



# Q4 2021 Financial Results

**November 17, 2021**

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

## Cautionary Note Regarding Forward-Looking Information

This presentation 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”, “likely” and “predict”, and variations of such words and similar expressions, are intended to identify such forward-looking information, although not all forward-looking information contains these identifying words.

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

The forward-looking information in this presentation is subject to risks, uncertainties and other factors that are difficult to predict and that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. A comprehensive discussion of the factors which could cause results or events to differ from current expectations can be found in the “Risk Factors” section of our Annual Information Form for the year ended September 30, 2020, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Readers are cautioned not to place undue reliance on the forward-looking information, which reflect our expectations only as of the date of this presentation. 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.

### Non-GAAP Measures

The non-GAAP measures used in this presentation, including Net Revenue, Net Revenue Margins, Adjusted EBITDA and Adjusted EBITDA Margins do not have a standardized meaning prescribed by International Financial Reporting Standards and are therefore unlikely to be comparable to similar measures presented by other issuers. These non-GAAP measures are more fully defined and discussed in the Company’s MD&A for the year ended September 30, 2021, under the heading “Non-GAAP measures”, which is incorporated by reference in this presentation and available on SEDAR at [www.sedar.com](http://www.sedar.com). Please refer to Appendix A for a reconciliation of these non-GAAP measures to their most directly comparable financial measure included in the annual consolidated financial statements for the year ended September 30, 2021.

Full reports for Real Matters financial results for the year ended September 30, 2021 are outlined in the annual consolidated financial statements and the related MD&A of the Company, which are available on SEDAR at [www.sedar.com](http://www.sedar.com). In addition, supplemental information is available on our website at [www.realmatters.com](http://www.realmatters.com).

# Q4 Highlights

Consolidated  
Revenues

**\$125.6M**

Consolidated  
Net Revenues<sup>1</sup>

**\$35.0M**

Consolidated  
Adj. EBITDA<sup>1</sup>

**\$11.0M**

## Macro Trends

- Estimate addressable market for U.S. Appraisal +11.6% YoY
- Estimate addressable market for U.S. Title -7.1% YoY

## U.S. Appraisal

- Origination only revenues +32.0% relative to an estimated 11.6% addressable market increase
- Net Revenue<sup>1</sup> Margin -280 bps due to mix of business and appraiser onboarding to service higher volumes
- Adjusted EBITDA<sup>1</sup> of \$11.2 million +13.8% YoY, Adjusted EBITDA<sup>1</sup> margin of 59.5%
- Went live with eight new lenders, one new channel with a Tier 1 lender

## U.S. Title

- Centralized title revenues -49.7% relative to an estimated 7.1% addressable market decrease
- Net Revenue<sup>1</sup> Margin increased to 67.1% from 65.7% in Q4 20 due to transaction flow
- Adjusted EBITDA<sup>1</sup> of \$2.9 million -81.2% YoY, Adjusted EBITDA<sup>1</sup> margins of 19.7%
- Went live with four new lenders

## Canada

- Revenues up 32.8% on increased market share, market volumes, FX and higher insurance inspection revenues

## NCIB

- Purchased 1.1 million shares under our normal course issuer bid at a cost of \$11.7 million

