



Real Matters Annual Shareholder Meeting - Transcript

February 6, 2025

Corporate Participants

Jason Smith, *Board Chair*

Brian Lang, *Chief Executive Officer and Director*

Rodrigo Pinto, *Executive Vice President and Chief Financial Officer*

Lyne Beauregard, *Vice President, Investor Relations & Corporate Communications*

Jay Greenspoon, *General Counsel and Corporate Secretary*

Garry Foster, *Lead Independent Director*

Other Participants

Daniela Nguyen, *shareholder*

Formal Meeting

Jason Smith

Good morning, everyone, and welcome to the Real Matters Annual Meeting of Shareholders. I am Jason Smith, the Board Chair of Real Matters. From the management team, I am joined by Brian Lang, our Chief Executive Officer, Rodrigo Pinto, our Executive Vice President and Chief Financial Officer. Lyne Beauregard, our Vice President, Investor Relations, and Corporate Communications. Jay Greenspoon, our General Counsel and Corporate Secretary. From the board, I am joined by Garry Foster, our lead independent director. Jay will act as secretary of today's meeting. Jennifer Huff of Broadridge will act as scrutineer for today's meeting.

The agenda for this meeting is visible to those attending through the virtual meeting web portal. After the conclusion of the formal portion of the meeting, Brian Lang will provide a short presentation, and then the company's management will answer questions from shareholders and duly appointed proxy holders about the company.

Such questions may be submitted through the Ask a Question text box provided on the web portal. Though we may not be able to answer every question, we will do our best to provide a response to as many as possible in accordance with the rules of conduct posted under meeting materials.

With that, I would like to move forward with the official proceedings. In terms of voting procedure, each shareholder is entitled to one vote for each common share held. If a shareholder or duly appointed proxy holder has a question about a matter on the agenda to be voted upon, such

question may be submitted in the Ask a Question text box provided on the web portal at or before the time the matter is before the meeting for consideration.

We will answer questions on any matters on the agenda to be voted on by shareholders or duly appointed proxy holders at the meeting before the voting is closed. Any shareholder or duly appointed proxy holder who has not yet voted, or who wishes to change their vote, may do so by clicking on the Vote Here button on the web portal and following the instructions. If you have previously sent in a proxy or voted via telephone or internet and do not wish to change your vote, you do not need to take any further action.

Only registered shareholders or duly appointed proxy holders in attendance at the meeting will be able to vote. The scrutineer will report to me on the number of shareholders and the number of shares represented in person or by proxy at the meeting, and will also compute the votes cast through the web portal at this meeting. Prior to the commencement of this meeting, I received the preliminary scrutineers report. The preliminary scrutineers report on attendance at the meeting is as follows.

There are a total of 1253 holders represented in person or by proxy, holding 50,330,788 common shares, representing a total of 68% of the issued and outstanding shares. I declare that the requisite quorum of shareholders is present and that the meeting is properly constituted for the transaction of business. I direct that the scrutineers report on attendance be annexed to the minutes of the meeting.

With respect to the mailing of materials to shareholders, I have a statutory declaration from Broderick attesting to the service of the applicable meeting materials, and I direct that this statutory declaration be annexed to the minutes of this meeting. The agenda for motions to be submitted to shareholders at this meeting is contained in the notice of meeting.

The meeting materials were made available to shareholders using the notice and access procedures permitted by Canadian securities laws. Copies of these materials are also available under the investor section of the company's website at realmatters.com, or on the company's sedar+profile@sedar+.ca. The next item of business concerns the audited consolidated financial statements of Real Matters for the financial year ended September 30th, 2024.

On behalf of the directors, I now place before the meeting the audited consolidated financial statements and report of the auditors thereon for the financial year ended September 30th, 2024. We will now proceed with the election of directors. The board of directors has fixed the number of directors to be elected at the meeting at six.

I would now ask for the nomination of the persons named in the Management Information Circular for election as directors for the coming year, each of whom has agreed to serve if elected. In the

absence of contrary instructions, the person named in the form of proxy, accompanying the Management Information Circular, intends to vote for the election of each of the six nominees named in the Management Information Circular.

Daniela Nguyen

I am a shareholder and I nominate the following individuals to hold office until the close of business of the next annual meeting of shareholders. Kay Breckon, Garry Foster, Brian Lang, Karen Martin, Frank McMahon, and Peter Vukanovich.

Jason Smith

In accordance with rail matters bylaws, any shareholder wishing to nominate additional persons for election to the board of directors at this meeting was required to provide notice of such nomination in advance of the meeting. As no further nominations were presented to the company, I declare nominations closed. We will now vote for the election of directors. Any shareholder or duly appointed proxy holder who has not yet voted, or who wishes to change their vote with respect to the election of directors, may do so now by clicking on the Vote Here button on the web portal and following the instructions. We will now proceed with the appointment of the external auditor. Deloitte LLP has served as the External Auditor of Real Matters since 2012.

Daniela Nguyen

I am a shareholder and I move that Deloitte LLP be appointed as the External Auditor of Real Matters to hold office until the close of business of the next annual meeting of shareholders, and that the directors be authorized to fix the external auditors remuneration.

Jason Smith

Any shareholder or duly appointed proxy holder who has not yet voted, or who wishes to change their vote with respect to the appointment of the external auditor, may do so now by clicking on the Vote Here button on the web portal and following the instructions. Now that everyone has had the opportunity to vote, I now declare the polls closed. Based on the preliminary vote report received from the scrutineer, I declare that each of the nominees set out in the Management Information Circular has been duly elected as a director of Real Matters and that Deloitte LLP has been appointed to serve as the External Auditor of the company.

