

Real Matters Inc.

Interim Condensed Consolidated Statements of Financial Position

March 31, 2025 and September 30, 2024 (unaudited - in thousands of United States ("U.S.") dollars)

	March 31, 2025	September 30, 2024
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 45,688	\$ 49,143
Trade and other receivables	12,332	13,336
Income taxes recoverable	430	81
Prepaid expenses	2,146	3,110
Other assets (Note 9)	499	-
	<u>61,095</u>	<u>65,670</u>
NON-CURRENT		
Intangibles	2,223	2,855
Goodwill	43,181	43,181
Property and equipment	2,440	2,989
Other assets (Note 9)	-	2,903
Deferred tax assets	18,366	16,682
	<u>66,210</u>	<u>68,610</u>
TOTAL ASSETS	\$ 127,305	\$ 134,280
LIABILITIES		
CURRENT		
Trade payables	\$ 10,215	\$ 10,205
Accrued charges	2,932	3,047
Other liabilities (Note 8)	1,499	-
Lease liabilities (Note 7)	1,023	1,085
	<u>15,669</u>	<u>14,337</u>
NON-CURRENT		
Other liabilities (Note 8)	610	2,501
Lease liabilities (Note 7)	1,244	1,738
	<u>1,854</u>	<u>4,239</u>
TOTAL LIABILITIES	17,523	18,576
EQUITY		
SHAREHOLDERS' EQUITY		
Common shares	232,657	232,554
Restricted shares	-	(311)
Contributed surplus	13,794	13,926
Accumulated deficit	(120,725)	(120,934)
Accumulated other comprehensive loss	(15,944)	(9,531)
	<u>109,782</u>	<u>115,704</u>
TOTAL EQUITY	109,782	115,704
TOTAL LIABILITIES AND EQUITY	\$ 127,305	\$ 134,280

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

Real Matters Inc.

Interim Condensed Consolidated Statements of Operations and Comprehensive Loss

For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars except per share amounts)

	Three months ended		Six months ended	
	2025	2024	2025	2024
REVENUES (Note 10)	\$ 37,322	\$ 42,168	\$ 78,305	\$ 77,613
TRANSACTION COSTS	27,265	30,639	57,395	56,409
OPERATING EXPENSES (Note 5)	12,082	11,177	24,643	22,740
AMORTIZATION	743	804	1,501	1,643
RESTRUCTURING EXPENSES	-	-	461	-
INTEREST EXPENSE	83	95	160	167
INTEREST INCOME	(460)	(428)	(935)	(790)
NET FOREIGN EXCHANGE LOSS (GAIN)	181	(2,116)	(5,943)	(171)
LOSS (GAIN) ON FAIR VALUE OF DERIVATIVES (Note 9)	589	122	2,260	(50)
(LOSS) INCOME BEFORE INCOME TAX RECOVERY	(3,161)	1,875	(1,237)	(2,335)
INCOME TAX EXPENSE (RECOVERY)				
Current	148	264	481	478
Deferred	(1,089)	(462)	(1,778)	(1,288)
TOTAL INCOME TAX RECOVERY	(941)	(198)	(1,297)	(810)
NET (LOSS) INCOME	(2,220)	2,073	60	(1,525)
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified to net income or loss:				
Foreign currency translation adjustment	161	(2,312)	(6,413)	(199)
COMPREHENSIVE LOSS	\$ (2,059)	\$ (239)	\$ (6,353)	\$ (1,724)
Net (loss) income per weighted average share, basic (Note 4)	\$ (0.03)	\$ 0.03	\$ 0.00	\$ (0.02)
Net (loss) income per weighted average share, diluted (Note 4)	\$ (0.03)	\$ 0.03	\$ 0.00	\$ (0.02)
Weighted average number of shares outstanding (thousands), basic (Note 4)	74,016	73,060	74,012	73,010
Weighted average number of shares outstanding (thousands), diluted (Note 4)	74,016	73,689	74,403	73,010

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

Real Matters Inc.

Interim Condensed Consolidated Statements of Cash Flows

For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars)

