

Real Matters Inc. – MD&A for the three months ended December 31, 2024 and 2023

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

The following Management Discussion and Analysis ("MD&A") was prepared as of January 29, 2025 and should be read in conjunction with our unaudited interim condensed consolidated financial statements ("financial statements"), including notes thereto, for the three months ended December 31, 2024 and 2023 and our audited consolidated financial statements, including notes thereto, for the year ended September 30, 2024. All amounts in this MD&A are reported in thousands of U.S. dollars, unless otherwise stated, and have been prepared in accordance with IFRS® Accounting Standards ("IFRS Accounting Standards" or "GAAP"). Throughout this MD&A, Real Matters Inc. and its subsidiaries are referred to as "Real Matters," "the Company," "we," "our," or "us". Additional information about the Company, including the Company's Annual Information Form for the year ended September 30, 2024, can be found on SEDAR+ under the Company's profile at www.sedarplus.ca.

We prepare our financial statements in accordance with IFRS Accounting Standards, however, we consider certain Non-GAAP financial measures (as hereinafter defined) useful in the assessment of our financial performance. All Non-GAAP measures are identified in this MD&A by superscript (A). Please refer to the "Non-GAAP Measures" section of this MD&A for additional details regarding our use of Non-GAAP measures, including, but not limited to, the definitions of Net Revenue^(A) and Adjusted EBITDA^(A).

OVERVIEW

Real Matters provides residential real estate appraisal and title services to mortgage lenders in the United States of America ("U.S.") and residential real estate appraisal and insurance inspection services in Canada. Our technology-based platform creates a marketplace where independent field professionals, including appraisers, property inspectors, notaries, abstractors and other closing agents, compete for volumes provided by our clients based on their service level, quality of work and professionalism (the "platform"). Our proprietary technology, which we believe is unique in our industry, combined with our network management capabilities, drives greater efficiency by reducing manual processes through robust quality control mechanisms, logistics management capabilities, capacity planning tools and end-to-end transaction management for our clients. We leverage our technology and field professional partnerships with the goal of delivering first-time quality, faster turnaround times and better performance than our competitors.

Headquartered in Markham, Ontario, Real Matters' principal offices include Buffalo, New York and Middletown, Rhode Island. We service the U.S. and Canadian residential mortgage industries through our Solidifi brand and the Canadian property and casualty insurance industry through our iv3 brand.

Our services

Appraisal services

We are one of North America's largest independent providers of residential real estate appraisal services. A residential appraisal is a survey of a home prepared by a qualified appraiser providing their expert opinion on the market value of a residential property.

We leverage our technology-based platform and apply network management capabilities, which are designed to focus on quality at the front-end of the process, to supply residential real estate appraisal services. Our platform is an open network where appraiser performance is tracked and managed in real-time. We believe that our national and regionally managed network has the capacity to scale and deliver better performance than our competitors. We provide the breadth of expertise and local knowledge required to find the most qualified appraiser for every mortgage transaction through robust credentials management and scorecarding.

Title services

In April 2016, we entered the U.S. Title business through the acquisition of Linear Title & Closing Ltd. Our U.S. Title business leverages our technology-based platform and network management capabilities to deliver a scalable solution that drives better performance for our clients and a superior consumer experience. The closing process is critical to a consumer's overall experience as it represents an important point of contact in a mortgage transaction. Our focus is to provide the best consumer experience by working with experienced abstractors, notaries and attorneys.

We are an approved title agent with the largest title insurance underwriters in the U.S. We offer and/or coordinate various title services for refinance, purchase, home equity, default, short sale and real estate owned ("REO") transactions to financial institutions in all 50 states and the District of Columbia, and each state has differing rules and regulations for title agents. As an independent title agent, we provide services required to close a mortgage transaction, including title search, curative, closing and escrow services and title policy issuance. We act on behalf of title insurance underwriters and retain the agent's portion of the premium paid for the title policy, which is typically 70-90% of the title insurance premium. The remaining portion of the premium is remitted to the underwriter as compensation for bearing the risk of loss in the event a

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claim is made under the insurance policy. Premium splits can vary by geographic region, and in some states, premiums are fixed by regulation.

In addition, we also provide hosted software solutions relating to title services.

Insurance inspection services

In Canada, through our iv3 brand, we also supply residential and commercial property insurance inspection and loss control services. The purpose of an inspection is to establish the replacement cost of a property in the event of a major catastrophe such as a fire or a flood. The inspection is used as an insurance underwriting and loss control tool to properly match the risk with the appropriate insurance premium and to verify the accuracy of the information collected at the time of the policy application.

Our clients

Our clients include top 100 mortgage lenders in the U.S., the majority of the big five banks in Canada and some of North America's largest insurance carriers.

In the U.S., most of the larger lenders typically allocate market share to their service providers based on performance, and our performance often results in us obtaining an outsized allocation of transaction volumes from these lenders compared to our competitors.

Our U.S. Appraisal segment (as hereinafter defined) provides appraisal services to the largest mortgage lenders in the U.S. across the following channels: purchase origination, refinance origination, home equity, default and REO. Purchase and refinance mortgage origination revenues accounted for 73% of fiscal Q1 2025 revenues in our U.S. Appraisal segment (Q1 2024 – 75%).

Our U.S. Title segment (as hereinafter defined) currently provides title services to one of the largest banks in the U.S. and other top 100 mortgage lenders in the U.S. Our strategy is to increase market share in this segment by onboarding more top 100 lenders in the U.S., many of whom are already clients in the U.S. Appraisal segment.

In Canada, we provide residential mortgage appraisal services to the majority of the big five Canadian banks and residential and commercial property insurance inspection services to some of North America's largest insurance carriers.

Markets we service and their trends

Residential mortgage origination volumes in North America are a key driver of our financial performance. The U.S. mortgage market is one of the largest asset classes in the world and it is highly regulated.

Refinance activity is highly sensitive to changes in interest rates. From the onset of COVID-19 through the first half of fiscal 2022, the mortgage origination market experienced a significant increase in refinance activity due to low interest rates and other contributing factors. Starting in the first half of fiscal 2022 and continuing through fiscal 2023, the U.S. Federal Reserve raised the Federal Funds rate multiple times to mitigate inflationary pressures. Higher mortgage rates, high inflation, reduced affordability, and broader macroeconomic concerns drove significant declines in mortgage origination volume during this period and through fiscal 2024, resulting in mortgage transaction volumes in fiscal 2023 and fiscal 2024 falling to historic 30-year lows.

According to the most recent Mortgage Bankers Association ("MBA") forecast, the average mortgage rate for a 30-year, conventional, fixed-rate mortgage decreased by 70 basis points to 6.6% in fiscal Q1 2025 compared to fiscal Q1 2024.

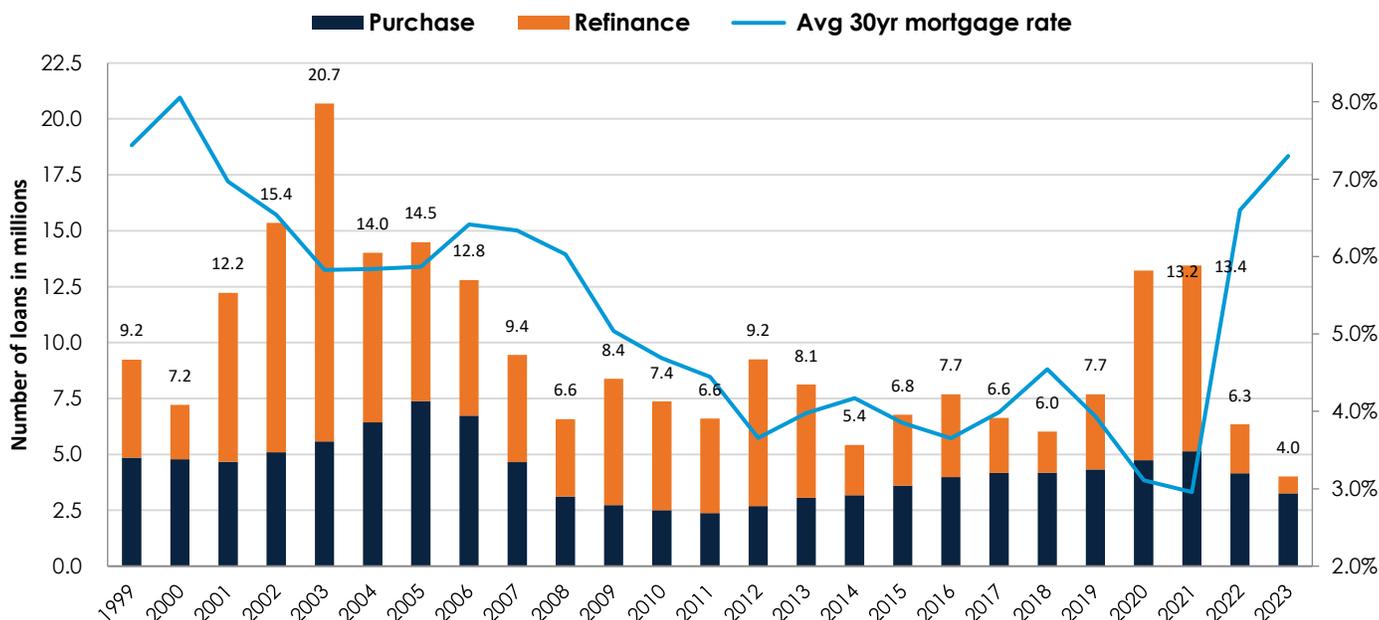
The Home Mortgage Disclosure Act ("HMDA") publishes mortgage origination data annually in the spring for the prior calendar year. According to HMDA, total U.S. mortgage origination volumes (purchase and refinance) decreased 37% year-over-year in calendar 2023 to 4.0 million transactions (purchase: 3.2 million – refinance: 0.8 million).

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The graph below outlines the number of U.S. mortgage origination loans for purchase and refinance transactions on a calendar year basis from 1999 to 2023.

U.S. Mortgage Origination Volumes by Calendar Year (excludes default, REO and home equity loans)



Source: HMDA data for calendar 1999 through 2023.

