Real Matters Inc.

Condensed Consolidated Statements of Financial Position

March 31, 2019 and September 30, 2018 (unaudited - stated in thousands of United States ("U.S.") dollars)

		March 31, 2019		September 30, 2018
ASSETS				
CURRENT				
Cash and cash equivalents	**$**	**63,539**	$	68,045
Trade and other receivables		**25,733**		24,071
Prepaid expenses		**829**		1,535
		90,101		93,651
NON-CURRENT				
INTANGIBLES		**10,517**		18,635
GOODWILL		**60,477**		60,477
PROPERTY AND EQUIPMENT		**2,976**		3,128
OTHER ASSETS		**157**		208
DEFERRED TAX ASSETS		**23,030**		22,764
		97,157		105,212
TOTAL ASSETS	**$**	**187,258**	$	198,863
LIABILITIES				
CURRENT				
Trade payables	**$**	**12,193**	$	9,585
Accrued charges		**1,684**		1,805
Income taxes payable		**28**		1,190
Deferred revenues		**-**		12
Finance lease obligations		**43**		173
		13,948		12,765
NON-CURRENT				
LEASEHOLD INDUCEMENTS		**472**		503
WARRANT LIABILITIES (Note 5 and 13)		**4,598**		3,799
FINANCE LEASE OBLIGATIONS		**-**		10
		5,070		4,312
TOTAL LIABILITIES		**19,018**		17,077
EQUITY				
NON-CONTROLLING INTERESTS		**3,677**		3,944
SHAREHOLDERS' EQUITY (Note 6)				
Common shares		**255,363**		261,553
Contributed surplus		**6,031**		4,339
Accumulated deficit		**(86,799)**		(83,043)
Accumulated other comprehensive loss		**(10,032)**		(5,007)
		164,563		177,842
TOTAL EQUITY		**168,240**		181,786
TOTAL LIABILITIES AND EQUITY	**$**	**187,258**	$	198,863

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Real Matters Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

For the periods ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars except share and net income or loss per share amounts)

	Three months ended		Six months ended	
	2019	2018	**2019**	2018
REVENUES (Note 14)	**$ 63,253**	$ 66,069	**$ 123,786**	$ 139,939
TRANSACTION COSTS	**43,172**	45,585	**84,857**	96,970
OPERATING EXPENSES (Note 8)	**17,795**	20,510	**35,554**	40,888
AMORTIZATION	**4,240**	5,267	**8,740**	10,583
ACQUISITION COSTS (RECOVERIES) (Note 8)	**-**	-	**267**	(7)
INTEGRATION EXPENSES	**177**	495	**681**	545
IMPAIRMENT OF ASSETS (Note 9)	**-**	-	**361**	-
INTEREST EXPENSE	**50**	148	**99**	304
INTEREST INCOME	**(258)**	(167)	**(498)**	(273)
NET FOREIGN EXCHANGE LOSS (GAIN)	**3,432**	(3,809)	**(4,837)**	(4,451)
LOSS (GAIN) ON FAIR VALUE OF WARRANTS	**2,445**	(3,381)	**985**	(4,148)
RE-MEASUREMENT GAIN ON PREVIOUSLY HELD EQUITY METHOD INVESTMENT (Note 4)	**-**	-	**-**	(499)
(LOSS) INCOME BEFORE INCOME TAX (RECOVERY) EXPENSE	**(7,800)**	1,421	**(2,423)**	27
INCOME TAX (RECOVERY) EXPENSE				
Current	**192**	352	**274**	1,165
Deferred	**(1,242)**	(1,908)	**(406)**	1,274
TOTAL INCOME TAX (RECOVERY) EXPENSE	**(1,050)**	(1,556)	**(132)**	2,439
NET (LOSS) INCOME	**(6,750)**	2,977	**(2,291)**	(2,412)
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified to net income or loss:				
Foreign currency translation adjustment	**3,531**	(3,958)	**(5,025)**	(4,600)
COMPREHENSIVE LOSS	**$ (3,219)**	$ (981)	**$ (7,316)**	$ (7,012)
NET (LOSS) INCOME - ATTRIBUTABLE TO COMMON SHAREHOLDERS	**$ (6,953)**	$ 2,826	**$ (2,706)**	$ (2,714)
NET INCOME - ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**$ 203**	$ 151	**$ 415**	$ 302
COMPREHENSIVE LOSS - ATTRIBUTABLE TO COMMON SHAREHOLDERS	**$ (3,422)**	$ (1,132)	**$ (7,731)**	$ (7,314)
COMPREHENSIVE INCOME - ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**$ 203**	$ 151	**$ 415**	$ 302
Net (loss) income per weighted average share, basic (Note 7)	**$ (0.08)**	$ 0.03	**$ (0.03)**	$ (0.03)
Net (loss) income per weighted average share, diluted (Note 7)	**$ (0.08)**	$ 0.03	**$ (0.03)**	$ (0.03)
Weighted average number of shares outstanding (thousands), basic (Note 7)	**86,827**	88,326	**87,360**	88,061
Weighted average number of shares outstanding (thousands), diluted (Note 7)	**89,598**	91,577	**90,131**	91,312

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Real Matters Inc.