	Three months ended		Six months ended	
	2025	2024	2025	2024
NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING				
OPERATING				
Net (loss) income	\$ (2,220)	\$ 2,073	\$ 60	\$ (1,525)
Items not affecting cash:				
Stock-based compensation (Note 8)	142	358	200	1,176
Amortization of intangibles	439	412	881	810
Amortization of property and equipment	304	392	620	833
Interest expense	83	95	160	167
Loss (gain) on fair value of derivatives (Note 9)	589	122	2,260	(50)
Income tax recovery	(941)	(198)	(1,297)	(810)
Unrealized foreign exchange loss (gain) on internal financing arrangements	135	(1,864)	(4,849)	(173)
Changes in non-cash working capital items (Note 6)	(1,009)	(1,157)	1,510	2,653
Interest paid	(83)	(95)	(160)	(167)
Income taxes paid	(363)	(227)	(829)	(475)
Cash (utilized in) generated from operating activities	(2,924)	(89)	(1,444)	2,439
INVESTING				
Intangible asset additions	(177)	(143)	(292)	(262)
Property and equipment additions	(72)	(4)	(105)	(6)
Payments received from sublease	86	152	170	303
Cash (utilized in) generated from investing activities	(163)	5	(227)	35
FINANCING				
Repayment of lease liabilities (Note 7)	(268)	(362)	(533)	(846)
Payment of cash-settled restricted share units ("RSUs") (Note 8)	(44)	-	(44)	-
Proceeds from the exercise of stock options	-	-	32	422
Cash utilized in financing activities	(312)	(362)	(545)	(424)
Effect of foreign currency translation on cash and cash equivalents	40	(284)	(1,239)	(17)
NET CASH (OUTFLOW) INFLOW	(3,359)	(730)	(3,455)	2,033
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD OR YEAR	49,047	45,104	49,143	42,341
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 45,688	\$ 44,374	\$ 45,688	\$ 44,374
SUPPLEMENTAL CASH FLOW INFORMATION:				
Cash and cash equivalents are comprised of:				
Cash	\$ 2,748	\$ 1,779	\$ 2,748	\$ 1,779
Cash equivalents	42,940	42,595	42,940	42,595
	\$ 45,688	\$ 44,374	\$ 45,688	\$ 44,374

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

Real Matters Inc.

Interim Condensed Consolidated Statements of Equity

For the three months ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars)

	Common shares	Restricted shares	Contributed surplus	Accumu- lated deficit	Accumu- lated other comprehen- sive loss	Total equity
Balance at December 31, 2024	\$ 232,601	\$ (311)	\$ 14,294	\$ (118,654)	\$ (16,105)	\$ 111,825
Net loss				(2,220)		(2,220)
Common shares issued on settlement of RSUs (Note 8)	56		(56)			-
Stock-based compensation			16			16
Restricted shares released by the trust (Note 8)		311	(460)	149		-
Foreign currency translation adjustment					161	161
Balance at March 31, 2025	\$ 232,657	\$ -	\$ 13,794	\$ (120,725)	\$ (15,944)	\$ 109,782

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

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

Real Matters Inc.

Condensed Consolidated Statements of Equity

For the six months ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars)

	Common shares	Restricted shares	Contributed surplus	Accumu- lated deficit	Accumu- lated other comprehen- sive loss	Total equity
Balance at September 30, 2024	\$ 232,554	\$ (311)	\$ 13,926	\$ (120,934)	\$ (9,531)	\$ 115,704
Net income				60		60
Common shares issued on the exercise of stock options	47		(15)			32
Common shares issued on settlement of RSUs (Note 8)	56		(56)			-
Stock-based compensation			399			399
Restricted shares released by the trust (Note 8)		311	(460)	149		-
Foreign currency translation adjustment					(6,413)	(6,413)
Balance at March 31, 2025	\$ 232,657	\$ -	\$ 13,794	\$ (120,725)	\$ (15,944)	\$ 109,782

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

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

Real Matters Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

1. Nature of Operations

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

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

2. Basis of Presentation and Material Accounting Policies

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

Statement of compliance

The financial statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS Accounting Standards") under IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS Accounting Standards, as issued by the IASB, have been omitted or condensed. These financial statements should be read in conjunction with the annual audited consolidated financial statements, and notes thereto, for the years ended September 30, 2024 and 2023 (the "annual financial statements").

These financial statements were authorized for issue by the board of directors on April 29, 2025.

Use of estimates and judgments

The preparation of these financial statements requires management to employ certain accounting estimates and judgments in the application of the Company's accounting policies. The areas involving significant estimate and judgment are set out in Note 2 to the Company's annual financial statements. There have been no notable changes in the methods employed by management to determine significant estimates and judgments since September 30, 2024, except as outlined in Note 3.

Summary of material accounting policies

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

Seasonality

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

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Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

3. Recent Accounting Pronouncements

Classification of Liabilities as Current or Non-Current

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

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

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

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For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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. Net (Loss) Income per Weighted Average Share

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

	Three months ended March 31		Six months ended March 31	
	2025	2024	2025	2024
Net (loss) income	\$ (2,220)	\$ 2,073	\$ 60	\$ (1,525)
Weighted average number of shares, basic	74,016	73,060	74,012	73,010
Dilutive effect of stock options and equity-settled RSUs	-	629	391	-
Weighted average number of shares, diluted	74,016	73,689	74,403	73,010
Net (loss) income per weighted average share, basic	\$ (0.03)	\$ 0.03	\$ 0.00	\$ (0.02)
Net (loss) income per weighted average share, diluted	\$ (0.03)	\$ 0.03	\$ 0.00	\$ (0.02)

At March 31, 2025, 1,958 (2024 - 3,728) stock options were excluded from the dilutive weighted average number of shares because their effect would have been anti-dilutive.