Our addressable market

The total addressable market ("TAM") for our U.S. Appraisal segment excludes appraisal waivers from the Government-Sponsored Enterprises ("GSEs") and appraisals provided by Veterans Affairs, the majority of which impacts refinance origination volumes. Based on the 4.0 million total U.S. mortgage origination volumes (purchase and refinance) disclosed by HMDA for calendar 2023, we estimate that in calendar 2023 there were approximately 3.4 million addressable mortgage origination transactions (purchase and refinance) requiring appraisals in the U.S. U.S. Appraisal market share for origination transactions is generally allocated by lenders on a centralized, combined volume basis (i.e. the allocation of volume is driven by the lender).

The TAM for our U.S. Title segment is not impacted by waivers or Veterans Affairs volumes. According to HMDA, there were 0.8 million refinance transactions in calendar 2023. Our U.S. Title segment currently targets refinance transactions as this volume is generally centralized by the mortgage lenders. While we have the capability, and we do occasionally provide title services for purchase transactions, most of the volume for U.S. Title purchase transactions is not allocated by the lender.

As at January 21, 2025, the MBA Forecast estimates that total U.S. mortgage origination volumes increased by 7.4% in fiscal 2024 compared to fiscal 2023 (purchase: decrease of 2.4% - refinance: increase of 48.4%), and that volumes will increase by 21.3% in fiscal 2025 compared to fiscal 2024 (purchase: decrease of 0.7% - refinance: increase of 81.7%). As at January 22, 2025, the Fannie Mae Housing Forecast estimates that total U.S. mortgage origination volumes¹ decreased by 2.8% in fiscal 2024 compared to fiscal 2023 (purchase: decrease of 7.4% - refinance: increase of 16.8%), and that volumes will increase by 19.7% in fiscal 2025 compared to fiscal 2024 (purchase: increase of 4.1% - refinance: increase of 72.7%).

In addition to mortgage origination transactions, we also service home equity, default and REO transactions. However, due to the lack of available market data, we are unable to estimate the market size for these transactions.

Due to the lack of available market data, we are unable to estimate the market size for the Canadian segment.

¹ The Fannie Mae Housing Forecast only provides mortgage originations in dollar amounts based on the total dollar value of the transactions. To calculate the number of mortgage origination transactions, the dollar amounts were divided by the average loan amount provided by the most recent MBA Forecast.

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Seasonality and other trends

Residential mortgage origination volumes in North America are influenced by cyclical trends and seasonality. Cyclical trends include changes in interest rates, refinancing rates, the capacity of lenders to underwrite mortgages, house prices, housing inventory, demand for housing, the availability of funds for mortgage loans, credit requirements, regulatory changes, household indebtedness, employment levels and the general health of the North American economy. Transaction-based revenues for appraisal services in our U.S. Appraisal and Canadian segments are also impacted by the seasonal nature of the residential mortgage industry, which typically see home buyers purchase more homes in our third and fourth fiscal quarters, representing the three months ending June 30 and September 30, respectively.

Our market share is not only impacted by the size of the addressable residential mortgage origination market but also by our clients' relative share of the addressable market. Gains or losses in our clients' share of the addressable market impact our overall market share. As discussed above, the prevalence of appraisal waivers provided by the GSEs and the volume of appraisals provided by Veterans Affairs can also impact the size of the TAM for our U.S. Appraisal segment.

Long-term focus

We take a long-term view to manage and measure the success of our business strategies due to the cyclicity and seasonality of the mortgage origination market. Accordingly, our principal focus is on growing market share in the residential mortgage origination market over the long-term. Market share growth is achieved by onboarding new customers and increasing market share with our existing clients. The mortgage market is subject to the influence of many factors, such as broader economic conditions, changes in interest rates, changes in our clients' share of the market and regulatory changes. As we scale transaction volumes, we expect to expand Net Revenue^(A) and Adjusted EBITDA^(A) margins.

Target Operating Model

In July 2024, we set U.S. Appraisal and U.S. Title Net Revenue^(A) and Adjusted EBITDA^(A) margin targets contingent upon achieving a range of transaction volumes, irrespective of market size or market share. We also provided absolute dollar target ranges for U.S. Appraisal and U.S. Title Adjusted EBITDA^(A).

Our targets, outlined in the table below (the "Target Operating Model"), reflect our expectations of the profitability of our business at higher volume levels.

Target Operating Model

	U.S. Appraisal Segment	U.S. Title Segment
Real Matters' annual mortgage origination transaction volumes assumption	550,000 - 620,000	120,000 - 150,000
Targets:		
Net Revenue ^(A) margin	26% - 28%	60% - 65%
Adjusted EBITDA ^(A) margin	65% - 70%	50% - 55%
Adjusted EBITDA ^(A)	\$50 - \$65 million	\$30 - \$45 million

The following assumptions were used to determine the Target Operating Model:

- Real Matters' annual mortgage origination transaction volumes between 550,000 to 620,000 in our U.S. Appraisal segment and 120,000 to 150,000 in our U.S. Title segment;
- No changes in laws and regulations in the U.S. mortgage industry that materially adversely impact our business;
- No material changes in the pricing or profitability for our services;
- No material fluctuation of volumes attributable to home equity, REOs, default, diversified or flood services;
- Our ability to continue leveraging our platform to improve Net Revenue^(A) and Adjusted EBITDA^(A) margins; and
- No impact from acquisitions, dispositions or re-segmentation of existing segments.

We believe the Target Operating Model will better assist investors in understanding our current objectives, strategic priorities, and expectations for the future. Our focus remains on the long term, and we continue to believe in our ability to continue to grow volumes and generate significant earnings with scale.

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Below is a comparison of our historical performance from fiscal 2020 to 2024 against the Target Operating Model:

	U.S. Appraisal Segment Actuals				
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Real Matters' annual mortgage origination transaction volumes	469,299	511,591	331,758	141,690	150,675
Net Revenue ^(A) margin	23.8%	21.5%	22.1%	27.4%	27.6%
Adjusted EBITDA ^(A) margin	59.3%	57.5%	48.6%	42.8%	46.2%
Adjusted EBITDA ^(A)	\$ 39,851	\$ 39,797	\$ 26,997	\$ 14,178	\$ 16,667

	U.S. Title Segment Actuals				
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Real Matters' annual mortgage origination transaction volumes	118,388	129,680	31,537	3,312	3,431
Net Revenue ^(A) margin	63.1%	68.1%	63.1%	40.6%	46.3%
Adjusted EBITDA ^(A) margin	49.3%	36.0%	-35.1%	-215.6%	-170.4%
Adjusted EBITDA ^(A)	\$ 44,291	\$ 31,784	\$ (8,084)	\$ (8,338)	\$ (6,811)

Please refer to the "Cautionary Note Regarding Forward-Looking Information" contained in this MD&A for a description of the risks that impact our business and that could impact the achievement of our Target Operating Model.

Important factors affecting our results from operations

Our business is subject to a variety of risks and uncertainties, and the targets outlined above contain forward-looking information. Please refer to the "Cautionary Note Regarding Forward-Looking Information" contained in this MD&A for a description of the risks that impact our business and that could cause our financial results to vary.

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FINANCIAL PERFORMANCE

The following is a discussion of our consolidated financial condition and results of operations for the three months ended December 31, 2024 and 2023.

Review of Operations - For the three months ended December 31, 2024

This section provides detailed information and analysis about the Company's performance for the three months ended December 31, 2024.

Please also refer to the table in the "Foreign Currency Exchange Rates" section of this MD&A for additional details regarding the impact foreign currency exchange ("FX") had on our consolidated operating results for the three months ended December 31, 2024.

Consolidated

	Three months ended December 31			
	2024	2023	Change	% Change
Revenues	\$ 40,983	\$ 35,445	\$ 5,538	16%
Transaction costs	\$ 30,130	\$ 25,770	\$ 4,360	17%
Operating expenses	\$ 12,561	\$ 11,563	\$ 998	9%
Amortization	\$ 758	\$ 839	\$ (81)	-10%
Net income (loss)	\$ 2,280	\$ (3,598)	\$ 5,878	163%
<i>Non-GAAP measures</i>				
Net Revenue ^(A)	\$ 10,853	\$ 9,675	\$ 1,178	12%
Net Revenue ^(A) margin	26.5%	27.3%	-0.8%	-3%
Adjusted EBITDA ^(A)	\$ (1,650)	\$ (1,070)	\$ (580)	-54%
Adjusted EBITDA ^(A) margin	-15.2%	-11.1%	-4.1%	-37%

Consolidated operating results	
Three months ended December 31, 2024 vs. Three months ended December 31, 2023	
Revenues	↑ The 16% increase in consolidated revenues was due to an increase in revenues from all three operating segments (further explained below under "Business Segment Analysis – Review of Operations – For the three months ended December 31, 2024" section).
Transaction costs	↑ The 17% increase in transaction costs was due to an increase in transaction costs from all three operating segments (further explained below under "Business Segment Analysis – Review of Operations – For the three months ended December 31, 2024" section).
Operating expenses	↑ Operating expenses increased by 9% primarily due to: <ul style="list-style-type: none"> • an increase of \$1.1 million in salaries and benefits; • an increase of \$0.2 million in professional fees related to audit fees and training; • an increase of \$0.1 million in office and computer expenses; • an increase in legal fees and claims expenditures of \$0.3 million; • partially offset by a reduction in stock-based compensation expense of \$0.8 million.
Amortization	↓ Amortization expense was 10% lower mainly due to a reduction of right-of-use assets related to our leased office space combined with fully amortized computer equipment and leasehold improvements.
Net income (loss)	↑ In addition to the Adjusted EBITDA ^(A) discussion below, the net income improvement of \$5.9 million was mainly due to: <ul style="list-style-type: none"> • an increase in net foreign exchange gain of \$8.1 million due to the devaluation of the Canadian dollar relative to the U.S. dollar; • lower stock-based compensation expense of \$0.8 million; • partially offset by an increase in loss on fair value of derivatives of \$1.8 million, increase in restructuring expenses of \$0.5 million and a decrease in income tax recovery of \$0.3 million.
Net Revenue^(A)	↑ The 12% increase in Net Revenue ^(A) was due to an increase in revenues from all three operating segments (further explained below under "Business Segment Analysis – Review of Operations – For the three months ended December 31, 2024" section).

