



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, 2022) – 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, 2021.

“We reported consolidated revenues of \$107.8 million in the first quarter, as revenue growth in our U.S. Appraisal and Canadian segments was offset by a decline in U.S. Title. Our U.S. Appraisal purchase and refinance revenues increased a combined 13.9% year-over-year compared with an estimated decline in addressable market volumes of 1.5%. The year-over-year decline in U.S. Title revenues was due in part to an estimated 31.2% decline in refinance market volumes,” said Real Matters Chief Executive Officer Brian Lang. “Our Appraisal businesses performed well in the first quarter and we were pleased with our competitive positioning in U.S. Title. We delivered strong progression on our scorecards in U.S. Title this quarter which is laying the foundation for continued market share growth and strengthening our value proposition with prospective clients. We are on the right path to building market share in U.S. Title.”

“Looking ahead, our focus is on performance, market share gains and launching new clients. Our view of the long-term potential of our business has not changed and we remain confident in our fiscal 2025 objectives. We continued to be active in our normal course issuer bid during the first quarter as the purchase of shares at prevailing prices remains an attractive opportunity to return value to the Company’s common shareholders,” concluded Lang.

Q1 2022 Key Performance Indicators (year-over-year)	U.S. Appraisal	U.S. Title	Consolidated
Revenues	\$79.4 million	\$16.2 million	\$107.8 million
Revenue Growth (Decline)	14.1%	-59.4%	-10.4%
Net Income	-	-	\$2.6 million
Net Revenue ^(A) Growth (Decline)	4.2%	-59.7%	-34.7%
Adjusted EBITDA ^(A) Margin	51.9%	4.1%	20.6%

Q1 2022 Highlights

- Launched four new lenders and one new channel with one lender in U.S. Appraisal
- Top performance on Tier 1 scorecards in U.S. Appraisal
- Launched one new Top 100 lender in U.S. Title
- Ranked #1 vendor with two Tier 2 clients in U.S. Title
- Purchased 0.7 million shares under our normal course issuer bid at a cost of \$5.1 million

Financial and Operational Summary

(millions of dollars)

	Three months ended December 31					
	2021	Margin	2020	Margin	\$ Change	% Change
<i>Revenues</i>						
U.S. Appraisal	\$ 79.4		\$ 69.6		\$ 9.8	14.1%
U.S. Title	16.2		39.9		(23.7)	-59.4%
Canada	12.2		10.8		1.4	13.2%
Consolidated revenues	\$ 107.8		\$ 120.3		\$ (12.5)	-10.4%
<i>Net Revenue^(A)</i>						
U.S. Appraisal	\$ 16.4	20.6%	\$ 15.7	22.6%	\$ 0.7	4.2%
U.S. Title	10.8	66.4%	26.6	66.8%	(15.8)	-59.7%
Canada	1.6	13.5%	1.7	15.3%	(0.1)	-0.5%
Consolidated Net Revenue ^(A)	\$ 28.8	26.7%	\$ 44.0	36.6%	\$ (15.2)	-34.7%
<i>Adjusted EBITDA^(A)</i>						
U.S. Appraisal	\$ 8.6	51.9%	\$ 8.8	56.3%	\$ (0.2)	-3.9%
U.S. Title	0.4	4.1%	11.6	43.5%	(11.2)	-96.2%
Canada	0.9	57.7%	1.2	73.7%	(0.3)	-22.1%
Corporate	(4.0)		(4.2)		0.2	6.8%
Consolidated Adjusted EBITDA ^(A)	\$ 5.9	20.6%	\$ 17.4	39.6%	\$ (11.5)	-66.0%
<i>Net income</i>						
Net income	\$ 2.6		\$ 7.1		\$ (4.5)	
Net income per diluted share	\$ 0.03		\$ 0.08		\$ (0.05)	
<i>Adjusted Net Income^(A)</i>						
Adjusted Net Income ^(A)	\$ 3.5		\$ 12.0		\$ (8.5)	
Adjusted Net Income ^(A) per diluted share	\$ 0.04		\$ 0.14		\$ (0.10)	

Conference Call and Webcast

A conference call to review the results will take place at 10:00 a.m. (ET) on Friday, January 28, 2022, 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) 247-5856
- Participant International Dial-In Number: (647) 689-4232
- Conference ID: 6473063

To listen to the live webcast of the call:

- Go to: <https://event.on24.com/wcc/r/3287380/DB3E1DAE1E7A282F6DDA38718324CC0B>

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 months ended December 31, 2021 under the heading "Non-GAAP measures", which is incorporated by reference in this Press Release and available on SEDAR at www.sedar.com.

Real Matters financial results for the three months ended December 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.

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 ended December 31, 2021 and 2020 were as follows:

	Three months ended December 31	
	2021	2020
Net income	\$ 2.6	\$ 7.1
Operating expenses	23.2	27.5
Amortization	1.2	1.2
Other non-operating costs	0.1	-
Interest expense	0.1	0.1
Interest income	-	(0.1)
Net foreign exchange loss	0.5	6.0
Gain on fair value of warrants	(0.2)	(1.0)
Income tax expense	1.3	3.2
Net Revenue	\$ 28.8	\$ 44.0

Adjusted EBITDA represents net income or loss before stock-based compensation expense, amortization, other non-operating costs, 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 ended December 31, 2021 and 2020 were as follows:

	Three months ended December 31	
	2021	2020
Net income	\$ 2.6	\$ 7.1
Stock-based compensation expense	0.3	0.9
Amortization	1.2	1.2
Other non-operating costs	0.1	-
Interest expense	0.1	0.1
Interest income	-	(0.1)
Net foreign exchange loss	0.5	6.0
Gain on fair value of warrants	(0.2)	(1.0)
Income tax expense	1.3	3.2
Adjusted EBITDA	\$ 5.9	\$ 17.4

The reconciling items between net income or loss and Adjusted Net Income or Loss for the three months ended December 31, 2021 and 2020 were as follows:

	Three months ended December 31	
	2021	2020
Net income	\$ 2.6	\$ 7.1
Stock-based compensation expense	0.3	0.9
Amortization of intangibles	0.4	0.4
Other non-operating costs	0.1	-
Net foreign exchange loss	0.5	6.0
Gain on fair value of warrants	(0.2)	(1.0)
Related tax effects	(0.2)	(1.4)
Adjusted Net Income	\$ 3.5	\$ 12.0

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, 2021, 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 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 services in the U.S. Headquartered in Markham (ON), Real Matters has principal offices in Buffalo (NY), Middletown (RI) and Scottsdale (AZ). Real Matters is listed on the Toronto Stock Exchange under the symbol REAL. For more information, visit www.realmatters.com.

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