# Q4 2021 and Fiscal 2021 Financial Highlights

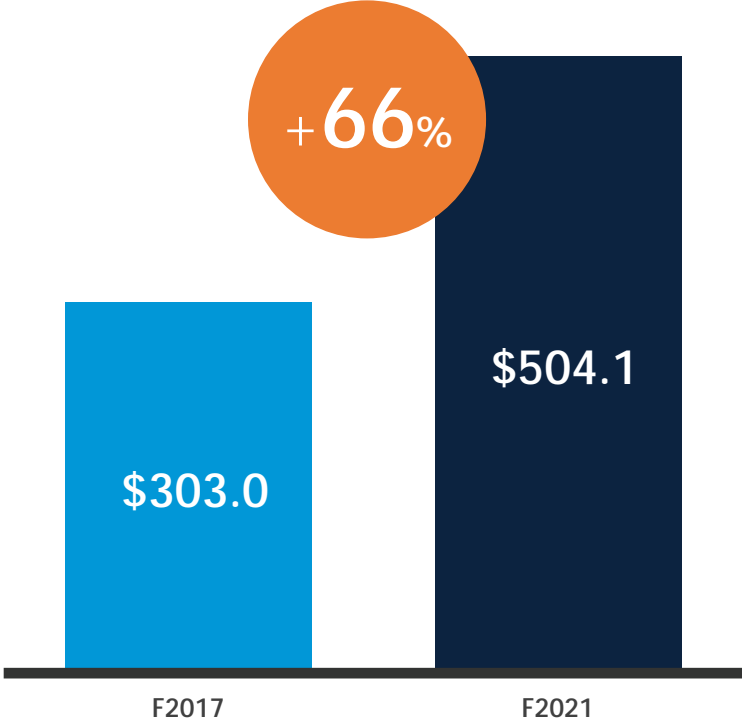
US\$ millions	Q4 2021	Q4 2020	Change	FISCAL 2021	FISCAL 2020	Change
<b>Revenues</b>						
U.S. Appraisal	\$90.9	\$70.8	28.4%	\$322.1	\$282.1	14.2%
U.S. Title	21.8	43.9	-50.3%	129.5	142.4	-9.0%
Canada	12.9	9.7	32.8%	52.5	31.4	66.8%
<b>Total Revenues</b>	<b>\$125.6</b>	<b>\$124.4</b>	<b>0.9%</b>	<b>\$504.1</b>	<b>\$455.9</b>	<b>10.6%</b>
<b>Transaction Costs</b>						
U.S. Appraisal	\$72.1	\$54.2	33.1%	\$252.8	\$214.9	17.7%
U.S. Title	7.2	15.1	-52.3%	41.3	52.6	-21.4%
Canada	11.3	8.1	38.0%	45.7	26.3	73.0%
<b>Total Transaction Costs</b>	<b>\$90.6</b>	<b>\$77.4</b>	<b>17.0%</b>	<b>\$339.8</b>	<b>\$293.8</b>	<b>15.7%</b>
<b>Operating Expenses</b>						
U.S. Appraisal	\$7.6	\$6.8	12.0%	\$29.5	\$27.4	7.6%
U.S. Title	11.8	13.5	-12.6%	56.5	45.6	23.9%
Canada	0.5	0.4	24.5%	2.0	1.9	3.9%
Corporate	4.6	4.6	-0.2%	19.5	17.4	12.2%
<b>Total Operating Expenses</b>	<b>\$24.5</b>	<b>\$25.3</b>	<b>-3.1%</b>	<b>\$107.5</b>	<b>\$92.3</b>	<b>16.5%</b>
<b>Net Income</b>	<b>\$9.1</b>	<b>\$12.7</b>	<b>-28.3%</b>	<b>\$33.1</b>	<b>\$42.8</b>	<b>-22.7%</b>

# Q4 2021 and Fiscal 2021 Non-GAAP Measures

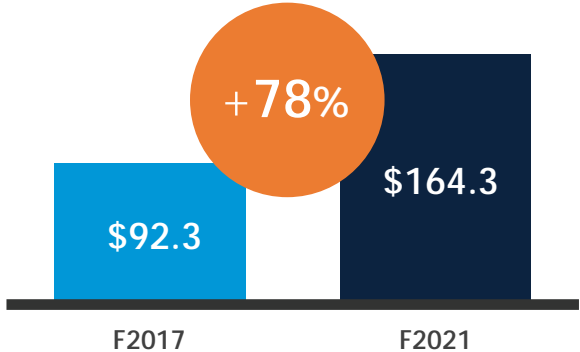
US\$ millions	Q4 2021	Q4 2020	Change	FISCAL 2021	FISCAL 2020	Change
<b>Net Revenue<sup>1</sup></b>						
U.S. Appraisal	\$18.8	\$16.6	13.0%	\$69.3	\$67.2	3.0%
<i>Net Revenue<sup>1</sup> Margin</i>	20.7%	23.5%		21.5%	23.8%	
U.S. Title	14.7	28.9	-49.3%	88.2	89.8	-1.8%
<i>Net Revenue<sup>1</sup> Margin</i>	67.1%	65.7%		68.1%	63.1%	
Canada	1.5	1.5	3.8%	6.8	5.1	34.5%
<i>Net Revenue<sup>1</sup> Margin</i>	11.9%	15.2%		12.9%	16.1%	
<b>Total Net Revenue<sup>1</sup></b>	<b>\$35.0</b>	<b>\$47.0</b>	<b>-25.5%</b>	<b>\$164.3</b>	<b>\$162.1</b>	<b>1.3%</b>
<i>Net Revenue<sup>1</sup> Margin</i>	27.9%	37.8%		32.6%	35.6%	
<b>Adjusted EBITDA<sup>1</sup></b>						
U.S. Appraisal	\$11.2	\$9.8	13.8%	\$39.8	\$39.9	-0.1%
<i>Adjusted EBITDA<sup>1</sup> Margin</i>	59.5%	59.2%		57.5%	59.3%	
U.S. Title	2.9	15.4	-81.2%	31.8	44.3	-28.2%
<i>Adjusted EBITDA<sup>1</sup> Margin</i>	19.7%	53.4%		36.0%	49.3%	
Canada	1.0	1.1	-4.3%	4.8	3.1	53.6%
<i>Adjusted EBITDA<sup>1</sup> Margin</i>	66.2%	71.8%		70.4%	61.6%	
Corporate <sup>2</sup>	-4.1	-4.1	0.5%	-17.2	-15.1	-14.3%
<b>Total Adjusted EBITDA<sup>1</sup></b>	<b>\$11.0</b>	<b>\$22.2</b>	<b>-50.5%</b>	<b>\$59.2</b>	<b>\$72.2</b>	<b>-18.1%</b>
<i>Adjusted EBITDA<sup>1</sup> margin</i>	31.4%	47.2%		36.0%	44.6%	