5. Operating Expenses

	Three months ended March 31		Six months ended March 31	
	2025	2024	2025	2024
Operating expenses:				
Salaries and benefits	\$ 9,191	\$ 8,910	\$ 18,300	\$ 17,699
Office and computer	1,527	1,489	3,198	3,018
Professional fees	814	581	1,455	1,066
Sales and marketing	41	93	386	478
Travel and entertainment	158	176	423	287
Other	351	(72)	881	192
	\$ 12,082	\$ 11,177	\$ 24,643	\$ 22,740

6. Changes in Non-Cash Working Capital Items

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

	Three months ended March 31		Six months ended March 31	
	2025	2024	2025	2024
Inflow (outflow)				
Trade and other receivables	\$ (3,960)	\$ (4,029)	\$ 833	\$ 1,384
Prepaid expenses	172	174	964	1,008
Trade payables	2,293	2,454	10	884
Accrued charges	483	327	(115)	(622)
Effect of foreign currency translation adjustments and other non-cash changes	3	(83)	(182)	(1)
	\$ (1,009)	\$ (1,157)	\$ 1,510	\$ 2,653

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Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

7. Changes in Liabilities Arising from Financing Activities

	Three months ended March 31, 2025						
	Cash flows				Non-cash changes		
	Opening balance - January 1, 2025	Proceeds	Re-payments	Change in fair value	Effect of foreign currency translation	Other non-cash changes	Ending balance - March 31, 2025
Lease liabilities	\$ 2,534	-	(268)	-	1	-	\$ 2,267

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

	Six months ended March 31, 2025						
	Cash flows				Non-cash changes		
	Opening balance - October 1, 2024	Proceeds	Re-payments	Change in fair value	Effect of foreign currency translation	Other non-cash changes	Ending balance - March 31, 2025
Lease liabilities	\$ 2,823	-	(533)	-	(23)	-	\$ 2,267

	Six months ended March 31, 2024						
	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 - March 31, 2024
Lease liabilities	\$ 4,103	-	(846)	-	(14)	411	\$ 3,654

8. Stock-Based Compensation

Stock options

The Company granted the following stock options during the six months ended March 31, 2025:

Grant date	Recipient	Vesting period	Expiry date	Aggregate number of stock options granted
November 25, 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	10

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Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

The following table outlines changes to stock options:

	Six months ended March 31			
	2025		2024	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding balance, beginning of year	2,367	C\$ 9.66	3,581	C\$ 8.12
Granted, during the period	10	C\$ 6.37	8	C\$ 6.11
Exercised, during the period	(7)	C\$ 6.38	(116)	C\$ 4.96
Forfeited, during the period	(34)	C\$ 12.56	(18)	C\$ 12.01
Expired, during the period	(63)	C\$ 14.06	-	C\$ -
Outstanding balance, end of period	2,273	C\$ 9.49	3,455	C\$ 8.20
Stock options exercisable, end of period	2,196	C\$ 9.62	3,264	C\$ 8.32

The Company recorded stock-based compensation expense attributable to stock options of \$17 and \$56 (2024 - \$57 and \$160) to operating expenses in the interim condensed consolidated statements of operations and comprehensive loss for the three and six months ended March 31, 2025, respectively.

The following table summarizes certain information for stock options outstanding as at March 31, 2025:

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	0.39	261
C\$ 4.27 – C\$ 5.38	215	0.73	207
C\$ 5.39 – C\$ 6.24	265	1.62	210
C\$ 6.25 – C\$ 6.70	214	3.94	205
C\$ 6.71 – C\$ 7.46	228	1.37	223
C\$ 7.47 – C\$ 12.73	401	1.45	401
C\$ 12.74 – C\$ 13.50	416	1.51	416
C\$ 13.51 – C\$ 17.70	47	2.11	47
C\$ 17.71 – C\$ 20.88	226	2.39	226
	2,273	1.63	2,196

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Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

RSUs

The Company granted the following RSUs during the six months ended March 31, 2025:

Grant date	Plan	Group granted to	Vesting date	Number of RSUs granted	Weighted average grant date fair value, expressed in Canadian dollars ("C\$")	
November 28, 2024	2022 Equity Plan	Executive officers and certain employees	November 28, 2027	307	C\$	6.70
November 28, 2024	2022 Equity Plan	Executive officers	February 1, 2025	2	C\$	6.70
November 28, 2024	2017 Equity Plan	Directors	November 28, 2024	69	C\$	6.70

The following table outlines changes to RSUs:

	Six months ended March 31	
	2025	2024
	Number of RSUs	Number of RSUs
Outstanding balance, beginning of year	1,213	803
Granted	378	424
Settled	(124)	-
Forfeited	(41)	(13)
Outstanding balance, end of period	1,426	1,214
Vested, but not settled, end of period	392	269

For the six months ended March 31, 2025, the Company settled 101 RSUs under the 2022 Equity Plan with common shares held in trust. At March 31, 2025, no common shares (2024 - 101 common shares) were held in trust to settle future obligations under the 2022 Equity Plan.