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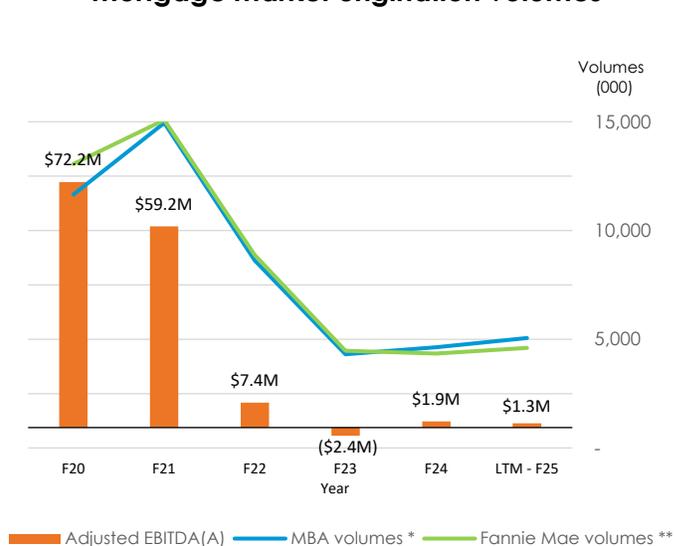
Consolidated operating results	
Three months ended December 31, 2024 vs. Three months ended December 31, 2023	
Net Revenue^(A) margin	↓ Consolidated Net Revenue ^(A) margins decreased by 80 basis points primarily due to a decrease in Net Revenue ^(A) margin from our U.S. Appraisal segment which was partially offset by improved Net Revenue ^(A) margin from our U.S. Title and Canada segments.
Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins	↓ We recorded lower Adjusted EBITDA ^(A) and Adjusted EBITDA ^(A) margins due to higher operating expenses (excluding stock-based compensation expense) partially offset by higher Net Revenue ^(A) .

The tables that follow compare our consolidated Revenues, Adjusted EBITDA^(A) and Net Income or Loss to estimated mortgage market origination volumes.

Consolidated Revenues vs mortgage market origination volumes



Consolidated Adjusted EBITDA^(A) vs mortgage market origination volumes



Consolidated Net Income or Loss vs mortgage market origination volumes



* Based on the most recent MBA Mortgage Finance Forecast

** Based on the most recent Fannie Mae Housing Forecast (volumes derived from using the average loan amount from the MBA Forecast)

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Business Segment Analysis - Review of Operations - For the three months ended December 31, 2024

We conduct our business in the U.S. and Canada through three reportable segments: (i) U.S. appraisal ("U.S. Appraisal"); (ii) U.S. title ("U.S. Title"); and (iii) Canada or Canadian. Expenses attributable to corporate activities are recorded in our Corporate segment.

U.S. Appraisal

	Three months ended December 31			
	2024	2023	Change	% Change
Revenues				
Purchase origination	\$ 12,316	\$ 12,273	\$ 43	0%
Refinance origination	9,147	7,827	1,320	17%
Home equity	6,933	5,970	963	16%
Other	944	730	214	29%
	\$ 29,340	\$ 26,800	\$ 2,540	9%
Transaction costs	\$ 21,566	\$ 19,331	\$ 2,235	12%
Operating expenses	\$ 5,369	\$ 4,793	\$ 576	12%
Amortization	\$ 80	\$ 89	\$ (9)	-10%
Non-GAAP measures				
Net Revenue ^(A)	\$ 7,774	\$ 7,469	\$ 305	4%
Net Revenue ^(A) margin	26.5%	27.9%	-1.4%	-5%
Adjusted EBITDA ^(A)	\$ 2,405	\$ 2,676	\$ (271)	-10%
Adjusted EBITDA ^(A) margin	30.9%	35.8%	-4.9%	-14%
Real Matters' mortgage origination volumes (in units)	34,295	31,731	2,564	8%

U.S. Appraisal operating results	
Three months ended December 31, 2024 vs. Three months ended December 31, 2023	
Revenues	<p>↑ Revenues from purchase origination were relatively flat as net market share gains with existing and new clients were offset by a modest decline in mortgage market origination volume for purchase transactions.</p> <p>Revenue from refinance origination increased by 17% due to higher addressable mortgage origination volumes for refinance transactions and net market share gains with existing and new clients, partially offset by some of our clients losing share of the market to their competitors.</p> <p>Home equity revenues increased by 16%, accounting for 24% of the segment's revenues (Q1 2024 – 22%), mainly due to market share gains with existing and new clients.</p>
Transaction costs	↑ Transaction costs increased by 12% largely due to higher refinance origination and home equity volumes, as outlined in the discussion above.
Operating expenses	↑ Operating expenses increased by 12%, primarily due to salary increases and higher benefit costs of \$0.3 million as well as higher legal fees and claims expenditures of \$0.3 million.
Amortization	↓ Amortization expense decreased by 10% due to a reduction of right-of-use assets related to our leased office space combined with fully amortized computer equipment and leasehold improvements.
Net Revenue^(A)	↑ Net Revenue ^(A) increased by 4% mainly due to higher refinance origination and home equity volumes, partially offset by lower Net Revenue ^(A) margins.
Net Revenue^(A) margin	↓ Net Revenue ^(A) margins decreased by 140 basis points, mostly due to the distribution of transaction volumes related to geographies, clients and product mix.

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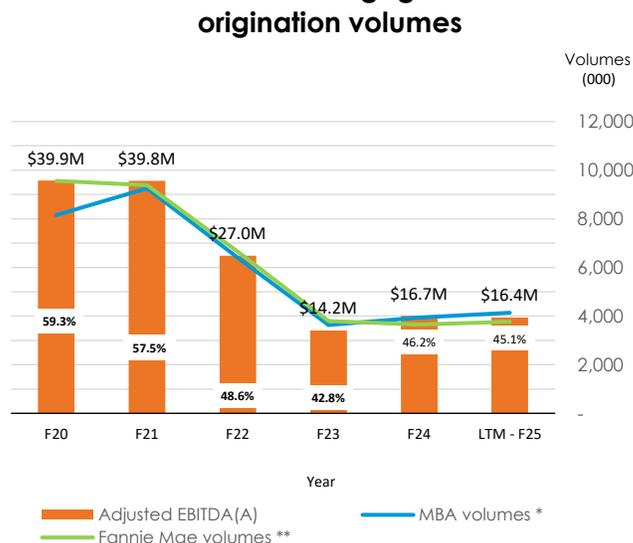
U.S. Appraisal operating results	
Three months ended December 31, 2024 vs. Three months ended December 31, 2023	
Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins	↓ Adjusted EBITDA ^(A) and Adjusted EBITDA ^(A) margins decreased due to lower Net Revenue ^(A) margin and higher operating expenses which were partially offset by an increase in Net Revenue ^(A) .

The tables that follow compare our U.S. Appraisal segment: (i) Revenues and Net Revenue^(A) margins; and (ii) Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins, against addressable mortgage market origination volumes.

U.S. Appraisal Revenues & Net Revenue^(A) margin vs addressable mortgage market origination volumes



U.S. Appraisal Adjusted EBITDA^(A) & Adjusted EBITDA^(A) margin vs addressable mortgage market origination volumes



* Based on the most recent MBA Mortgage Finance Forecast

** Based on the most recent Fannie Mae Housing Forecast (volumes derived from using the average loan amount from the MBA Forecast)

Our U.S. Appraisal segment is our more mature business in the U.S. Increased transaction volumes on our platform from net market share gains and higher market volumes resulted in annual Net Revenue^(A) and Adjusted EBITDA^(A) margin expansion from fiscal 2017 to 2020. In fiscal 2021, despite the year-over-year increase in transaction volumes, our Net Revenue^(A) and Adjusted EBITDA^(A) margin contracted because we serviced a higher proportion of high-value and complex properties, due in part to an increase in GSEs waivers. The use of GSEs waivers has declined substantially since fiscal 2021, reverting to historical standards.

From fiscal 2022 to fiscal 2023, U.S. mortgage interest rates increased by 213 basis points on average. This resulted in a sharp decline in U.S. mortgage origination transactions, with volumes well below historical 30-year lows. As a result of these market changes, we experienced steep declines in transaction volumes which led to a corresponding decline in our Net Revenue^(A) and Adjusted EBITDA^(A) during that period; however, we were able to expand Net Revenue^(A) margin, as we leveraged our field professional network in a lower market environment and serviced more standard properties, due in part to the decline in GSEs waivers. In fiscal 2024, U.S Appraisal revenues and Adjusted EBITDA^(A) improved due to market share gains with existing and new clients, higher addressable mortgage origination volume for refinance transactions and higher home equity revenue.

