



Real Matters Reports Second Quarter Financial Results and Intention to Renew its Normal Course Issuer Bid

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

TORONTO (April 28, 2021) – Real Matters Inc. (TSX: REAL) (“Real Matters” or the “Company”), a leading network management services platform for the mortgage and insurance industries, today announced its financial results for the second quarter ended March 31, 2021.

“We were very pleased with our performance in the second quarter; we delivered strong financial results and launched our first Tier 1 lender in U.S. Title, marking the achievement of a significant milestone in the execution of our long-term growth strategy. Consolidated Net Revenue⁽¹⁾ increased 29.8% to \$46.7 million and Adjusted EBITDA⁽¹⁾ increased 30.2% to \$19.0 million from the second quarter of fiscal 2020, principally driven by higher volumes and margin expansion in our U.S. Title segment,” said Real Matters Chief Executive Officer Brian Lang. “The U.S. mortgage market continued to demonstrate strong year-over-year growth in the second quarter and both our U.S. businesses outperformed the market from market share growth and new client additions. Our centralized U.S. Title revenues were up 78.4% compared with an estimated 71.1% increase in the refinance origination market, while U.S. Appraisal origination revenues were up 12.0% compared with an estimated 10.7% increase in the addressable market.”

“Looking ahead, our principal focus continues to be market share growth and adding new clients. Given our performance track record and the breadth of our U.S. lender client base, we are confident in our ability to continue driving organic growth over the long-term with a view of achieving our Fiscal 2025 targets,” added Lang.

Q2 2021 Key Performance Indicators (year-over-year)	U.S. Appraisal	U.S. Title	Consolidated
Revenues	\$76.3 million	\$40.1 million	\$128.8 million
Revenue Growth	7.0%	30.0%	17.5%
Net Revenue ^(A) Growth	-4.4%	64.1%	29.8%
Adjusted EBITDA ^(A) Margin	55.5%	46.1%	40.7%

Q2 2021 Highlights

- Launched first Tier 1 lender in U.S. Title and three other new lenders
- Launched two new lenders in U.S. Appraisal
- Purchased 594 thousand shares under our normal course issuer bid at a cost of \$8.0 million

Fiscal 2021 Year to Date Highlights

- Launched six new lenders in U.S. Title (including first Tier 1 and one Tier 2 lender)
- Launched three lenders in U.S. Appraisal (including one Tier 2 lender)
- Purchased 1.8 million shares under our normal course issuer bid at a cost of \$26.9 million

Financial and Operational Summary

(millions of dollars)

Three months ended March 31

	2021	Margin	2020	Margin	\$ Change	% Change
<i>Revenues</i>						
U.S. Appraisal	\$ 76.3		\$ 71.3		\$ 5.0	7.0%
U.S. Title	40.1		30.8		9.3	30.0%
Canada	12.4		7.5		4.9	65.6%
Consolidated revenues	\$ 128.8		\$ 109.6		\$ 19.2	17.5%
<i>Net Revenue^(A)</i>						
U.S. Appraisal	\$ 16.6	21.8%	\$ 17.4	24.4%	\$ (0.8)	-4.4%
U.S. Title	28.3	70.6%	17.2	55.9%	11.1	64.1%
Canada	1.8	14.1%	1.3	17.7%	0.5	32.0%
Consolidated Net Revenue ^(A)	\$ 46.7	36.2%	\$ 35.9	32.8%	\$ 10.8	29.8%
<i>Adjusted EBITDA^(A)</i>						
U.S. Appraisal	\$ 9.2	55.5%	\$ 10.4	59.5%	\$ (1.2)	-10.9%
U.S. Title	13.0	46.1%	7.1	41.3%	5.9	83.1%
Canada	1.3	70.6%	0.8	58.3%	0.5	60.0%
Corporate	(4.5)		(3.7)		(0.8)	-23.1%
Consolidated Adjusted EBITDA ^(A)	\$ 19.0	40.7%	\$ 14.6	40.6%	\$ 4.4	30.2%
<i>Net income</i>						
Net income	\$ 11.7		\$ 18.7		\$ (7.0)	
Net income per diluted share	\$ 0.13		\$ 0.21		\$ (0.08)	
<i>Adjusted Net Income^(A)</i>						
Adjusted Net Income ^(A)	\$ 13.1		\$ 11.0		\$ 2.1	
Adjusted Net Income ^(A) per diluted share	\$ 0.15		\$ 0.13		\$ 0.02	

Financial and Operational Summary (continued)

(millions of dollars)