# Delivering Growth Over the Long Term

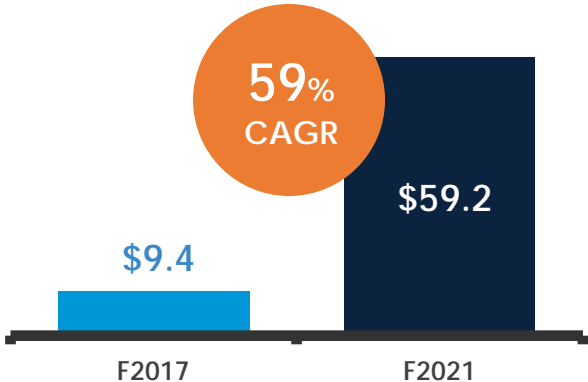
### Consolidated Revenues



### Consolidated Net Revenues<sup>1</sup>



### Consolidated Adj. EBITDA<sup>1</sup>



6 1. Net Revenue, Net Revenue Margin, Adjusted EBITDA and Adjusted EBITDA Margin are Non-GAAP measures. See page 2 and Appendix A.

# Delivering Growth Over the Long Term

## Fiscal 2025 Objectives & Target Operating Model

### U.S. Appraisal

KPI	F21 Actual	F25 Target
Purchase Market Share	4.4%	7-9%
Refinance Market Share	9.9%	17-19%
Net Revenue <sup>1</sup> Margin	21.5%	26-28%
Adj. EBITDA <sup>1</sup> Margin	57.5%	65-70%

### U.S. Title

KPI	F21 Actual	F25 Target
Refinance Market Share	1.8%	6-8%
Net Revenue <sup>1</sup> Margin	68.1%	60-65%
Adj. EBITDA <sup>1</sup> Margin	36.0%	50-55%

## Appendix A – Non-GAAP Measures

Net Revenue represents the difference between revenues and transaction costs. Net Revenue margin is calculated as Net Revenue divided by Revenues. The reconciling items between net income or loss and Net Revenue for the three months and years ended September 30, 2021 and 2020 were as follows:

	Three months ended September 30		Year ended September 30	
	2021	2020	2021	2020
Net income	\$ 9.1	\$ 12.7	\$ 33.1	42.8
Operating expenses	24.5	25.4	107.6	92.2
Amortization	1.2	1.1	5.0	4.5
Restructuring expenses	0.1	-	0.1	-
Interest expense	0.1	0.1	0.4	0.5
Interest income	-	(0.1)	(0.2)	(0.6)
Net foreign exchange (gain) loss	(2.3)	2.6	7.4	(1.1)
(Gain) loss on fair value of warrants	(0.9)	0.3	(2.1)	5.1
Income tax expense	3.2	4.9	13.0	18.7
<b>Net Revenue</b>	<b>\$ 35.0</b>	<b>\$ 47.0</b>	<b>\$ 164.3</b>	<b>162.1</b>

Adjusted EBITDA represents net income or loss before stock-based compensation expense, amortization, restructuring expenses, interest expense, interest income, net foreign exchange gain or loss, gain or loss on fair value of warrants and income tax expense or recovery. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by Net Revenue. The reconciling items between net income or loss and Adjusted EBITDA for the three months and years ended September 30, 2021 and 2020 were as follows:

	Three months ended September 30		Year ended September 30	
	2021	2020	2021	2020
Net income	\$ 9.1	\$ 12.7	\$ 33.1	42.8
Stock-based compensation expense	0.5	0.6	2.5	2.3
Amortization	1.2	1.1	5.0	4.5
Restructuring expenses	0.1	-	0.1	-
Interest expense	0.1	0.1	0.4	0.5
Interest income	-	(0.1)	(0.2)	(0.6)
Net foreign exchange (gain) loss	(2.3)	2.6	7.4	(1.1)
(Gain) loss on fair value of warrants	(0.9)	0.3	(2.1)	5.1
Income tax expense	3.2	4.9	13.0	18.7
<b>Adjusted EBITDA</b>	<b>\$ 11.0</b>	<b>\$ 22.2</b>	<b>\$ 59.2</b>	<b>72.2</b>