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U.S. Title

	Three months ended December 31			
	2024	2023	Change	% Change
Revenues - title services				
Refinance origination	\$ 1,277	\$ 835	\$ 442	53%
Home equity	698	645	53	8%
REO	312	355	(43)	-12%
Diversified	249	201	48	24%
	\$ 2,536	\$ 2,036	\$ 500	25%
Transaction costs	\$ 1,181	\$ 1,072	\$ 109	10%
Operating expenses	\$ 3,148	\$ 2,583	\$ 565	22%
Amortization	\$ 560	\$ 651	\$ (91)	-14%
Non-GAAP measures				
Net Revenue ^(A)	\$ 1,355	\$ 964	\$ 391	41%
Net Revenue ^(A) margin	53.4%	47.3%	6.1%	13%
Adjusted EBITDA ^(A)	\$ (1,793)	\$ (1,619)	\$ (174)	-11%
Adjusted EBITDA ^(A) margin	-132.3%	-167.9%	35.6%	21%
Real Matters' mortgage origination volumes (in units)	1,260	865	395	46%

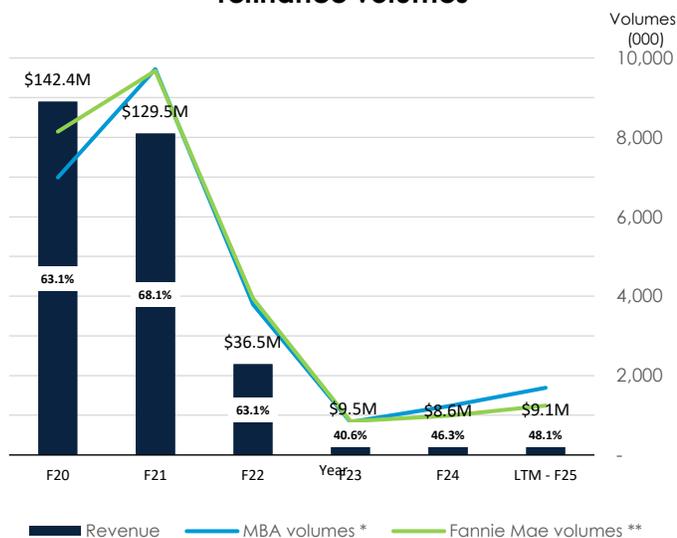
U.S. Title operating results	
Three months ended December 31, 2024 vs. Three months ended December 31, 2023	
Revenues	↑ Revenues from refinance mortgage originations increased by 53% mainly due to net market share gains with existing and new clients and higher refinance mortgage origination volume. Home equity revenues increased by 8% due to market share gains with existing clients. The 12% decline in REO revenue was primarily due to changes in our client portfolio. Home equity and REO revenues account for 40% of the segment's revenues (Q1 2024 – 49%).
Transaction costs	↑ Transaction costs increased by 10% in large part due to higher revenues from refinance mortgage originations and home equity, which were partially offset by lower REO revenue and a higher proportion of incoming order volumes that closed.
Operating expenses	↑ Operating expenses increased by 22% primarily due to additional sales personnel to accelerate market share increases, and to a lesser extent, salary increases and higher benefits cost. In addition, we incurred higher courier expenses as a result of higher volumes serviced.
Amortization	↓ Amortization expense decreased by 14% due to a reduction of right-of-use assets related to our leased office space combined with fully amortized computer equipment and leasehold improvements.
Net Revenue^(A)	↑ Net Revenue ^(A) increased by 41% primarily due to higher refinance origination and home equity revenues, as outlined above, and Net Revenue ^(A) margin improvement.
Net Revenue^(A) margin	↑ Net Revenue ^(A) margins increased by 610 basis points mostly due to a higher proportion of incoming order volumes that closed.
Adjusted EBITDA^(A)	↓ Adjusted EBITDA ^(A) decreased due to higher operating expenses partially offset by higher Net Revenue ^(A) and Net Revenue ^(A) margin improvement.
Adjusted EBITDA^(A) margins	↑ Adjusted EBITDA ^(A) margins improved due to higher Net Revenue ^(A) and Net Revenue ^(A) margin improvement partially offset by higher operating expenses.

Real Matters Inc. – MD&A for the three months ended December 31, 2024 and 2023

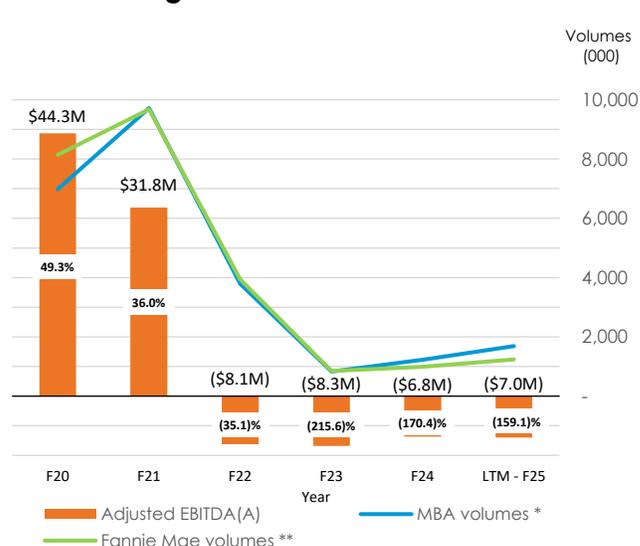
(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

The tables that follow compare our U.S. Title segment: (i) Revenues and Net Revenue^(A) margins; and (ii) Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins, against addressable mortgage market origination volumes.

U.S. Title Revenues & Net Revenue^(A) margin vs mortgage market origination refinance volumes



U.S. Title Adjusted EBITDA^(A) & Adjusted EBITDA^(A) margin vs mortgage market origination refinance volumes



* Based on the most recent MBA Mortgage Finance Forecast

** Based on the most recent Fannie Mae Housing Forecast (volumes derived from using the average loan amount from the MBA Forecast)

Currently, our U.S. Title segment predominately services refinance mortgage origination volumes which are highly sensitive to interest rates. Increased transaction volumes on our platform from higher market volumes and market share gains resulted in annual Net Revenue^(A) and Adjusted EBITDA^(A) margin expansion from fiscal 2018 to 2020. After experiencing a surge due to low interest rates, refinance market volumes began to decline in the second half of fiscal 2021 in line with increases in U.S. mortgage interest rates. Our Net Revenue^(A) and Adjusted EBITDA^(A) margins contracted in fiscal 2022 and 2023 in line with the substantial decline in transaction volumes on our platform, and we focused on operational efficiencies and significantly reduced our U.S. Title operating expenses. In fiscal 2024, our Net Revenue^(A) and Adjusted EBITDA^(A) margins improved due to net market share gains with existing and new clients, higher refinance mortgage origination volumes and a higher proportion of incoming order volumes that closed.

Canada

	Three months ended December 31			
	2024	2023	Change	% Change
Revenues	\$ 9,107	\$ 6,609	\$ 2,498	38%
Transaction costs	\$ 7,383	\$ 5,367	\$ 2,016	38%
Operating expenses	\$ 584	\$ 537	\$ 47	9%
Amortization	\$ -	\$ -	\$ -	0%
<i>Non-GAAP measures</i>				
Net Revenue ^(A)	\$ 1,724	\$ 1,242	\$ 482	39%
Net Revenue ^(A) margin	18.9%	18.8%	0.1%	1%
Adjusted EBITDA ^(A)	\$ 1,140	\$ 705	\$ 435	62%
Adjusted EBITDA ^(A) margin	66.1%	56.8%	9.3%	16%

Canada operating results

Three months ended December 31, 2024 vs. Three months ended December 31, 2023	
Revenues	↑ Revenues increased by 38% due to higher market volumes and net market share gains with existing and new clients for appraisal services and insurance inspections.

Real Matters Inc. – MD&A for the three months ended December 31, 2024 and 2023

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Canada operating results	
Three months ended December 31, 2024 vs. Three months ended December 31, 2023	
Transaction costs	↑ Transaction costs increased by 38% due to higher market volumes and net market share gains with existing and new clients, as outlined in the revenue discussion above.
Operating expenses	↑ Operating expenses increased by 9% mainly due to salary increases and higher benefit costs.
Net Revenue^(A)	↑ Net Revenue ^(A) increased by 39% mainly due to higher market volumes and net market share gains with existing and new clients.
Net Revenue^(A) margin	↑ Net Revenue ^(A) margin was relatively flat.
Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins	↑ Adjusted EBITDA ^(A) and Adjusted EBITDA ^(A) margins increased due to higher Net Revenue ^(A) , partially offset by a modest increase in operating expenses.

Corporate and other items

	Three months ended December 31			
	2024	2023	Change	% Change
Operating expenses	\$ 3,460	\$ 3,650	\$ (190)	-5%
Amortization	\$ 118	\$ 99	\$ 19	19%
Restructuring expenses	\$ 461	\$ -	\$ 461	0%
Interest expense	\$ 77	\$ 72	\$ 5	7%
Interest income	\$ (475)	\$ (362)	\$ (113)	-31%
Net foreign exchange (gain) loss	\$ (6,124)	\$ 1,945	\$ (8,069)	-415%
Loss (gain) on fair value of derivatives	\$ 1,671	\$ (172)	\$ 1,843	1072%
Income tax recovery	\$ (356)	\$ (612)	\$ 256	42%

Corporate operating results	
Three months ended December 31, 2024 vs. Three months ended December 31, 2023	
Operating expenses	↓ Operating expenses decreased by 5% primarily due to a decrease in stock-based compensation expense of \$0.8 million related to a decline in our share price during the current period which impacted the fair value of our cash-settled RSU awards. This decline was partially offset by a \$0.6 million increase related to new IT hires, salary increases and higher benefit costs.
Amortization	↑ Amortization expense increased modestly due to higher amortization for capitalized software development costs.
Restructuring expenses	↑ Restructuring expenses recorded in the current period represent severance costs attributable to changes in our organizational structure. We did not incur restructuring expenses in the first quarter of fiscal 2024.
Interest expense and Interest Income	↑ Interest expense was relatively flat and relates to the interest incurred on our total return swaps. The increase in interest income is principally related to higher investment balances.
Net foreign exchange (gain) loss	↑ Net foreign exchange gains or losses represent non-cash gains or losses on long-term financing arrangements between our Canadian and U.S. entities within the consolidated group of companies. The resulting current quarter gains and comparative quarter losses were the result of changes in the FX rate between the Canadian and U.S. dollar.
Loss (gain) on fair value of derivatives	↑ We have three outstanding total return swaps to manage our cash flow exposure arising from changes in our share price attributable to cash-settled RSUs. The fair value of the swap fluctuates on an inverse relationship to our share price.
Income tax recovery	↓ We recorded income before income tax recovery of \$1.9 million for Q1 2025 (Q1 2024 – loss of \$4.2 million). Income tax calculated at the statutory income tax rate, including foreign income subject to tax at a different statutory tax rate, resulted in income tax expense of \$0.5 million in Q1 2025 (Q1 2024 – recovery of \$0.6 million). Income tax recoveries related to non-deductible expenses, including RSUs, and non-taxable income totaled \$0.9 million.

Real Matters Inc. – MD&A for the three months ended December 31, 2024 and 2023

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

NON-GAAP MEASURES

We prepare our financial statements in accordance with IFRS Accounting Standards. However, we consider certain Non-GAAP financial measures useful additional information to assess our financial performance. These measures, which we believe are widely used by investors, securities analysts and other interested parties to evaluate our performance, do not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS Accounting Standards. Non-GAAP measures include “Adjusted EBITDA”, “Net Revenue” and “Adjusted Net Income or Loss”.