The Company recorded stock-based compensation expense attributable to RSUs of \$125 and \$144 (2024 - \$301 and \$1,016), including fair value changes in RSUs classified as liabilities, to operating expenses in the interim condensed consolidated statements of operations and comprehensive loss for the three and six months ended March 31, 2025, respectively.

The total carrying amount of liabilities for cash-settled RSUs at March 31, 2025 was \$2,109 (September 30, 2024 - \$2,501) and is recorded in Other Liabilities.

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Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

9. Financial Instruments

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

	March 31, 2025		September 30, 2024	
Financial assets				
<i>Derivatives not designated in a hedging relationship:</i>				
Current - other assets - total return swaps	\$	499	\$	-
Non-current - other assets - total return swaps	\$	-	\$	2,903

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

	Three months ended March 31		Six months ended March 31	
	2025		2024	
Total return swaps				
Unrealized loss (gain)	\$	589	\$	122
Realized gain	-	-	-	-
	\$	589	\$	2,260
	-	-	-	(50)

The following table outlines the hierarchical measurement categories for the fair value of financial assets or liabilities. At March 31, 2025 and September 30, 2024, financial assets or liabilities had the following estimated fair values expressed on a gross basis:

	March 31, 2025			
	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	\$	-	\$	499
	\$	-	\$	499

	September 30, 2024			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant un- observable inputs (Level 3)	Total
Other assets - total return swaps	\$	-	\$	2,903
	\$	-	\$	2,903

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.

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Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

For the six months ended March 31, 2025 and 2024, 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.

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
November 2024	C\$ 2,017	C\$ 6.42	314	November 2024	November 2027

Estimated fair value

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

10. Segmented Reporting

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

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

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

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

Real Matters Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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.

	Three months ended March 31		Six months ended March 31	
	2025	2024	2025	2024
Revenues				
U.S. Appraisal	\$ 26,685	\$ 32,567	\$ 56,025	\$ 59,367
U.S. Title	2,262	2,034	4,798	4,070
Canada	8,375	7,567	17,482	14,176
	\$ 37,322	\$ 42,168	\$ 78,305	\$ 77,613
Revenues net of transaction costs				
U.S. Appraisal	\$ 7,290	\$ 9,205	\$ 15,064	\$ 16,674
U.S. Title	1,178	894	2,533	1,858
Canada	1,589	1,430	3,313	2,672
	\$ 10,057	\$ 11,529	\$ 20,910	\$ 21,204
Amortization				
U.S. Appraisal	\$ 81	\$ 84	\$ 161	\$ 173
U.S. Title	547	609	1,107	1,260
Canada	-	-	-	-
Corporate	115	111	233	210
	\$ 743	\$ 804	\$ 1,501	\$ 1,643
Operating expenses	\$ 12,082	\$ 11,177	\$ 24,643	\$ 22,740
Restructuring expenses	\$ -	\$ -	\$ 461	\$ -
Interest expense	\$ 83	\$ 95	\$ 160	\$ 167
Interest income	\$ (460)	\$ (428)	\$ (935)	\$ (790)
Net foreign exchange loss (gain)	\$ 181	\$ (2,116)	\$ (5,943)	\$ (171)
Loss (gain) on fair value of derivatives	\$ 589	\$ 122	\$ 2,260	\$ (50)
(Loss) income before income tax recovery	\$ (3,161)	\$ 1,875	\$ (1,237)	\$ (2,335)

Real Matters Inc.

Notes to the Interim Condensed Consolidated Financial Statements

For the periods ended March 31, 2025 and 2024 (unaudited - in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

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

	March 31, 2025			
	U.S.	Canada	Corporate	Total
Intangibles	\$ 1,506	\$ -	\$ 717	\$ 2,223
Goodwill	\$ 43,181	\$ -	\$ -	\$ 43,181
Property and equipment	\$ 1,947	\$ -	\$ 493	\$ 2,440
	September 30, 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

Revenues by service type

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

	Three months ended March 31		Six months ended March 31	
	2025	2024	2025	2024
Appraisal	\$ 34,355	\$ 39,405	\$ 71,883	\$ 72,010
Title - mortgage origination, home equity and REO	1,984	1,801	4,271	3,636
Title - diversified	277	233	526	434
Insurance inspection	706	729	1,625	1,533
	\$ 37,322	\$ 42,168	\$ 78,305	\$ 77,613