Condensed Consolidated Statements of Cash Flows

For the periods ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars)

	Three months ended		Six months ended	
	2019	2018	**2019**	2018
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING				
OPERATING				
Net (loss) income	**$ (6,750)**	$ 2,977	**$ (2,291)**	$ (2,412)
Stock-based compensation (Note 12)	**492**	338	**1,120**	622
Amortization of intangibles	**3,939**	4,872	**8,118**	9,762
Amortization of property and equipment	**301**	395	**622**	821
Impairment of assets	**-**	-	**361**	-
Leasehold inducements	**(17)**	(3)	**(25)**	6
Interest expense	**50**	148	**99**	304
Loss (gain) on fair value of warrants	**2,445**	(3,381)	**985**	(4,148)
Re-measurement loss (gain) on previously held equity method investment	**-**	-	**-**	(499)
Income tax (recovery) expense	**(1,050)**	(1,556)	**(132)**	2,439
Changes in non-cash working capital items (Note 10)	**(1,036)**	(2,604)	**(2,038)**	2,918
Interest paid	**(27)**	(31)	**(52)**	(69)
Income taxes paid	**(4)**	(271)	**(1,408)**	(1,965)
Cash (utilized in) generated from operating activities	**(1,657)**	884	**5,359**	7,779
INVESTING				
Acquisitions, net of cash acquired (Note 4)	**-**	-	**-**	410
Purchase of property and equipment	**(644)**	(95)	**(844)**	(327)
Purchase of subsidiary shares from non-controlling interests (Note 4)	**(40)**	-	**(40)**	-
Partial disposal of a subsidiary to non-controlling interests (Note 4)	**-**	-	**50**	-
Cash (utilized in) generated from investing activities	**(684)**	(95)	**(834)**	83
FINANCING				
Proceeds from finance lease obligations	**-**	-	**-**	34
Repayment of finance lease obligations	**(51)**	(101)	**(139)**	(206)
Proceeds from the exercise of warrants	**26**	24	**26**	213
Proceeds from the exercise of stock options, net of issue costs	**129**	1,303	**235**	1,765
Repurchase of common shares and related costs (Note 6)	**(4,650)**	-	**(7,630)**	-
Dividends paid to non-controlling interests	**(7)**	(5)	**(51)**	(278)
Cash (utilized in) generated from financing activities	**(4,553)**	1,221	**(7,559)**	1,528
Effect of foreign currency translation on cash and cash equivalents	**956**	(1,367)	**(1,472)**	(1,639)
NET CASH (OUTFLOW) INFLOW	**(5,938)**	643	**(4,506)**	7,751
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD OR YEAR	**69,477**	78,742	**68,045**	71,634
CASH AND CASH EQUIVALENTS, END OF PERIOD	**$ 63,539**	$ 79,385	**$ 63,539**	$ 79,385
SUPPLEMENTAL CASH FLOW INFORMATION:				
Cash and cash equivalents are comprised of:				
Cash	**$ 24,138**	$ 38,568	**$ 24,138**	$ 38,568
Cash equivalents	**39,401**	40,817	**39,401**	40,817
	$ 63,539	$ 79,385	**$ 63,539**	$ 79,385
Property and equipment acquired under finance lease	**$ -**	$ -	**$ -**	$ 34

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Real Matters Inc.

Condensed Consolidated Statements of Equity

For the three months ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars)

	Non-controlling interests	Common shares	Contributed surplus	Accumulated deficit	Accumulated other comprehen-sive loss	Total equity
Balance at December 31, 2018	**$ 4,094**	**$ 258,942**	**$ 5,003**	**$ (79,027)**	**$ (13,563)**	**$ 175,449**
Net income (loss)	**203**			**(6,953)**		**(6,750)**
Dividends paid to non-controlling interests	**(7)**					**(7)**
Common shares issued on exercise of stock options		**166**	**(37)**			**129**
Common shares issued on exercise of warrants (Note 5)		**86**				**86**
Stock-based compensation (Note 12)			**492**			**492**
Repurchase of common shares and related costs (Note 6)		**(3,831)**		**(819)**		**(4,650)**
Purchase of subsidiary shares from non-controlling interests (Note 4)	**(613)**		**573**			**(40)**
Foreign currency translation adjustment					**3,531**	**3,531**
Balance at March 31, 2019	**$ 3,677**	**$ 255,363**	**$ 6,031**	**$ (86,799)**	**$ (10,032)**	**$ 168,240**

	Non-controlling interests	Common shares	Contributed surplus	Accumulated deficit	Accumulated other comprehen-sive loss	Total equity
Balance at December 31, 2017	$ 4,020	$ 261,525	$ 3,368	$ (82,933)	$ (511)	$ 185,469
Net income	151			2,826		2,977
Dividends paid to non-controlling interests	(5)					(5)
Common shares issued on exercise of stock options		1,676	(373)			1,303
Common shares issued on exercise of warrants		176				176
Stock-based compensation (Note 12)			338			338
Foreign currency translation adjustment					(3,958)	(3,958)
Balance at March 31, 2018	$ 4,166	$ 263,377	$ 3,333	$ (80,107)	$ (4,469)	$ 186,300

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Real Matters Inc.
Condensed Consolidated Statements of Equity
For the six months ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars)

	Non-controlling interests	Common shares	Contributed surplus	Accumulated deficit	Accumulated other comprehen-sive loss	Total equity
Balance at September 30, 2018	**$ 3,944**	**$ 261,553**	**$ 4,339**	**$ (83,043)**	**$ (5,007)**	**$ 181,786**
Net income (loss)	**415**			**(2,706)**		**(2,291)**
Dividends paid to non-controlling interests	**(51)**					**(51)**
Common shares issued on exercise of stock options		**304**	**(69)**			**235**
Common shares issued on exercise of warrants (Note 5)		**86**				**86**
Stock-based compensation (Note 12)			**1,120**			**1,120**
Repurchase of common shares and related costs (Note 6)		**(6,580)**		**(1,050)**		**(7,630)**
Purchase of subsidiary shares from non-controlling interests (Note 4)	**(613)**		**573**			**(40)**
Partial disposal of a subsidiary to non-controlling interests (Note 4)	**(18)**		**68**			**50**
Foreign currency translation adjustment					**(5,025)**	**(5,025)**
Balance at March 31, 2019	**$ 3,677**	**$ 255,363**	**$ 6,031**	**$ (86,799)**	**$ (10,032)**	**$ 168,240**

	Non-controlling interests	Common shares	Contributed surplus	Accumulated deficit	Accumulated other comprehen-sive income (loss)	Total equity
Balance at September 30, 2017	$ 3,461	$ 259,625	$ 3,222	$ (77,393)	$ 131	$ 189,046
Net income (loss)	302			(2,714)		(2,412)
Dividends paid to non-controlling interests	(278)					(278)
Common shares issued on exercise of stock options		2,276	(511)			1,765
Common shares issued on exercise of warrants		1,476				1,476
Stock-based compensation (Note 12)			622			622
Non-controlling interests, acquired (Note 4)	681					681
Foreign currency translation adjustment					(4,600)	(4,600)
Balance at March 31, 2018	$ 4,166	$ 263,377	$ 3,333	$ (80,107)	$ (4,469)	$ 186,300

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

1. Nature of Operations

Real Matters Inc. ("Real Matters" or the "Company") is a leading technology and network management company providing appraisal services through its Solidifi brand to the mortgage lending industry in the U.S. and Canada, title and closing services through its Solidifi brand to the mortgage lending industry in the U.S. and insurance inspection services through its iv3 brand to the insurance industry in Canada.