(A)

Adjusted EBITDA

All references to “Adjusted EBITDA” in this MD&A are to 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 derivatives and income tax expense or recovery. Adjusted EBITDA is a measure of our operating profitability and therefore excludes certain items that are viewed by us as either non-cash (in the case of equity-settled stock-based compensation expense, amortization, unrealized net foreign exchange gain or loss, unrealized gain or loss on the fair value of derivatives and deferred income taxes) or non-operating (in the case of cash-settled stock-based compensation expense, restructuring expenses, realized net foreign exchange gain or loss, realized gain or loss on the fair value of derivatives, interest expense, interest income and current income taxes). Adjusted EBITDA is a useful financial and operating metric for the Company, and our board of directors, and represents a measure of our operating performance to value our Company relative to our peers. The reasons for excluding each item are as follows:

Stock-based compensation expense: These costs represent non-cash expenses for equity-settled stock-based compensation awards and non-operating expenses for cash-settled stock-based compensation awards. These amounts are recorded to operating expenses and represent a different class of expense than those included in Adjusted EBITDA.

Amortization: As a non-cash item, amortization is not indicative of our operating profitability and therefore represents a different class of expense than those included in Adjusted EBITDA.

Restructuring expenses: Restructuring expenses represent costs attributable to employee severance resulting from changes in our management and organizational structure. These costs are not indicative of continuing operations and therefore represent a different class of expense than those included in Adjusted EBITDA.

Interest expense and income: Interest expense or income reflects our debt and equity mix, interest rates, investment strategy and borrowing position from time-to-time. Accordingly, interest expense or income reflects our treasury and financing activities and therefore represents a different class of expense or income than those included in Adjusted EBITDA.

Net foreign exchange gain or loss: As non-cash items, unrealized net foreign exchange gains or losses are not indicative of our operating profitability. Realized net foreign exchange gains or losses reflect our treasury and financing activities and represents a different class of income or expense than those included in Adjusted EBITDA.

Gain or loss on fair value of derivatives: As a non-cash item, gains or losses resulting from the fair value of derivatives are not indicative of our operating profitability. Gains or losses from the fair value of derivatives reflect our treasury activities and represents a different class of income or expense than those included in Adjusted EBITDA.

Income taxes: Income taxes are a function of tax laws and rates and are affected by matters that are separate from our daily operations. Income taxes are not indicative of our operating profitability and represents a different class of expense or recovery than those included in Adjusted EBITDA.

Real Matters Inc. – MD&A for the three months ended December 31, 2024 and 2023

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

The reconciling items between Adjusted EBITDA and net income or loss are detailed in the unaudited interim condensed consolidated statements of operations and comprehensive income or loss for the three months ended December 31, 2024 and 2023. The reconciling items between net income or loss and Adjusted EBITDA for the three months ended December 31, 2024 and 2023 were as follows:

	Three months ended December 31,	
	2024	2023
Net income (loss)	\$ 2,280	\$ (3,598)
Stock-based compensation expense	58	818
Amortization	758	839
Restructuring expenses	461	-
Interest expense	77	72
Interest income	(475)	(362)
Net foreign exchange (gain) loss	(6,124)	1,945
Loss (gain) on fair value of derivatives	1,671	(172)
Income tax recovery	(356)	(612)
Adjusted EBITDA	\$ (1,650)	\$ (1,070)

Management calculates Adjusted EBITDA as follows:

	Three months ended December 31,	
	2024	2023
Revenues	\$ 40,983	\$ 35,445
Less: Transaction costs	30,130	25,770
Less: Operating expenses	12,561	11,563
Add: Stock-based compensation expense	58	818
Adjusted EBITDA	\$ (1,650)	\$ (1,070)

Adjusted EBITDA by reportable segment was as follows:

	Three months ended December 31,	
	2024	2023
U.S. Appraisal	\$ 2,405	\$ 2,676
U.S. Title	(1,793)	(1,619)
Canada	1,140	705
Corporate (excluding stock-based compensation expense)	(3,402)	(2,832)
Consolidated Adjusted EBITDA	\$ (1,650)	\$ (1,070)

Adjusted EBITDA margin (expressed as Adjusted EBITDA divided by Net Revenue) by reportable segment and consolidated was as follows:

	Three months ended December 31,	
	2024	2023
U.S. Appraisal	30.9%	35.8%
U.S. Title	-132.3%	-167.9%
Canada	66.1%	56.8%
Consolidated Adjusted EBITDA margin (including Corporate, but excluding stock-based compensation expense)	-15.2%	-11.1%

Real Matters Inc. – MD&A for the three months ended December 31, 2024 and 2023

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Net Revenue

All references to "Net Revenue" in this MD&A are to Adjusted EBITDA plus operating expenses less stock-based compensation expense. Net Revenue is an additional measure of our operating profitability and therefore excludes certain items detailed below. Net Revenue represents the difference between revenues and transaction costs. Transaction costs represent expenses directly attributable to a revenue transaction and include: appraisal costs, various processing fees, credit card fees, connectivity fees, insurance inspection costs, closing agent costs, external abstractor costs and external quality review costs. Net Revenue is a useful financial and operating metric for us and our board of directors to assess our operating performance and serves to measure our Company relative to our peers.

The reconciling items between net income or loss and Net Revenue for the three months ended December 31, 2024 and 2023 are detailed in the unaudited interim condensed consolidated statements of operations and comprehensive income or loss and were as follows:

	Three months ended December 31,	
	2024	2023
Net income (loss)	\$ 2,280	\$ (3,598)
Operating expenses	12,561	11,563
Amortization	758	839
Restructuring expenses	461	-
Interest expense	77	72
Interest income	(475)	(362)
Net foreign exchange (gain) loss	(6,124)	1,945
Loss (gain) on fair value of derivatives	1,671	(172)
Income tax recovery	(356)	(612)
Net Revenue	\$ 10,853	\$ 9,675

Management calculates Net Revenue as follows:

	Three months ended December 31,	
	2024	2023
Revenues	\$ 40,983	\$ 35,445
Less: Transaction costs	30,130	25,770
Net Revenue	\$ 10,853	\$ 9,675

Net Revenue by reportable segment was as follows:

	Three months ended December 31,	
	2024	2023
U.S. Appraisal	\$ 7,774	\$ 7,469
U.S. Title	1,355	964
Canada	1,724	1,242
Consolidated Net Revenue	\$ 10,853	\$ 9,675

Net Revenue margin (expressed as Net Revenue divided by Revenues) by reportable segment and consolidated was as follows:

	Three months ended December 31,	
	2024	2023
U.S. Appraisal	26.5%	27.9%
U.S. Title	53.4%	47.3%
Canada	18.9%	18.8%
Consolidated Net Revenue margin	26.5%	27.3%

Real Matters Inc. – MD&A for the three months ended December 31, 2024 and 2023

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Adjusted Net Income or Loss

All references to "Adjusted Net Income or Loss" in this MD&A are to net income or loss before stock-based compensation expense, amortization of intangibles, restructuring expenses, net foreign exchange gain or loss, and gain or loss on fair value of derivatives, each net of the related tax effects, as applicable. Adjusted Net Income or Loss is a term that does not have a standardized meaning prescribed by IFRS Accounting Standards and is unlikely to be comparable to similar measures used by other entities. Adjusted Net Income or Loss is a measure of our operating profitability and, by definition, excludes certain items detailed above. These items are viewed by us as either non-cash (in the case of equity-settled stock-based compensation expense, amortization of intangibles, unrealized net foreign exchange gain or loss and unrealized gain or loss on fair value of derivatives) or non-operating (in the case of cash-settled stock-based compensation expense, restructuring expenses, realized net foreign exchange gain or loss and realized gain or loss on fair value of derivatives). Adjusted Net Income or Loss is a useful financial and operating metric for the Company, and our board of directors, as it represents net income or loss from operations which excludes treasury and capital costs, acquisition and related costs, non-operating costs, and restructuring expenses.

The reconciling items between net income or loss and Adjusted Net Income or Loss for the three months ended December 31, 2024 and 2023 were as follows:

	Three months ended December 31,	
	2024	2023
Net income (loss)	\$ 2,280	\$ (3,598)
Stock-based compensation expense	58	818
Amortization of intangibles	442	398
Restructuring expenses	461	-
Net foreign exchange (gain) loss	(6,124)	1,945
Loss (gain) on fair value of derivatives	1,671	(172)
Related tax effects	945	(574)
Adjusted Net Loss	\$ (267)	\$ (1,183)

Adjusted EBITDA, Net Revenue and Adjusted Net Income or Loss should not be considered, in isolation, indicators of our financial performance, or as an alternative to, or a substitute for, net income or loss or other information presented in our financial statements.

Real Matters Inc. – MD&A for the three months ended December 31, 2024 and 2023

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected financial information and Non-GAAP measures as reported for each of the eight most recent quarters, the latest of which ended December 31, 2024. The financial information has been prepared on the same basis as the Company's audited consolidated financial statements, and all necessary adjustments have been included in the amounts stated below to present fairly the unaudited quarterly results when read in conjunction with the audited consolidated financial statements of the Company and the related notes to those statements.

