



Real Matters Reports First Quarter Financial Results

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

TORONTO (January 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 first quarter ended December 31, 2020.

“We reported solid first quarter results driven by strong year-over-year growth in our U.S. Title segment. Consolidated Net Revenue^(A) increased 24.8% to \$44.0 million and consolidated Adjusted EBITDA^(A) increased 19.7% to \$17.4 million,” said Real Matters Chief Executive Officer Brian Lang. “The U.S. mortgage market remained strong in the first quarter due to sustained strength in refinance volumes. We estimate that refinance market volume was up 60%; by comparison, our centralized title revenues increased 93%. Our U.S. Appraisal origination revenues increased over 9% compared with an estimated flat addressable mortgage origination market volumes. Our Canadian segment posted strong results in the first quarter, principally as a result of market share gains and stronger market volumes. Canadian revenues were up 40.7%, while Net Revenue^(A) and Adjusted EBITDA^(A) increased 25.1% and 67.8%, respectively. We were active in our normal course issuer bid in the first quarter this year, purchasing 1.2 million shares at a cost of \$18.9 million.”

Q1 2021 Key Performance Indicators (year-over-year)	U.S. Appraisal	U.S. Title	Consolidated
Revenues	\$69.6 million	\$39.9 million	\$120.3 million
Revenue Growth	3.2%	39.0%	15.9%
Net Revenue ^(A) Growth	1.4%	44.4%	24.8%
Adjusted EBITDA ^(A) Margin	56.3%	43.5%	39.6%

Q1 2021 Highlights

- Launched one new Tier 2 lender in two channels in U.S. Appraisal
- Launched two new lenders in U.S. Title (including one Tier 2 lender)
- Purchased 1.2 million shares under our normal course issuer bid at a cost of \$18.9 million

Financial and Operational Summary

(millions of dollars)

	Three months ended December 31					
	2020	Margin	2019	Margin	\$ Change	% Change
<i>Revenues</i>						
U.S. Appraisal	\$ 69.6		\$ 67.4		\$ 2.2	3.2%
U.S. Title	39.9		28.7		11.2	39.0%
Canada	10.8		7.7		3.1	40.7%
Consolidated revenues	\$ 120.3		\$ 103.8		\$ 16.5	15.9%
<i>Net Revenue^(A)</i>						
U.S. Appraisal	\$ 15.7	22.6%	\$ 15.5	23.0%	\$ 0.2	1.4%
U.S. Title	26.6	66.8%	18.5	64.3%	8.1	44.4%
Canada	1.7	15.3%	1.3	17.2%	0.4	25.1%
Consolidated Net Revenue ^(A)	\$ 44.0	36.6%	\$ 35.3	34.0%	\$ 8.7	24.8%
<i>Adjusted EBITDA^(A)</i>						
U.S. Appraisal	\$ 8.8	56.3%	\$ 8.8	57.2%	\$ -	-0.2%
U.S. Title	11.6	43.5%	8.4	45.7%	3.2	37.5%
Canada	1.2	73.7%	0.7	55.0%	0.5	67.8%
Corporate	(4.2)		(3.4)		(0.8)	-22.4%
Consolidated Adjusted EBITDA ^(A)	\$ 17.4	39.6%	\$ 14.5	41.2%	\$ 2.9	19.7%
<i>Net income</i>						
Net income	\$ 7.1		\$ 5.1		\$ 2.0	
Net income per diluted share	\$ 0.08		\$ 0.06		\$ 0.02	
<i>Adjusted Net Income^(A)</i>						
Adjusted Net Income ^(A)	\$ 12.0		\$ 9.2		\$ 2.8	
Adjusted Net Income ^(A) per diluted share	\$ 0.14		\$ 0.10		\$ 0.04	

Conference Call and Webcast

A conference call to review the results will take place at 10:00 a.m. (ET) on Thursday, January 28, 2021, hosted by Chief Executive Officer Brian Lang and Chief Financial Officer Bill Herman. An accompanying slide presentation will be posted to the Investors 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: 2239576

To listen to the live webcast of the call:

- Go to: <https://event.on24.com/wcc/r/2927942/B990CDAB1E056B71D8FE61B4D4BF1CA4>

The webcast will be archived and a transcript of the call will be available in the Investors 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 months ended December 31, 2020 available on SEDAR at www.sedar.com.

Real Matters financial results for the three months ended December 31, 2020 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 and under the heading “Important Factors Affecting our Results from Operations”, 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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