

						<b>2023</b>
						Payments due
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years	
Trade payables	\$ 9,354	\$ 9,354	\$ -	\$ -	-	
Accrued charges	\$ 3,195	\$ 3,195	\$ -	\$ -	-	

### 14. Income Taxes

The components of income tax expense are as follows:

	<b>2024</b>	2023
Current income tax expense		
Current year	\$ 1,170	\$ 1,096
Adjustments for prior periods	(911)	(602)
	<b>259</b>	494
Deferred income tax recovery		
Origination and reversal of temporary differences	(2,118)	(4,206)
Adjustments for prior periods	1,041	763
	<b>(1,077)</b>	(3,443)
Total income tax recovery	\$ (818)	\$ (2,949)

The following table reconciles income tax expense calculated at the Company's applicable statutory income tax rate with the reported amounts:

	<b>2024</b>	2023
Loss before income tax recovery	\$ (800)	\$ (9,145)
Statutory income tax rate	<b>26.5%</b>	26.5%
Expected income tax recovery at the statutory income tax rate	(212)	(2,423)
Foreign income expense subject to tax at a different statutory tax rate	34	70
Adjustments for prior periods	130	161
Non-deductible expenses and non-taxable income	(841)	(741)
Minimum tax	-	13
State tax, net of federal benefit	93	69
Impact of U.S. statutory income tax rate	(22)	(98)
	\$ (818)	\$ (2,949)

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

Movements in deferred tax assets and liabilities are as follows:

	<b>2024</b>				
	Balance, beginning of year	Recognized in net income	Recognized in equity	Foreign currency translation adjust- ments	Total
Deferred tax (liabilities) assets					
Property and equipment	\$ (798)	\$ 218	\$ -	\$ (1)	\$ (581)
Intangibles	5,072	(2,104)	-	-	2,968
Financing fees	16	(10)	-	-	6
Unutilized tax loss carryforwards	8,433	2,423	-	(1)	10,855
Unrealized foreign exchange gains	(184)	(735)	-	(6)	(925)
Capital loss carryforwards	32	107	-	1	140
Lease Liabilities	800	(171)	-	1	630
Interest expense	1,900	776	-	-	2,676
Other	337	573	-	3	913
	\$ 15,608	\$ 1,077	\$ -	\$ (3)	\$ 16,682

	<b>2023</b>				
	Balance, beginning of year	Recognized in net loss	Recognized in equity	Foreign currency translation adjust- ments	Total
Deferred tax (liabilities) assets					
Property and equipment	\$ (1,546)	\$ 749	\$ -	\$ (1)	\$ (798)
Intangibles	7,196	(2,131)	-	7	5,072
Financing fees	26	(10)	-	-	16
Unutilized tax loss carryforwards	4,126	4,281	-	26	8,433
Unrealized foreign exchange gains	(326)	147	-	(5)	(184)
Capital loss carryforwards	93	(62)	-	1	32
Lease liabilities	1,363	(564)	-	1	800
Interest expense	1,119	781	-	-	1,900
Other	83	252	-	2	337
	\$ 12,134	\$ 3,443	\$ -	\$ 31	\$ 15,608

Deferred income tax assets are recorded for unutilized tax loss carryforwards when the realization of the related tax benefit through future taxable income is probable. At September 30, 2024, the Company and its subsidiaries have \$5,397 (2023 - \$7,371) of non-capital loss carryforwards in Canada expiring in varying amounts between 2038 and 2044. The Company also has \$36,362 (2023 - \$25,040) of non-capital loss carryforwards in the U.S. which do not expire. Total deferred tax assets of \$10,855 (2023 - \$8,433) have been recognized on the full amount of these loss carryforwards. Management believes that the combination of future taxable profit and the ability to implement tax planning measures should allow the Company to realize the benefit of its deferred tax assets.