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenues								
U.S. Appraisal	\$ 29,340	\$ 33,785	\$ 37,505	\$ 32,567	\$ 26,800	\$ 31,160	\$ 33,430	\$ 27,996
U.S. Title	2,536	2,430	2,129	2,034	2,036	2,333	2,609	2,223
Canada	9,107	9,407	9,853	7,567	6,609	8,696	9,911	7,391
Total revenues	\$ 40,983	\$ 45,622	\$ 49,487	\$ 42,168	\$ 35,445	\$ 42,189	\$ 45,950	\$ 37,610
Net income (loss)	\$ 2,280	\$ (156)	\$ 1,699	\$ 2,073	\$ (3,598)	\$ 1,622	\$ (619)	\$ (2,580)
Net income (loss) per weighted average share, basic and diluted	\$ 0.03	\$ 0.00	\$ 0.02	\$ 0.03	\$ (0.05)	\$ 0.02	\$ (0.01)	\$ (0.04)
Net Revenue ^(A)								
U.S. Appraisal	\$ 7,774	\$ 9,032	\$ 10,339	\$ 9,205	\$ 7,469	\$ 8,559	\$ 9,204	\$ 7,730
U.S. Title	1,355	1,211	929	894	964	1,051	1,178	818
Canada	1,724	1,778	1,871	1,430	1,242	1,556	1,746	1,382
Total Net Revenue ^(A)	\$ 10,853	\$ 12,021	\$ 13,139	\$ 11,529	\$ 9,675	\$ 11,166	\$ 12,128	\$ 9,930
Net Revenue ^(A) margin								
U.S. Appraisal	26.5%	26.7%	27.6%	28.3%	27.9%	27.5%	27.5%	27.6%
U.S. Title	53.4%	49.8%	43.6%	44.0%	47.3%	45.0%	45.2%	36.8%
Canada	18.9%	18.9%	19.0%	18.9%	18.8%	17.9%	17.6%	18.7%
Net Revenue ^(A) margin	26.5%	26.3%	26.6%	27.3%	27.3%	26.5%	26.4%	26.4%
Adjusted EBITDA ^(A)								
U.S. Appraisal	\$ 2,405	\$ 4,086	\$ 5,499	\$ 4,406	\$ 2,676	\$ 3,935	\$ 4,788	\$ 3,140
U.S. Title	(1,793)	(1,591)	(1,949)	(1,652)	(1,619)	(1,581)	(1,574)	(2,285)
Canada	1,140	1,203	1,296	891	705	1,134	1,286	964
Corporate (excluding stock-based compensation)	(3,402)	(3,138)	(3,196)	(2,935)	(2,832)	(2,894)	(2,831)	(3,500)
Adjusted EBITDA ^(A)	\$ (1,650)	\$ 560	\$ 1,650	\$ 710	\$ (1,070)	\$ 594	\$ 1,669	\$ (1,681)
U.S. Appraisal mortgage origination volume (expressed in units)	34,295	38,795	42,864	37,285	31,731	35,120	38,154	33,398
U.S. Title mortgage origination volume (expressed in units)	1,260	1,141	720	705	865	936	959	624

Seasonality

Residential mortgage origination volumes in North America are influenced by cyclical trends and seasonality. Cyclical trends include changes in interest rates, refinancing rates, the capacity of lenders to underwrite mortgages, house prices, housing inventory, demand for housing, the availability of funds for mortgage loans, credit requirements, regulatory changes, household indebtedness, employment levels and the general health of the North American economy. Transaction-based revenues for appraisal services in our U.S. Appraisal and Canadian segments are also impacted by the seasonal nature of the residential mortgage industry, which typically see home buyers purchase more homes in our third and fourth fiscal quarters, representing the three months ending June 30 and September 30, respectively.

Net income (loss)

Net income or loss generally follows the rise and fall in revenues. However, net income or loss is also impacted by changes in stock-based compensation expense, amortization, gains or losses on disposal of property and equipment, other non-operating costs, restructuring expenses, interest expense, interest income, net foreign exchange gains or losses and net gains or losses on fair value of derivatives. Net income tax expense or recovery also impacts net income or loss.

Please see the "Review of Operations – For the three months ended December 31, 2024" section of this MD&A for a detailed discussion of the components comprising the change in net income (loss) between the first quarter of fiscal 2025 and the first quarter of fiscal 2024.

Real Matters Inc. – MD&A for the three months ended December 31, 2024 and 2023

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Select Consolidated Statement of Financial Position (“Balance Sheet”) Information

	As at December 31		As at September 30		Change
	2024		2024		
Trade and other receivables	\$	8,458	\$	13,336	\$ (4,878)
Intangibles	\$	2,486	\$	2,855	\$ (369)
Goodwill	\$	43,181	\$	43,181	\$ -
Working capital position					
- (current assets less current liabilities)	\$	47,925	\$	51,333	\$ (3,408)

Trade and other receivables

The decline in trade and other receivables was due in large part to seasonality and lower mortgage origination market activity for our U.S. and Canadian operations coupled with timing of collections.

Intangibles

The decline in intangibles was due to normal course amortization recorded in our U.S. segments, partially offset by capitalized software development costs incurred to enhance our software platforms.

Working capital position

Our consolidated working capital position declined on a comparative basis to \$47.9 million. The Company has no outstanding debt. Total current assets declined \$4.7 million while total current liabilities declined \$1.3 million. The decline in total current assets was primarily due to lower trade and other receivables of \$4.9 million, as discussed above, lower prepaid expenses of \$0.8 million, partially offset by increases in other assets of \$0.9 million and income taxes recoverable of \$0.1 million. The increase in other assets is due to the maturity date of our first total return swap becoming current. The decline in total current liabilities was due to a decrease in trade payables of \$2.3 million and accrued charges of \$0.6 million owing to the decline in volumes serviced in our U.S. Appraisal and Canadian segment and the timing of certain payments, partially offset by an increase in other liabilities of \$1.5 million. The increase in other liabilities is due to the vesting date of cash-settled RSU grants becoming current.

Please refer to the “Cash Flows” section below for a detailed discussion of the components comprising the change in cash and cash equivalents.

Cash Flows

	Three months ended December 31				
	2024	2023	Change		
Cash flows generated from (utilized in):					
Operating activities	\$	1,480	\$	2,528	\$ (1,048)
Investing activities		(64)		30	(94)
Financing activities		(233)		(62)	(171)
Effect of foreign currency translation					
on cash and cash equivalents		(1,279)		267	(1,546)
Net cash (outflow) inflow	\$	(96)	\$	2,763	\$ (2,859)

Real Matters Inc. – MD&A for the three months ended December 31, 2024 and 2023

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Changes in cash flows generated from (utilized in):	
Three months ended December 31, 2024 vs. Three months ended December 31, 2023	
Operating activities	↓ Cash generated from operating activities decreased by \$1.0 million due in part to: <ul style="list-style-type: none"> • a \$0.6 million decrease in Adjusted EBITDA^(A) as outlined in the "Review of Operations - For the three months ended December 31, 2024" section of this MD&A; • higher income taxes paid of \$0.2 million due to an increase in Canadian taxable income; • an increase of \$0.5 million in restructuring expenses as no further restructuring activities were undertaken in the first quarter of fiscal 2024; • lower change in non-cash working capital items of \$1.3 million; • partially offset by an increase in interest income of \$0.1 million and \$1.5 million related to the change in effect of foreign currency translation on cash and cash equivalents.
Investing activities	↓ Cash utilized in investing activities increased by \$0.1 million mainly due to lower payments received from sublease.
Financing activities	↓ Cash utilized in financing activities increased by \$0.2 million due to lower repayment of lease liabilities and lower proceeds from the exercise of stock options.

Contractual Obligations

	As at December 31, 2024				
	Payments due				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Leases	\$ 2,761	\$ 1,211	\$ 1,105	\$ 445	\$ -
Trade payables and accrued charges	10,371	10,371	-	-	-
Other liabilities	2,030	1,544	486	-	-
Total contractual obligations	\$ 15,162	\$ 13,126	\$ 1,591	\$ 445	\$ -

The Company expects that cash and cash equivalents and future operating cash flows will be sufficient to fund ongoing business requirements, including working capital and other contractual obligations.

Total return swaps

The Company entered into total return swaps to manage our cash flow exposure arising from changes in our share price attributable to cash-settled RSUs. Details of the total return swaps as at December 31, 2024 are as follows:

Total return swaps

Date entered	Notional amount C\$ (expressed in millions)	Share price C\$	Number of units (expressed in millions)	Effective date	Expiration date
December 2022	\$2.4	\$4.21	0.6	December 2022	December 2025
November 2023	\$2.0	\$5.78	0.4	December 2023	December 2026
November 2024	\$2.0	\$6.42	0.3	November 2024	November 2027

DISCLOSURE OF OUTSTANDING SHARE DATA

Number of shares issued and outstanding (in thousands)	December 31, 2024	January 29, 2025
Common shares	74,008	74,008
Restricted shares	(101)	(101)
Preferred shares	-	-
Total contributed equity	73,907	73,907

Stock options

At December 31, 2024, stock options issued and outstanding totaled 2.4 million (September 30, 2024 – 2.4 million) and 2.2 million (September 30, 2024 – 2.2 million) were exercisable for common shares of the Company.

RSUs

At December 31, 2024, RSUs issued and outstanding totaled 1.6 million (September 30, 2024 – 1.2 million) and 0.4 million (September 30, 2024 – 0.3 million) were vested but unsettled.

Real Matters Inc. – MD&A for the three months ended December 31, 2024 and 2023

(tabular and graphical amounts are expressed in thousands of U.S. dollars and thousands of shares, excluding per share amounts, unless otherwise stated)

Dividends

The Company's current policy is to not pay dividends.

FOREIGN CURRENCY EXCHANGE RATES

Although our functional currency is the Canadian dollar, we have elected to report our financial results in U.S. dollars to improve the comparability of our financial results with our peers. Reporting our results in U.S. dollars also reduces the impact foreign currency exchange fluctuations have on our reported amounts because our complement of assets and operations are larger in the U.S. than they are in Canada.

Our consolidated financial position and operating results have been translated to U.S. dollars applying FX rates outlined in the table below. FX rates are expressed as the amount of U.S. dollars required to purchase one Canadian dollar and represents the daily average rate published by the Bank of Canada.

	Fiscal 2025			Fiscal 2024		
	Interim Condensed Consolidated Balance Sheet	Interim Condensed Statement of Operations and Comprehensive Income or loss	Cumulative Average	Interim Condensed Consolidated Balance Sheet	Interim Condensed Statement of Operations and Comprehensive Income or loss	Cumulative Average
	Current	Average		Current	Average	
December 31	\$ 0.6950	\$ 0.7148	\$ 0.7148	\$ 0.7561	\$ 0.7343	\$ 0.7343

FX Impact on Consolidated Results

The following table has been prepared to assist readers in assessing the FX impact on select operating results for the three months ended December 31, 2024.