	Six months ended March 31					
	2021	Margin	2020	Margin	\$ Change	% Change
<i>Revenues</i>						
U.S. Appraisal	\$ 145.9		\$ 138.7		\$ 7.2	5.2%
U.S. Title	80.0		59.5		20.5	34.4%
Canada	23.2		15.2		8.0	53.0%
Consolidated revenues	\$ 249.1		\$ 213.4		\$ 35.7	16.7%
<i>Net Revenue^(A)</i>						
U.S. Appraisal	\$ 32.3	22.2%	\$ 32.9	23.7%	\$ (0.6)	-1.6%
U.S. Title	55.0	68.7%	35.7	60.0%	19.3	53.9%
Canada	3.4	14.6%	2.6	17.4%	0.8	28.6%
Consolidated Net Revenue ^(A)	\$ 90.7	36.4%	\$ 71.2	33.4%	\$ 19.5	27.3%
<i>Adjusted EBITDA^(A)</i>						
U.S. Appraisal	\$ 18.1	55.9%	\$ 19.2	58.4%	\$ (1.1)	-6.0%
U.S. Title	24.6	44.8%	15.6	43.6%	9.0	58.4%
Canada	2.4	72.1%	1.5	56.6%	0.9	63.8%
Corporate	(8.7)		(7.1)		(1.6)	-22.7%
Consolidated Adjusted EBITDA ^(A)	\$ 36.4	40.2%	\$ 29.2	40.9%	\$ 7.2	25.0%
<i>Net income</i>						
Net income	\$ 18.8		\$ 23.8		\$ (5.0)	
Net income per diluted share	\$ 0.21		\$ 0.27		\$ (0.06)	
<i>Adjusted Net Income^(A)</i>						
Adjusted Net Income ^(A)	\$ 25.1		\$ 20.3		\$ 4.8	
Adjusted Net Income ^(A) per diluted share	\$ 0.29		\$ 0.23		\$ 0.06	

Intention to Renew Normal Course Issuer Bid

We also announced today that, subject to the approval of the Toronto Stock Exchange (“TSX”), the Company intends to renew the current NCIB for a 12-month period commencing June 11, 2021, and ending June 10, 2022. Our Board of Directors has approved the purchase of up to 4.0 million common shares for an aggregate purchase price not to exceed \$56.0 million. If the NCIB is approved by the TSX, purchases will continue to be made through the facilities of the TSX and alternative Canadian trading systems at the prevailing market price at the time of acquisition. We will determine the actual number of common shares purchased under the NCIB and the timing of such purchases.

The Company believes that at times, the prevailing share price for its common shares does not reflect its underlying value such that the repurchase of common shares for cancellation represents an attractive opportunity to return value to the Company’s shareholders. The Company will use the NCIB in conjunction with its capital allocation strategy. All common shares purchased under the NCIB will be cancelled.

Our current NCIB commenced on June 11, 2020, and will expire on June 10, 2021, or earlier if we have acquired 4 million common shares. Since the beginning of our current NCIB, we have purchased for cancellation 2.0 million shares at a weighted average price of C\$19.33. Since the inception of our first NCIB on June 11, 2018, the Company has acquired a total of 9.1 million shares at a weighted average price of C\$10.12.

Conference Call and Webcast

A conference call to review the results will take place at 10:00 a.m. (ET) on Wednesday, April 28, 2021, hosted by Chief Executive Officer Brian Lang and Chief Financial Officer Bill Herman. An accompanying slide presentation will be posted to the Investor section of our website shortly before the call.

To access the call:

- Participant Toll Free Dial-In Number: (833) 968-2239
- Participant International Dial-In Number: (825) 312-2065
- Conference ID: 4794289

To listen to the live webcast of the call:

- Go to: <https://event.on24.com/wcc/r/2929475/5417719D6AED57ADB8E8C5C2BCF5E6D>

The webcast will be archived and a transcript of the call will be available in the Investor section of our website following the call.

(A) Non-GAAP Measures

The non-GAAP measures used in this Press Release, including Net Revenue, Adjusted EBITDA and Adjusted Net Income do not have a standardized meaning prescribed by International Financial Reporting Standards and are therefore unlikely to be comparable to similar measures presented by other issuers. These non-GAAP measures are more fully defined and discussed in the Company’s MD&A for the three and six months ended March 31, 2021 available on SEDAR at www.sedar.com.

Real Matters financial results for the three and six months ended March 31, 2021 are included in the unaudited condensed consolidated financial statements and the accompanying MD&A, each of which are available on SEDAR at www.sedar.com. In addition, supplemental information is available on our website at www.realmatters.com.

Forward-Looking Information

This Press Release contains “forward-looking information” within the meaning of applicable Canadian securities laws. Words such as “could”, “forecast”, “target”, “may”, “will”, “would”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “seek”, “believe”, “likely” and “predict” and variations of such words and similar expressions are intended to identify such forward-looking information, although not all forward-looking information contains these identifying words.

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

The forward-looking information in this Press Release is subject to risks, uncertainties and other factors that are difficult to predict and that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. A comprehensive discussion of the factors which could cause results or events to differ from current expectations can be found in the “Risk Factors” section of our Annual Information Form for the year ended September 30, 2020, which is available on SEDAR at 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 Press Release. Except as required by law, we do not undertake to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

About Real Matters

Real Matters is a leading network management services provider for the mortgage lending and insurance industries. Real Matters' platform combines its proprietary technology and network management capabilities with tens of thousands of independent qualified field professionals to create an efficient marketplace for the provision of mortgage lending and insurance industry services. Our clients include the majority of the top 100 mortgage lenders in the U.S. and some of the largest insurance companies in North America. We are a leading independent provider of residential real estate appraisals to the mortgage market and a leading independent provider of title and mortgage closing services in the U.S. Established in 2004, Real Matters' principal offices include Buffalo (NY), Denver (CO), Middletown (RI), and Markham (ON). Real Matters is listed on the Toronto Stock Exchange under the symbol REAL. For more information, visit www.realmatters.com.

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