The final vote results will be reported on the company's SEDAR+ profile following the meeting. As there is no further business to be brought before the meeting, I now declare the meeting adjourned. I will now turn the floor over to Brian Lang, CEO, to provide a short presentation.

Management Presentation

Brian Lang

Thank you, Jason, and good morning everyone. Please note that my presentation may contain forward-looking statements and non-GAAP measures. Please see our filings for more details. In fiscal 2024, we increased consolidated adjusted EBITDA by \$4.2 million to \$1.9 million, moving the business back into positive territory. As we continue to [inaudible] manage our cost base throughout the year to align with the variability in mortgage origination volumes.

We executed our strategy effectively, driving top-of-scorecard performance, which delivered increased market share with our clients while adding 16 new clients across our three segments. We reported consolidated revenues of \$172.7 million in fiscal 2024, up 5% year over year as a result of market share increases with our clients and new client launches in all three segments and consolidated net revenue was up 8% year over year to \$46.4 million.

We enhanced our net revenue margins and maintained a disciplined approach to managing operating expenses. We also demonstrated our ability to deliver strong operating leverage by scaling with volumes, and our financial performance showed how relative changes in the rate environment can translate into improved margins and profitability. We remain confident about the size of the opportunity that the US mortgage origination market represents, and that there is considerable upside for our business 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 8.8 million outstanding mortgages 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.

To put this into context, 8.8 million mortgages is more than double the size of the entire market in 2023, which included purchase and refinance transactions, and that pool of mortgages grew by 10% in the last quarter alone. 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-leading position and available capacity, position us well for growth.

We continue to maintain a readiness posture underpinned by our ability to scale and pivot, which will allow us to capitalize on these opportunities. Turning to slide eight, our fiscal 2025 strategic roadmap remains the same. Build on our leadership position in US appraisal to market share, leverage our performance equity with long-standing blue chip clients to expand into title and

longer term, monetize our data in new verticals that would ultimately expand our addressable markets and help balance some of the cyclicity of our existing business.

Overall, I'm very confident about our competitive position. We have a greater share of our clients business in more channels and across more products than ever. It's important to remember that the progress we've made should provide a tailwind for our financial performance when the market turns. We continue to be focused on long-term growth. With that in mind, our strategy has been to position our business to thrive in the peaks and to withstand the valleys of the cyclical mortgage market. We have been successful in growing the business through a number of these cycles since the company was founded 20 years ago.

What remains outside our control is the inherent uncertainty in calling interest rates and corresponding mortgage market volumes during any given period, which is why we adopted a simplified target operating model in fiscal 2024. Our target operating model is not time-bound. It has the same net revenue and adjusted EBITDA margin target ranges that were outlined in our previous fiscal 2025 targets. However, they are contingent on our mortgage origination volumes irrespective of market size or market share.

As you will see from our historical performance, these target ranges are well within reach when volumes are within the assumptions range. In fact, our US appraisal net revenue margins are already in our target range today. Under the target operating model, our US appraisal segment has the potential to deliver \$50 to \$65 million in adjusted EBITDA, and our US title business could generate \$30 to \$45 million of adjusted EBITDA.

Our target operating model is also not a terminal value of what we can achieve, but simply a reflection of the profitability of our business at higher volumes with scale. There is no prescribed limit to the amount of market share we can win within our clients or in the market. The US mortgage origination market represents a significant growth opportunity for our business, and our operations are well-positioned for a market recovery.

We look forward to leveraging our model to demonstrate the through-cycle earnings potential of our business, in line with our focus on scale and delivering industry-leading performance. We continue to focus on aggressively pursuing market share and new clients, particularly in our title business, where we've had recent success and where we see momentum building. We have a strong balance sheet, and we will continue to prudently manage our cost base to align with market conditions, ensuring we are ready to scale back up when these headwinds become tailwinds for our growth.

To close things out, I'd like to thank our team for their ongoing commitment to our success and to the extraordinary field professionals on our network, both of whom continue to go above and beyond for our clients. We are also thankful for the continued trust of our clients and the ongoing

support and encouragement of our board of directors and long-term shareholders. As we announced in the fall, today's meeting marks Jason's official retirement from Real Matters and its board of directors.

On behalf of the board, our employees, and our partners, we would like to thank Jason for his invaluable contributions and leadership to this company. It's been a privilege to work with you, Jason, and we look forward to carrying on your legacy.

Jason Smith

Well, thank you very much, Brian. It's been an extraordinary journey for me, both professionally and personally. We've come a long way over the last 20 years, and I'm incredibly proud of our team for building this company into one of the largest independent appraisal and title providers in the US. We have been very thoughtful about my transition, and I thought, I know that I'm leaving the company in very capable hands. I have great confidence that Brian and the company's tenured management team will continue executing the strategy and Real Matters commitment to building long-term value.

We also have a very strong board of directors. Our incoming chair, Garry Foster, has been a director and trusted advisor to me for nearly a decade, and I have complete faith in his ability to continue leading and guiding the board. I look forward to supporting Real Matters continued success as a shareholder.

Brian Lang

With that, I'd like to open it up for questions now. If you have not yet submitted a question but wish to do so, please do so now by submitting your question through the Ask a Question text box provided on the web portal. As a reminder, only shareholders or duly appointed proxy holders in attendance at the meeting will be able to ask questions. Lyne, do we have any questions from shareholders?

Lyne Beauregard

No, Brian, there are no questions at this time. And so that concludes our meeting for today. Thank you very much for joining.

Brian Lang

Thank you.

Operator

Ladies and gentlemen, this does conclude the meeting. Thank you for your participation, and you may now disconnect.