No deferred tax is recognized on the amount of temporary differences arising between the carrying amount of an investment in subsidiary accounted for in these financial statements and the cost of the investment for tax purposes. The Company is able to control the timing of the reversal of these temporary differences and believes it is probable that they will not reverse in the foreseeable future.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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### 15. Capital Management

The Company actively manages its debt and equity capital in support of its performance objectives and to ensure sufficient liquidity is available to support its financial obligations and operating and strategic plans, with a view to maximizing shareholder returns.

The Company defines capital as equity (currently comprising common share capital), short-term and long-term indebtedness, as and when applicable, and cash and cash equivalents. The Company manages its capital structure, commitments and maturities and makes adjustments, where required, based on general economic conditions, financial markets conditions, operating risks and working capital requirements. To maintain or adjust its capital structure, the Company may, with approval from its board of directors, as required, issue or repay debt and/or short-term borrowings, issue share capital or undertake other activities deemed appropriate. The board of directors reviews and approves the Company's annual operating budgets, and any material transactions that are not in the ordinary course of business, including proposals for acquisitions or other major capital transactions.

The Company is not subject to any externally-imposed capital requirements.

### 16. Segmented Reporting

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

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

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

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

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

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

The accounting policies for each operating segment are the same as those described in the basis of presentation and material accounting policies note, and applicable policies outlined in the recent accounting pronouncements note, Notes 2 and 3, respectively. The Company evaluates segment performance based on revenues, net of transaction costs.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

	2024	2023
<b>Revenues</b>		
U.S. Appraisal	\$ 130,657	\$ 120,846
U.S. Title	8,629	9,526
Canada	33,436	33,542
	<b>\$ 172,722</b>	<b>\$ 163,914</b>
<b>Revenues net of transaction costs</b>		
U.S. Appraisal	\$ 36,045	\$ 33,117
U.S. Title	3,998	3,867
Canada	6,321	6,031
	<b>\$ 46,364</b>	<b>\$ 43,015</b>
<b>Amortization</b>		
U.S. Appraisal	\$ 336	\$ 550
U.S. Title	2,388	2,979
Canada	-	-
Corporate	433	348
	<b>\$ 3,157</b>	<b>\$ 3,877</b>
<b>Operating expenses</b>	<b>\$ 47,268</b>	<b>\$ 46,751</b>
<b>Restructuring expenses</b>	<b>\$ -</b>	<b>\$ 1,703</b>
<b>Interest expense</b>	<b>\$ 346</b>	<b>\$ 283</b>
<b>Interest income</b>	<b>\$ (1,779)</b>	<b>\$ (825)</b>
<b>Net foreign exchange loss</b>	<b>\$ 244</b>	<b>\$ 1,186</b>
<b>Gain on fair value of derivatives</b>	<b>\$ (2,072)</b>	<b>\$ (815)</b>
<b>Loss before income tax recovery</b>	<b>\$ (800)</b>	<b>\$ (9,145)</b>

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

				2024
	U.S.	Canada	Corporate	Total
Intangibles	\$ 2,167	\$ -	\$ 688	\$ 2,855
Goodwill	\$ 43,181	\$ -	\$ -	\$ 43,181
Property and equipment	\$ 2,428	\$ -	\$ 561	\$ 2,989
				2023
	U.S.	Canada	Corporate	Total
Intangibles	\$ 3,501	\$ -	\$ 503	\$ 4,004
Goodwill	\$ 43,181	\$ -	\$ -	\$ 43,181
Property and equipment	\$ 3,641	\$ -	\$ 175	\$ 3,816

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

### Revenues by service type

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

	2024	2023
Appraisal	\$ 160,908	\$ 151,075
Title - mortgage origination, home equity and REO	7,702	8,635
Title - diversified	927	891
Insurance inspection	3,185	3,313
	<b>\$ 172,722</b>	<b>\$ 163,914</b>

For the year ended September 30, 2024, two customers (2023 – one customer) represented more than 10% of the Company's revenues, the largest representing 25.6% of total consolidated revenues and the next largest representing 13.3% of total consolidated revenues (2023 – the largest represented 21.9% of total consolidated revenues). Total revenues attributable to these two customers totaled \$67,163 (2023 – the top customer totaled \$35,930) and were recorded in the Company's U.S. Appraisal segment (2023 – U.S. Appraisal segment).

