BRIDGEMARQ®
REAL ESTATE SERVICES

2024 ANNUAL REPORT

PROFILE

Bridgemarq Real Estate Services Inc. ("Bridgemarq" and, together with its subsidiaries the "Company") is a leading provider of services to residential real estate brokers and REALTORS®[1] across Canada. The Company generates cash flow primarily from fixed and variable franchise fees that are received from real estate brokers and REALTORS® operating under the Royal LePage® brand name across Canada, under the Via Capitale® Real Estate Network, Proprio Direct® and Les Immeubles Mont-Tremblant brands in the province of Quebec, and under the Johnston & Daniel® banner in upscale neighbourhoods in Ontario. Approximately 76% of the Company's franchise fees in 2024 were fixed in nature; this provides revenue stability and helps insulate cash flows from fluctuations in the Canadian real estate market. Franchise fee revenues are supported by long-term franchise agreements, predominantly driven by fixed fees based on the number of REALTORS® in the Company's network. As at December 31, 2024, the Company network consisted of approximately 21,000 REALTORS® and participated in approximately 30% of all home resales in Canada during the year. Bridgemarq is listed on the TSX and trades under the symbol "BRE". For further information about the Company, please visit www.bridgemarq.com.

COMPANY OPERATIONS

The Company is a Canadian based real estate services firm that supplies REALTORS® with information, tools and services to assist them in providing efficient and effective delivery of real estate sales services in the communities they serve. Through a portfolio of highly regarded real estate services brands, the Company caters to the diverse service requirements of regional real estate professionals, in virtually all significant population centres across Canada.

ROYAL LEPAGE®

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of more than 19,000 real estate professionals in over 640 locations nationwide. Since the mid-1990s, Royal LePage has more than tripled the size of its sales force. It offers its network of brokers and agents strong support with state-of-the-art marketing and lead generation tools, sophisticated business services, timely market data and analysis, as well as professional development through on-line and in-person training. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage® Shelter Foundation™, which has been dedicated to supporting women's shelters and domestic violence prevention programs for more than 25 years.

PROPRIO DIRECT®

Established in 1987, Proprio Direct operates one of the largest real estate brokerages in the province of Quebec (based on REALTOR® count) from a single office located in the Greater Montreal Area. With approximately 700 real estate professionals, this unique, consumer-centric digital brokerage has established itself as a market leader by offering a unique business model that combines the visibility and support of a traditional brokerage with the flexibility today's consumers expect.