Real Matters' head office and Canadian operations are located at 50 Minthorn Boulevard, Markham, Ontario and its principal U.S. subsidiaries operate in Buffalo, New York, Middletown, Rhode Island and Denver, Colorado.

2. Basis of Presentation and Significant Accounting Policies

The unaudited interim condensed consolidated financial statements ("financial statements") are presented in thousands of U.S. dollars.

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") under International Accounting Standard ("IAS") 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed. These financial statements should be read in conjunction with the annual audited consolidated financial statements, and notes thereto, for the years ended September 30, 2018 and 2017 (the "annual financial statements").

The financial statements were authorized for issue by the board of directors on May 1, 2019.

Use of estimates and judgments
The preparation of these financial statements requires management to employ certain accounting estimates and judgments in the application of the Company's accounting policies. The areas involving significant estimate and judgment are set out in Note 2 to the Company's annual financial statements. There have been no significant changes in the method of determining significant estimates and judgments since September 30, 2018, except as outlined in Note 3.

Summary of Significant Accounting Policies
The significant accounting policies and methodologies applied by the Company in preparing these financial statements are the same as those outlined in the most recent annual financial statements, except as outlined in Note 3.

3. Recent Accounting Pronouncements

Revenue from Contracts with Customers
In May 2014, the IASB issued IFRS 15 "Revenue from Contracts with Customers" ("IFRS 15"), which replaces IAS 18 "Revenue" ("IAS 18"), IAS 11 "Construction Contracts" ("IAS 11") and International Financial Reporting Interpretations Committee 13 "Customer Loyalty Programmes", as well as various other interpretations applicable to revenue. IFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts, and financial instruments. The core principle of IFRS 15 requires an entity to recognize revenue in accordance with the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition: identify the contract(s) with a customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations in the contract; and recognize revenue when (or as) the entity satisfies a performance obligation.

On October 1, 2018, the Company adopted IFRS 15 applying a modified retrospective approach in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Under the modified retrospective approach, the Company recognizes transition adjustments, if any, in retained earnings on the date of initial application, without restating its financial statements on a retrospective basis. Accordingly, the comparative information has not been restated and continues to reflect the requirements of IAS 18, IAS 11 and the related interpretations. The Company applied the following practical expedients:

- On transition, completed contracts that began and ended within the same annual reporting period and those completed before October 1, 2018 were not restated.
- Costs of obtaining a contract that would be amortized within one year or less have been immediately expensed.

Under IFRS 15, the Company evaluates whether the contracts it enters into meet the definition of a contract with a customer at inception and recognizes revenue when control of the goods or services has been transferred. Revenue is measured based on the consideration the Company expects to be entitled to in exchange for transferring goods or services to a customer. The Company excludes amounts collected on behalf of third parties from revenue, when applicable, when it does not control the goods or services before they are transferred to customers and is acting as an agent rather than principal to the transaction. The Company has determined that no significant financing component exists since the period between when a promised good or service is transferred to a customer and when the customer pays for that good or service is one year or less.

The Company records revenue at a point in time, unless otherwise indicated below.

Residential Mortgage Appraisals
The Company provides residential mortgage appraisals through its technology-based platform (the “Platform”) and network of independent qualified field professionals. Revenue is derived from transaction fees earned from mortgage lenders on residential appraisal products such as complete home appraisals, a broker price opinion, property condition reports and desktop appraisals. The Company recognizes revenue when the appraisal report is delivered to its clients.

Insurance Inspection
The Company provides insurance inspections to property and casualty insurers through the Platform. The Company records revenue when the insurance inspection report is delivered to its clients.

Title and Closing
The Company provides title and closing services to residential and commercial clients which include title search procedures for title insurance policies, escrow and other closing services. Title and closing revenues, which are recorded exclusive of amounts remitted to third party insurance underwriters, are recorded when a transaction closes. Recording services are recognized as revenue when the documents are submitted to the county for recording.

Search Services
The Company provides current owner, tax and commercial title search and property reports to other title insurance companies or property investment companies. Search revenues are recorded when the report is delivered to the client.

Software Services
The Company provides three hosted software solutions. Contracts for these services are generally term based ranging from one to three years. On-going service fee revenues are recognized as services are provided. Any usage-based fees and minimum transaction fees are recognized monthly as services are provided over the term of the arrangement.

Contract Costs
Incremental costs to obtain customer contracts include commissions that would not have been incurred if the contracts had not been obtained. As a practical expedient, the Company recognizes the incremental costs of obtaining a contract as an immediate expense if the amortization period of the assets that it would otherwise have recognized is one year or less.

Significant judgments, estimates and assumptions
Management believes the following areas are subject to the most critical judgments and estimates and could have the most significant impact on the amounts recognized in these financial statements applying IFRS 15.

Satisfaction of performance obligations – The satisfaction of performance obligations requires management 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. Management considers 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, representing the time when the customer has acquired the ability to direct and use the good or service and obtained substantively all of the benefits.

Agent versus principal - The Company uses judgment in its assessment of whether it is acting as an agent or principal in a transaction. When the Company is not primarily responsible for fulfilling the promise to provide a specified good or service and does not have discretion to establish price, it is acting as an agent in the transaction. The Company is acting as a principal when it controls the deliverables prior to delivery to the customer and establishes pricing.