	Three months ended December 31			
	2023	2024	2024	2024
	(as reported)	(as reported)	(FX impact)	(current period amounts applying prior period FX rate)
Interim Condensed Consolidated Statement of Operations				
Revenues	\$ 35,445	\$ 40,983	\$ (248)	\$ 41,231
Transaction costs	\$ 25,770	\$ 30,130	\$ (201)	\$ 30,331
Operating expenses	\$ 11,563	\$ 12,561	\$ (110)	\$ 12,671
Net (loss) income	\$ (3,598)	\$ 2,280	\$ (44)	\$ 2,324
Net Revenue ^(A)	\$ 9,675	\$ 10,853	\$ (47)	\$ 10,900
Adjusted EBITDA ^(A)	\$ (1,070)	\$ (1,650)	\$ 62	\$ (1,712)
Adjusted Net Income ^(A)	\$ (1,183)	\$ (267)	\$ 41	\$ (308)

CRITICAL ACCOUNTING ESTIMATES

General

We use information from our financial statements, prepared in accordance with IFRS Accounting Standards and expressed in U.S. dollars, to prepare our MD&A. Our financial statements include estimates and judgments that affect the reported amount of our assets, liabilities, revenues, expenses and, where and as applicable, disclosures of contingent assets and liabilities. On a periodic basis, we evaluate our estimates, including those that require a significant level of judgment or are otherwise subject to an inherent degree of uncertainty. Areas that are subject to judgment and estimate include revenue recognition, impairment of goodwill and non-financial assets, the determination of fair value for derivatives and financial instruments and the likelihood of realizing deferred income tax assets. Estimates and judgments are based on our historical experience, our observation of trends, and information, valuations and other assumptions that we believe are reasonable when making an estimate of an asset or liability's fair value. Due to the inherent complexity, judgment and uncertainty in estimating fair value, actual amounts could differ significantly from these estimates.

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Areas requiring the most significant estimate and judgment are outlined below.

Revenue recognition

The satisfaction of performance obligations requires us to make judgments when control of the underlying good or service transfers to the customer. Determining when a performance obligation is satisfied affects the timing of revenue recognition. We consider indicators of the transfer of control, including when the customer is obligated to pay and whether the transfer of significant risks and rewards has occurred, which represents the time when the customer has acquired the ability to direct and use the good or service and obtained substantially all of the benefits.

We use judgment in our assessment of whether we are acting as an agent or principal to a transaction. When we are not primarily responsible for fulfilling the obligation to provide a specified good or service and do not have discretion to establish price, we are acting as an agent to the transaction. We are acting as a principal when we control the deliverables prior to delivery to the customer and establish pricing.

Goodwill

Goodwill is not amortized and is tested annually for impairment or more frequently if an event or circumstance occurs that more likely than not reduces the fair value of a cash generating unit ("CGU"), or group of CGUs, below its carrying amount. Examples of such events or circumstances include: a significant adverse change in the technological, market, economic or legal environment in which an entity operates; changes in market interest rates or other market rates of return on investments that are likely to affect the discount rate used in calculating an assets value in use; the carrying amount of an entities' net assets is more than its market capitalization; evidence of physical damage to the asset or obsolescence is present; significant changes to an asset's expected use; or, performance expectations for the asset are worse than expected. Goodwill is not tested for impairment when the assets and liabilities that make up the CGU unit have not changed significantly since the most recent fair value determination, the most recent fair value determination results in an amount that exceeded the carrying amount by a substantial margin, and based on an analysis of events that have occurred and circumstances that have changed since the most recent fair value determination, the likelihood that a current fair value determination would be less than the current carrying amount of the CGU is remote. The amount of goodwill assigned to each CGU and methodology employed to make such assignments has been applied on a consistent basis. For the purpose of testing goodwill for impairment, our CGUs align with our operating segments since this is consistent with the level at which goodwill is monitored.

The carrying value of a CGU or group of CGUs is compared to its recoverable amount, where the recoverable amount is the higher of fair value less cost to sell and its value in use. The value in use for a CGU or group of CGUs is determined by discounting cash flow projections from financial forecasts prepared by management. Projections reflect past experience and future expectations of operating performance and we apply perpetuity growth rates to cash flows in the terminal year. None of the perpetuity growth rates exceed the long-term historical growth rates for the markets in which we operate. The discount rate applied to the cash flow projections are derived from the weighted average cost of capital of comparable publicly traded companies. To determine fair value, for the purpose of estimating fair value less cost to sell, we apply various trading multiples of comparable public companies and merger and acquisition transactions for like or similar businesses to our last twelve months performance, and expected performance in the subsequent year, for our U.S. Appraisal segment.

We monitor both economic and financial conditions and we re-perform our goodwill test for impairment as conditions dictate.

Income taxes

Deferred income tax is recognized applying the liability method, which recognizes the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their equivalent tax amounts. Deferred income tax is not recognized on the initial recording of assets or liabilities for financial reporting purposes that is not a business combination and that affects neither accounting income nor taxable income or loss. Deferred income tax assets and liabilities are measured applying tax rates expected to be in effect when the temporary differences reverse, applying tax rates that have been enacted or substantively enacted at the reporting date.

Significant changes to enacted tax rates or laws, or estimates of timing differences and their reversal, could result in a material adverse or positive impact to our financial condition and operating performance. In addition, changes in regulation or insufficient taxable income could impact our ability to utilize tax loss carryforwards, which could impact deferred income tax assets and deferred income tax expense or recovery.

The recognition of deferred tax assets attributable to unutilized loss carryforwards is supported by our historical and expected future ability to generate income subject to tax and our ability to implement tax planning measures along with other substantive evidence. However, should we be unable to continue generating income subject to tax, deferred tax

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assets attributable to unutilized loss carryforwards may not be available to us prior to their expiry in Canada. We have historically used, and will continue to use, every effort to limit the use of discretionary tax deductions to maximize our use of loss carryforwards in Canada prior to their expiry. Unutilized loss carryforwards in the U.S. arising after December 31, 2017 can be carried forward indefinitely; however, the deduction of unutilized loss carryforwards in a given tax year is limited to 80% of an entity's taxable earnings in that year. Should we not be able to realize our deferred tax assets attributable to loss carryforwards, we would record deferred income tax expense in the period that we determine the likelihood of realizing these losses was less likely than not. Our maximum exposure is equal to the carrying amount of the deferred tax asset attributable to loss carryforwards, \$12.1 million at December 31, 2024. Accordingly, due to our historical ability to generate income subject to tax, our expectations to generate income subject to the tax in the future and available tax planning measures, we view the risk of not realizing these deferred tax assets as low.

Other

Other estimates include, but are not limited to, the following: identification of CGUs, impairment assessments for non-financial assets, inputs to the Black-Scholes-Merton option pricing model used to value stock-based compensation, assessing provisions, estimating the likelihood of collection to determine our allowance for doubtful accounts, the fair value of derivatives and financial instruments, control assessment of subsidiaries, contingencies related to litigation and contingent acquisition payables, claims and assessments and various economic assumptions used in the development of fair value estimates, including, but not limited to, interest and inflation rates and a variety of option pricing model estimates.

New Accounting Policies Adopted or Requiring Adoption

Classification of Liabilities as Current or Non-Current

In January 2020, the International Accounting Standards Board ("IASB") issued "Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)" which provided a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendment clarified that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Only rights to defer settlement by at least twelve months, which are in place at the end of the reporting period affect the classification of a liability. Classification is unaffected by an entities' expectation to exercise its right to defer settlement of a liability.

In October 2022, the IASB issued "Non-current liabilities with covenants (amendments to IAS 1)" which clarified that only covenants that an entity is required to comply with as of the reporting date affect the classification of a liability as current or non-current. Entities are required to disclose that non-current liabilities with covenants could become repayable within twelve months from the reporting date.

These amendments are to be applied retrospectively and are effective for annual reporting periods beginning on or after January 1, 2024. We applied these amendments to the classification of liabilities on October 1, 2024, and adopting these amendments did not have a significant impact on our financial statements.

Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 - "Presentation and Disclosure in Financial Statements" to achieve more transparent and comparable information of the financial performance of similar entities. IFRS 18 introduces new requirements and guidance on presentation and disclosure in the financial statements including the following:

- requirements to improve the structure and comparability of the income statement through the presentation of income and expenses within five defined categories – operating, investing, financing, income tax and discontinued operations. Entities will also be required to present new defined subtotals, including operating profit;
- introduction of disclosures about management-defined performance measures to be explained and included in a separate note to the financial statements;
- enhanced guidance on organizing information and whether to provide information in the financial statements or the notes while ensuring material information is not obscured;
- improved transparency about operating expenses.

IFRS 18 replaces IAS 1 "Presentation of Financial Statements" but carries forward many requirements from IAS 1 unchanged. The standard is effective for annual reporting periods beginning on or after January 1, 2027, but earlier application is permitted. We are currently assessing the impact of this standard on our financial statements and expect to apply this standard on October 1, 2027.

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Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)" to address matters identified during the post-implementation review of classification and measurement requirements of IFRS 9 - "Financial Instruments". The IASB provided clarification to improve the understandability of the following: derecognition of a financial liability settled through electronic transfer, classification of certain financial assets and disclosures related to investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change the timing or amount of contractual cash flows.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026 on a retrospective basis but restatement of prior periods is not required. We expect to apply these amendments on October 1, 2026, and we are currently assessing the impact on our financial statements.

FINANCIAL INSTRUMENTS

Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. Our exposure to credit risk is limited principally to cash and cash equivalents, trade and other receivables and when and as applicable, total return swaps. In all instances, our risk management objective, whether of credit, liquidity, market, equity or otherwise, is to mitigate our risk exposures to a level consistent with our risk tolerance.

Cash and cash equivalents

Certain management are responsible for determining which financial institutions we bank and hold deposits with. We typically select financial institutions that we have a relationship with and those deemed by us to be of sufficient size, liquidity and stability. We review our exposure to credit risk from time-to-time or as conditions indicate that our exposure to credit risk has or is subject to change. Our maximum exposure to credit risk is equal to the fair value of cash and cash equivalents recorded on our unaudited interim condensed consolidated statements of financial position as at December 31, 2024, \$49.0 million (September 30, 2024 - \$49.1 million). We hold no collateral or other credit enhancements as security over our cash or cash equivalent balances, we deem the credit quality of our cash and cash equivalent balances to be high and no amounts are impaired.