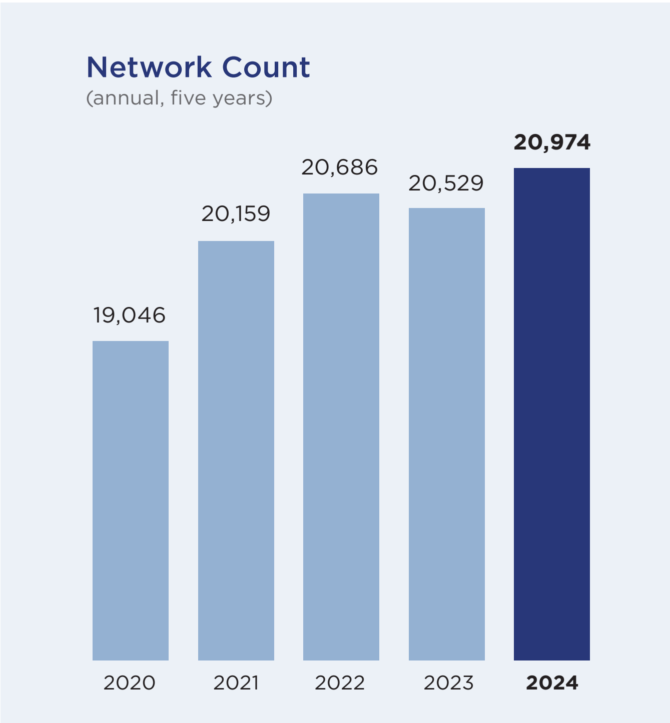
JOHNSTON & DANIEL®

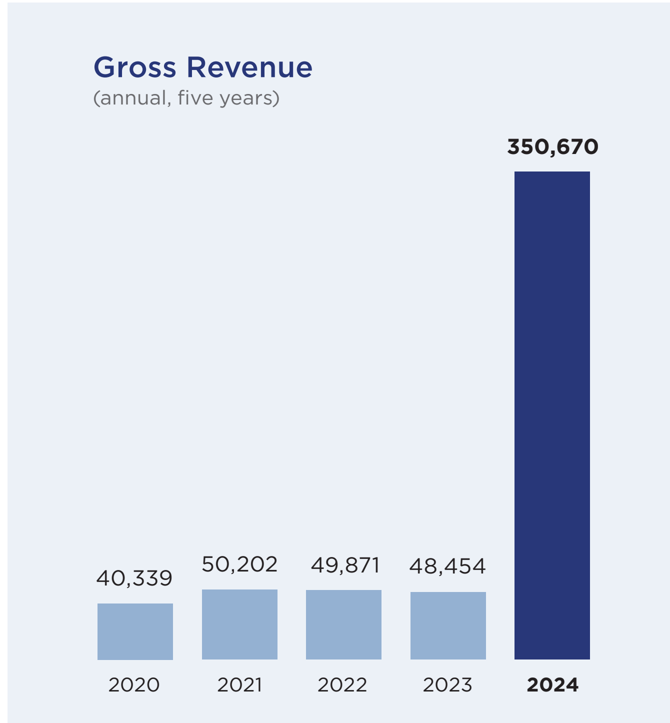
Founded in 1950, Johnston & Daniel is a leading residential real estate boutique firm with approximately 175 real estate professionals selling distinctive homes in southern Ontario. Johnston & Daniel operates as a division of Royal LePage® Real Estate Services Ltd. and maintains its market leadership through a combination of rich training and development opportunities, strategic partnerships, in-house marketing services and powerful brand awareness.

VIA CAPITALE®

Via Capitale's mission is to deliver the best possible service by focusing on the human aspect of each transaction, professionalism and innovation. Via Capitale has more than 900 real estate professionals in 35 locations across the province of Quebec. It has launched numerous innovative, client focused programs into the Quebec market through specialized web platforms, and has been a leading developer of real estate insurance programs for more than 20 years – making it the pioneer in this field and keeping the company at the forefront of the industry. Today, the Via Capitale name is synonymous with protection and innovation in the province of Quebec.

FINANCIAL HIGHLIGHTS





LETTER TO SHAREHOLDERS

This past year marked an important transformation year in Bridgemarq's history. As I reflect on the last 12 months with an eye to the future, I'm excited to see that our accomplishments have set us up incredibly well, moving forward. The successful integration of our acquired operations has solidified our strong position in the Canadian real estate market. Today, we have more opportunities for expansion than ever before and multiple pathways by which to grow our business. As we broaden and diversify our operations, we can more fully participate across the various aspects of Canadians' home buying and selling journey.

With industry-leading tools, technology and training, our brands continue to attract top real estate professionals from across the country. Our largest and most established brand, Royal LePage, is a mainstream franchisor of mass appeal, with niche market branches in the luxury, commercial and recreational real estate segments. Known for service excellence, trustworthiness, market expertise and technological innovation, the brand is home to nearly 20,000 top agents nationwide. Our offering in this space is clearly defined and we are focused on being the best in every way.

In addition to Royal LePage, we service real estate professionals with multiple other branded solutions, each tailored to match agents' needs as they decide for themselves how best to serve homebuyers and sellers. This is especially evident today in the province of Quebec, where our Via Capitale brand is home to more than 900 real estate professionals who pride themselves on their people-centric approach to real estate. Perhaps one of the most exciting additions to the Bridgemarq portfolio is Proprio Direct, with its unique and innovative online brokerage model that allows sellers the flexibility to find their own buyers without foregoing the benefits of working with one of our 700 real estate professionals operating under this banner.