Impact
The Company determined there were no material differences to the amount and timing of revenue recognized under IFRS 15 compared to IAS 18 since the transfer of control under IFRS 15 occurs at the same time the revenue recognition criteria were satisfied under IAS 18. Accordingly, no adjustment to the Company's financial statements was recognized on transition to IFRS 15.

The Company manages and reviews its operations by geographical location and service type. For detailed information about the Company's reportable segments and disaggregated revenue, see Note 14.

Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 "Financial Instruments" ("IFRS 9") replacing IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include classification and measurement requirements for financial liabilities and de-recognition. In November 2013, follow on amendments included new requirements for general hedge accounting. The final revision to IFRS 9 was issued in July 2014, which included impairment requirements for financial assets and limited amendments to the classification and measurement requirements for certain simple debt instruments. The new standard established a single classification and measurement approach for financial assets that reflects the business model in which they are managed and their cash flow characteristics. It also provides guidance on an entity's own credit risk relating to financial liabilities.

On October 1, 2018, the Company adopted the requirements of IFRS 9. Upon adoption, there was no material impact to the Company's financial statements related to classification and measurement and such adoption did not result in any transition adjustments being recognized. Since the Company currently does not apply hedge accounting, the new requirements for hedge accounting are not applicable.

Classification and Measurement
Financial assets and financial liabilities, including derivatives, are recognized in the condensed consolidated statements of financial position when the Company becomes party to the contractual provisions of a financial instrument or non-financial derivative contract.

The Company classifies and measures financial assets based on their contractual cash flow characteristics and the Company's business model for the financial asset. A financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (''FVOCI''); or fair value through profit and loss (''FVPL'').

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI are classified and measured at FVPL. This includes all derivative financial assets. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVOCI may be irrevocably designated as FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets classified as measured at amortized cost are subsequently measured using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in the condensed consolidated statements of operations and comprehensive income or loss. Any resulting gain or loss on derecognition is recorded in the condensed consolidated statements of operations and comprehensive income or loss in the period that the asset is derecognized.

Financial assets classified as measured at FVPL are subsequently measured at fair value at each reporting date. Net gains and losses, including any interest or dividend income, are recorded in the condensed consolidated statements of operations and comprehensive income or loss.

Financial liabilities are classified and measured based on two categories: amortized cost or FVPL. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset within the scope of the standard are not separated, and the hybrid financial instrument is assessed for classification as a whole.

The adoption of IFRS 9 did not result in any changes to the measurement or the carrying amount of financial assets and liabilities. Below is a summary showing the original measurement categories under IAS 39 and the new measurement categories under IFRS 9.

Financial assets and liabilities	IAS 39	IFRS 9
Cash and cash equivalents	Loans and receivables (amortized cost)	Amortized cost
Trade and other receivables	Loans and receivables (amortized cost)	Amortized cost
Trade payables	Other financial liabilities (amortized cost)	Amortized cost
Accrued charges	Other financial liabilities (amortized cost)	Amortized cost
Long-term debt	Other financial liabilities (amortized cost)	Amortized cost
Finance lease obligations	Other financial liabilities (amortized cost)	Amortized cost
Warrant liabilities	Fair value through profit and loss (fair value)	FVPL

Impairment of Financial Assets
The impairment of financial assets under IFRS 9 is based on an expected credit loss (“ECL”) model versus the incurred loss model under IAS 39. The new impairment model applies to financial assets measured at amortized cost and requires the Company to consider factors that include past events, current conditions and forecasts of future economic conditions.

Under IFRS 9, loss allowances are measured on either of the following bases:

- *12-month ECLs*: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- *lifetime ECLs*: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company elected to measure loss allowances for trade and other receivables at an amount equal to lifetime ECLs applied at each reporting date. The Company adopted the practical expedient to determine ECL on trade and other receivables using a provision matrix based on historical credit loss experience to estimate lifetime ECL adjusted for estimated changes to credit risks and forecasts of future economic conditions. Using the provision matrix did not have a material impact on loss allowances for the Company’s trade and other receivables.

Impairment losses are recorded in operating expenses in the condensed consolidated statement of operations and comprehensive income or loss with the carrying amount of the financial asset or group of financial assets reduced through the use of impairment allowance accounts.

Leases

In January 2016, the IASB issued IFRS 16 – "Leases" ("IFRS 16"), which replaces IAS 17 - Leases ("IAS 17") and any related interpretations. IFRS 16 provides a single lessee accounting model, which requires the recognition of assets and liabilities for all leases, unless the lease term is 12 months or less or the underlying value of the asset is low. IFRS 16 substantially carries forward the lessor accounting in IAS 17 with the distinction between operating leases and finance leases being retained. IFRS 16 can be applied using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach for annual periods beginning on or after January 1, 2019. Early adoption of IFRS 16 is permitted if IFRS 15 has also been adopted. The Company intends to adopt the standard using the modified retrospective approach but currently has no intention of early adopting the standard. As at March 31, 2019, the Company has operating lease commitments of $9,549. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16 and the Company expects to recognize new assets and liabilities in respect of these operating leases, which principally relate to office space, upon adoption. The new requirement to recognize a right-of-use asset and a related lease liability is expected to impact the amounts recognized in the Company's financial statements but the Company is still conducting a detailed assessment to determine the resulting impact. In addition, the nature and timing of expenses related to these leases will change as IFRS 16 replaces straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. For finance leases where the Company is a lessee and has already recognized an asset and a related finance lease liability for the lease arrangement, the Company does not anticipate the application of IFRS 16 will have a significant impact on the amounts recognized in its financial statements.

Share-Based Payment

In June 2016, the IASB issued amendments to IFRS 2 – "Share-based Payment" which clarifies how to account for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature, and modifications to the terms and conditions that change the classification of transactions. These amendments are effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The implementation of these amendments did not impact the Company's financial statements.