## 17. Guarantees

In the normal course of business, the Company enters into agreements that meet the definition of a guarantee. A guarantee requires the issuer to make a specified payment or payments to reimburse the beneficiary for a loss it incurs if the issuer fails to make a payment when due.

The Company's primary guarantees are as follows:

The Company has provided indemnities under lease agreements for the use of various office space. Under the terms of these agreements the Company agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, loss, suits and damage arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated. These indemnities are in place for various periods beyond the original term of the lease and these leases expire between 2025 and 2029.

Through the Company's by-laws and stand-alone director indemnification agreements, indemnity has been provided to all directors and officers of the Company and its subsidiaries for various items including, but not limited to, all costs to settle suits or actions due to association with the Company and its subsidiaries, subject to certain restrictions. The Company has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The maximum amount of any potential future payment cannot be reasonably estimated.

In the normal course of business, the Company has entered into agreements that include indemnities in favour of third-parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, underwriting and agency agreements, information technology agreements and service agreements. These indemnification agreements may require the Company to compensate counterparties for losses incurred as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

# Real Matters Inc.

## Notes to the Consolidated Financial Statements

For the years ended September 30, 2024 and 2023 (stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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The nature of these indemnification agreements prevents the Company from making a reasonable estimate of the maximum exposure due to the difficulty in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to the counterparties. Historically, the Company has not made any significant payments under these or similar indemnification agreements and therefore no amount has been accrued in the consolidated statements of financial position with respect to these agreements.

## Executive Leadership Team

### **Brian Lang**

Chief Executive Officer

### **Rodrigo Pinto**

Executive Vice President and  
Chief Financial Officer

### **Loren Cooke**

Chief Operating Officer  
and President of Solidifi

### **Kim Montgomery**

Executive Vice President

### **Ryan Smith**

Executive Vice President  
and Chief Technology Officer

## Board of Directors

### **Jason Smith**

Chairman

### **Garry M. Foster<sup>1,2</sup>**

Lead Independent Director

### **Kay Brekken<sup>2</sup>**

Director

### **Brian Lang**

Director

### **Karen Martin<sup>3</sup>**

Director

### **Frank V. McMahon<sup>3</sup>**

Director

### **Peter Vukanovich<sup>4</sup>**

Director

1. Audit Committee Chair

2. Compensation, Nomination, Governance and Sustainability Committee Member

3. Audit Committee Member

4. Compensation, Nomination, Governance and Sustainability Committee Chair

## Corporate Information

### Headquarters

#### **Canada**

50 Minthorn Blvd., Suite 401  
Markham, Ontario  
L3T 7X8  
1.877.739.2212

#### **U.S.**

701 Seneca St., Suite 660  
Buffalo, New York  
14210  
1.866.583.3983

#### **Investor Relations**

416.994.5930  
[ir@realmatters.com](mailto:ir@realmatters.com)

#### **Listing**

TSX: REAL

Shareholders who wish to contact the Real Matters Board of Directors directly, can email [board@realmatters.com](mailto:board@realmatters.com)

#### **Transfer Agent**

TSX Trust Company  
301 - 100 Adelaide St. West  
Toronto, Ontario  
M5H 4H1

#### **Independent Auditor**

Deloitte, LLP

416.361.0930 or 1.866.393.4891 x.205

[TMXEInvestorServices@tmx.com](mailto:TMXEInvestorServices@tmx.com)

#### **Code of Conduct**

The Company's Code of Conduct can be found at [www.realmatters.com/investors/governance](http://www.realmatters.com/investors/governance), on SEDAR+ , or can be obtained by writing to:

Corporate Secretary  
Real Matters  
50 Minthorn Blvd., Suite 401  
Markham, Ontario  
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