Trade and other receivables

In the normal course of business, our trade and other receivables balance is subject to credit risk. Our maximum exposure to credit risk is the fair value of trade and other receivables recorded on our unaudited interim condensed consolidated statements of financial position as at December 31, 2024, \$8.5 million (September 30, 2024 - \$13.3 million). We regularly perform credit checks or may accept payment or security in advance to limit our exposure to credit risk. Our client base is sufficiently diverse, consisting of banks and mortgage lending institutions that are generally of sufficient size and capitalization, to mitigate a portion of any credit risk exposure we may be subject to. We have also assigned various employees to carry out collection efforts in a manner consistent with our trade receivable and credit and collections policies. These policies establish procedures to manage, monitor, control, investigate, record and improve trade receivable credit and collection. We also have policies and procedures which establish estimates for doubtful account allowances. These calculations are based on an expected credit loss ("ECL") model which considers expected losses that result from all possible default events over the expected life of our trade and other receivable balances and include factors such as past events, current conditions and forecasts of future economic conditions. We conduct specific account balance reviews, where practical, and consideration is given to the credit quality of the client, payment history and other factors specific to the client, including bankruptcy or insolvency.

Trade and other receivables determined by management to be at risk of collection are provided for through an allowance account. When trade or other receivables are considered uncollectable, they are written-off against this account. Subsequent recoveries of amounts previously written-off are credited against the allowance account and subsequently recorded to operating expenses in our unaudited interim condensed consolidated statements of operations and comprehensive income or loss. We have elected to measure loss allowances for trade and other receivables at an amount equal to estimated lifetime ECLs using a provision matrix based on historical credit loss experience adjusted for estimated changes in credit risk and forecasts of future economic conditions.

Trade and other receivables are generally due within 15 to 45 days from the invoice date. Accordingly, all amounts outstanding beyond these periods are past due. Based on historical collections, the majority of receivables collected have not been outstanding for greater than 90 days. We assess the credit quality of trade and other receivables that are neither past due nor impaired as high. Our maximum exposure to credit risk is equivalent to our net carrying amount. Trade and other receivables considered impaired at December 31, 2024 were not considered significant.

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Total return swaps

Our maximum exposure to credit risk, when and as applicable, is equal to the estimated fair value of total return swaps recorded to other assets on our unaudited interim condensed consolidated statements of financial position. We hold no collateral or other credit enhancements as security over these agreements. We deem the agreements' credit quality to be high due to our assessment of the counterparty to this agreement and no amounts are either past due or impaired.

Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting our obligations to settle our financial liabilities. Our exposure to liquidity risk is due primarily to the settlement of trade payables and lease liabilities. Certain management are responsible to ensure that we have sufficient short, medium and long-term liquidity to address these liabilities as they become due. We manage liquidity risk on a continuous basis by monitoring actual and forecasted cash flows and monitoring our available liquidity.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency, interest rate, equity and other price risk.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in FX rates. Our exposure to currency risk is attributable to the exchange of U.S. monies to the Canadian dollar or vice versa. We may enter into FX agreements to mitigate our exposure to currency risk; however, as of the date of this MD&A, we are not a party to any FX agreements. Accordingly, we are exposed to currency risk in U.S. dollars charged to our U.S. operations in the form of management fees, royalties and interest on long-term financings. To mitigate this risk, management uses discretion, and actively reviews its use of FX agreements.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises from our interest-bearing financial assets and liabilities. We are subject to interest rate risk on investments we make in cash equivalent, short-term investments.

We are exposed to equity price risk related to certain share-based compensation plans that are accounted for as liabilities. We have entered into total return swap agreements with terms to match the vesting period of the corresponding awards to reduce this exposure.

Our risk management objective is to mitigate risk exposures to a level consistent with our risk tolerance. Derivative financial instruments are evaluated against the exposures they are expected to mitigate and the selection of a derivative financial instrument may not increase our net exposure to risk. Derivative financial instruments may expose us to other types of risk, which may include, but is not limited to, credit risk. The exposure to other types of risk is evaluated against the selected derivative financial instrument and is subject to a cost versus benefit review and analysis. We do not use derivative financial instruments for speculative or trading purposes and the value of the derivative financial instrument cannot exceed the risk exposure of the underlying asset, liability or cash flow it is expected to mitigate.

Fair value methods and assumptions

The fair values of financial instruments, and when applicable, contingent consideration, are calculated using available market information and commonly accepted valuation methods, or expectations of achievement in the case of contingent consideration discounted at a market rate of interest. Considerable judgment is required to develop these estimates. Accordingly, fair value estimates are not necessarily indicative of the amounts we, or counterparties to the instruments, could realize in a current market exchange, or expect to pay, in the case of contingent consideration. The use of different assumptions and or estimation methods could have a material impact on these fair values.

The total return swaps are recorded at their estimated fair value based on quotes received from the financial institution that is the counterparty to the agreements. We verify the reasonableness of the quotes by comparing them to share price movement adjusted for interest using a market rate of interest specific to the terms of the underlying contract. As at December 31, 2024 there were three total return swaps outstanding. Accordingly, the risk of having a material impact on the determination of fair value using different assumptions and or estimation methods is expected to be unlikely.

Financial assets and liabilities recorded at fair value, as and where applicable, are recorded to our unaudited interim condensed consolidated statements of financial position.

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CONTINGENCIES

From time to time, we are involved in legal proceedings, claims and litigation in the ordinary course of business with customers, former employees and other parties. Although it is not possible to determine the outcome of such matters, based on all currently available information, we believe that our liabilities, if any, arising from such matters will not have a material adverse effect on our unaudited interim condensed consolidated financial position or results of operations and have been adequately provided for in the unaudited interim condensed consolidated financial statements.

In the ordinary course of business, we are subject to tax audits from various government agencies relating to income and commodity taxes. As a result, from time to time, the tax authorities may disagree with the positions and conclusions we made in our tax filings, which could lead to assessments and reassessments. These assessments and reassessments may have a material adverse effect on our unaudited interim condensed consolidated financial position or results of operations.

Financial Information Controls and Procedures

Internal control over financial reporting

There have been no changes during the three months ended December 31, 2024 in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A 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”, “predict” and “likely”, 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 MD&A includes statements which reflect the current expectations of the Company's management with respect to the Company's business and the industry in which it operates 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 MD&A includes, but is not limited to, statements related to:

- our business prospects, goals and Target Operating Model;
- our expectations regarding certain of our future results and information, including, among others, Net Revenue^(A) margin, Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margin for our U.S. Appraisal and U.S. Title segments under our Target Operating Model;
- the key factors that have a significant impact on our financial performance;
- anticipated economic conditions, including total U.S. mortgage origination volumes forecasted for fiscal 2025;
- the scalability of the platform;
- the regulatory environment in which we operate;
- our competitive position relative to our competitors;
- anticipated industry and market trends, including the seasonality and cyclicity of our business;
- the factors influencing the allocation of transaction volumes to us;
- our expectation regarding legal proceedings, claims and litigation arising in the ordinary course of business; and
- our intentions with respect to the implementation of new accounting standards.

In addition, our assessment of, and targets for Net Revenue^(A) margins, Adjusted EBITDA^(A) and Adjusted EBITDA^(A) margins for our U.S. Appraisal and U.S. Title segments in our Target Operating Model are considered forward-looking information. See the “Overview” section of this MD&A for additional information regarding our strategies and market outlook in relation to these assessments.

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The forward-looking information in this MD&A 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. Factors which could cause results or events to differ from current expectations include, but are not limited to, the following, each of which are discussed in further detail in the “Risk Factors” section of our Annual Information Form for the year ended September 30, 2024, which is filed on SEDAR+ at www.sedarplus.ca:

Strategic Risks

- changes in economic conditions resulting in fluctuations in demand for our products and services;
- failing to grow market share in our U.S. Title business;
- failing to grow market share in our U.S. Appraisal business;
- risks associated with targeting large mortgage lenders, including longer sales cycles, pricing pressures, implementation complexities and concentration risk;
- significant demands being placed on our management and infrastructure;
- maintaining our competitive position in a competitive business environment;
- inability to meet the sustainability expectations of our various stakeholders and/or comply with our sustainability commitments;
- damage to our reputation and/or brands causing a loss of existing clients, loss of market share and/or difficulty attracting new clients;
- inability to successfully identify, consummate or integrate future acquisitions;

Operational Risks

- failing to adequately protect our data;
- issues with the platform;
- failing to retain key employees or hire and onboard highly skilled personnel;
- failing to maintain field professional engagement;
- market forecasts and estimates may prove to be inaccurate, and even if achieved, our business may not grow at similar rates;
- fixed price client contracts could adversely impact our margins and profitability;
- the occurrence of catastrophic events which are beyond our control;

Legal and Compliance Risks

- regulatory risks applicable to us;
- risks associated with legal and regulatory proceedings and claims;
- risks associated with the potential reclassification of exempt employees and/or independent contractors, including field professionals;
- potential losses arising from field professional work product liability;
- failing to adequately protect our intellectual property;
- potential infringement of our products and services on the proprietary rights of others;
- difficulty for shareholders to enforce judgments obtained against us;

Financial and Reporting Risks

- potential for significant fluctuations in the market price of our shares;
- potential inability to raise additional capital in the future when needed, either on acceptable terms or at all;
- failing to maintain effective internal controls, including the inherent limitations in all control systems;
- inaccurate accounting estimates and judgments;
- potential tax law changes or adverse tax examinations;
- ineffectiveness of our financial and operational risk management efforts;
- changing accounting pronouncements and other financial reporting standards;
- potential dilution to existing shareholders as a result of future share issuances; and
- our dependence on our subsidiaries for cash flows.

We caution that the above list of risk factors and uncertainties is not exhaustive and that additional risks and uncertainties may be discussed in documents filed with the applicable Canadian securities regulatory authorities from time to time. Other risks and uncertainties not presently known by us or that we presently believe are not material could also cause actual results or events to differ materially from those expressed in the forward-looking information. Readers are cautioned not to place undue reliance on the forward-looking information, which reflect our expectations only as of the date of this MD&A. 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.