Uncertainty over Income Tax Treatments

In June 2017, the IASB issued IFRS Interpretation Committee 23 – "Uncertainty over Income Tax Treatments". The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. The interpretation requires an entity to determine whether uncertain tax positions are assessed separately or together with one or more uncertain tax positions, and in making such assessment, an entity is required to assume that the taxation authority will examine amounts it has a right to examine and has full knowledge of all information when making its examination. An entity must also consider the probability that the taxation authority will accept an uncertain tax treatment used, or proposed to be used, by the entity in its income tax filings and reassess any judgments and estimates made if the facts and circumstances change or new information becomes available. The effective date of the interpretation is for annual periods beginning on or after January 1, 2019 applied retrospectively or using a modified retrospective application without restatement of comparatives. Earlier application is permitted. The adoption of the interpretation is not expected to have a significant impact on the Company's financial statements.

For the periods ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

Business Combinations
In October 2018, the IASB issued "Definition of a Business (Amendments to IFRS 3)" to address difficulties that arise when an entity determines whether it has acquired a business or group of assets. The amendment clarifies that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to create outputs. The definition of a business and outputs have been narrowed by focusing on goods and services provided to customers and removing the reference to an ability to reduce costs. The amendments are effective for business combinations and asset acquisitions for which the acquisition date is on or after the annual period beginning on or after January 1, 2020. Earlier application is permitted. The adoption of the amendment will be applicable for the Company in determining whether acquisitions on or after October 1, 2020 qualify as a business.

Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors
In October 2018, the IASB issued "Definition of Material (Amendments to IAS 1 and IAS 8)" to clarify the definition of material. Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted. The Company will apply the new definition of material effective October 1, 2020 which is not expected to have a significant impact on its financial statements.

4. Acquisitions

Acquisition of equity accounted investees
Linear Holdings, LLC ("Holdings")
Effective October 1, 2017, the Company amended the operating agreement with its Holdings joint venture partner, which resulted in the Company obtaining control over the joint venture. Accordingly, Holdings became a controlled subsidiary of the Company which required the Company to discontinue the use of equity method accounting and re-measure its previously held fifty percent ownership interest at its estimated fair value. The Company recorded a non-cash gain in the condensed consolidated statements of operations and comprehensive loss upon obtaining control.

The acquisition of Holdings qualified as a business and was accounted for using the acquisition method of accounting. Accordingly, the results of Holdings were consolidated in the financial statements of the Company from October 1, 2017. Financial results before October 1, 2017 were recorded to net income or loss from equity accounted investees in the condensed consolidated statements of operations and comprehensive loss.

The fair value of non-controlling interests, the carrying amount of the Company's previously held equity method investment, the re-measurement gain recorded and the fair value allocation to the net assets acquired were as follows:

Fair value of fifty percent ownership interest (non-controlling interest)	$	681
Carrying amount of previously held equity method investment		182
Re-measurement gain on previously held equity method investment		499
	$	1,362
Net assets acquired		
Cash	$	366
Trade and other receivables		29
Goodwill		1,000
Trade payables		(33)
Total net assets acquired	$	1,362

Goodwill was originally allocated to the Company's previously reported U.S. segment and subsequently re-allocated to the Company's U.S. Appraisal and U.S. Title and Closing ("U.S. Title") segments (Note 14) and is not deductible for tax purposes. Goodwill arising from this acquisition was largely attributable to the revenue streams generated from the relationship between the Company and its joint venture partner.

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Effective January 1, 2019, the Company purchased the remaining fifty percent interest in Holdings, a controlled subsidiary, for $40. The difference between the consideration and the carrying amount of non-controlling interests, $573, was recorded as an increase to contributed surplus.

Performance Lender Solutions, LLC ("Performance")
Effective November 1, 2017, the Company purchased the remaining fifty percent interest in Performance for nominal consideration. Accordingly, the Company re-measured its previously held fifty percent ownership interest at its estimated fair value upon obtaining control. No gain or loss was recognized in the condensed consolidated statements of operations and comprehensive loss since the carrying amount of this investment already reflected its then current fair value.

The acquisition of Performance qualified as a business and was accounted for using the acquisition method of accounting. Accordingly, the results of Performance were consolidated in the financial statements of the Company from November 1, 2017. Financial results before November 1, 2017 were recorded to net income or loss from equity accounted investees in the condensed consolidated statements of operations and comprehensive loss.

Consideration, the carrying amount of the Company's previously held equity method investment and the fair value allocation to the net assets acquired were as follows:

Cash	$	-
Carrying amount of previously held equity method investment		-
	$	-
Net assets acquired		
Cash	$	44
Prepaid expenses		22
Goodwill		587
Property and equipment		40
Trade payables		(693)
Total net assets acquired	$	-

On October 1, 2018, the Company sold fifty percent of its interest in Performance for $50 to an unrelated third party. Based on the operating agreement with the Company's joint venture partner, the Company still exercises control over Performance and continues to account for Performance as a subsidiary.

Acquisition costs
For the six months ended March 31, 2019, acquisition costs represent a working capital adjustment of $267 incurred in respect of a prior period acquisition (March 31, 2018 - $(7)).

5. Warrant Liabilities

Company issued special warrants were automatically converted into common share purchase warrants on completion of the Company's initial public offering ("IPO") (together with other satisfied events). All outstanding common share purchase warrants are exercisable and expire either two or five years following the date of the Company's IPO. Warrant liabilities convert into common shares of the Company when exercised and the associated non-cash liability is reclassified to common shares upon exercise. The non-cash liability attributable to warrants that expire unexercised are recorded as a gain in the condensed consolidated statements of operations and comprehensive income or loss. There is no circumstance which requires the Company to pay cash upon exercise or expiry of the warrants.

For the periods ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

During the six months ended March 31, 2019, 25 (2018 – 196) warrants were exercised, resulting in the issuance of 25 (2018 – 196) common shares. These warrants had a fair value of $60 (2018 – $1,263) at the date of exercise, determined using the Black-Scholes-Merton option pricing model, and this amount was transferred from warrant liabilities to common shares. The Company also recorded a $23 loss (2018 – $153 gain) to the condensed consolidated statement of operations and comprehensive loss representing the difference between the fair value of certain warrants recorded at the most recent reporting date and the fair value of these warrants on the date of exercise.

At March 31, 2019, there were 1,511 (September 30, 2018 – 1,536) warrants outstanding. All warrants have an exercise price of 1.38 Canadian dollars ("C$") (September 30, 2018 – C$1.38) representing a total liability of $4,598 at March 31, 2019 (September 30, 2018 - $3,799).

Warrant liabilities measured at fair value using the Black-Scholes-Merton option pricing model included the following assumptions: volatility of 42.4% (2018 – 38.7%), a risk-free interest rate of 1.67% (2018 – 1.75%), a dividend yield of nil% (2018 - nil%) and expected life of 19 months (2018 - 20 months).

6. Shareholder's Equity

Effective June 11, 2018, the Company received approval for a normal course issuer bid to purchase up to 4,000 common shares for a one year period expiring on June 10, 2019. Daily purchases on the Toronto Stock Exchange, or made through alternative Canadian trading systems, are limited to a maximum of 41.436 shares. Once a week, the Company is permitted to purchase a block of common shares which can exceed the daily purchase limit subject to certain restrictions, including a limitation that the block cannot be owned by an insider. All shares purchased will be cancelled.

For the three and six months ended March 31, 2019, 1,378 and 2,360 common shares (2018 – nil and nil) were purchased and cancelled at a total cost of $4,650 and $7,630, respectively (2018 - $nil and $nil). As of May 1, 2019, 466 additional common shares were purchased and cancelled or settled.

7. Net (Loss) Income per Weighted Average Share

The following table outlines the components used in the calculation of basic and diluted net (loss) income per share attributable to common shareholders:

	Three months ended March 31		Six months ended March 31	
	2019	2018	**2019**	2018
Net (loss) income	**$ (6,750)**	$ 2,977	**$ (2,291)**	$ (2,412)
Net (loss) income attributable to common shareholders	**$ (6,953)**	$ 2,826	**$ (2,706)**	$ (2,714)
Weighted average number of shares, basic	**86,827**	88,326	**87,360**	88,061
Dilutive effect of stock options and warrants	**2,771**	3,251	**2,771**	3,251
Weighted average number of shares, diluted	**89,598**	91,577	**90,131**	91,312
Net (loss) income per weighted average share, basic	**$ (0.08)**	$ 0.03	**$ (0.03)**	$ (0.03)
Net (loss) income per weighted average share, diluted	**$ (0.08)**	$ 0.03	**$ (0.03)**	$ (0.03)

For the periods ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

8. Operating Expenses and Acquisition Costs (Recoveries)

	Three months ended March 31		Six months ended March 31	
	2019	2018	**2019**	2018
Operating expenses:				
Salaries and benefits	**$ 12,943**	$ 15,054	**$ 26,095**	$ 30,252
Sales and marketing	**138**	199	**532**	788
Travel and entertainment	**516**	646	**1,058**	1,175
Office and computer	**2,601**	3,076	**5,180**	5,838
Professional fees	**764**	673	**1,508**	1,442
Other	**833**	862	**1,181**	1,393
	$ 17,795	$ 20,510	**$ 35,554**	$ 40,888

	Three months ended March 31		Six months ended March 31	
	2019	2018	**2019**	2018
Acquisition costs (recoveries):	**$ -**	$ -	**$ 267**	$ (7)
	$ -	$ -	**$ 267**	$ (7)

9. Impairment of Assets

In December 2018, the Company continued to integrate certain operations and entered into a lease termination agreement related to certain office space. Accordingly, leasehold improvements, recorded as property and equipment in the Company's U.S. Appraisal segment, were determined to be impaired since the office space was vacated. The Company recorded an impairment charge of $361, representing the carrying amount of the leasehold improvements, to the condensed consolidated statements of operations and comprehensive loss for the period ended December 31, 2018.

10. Changes in Non-Cash Working Capital Items

The following table outlines changes in non-cash working capital items:

	Three months ended March 31		Six months ended March 31	
Inflow (outflow)	**2019**	2018	**2019**	2018
Trade and other receivables	**$ (6,748)**	$ (1,879)	**$ (1,662)**	$ 6,605
Prepaid expenses	**235**	238	**706**	761
Trade payables	**3,657**	1,973	**2,608**	(1,627)
Accrued charges	**(673)**	(163)	**(121)**	500
Deferred revenues	**(12)**	-	**(12)**	-
Effect of foreign currency translation adjustments and other non-cash changes	**2,505**	(2,773)	**(3,557)**	(3,321)
	$ (1,036)	$ (2,604)	**$ (2,038)**	$ 2,918

For the periods ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

11. Changes in Liabilities Arising From Financing Activities

Three months ended March 31, 2019

		Cash flows		Non-cash changes			
	Opening balance - January 1, 2019	**Proceeds**	**Re-payments**	**Change in fair value**	**Foreign exchange**	**Other non-cash changes**	**Ending balance - March 31, 2019**
Finance lease obligations	**$ 93**	**-**	**(51)**	**-**	**1**	**-**	**$ 43**
Leasehold inducements	**$ 485**	**-**	**-**	**-**	**4**	**(17)**	**$ 472**
Warrant liabilities	**$ 2,191**	**26**	**-**	**2,445**	**(4)**	**(60)**	**$ 4,598**

Three months ended March 31, 2018

		Cash flows		Non-cash changes			
	Opening balance - January 1, 2018	Proceeds	Re-payments	Change in fair value	Foreign exchange	Other non-cash changes	Ending balance - March 31, 2018
Finance lease obligations	$ 471	-	(101)	-	(1)	-	$ 369
Leasehold inducements	$ 521	-	-	-	(6)	(3)	$ 512
Warrant liabilities	$ 10,850	24	-	(3,381)	(255)	(152)	$ 7,086
Contingent consideration - accrued charges	$ 9,907	-	-	-	-	93	$ 10,000

Six months ended March 31, 2019

		Cash flows		Non-cash changes			
	Opening balance - October 1, 2018	**Proceeds**	**Re-payments**	**Change in fair value**	**Foreign exchange**	**Other non-cash changes**	**Ending balance - March 31, 2019**
Finance lease obligations	**$ 183**	**-**	**(139)**	**-**	**(1)**	**-**	**$ 43**
Leasehold inducements	**$ 503**	**-**	**-**	**-**	**(6)**	**(25)**	**$ 472**
Warrant liabilities	**$ 3,799**	**26**	**-**	**985**	**(152)**	**(60)**	**$ 4,598**

Six months ended March 31, 2018

		Cash flows		Non-cash changes			
	Opening balance - October 1, 2017	Proceeds	Re-payments	Change in fair value	Foreign exchange	Other non-cash changes	Ending balance - March 31, 2018
Finance lease obligations	$ 542	34	(206)	-	(1)	-	$ 369
Leasehold inducements	$ 514	-	-	-	(8)	6	$ 512
Warrant liabilities	$ 12,820	213	-	(4,148)	(536)	(1,263)	$ 7,086
Contingent consideration - accrued charges	$ 9,813	-	-	-	-	187	$ 10,000

For the periods ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

12. Stock-Based Compensation

On November 30, 2018, the Company awarded certain executive officers, directors and employees an aggregate of 885 stock options. Stock options issued to executive officers and employees totaled 693 and vest equally on their first, second and third anniversary from the date of grant. Stock options granted to directors totaled 192 and vested immediately. All options expire on the 7th anniversary from the date of grant.

On February 4, 2019, the Company awarded an employee 5 stock options. The options vest equally on their first, second and third anniversary dates and expire on the 7^{th} anniversary from the date of grant.

The following table outlines changes to stock options:

						Six months ended March 31
			2019			2018
	Number of stock options		**Weighted average exercise price, expressed in C$**	Number of stock options		Weighted average exercise price, expressed in C$
Outstanding balance, beginning of year	**5,983**	**$**	**6.03**	6,130	$	5.40
Granted, during the period	**890**	**$**	**3.93**	186	$	9.25
Exercised, during the period	**(208)**	**$**	**1.50**	(1,063)	$	2.11
Forfeited, during the period	**(167)**	**$**	**8.47**	(224)	$	11.21
Outstanding balance, end of period	**6,498**	**$**	**5.82**	5,029	$	5.98
Options exercisable, end of period	**3,972**	**$**	**4.89**	3,529	$	3.70

The Company recorded stock option expense of $492 and $1,120 (2018 - $338 and $622) to operating expenses in the condensed consolidated statements of operations and comprehensive loss for three and six months ended March 31, 2019, respectively.

For the periods ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

The following table summarizes certain information for stock options outstanding as at March 31, 2019:

Exercise price, expressed in C$		Number of stock options	Weighted average remaining contractual life, expressed in years	Number of stock options exercisable
$	1.23	**72**	**0.50**	**72**
$	1.69	**370**	**1.12**	**370**
$	1.84	**596**	**2.96**	**596**
$	2.21	**41**	**4.16**	**41**
$	2.28	**100**	**1.60**	**100**
$	2.40	**1,046**	**5.56**	**1,046**
$	3.93	**885**	**6.67**	**192**
$	4.54	**5**	**6.85**	**-**
$	4.60	**117**	**6.29**	**117**
$	5.00	**146**	**6.68**	**146**
$	5.22	**178**	**6.37**	**-**
$	6.11	**1,113**	**6.11**	**252**
$	8.00	**412**	**7.25**	**345**
$	8.63	**30**	**8.38**	**10**
$	9.05	**81**	**8.67**	**29**
$	9.59	**51**	**8.84**	**18**
$	10.50	**163**	**7.69**	**135**
$	12.80	**4**	**8.13**	**1**
$	13.00	**1,088**	**8.11**	**502**
		6,498	**5.92**	**3,972**

13. Financial Instruments

The following tables outline the hierarchical measurement categories for the fair value of financial assets and liabilities. At March 31, 2019 and September 30, 2018, financial assets and liabilities measured on a recurring basis had the following estimated fair values expressed on a gross basis:

				March 31, 2019
	Quoted prices in active markets for identical assets (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
Warrant liabilities	**$ -**	**$ (4,598)**	**$ -**	**$ (4,598)**
	$ -	**$ (4,598)**	**$ -**	**$ (4,598)**

For the periods ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

	September 30, 2018			
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Warrant liabilities	$ -	$ (3,799)	$ -	$ (3,799)
	$ -	$ (3,799)	$ -	$ (3,799)

The hierarchal measurement categories for financial assets and liabilities recognized at fair value on a recurring basis are re-assessed at the end of each reporting period.

For the three and six months ended March 31, 2019 and year ended September 30, 2018, there were no transfers between levels or changes to the valuation techniques.

The fair value of warrant liabilities are calculated using the Black-Scholes-Merton option pricing model which is subject to considerable judgment and estimate. Accordingly, the fair value estimate is not necessarily indicative of the amount the Company, or a counter-party to the instrument, could realize in a current market exchange. The use of differing assumptions, and or estimation methods, could affect fair value.

Estimated fair value
The carrying value of cash and cash equivalents, trade and other receivables, trade payables and accrued charges approximate their fair values due to the relatively short-term maturities of these instruments.

14. Segmented Reporting

In the fourth quarter of fiscal 2018, the Chief Operating Decision Maker (“CODM”), who is the President and Chief Executive Officer of the Company, began making resource allocation decisions and assessing the performance of the Company’s U.S. operations by separately analyzing U.S. Appraisal and U.S. Title services. Accordingly, the Company’s previously reported U.S. segment has been reclassified into two reportable segments, representing U.S. Appraisal and U.S. Title. In addition, title search revenues connected to home equity loan transactions, which were previously reported as U.S. Appraisal revenues, have been reclassified to the U.S. Title segment, since these title searches are now being satisfied by the Company’s U.S. Title operations.

There were no changes to how the CODM reviewed the Canadian operations.

The CODM does not evaluate operating segments using discrete asset information and the Company does not specifically allocate assets to operating segments for internal reporting purposes.

All previously reported segment amounts have been reclassified to conform to the current period presentation, having no impact to the consolidated amounts reported.

Goodwill was reassigned to the U.S. Appraisal and U.S. Title segments using a relative value allocation approach similar to that used when a portion of a cash generating unit is disposed of. Accordingly, previously reported goodwill amounts were calculated applying the fair value allocation percentage derived at the date of change.

The Company conducts its business through three reportable segments: U.S. Appraisal, U.S. Title and Canada. The Company reports segment information based on internal reports used by the CODM to make operating and resource allocation decisions and to assess performance.

The U.S. Appraisal segment provides residential mortgage appraisals for purchase, refinance and home equity transactions through its Solidifi brand.

The U.S. Title segment serves the title and closing market through residential and commercial real estate title and/or closing services directly in 46 states, as well as Puerto Rico and in 4 states through agreements with licensed title or escrow providers. Other title and closing service offerings include title search services, capital markets services and providing access to its software platforms to other title insurance agencies and mortgage lenders for a subscription fee.

The Canadian segment's primary service offering includes residential mortgage appraisals for purchase, refinance and home equity transactions which are provided through its Solidifi brand. Additionally, the Company provides insurance inspection services to property and casualty insurers across Canada through its iv3 brand.

The Company excludes corporate costs in the determination of each operating segment's performance. Corporate costs include certain executive and employee costs, legal, finance, internal audit, treasury, investor relations, human resources, technical and software development, corporate development and other administrative support function costs.

The accounting policies for each operating segment are the same as those described in the basis of presentation and significant accounting policies (Note 2). The Company evaluates segment performance based on revenues, net of transaction costs.

For the periods ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

	Three months ended March 31		Six months ended March 31	
	2019	2018	**2019**	2018
Revenues				
U.S. Appraisal	**$ 43,120**	$ 42,936	**$ 82,708**	$ 89,969
U.S. Title	**14,789**	16,327	**29,754**	35,720
Canada	**5,344**	6,806	**11,324**	14,250
	$ 63,253	$ 66,069	**$ 123,786**	$ 139,939
Revenues net of transaction costs				
U.S. Appraisal	**$ 10,603**	$ 9,376	**$ 19,645**	$ 18,357
U.S. Title	**8,406**	9,826	**17,109**	21,990
Canada	**1,072**	1,282	**2,175**	2,622
	$ 20,081	$ 20,484	**$ 38,929**	$ 42,969
Amortization				
U.S. Appraisal	**$ 244**	$ 1,179	**$ 700**	$ 2,362
U.S. Title	**3,930**	4,012	**7,921**	8,037
Canada	**-**	-	**-**	-
Corporate	**66**	76	**119**	184
	$ 4,240	$ 5,267	**$ 8,740**	$ 10,583
Operating expenses	**$ 17,795**	$ 20,510	**$ 35,554**	$ 40,888
Acquisition costs (recoveries)	**$ -**	$ -	**$ 267**	$ (7)
Integration expenses	**$ 177**	$ 495	**$ 681**	$ 545
Impairment of assets	**$ -**	$ -	**$ 361**	$ -
Interest expense	**$ 50**	$ 148	**$ 99**	$ 304
Interest income	**$ (258)**	$ (167)	**$ (498)**	$ (273)
Net foreign exchange loss (gain)	**$ 3,432**	$ (3,809)	**$ (4,837)**	$ (4,451)
Loss (gain) on fair value of warrants	**$ 2,445**	$ (3,381)	**$ 985**	$ (4,148)
Re-measurement gain on previously held equity method investment	**$ -**	$ -	**$ -**	$ (499)
(Loss) income before income tax expense or recovery	**$ (7,800)**	$ 1,421	**$ (2,423)**	$ 27

				March 31, 2019
	U.S.	Canada	Corporate	Total
Intangibles	**$ 10,517**	**$ -**	**$ -**	**$ 10,517**
Goodwill	**$ 60,477**	**$ -**	**$ -**	**$ 60,477**
Property and equipment	**$ 2,473**	**$ -**	**$ 503**	**$ 2,976**

				September 30, 2018
	U.S.	Canada	Corporate	Total
Intangibles	$ 18,635	$ -	$ -	$ 18,635
Goodwill	$ 60,477	$ -	$ -	$ 60,477
Property and equipment	$ 2,679	$ -	$ 449	$ 3,128

For the periods ended March 31, 2019 and 2018 (unaudited - stated in thousands of U.S. dollars and shares, except per share amounts, unless otherwise stated)

Revenues by service type

The Company's revenue is derived from contracts with customers. The disaggregated revenue by service type is reconciled to the Company's segment revenue:

	Three months ended March 31		Six months ended March 31	
	2019	2018	**2019**	2018
Appraisal	**$ 47,639**	$ 48,671	**$ 92,274**	$ 102,177
Title and closing - diversified	**5,136**	5,525	**11,390**	11,345
Title and closing - mortgage originations	**9,653**	10,802	**18,364**	24,375
Insurance inspection	**825**	1,071	**1,758**	2,042
	$ 63,253	$ 66,069	**$ 123,786**	$ 139,939

15. Seasonality

Residential mortgage origination volumes in North America are a key driver of the Company's financial performance. The Company's transaction-based revenues are impacted by the seasonal nature of the residential mortgage industry, which typically sees home buyers purchasing more homes in the Company's third and fourth fiscal quarters, representing the three months ending June 30 and September 30, respectively. Residential mortgage origination volumes are also impacted by other factors such as interest rates, refinancing rates, house prices, housing stock supply and demand, the availability of funds for mortgage loans, credit requirements, regulatory changes, household indebtedness, employment levels and the general health of the North American economy. The results reported in these financial statements should not be regarded as indicative of the results that may be expected for the entire year.