LETTER TO SHAREHOLDERS

By maintaining a portfolio of brands with diverse yet complementary identities, we have endless opportunities for growth, offering varying levels of professional real estate services from mainstream residential to luxury to virtual. This unique advantage ensures there is a Bridgemarq brand for everyone, setting us entirely apart from our competitors with broader and more versatile market reach.

Every day, we are connecting with Canadians where they are, in our in-person and online interactions. In 2024, our brands' websites received more than 47 million views, including to royallepage.ca – the most-visited real estate company website in Canada. Through our online and social media interactions, we have direct access to Canadians and a better understanding of their evolving real estate needs.

With the acquisition of brokerage operations, we are now able to leverage multiple new organic and inorganic growth levers to expand our market presence and drive long-term value for our shareholders. At the same time, the stability of our cash flows offers a built-in resilience to uncertainty and market volatility. Our approach to growth focuses on three key areas: our established franchise business, mergers and acquisitions to bolster our portfolio of corporately owned brokerages, and lead generation.

Our organic growth strategy is centered on empowering our franchisees in their recruiting efforts by providing the tools and support required to attract top-producing agents and teams. Additionally, we will continue to capitalize on opportunities to re-flag our competitors' brokerages, strengthening our brand presence in key markets. Tactical strategies for corporate acquisitions and brokerage roll-ins will enable us to scale efficiently and drive synergies across our operations. We are also expanding our digital footprint through the virtual brokerage operating model, including lead generation and website monetization. These initiatives position us to capture new revenue streams and enhance customer engagement in an increasingly digital marketplace.

I want to take this opportunity to thank the incomparable leadership team for their dedication and hard work, and all the employees of the Company who work tirelessly to serve our 21,000 REALTORS® in over 700 communities across the country. I am so proud of the indelible mark Bridgemarq has made, in every province from coast to coast.

Our dedication to philanthropic causes – both by our employees and our generous brokers and agents – is a source of great pride for me personally, and for the board. There is no better example of that dedication than the incredible work of the Royal LePage Shelter Foundation, which surpassed a huge milestone in 2024, raising more than $51 million to-date in support of 200 local women's shelters and education partners across the country.

Bridgemarq's commitment to diversity, innovation and thought leadership empowers us to drive growth for our industry-leading brands, unlock new opportunities and deliver greater value for our shareholders. With our unique operating model and stable cash flows, Bridgemarq is well positioned for continued success, in 2025 and beyond. And, being a wholly Canadian enterprise, with operations spanning from St. John's to Victoria, we take great pride in delivering tailor-made, distinctly Canadian solutions to our clients, as well as positive results for our shareholders.

I am pleased with all we've achieved over the last year, and optimistic about the opportunities that lie ahead. I welcome the challenges that will surely arise, knowing that our strong leadership team and experienced professionals are prepared to rise to the occasion. I'd like to extend my sincere gratitude to our board of directors for their support, and to you, our shareholders, for your continued trust. I look forward to sharing many future successes with you.

Sincerely,

Spencer Enright
Chief Executive Officer

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Introduction

This management's discussion and analysis ("MD&A") of the consolidated financial results and financial condition of Bridgemarq Real Estate Services Inc. for the three months and the year ended December 31, 2024, has been prepared as at March 17, 2025. The three months ended December 31, 2024 shall be referred to in this MD&A as the "Quarter" and the comparative period for the three months ended December 31, 2023 shall be referred to as the "Prior Year Quarter". The year ended December 31, 2024 shall be referred to as the "Year" and the comparative period for the year ended December 31, 2023 shall be referred to as the "Prior Year". The financial information presented herein has been prepared on the basis of International Financial Reporting Standards® ("IFRS") and is expressed in Canadian dollars unless otherwise stated.

The definitions of certain capitalized terms in this MD&A are provided in the Glossary of Terms commencing on page 39.

This MD&A provides the reader with an assessment of the Company's past performance as well as its financial position, performance objectives and future outlook. The information in this document should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2024, which are prepared in accordance with IFRS. Additional information relating to the Company, including its 2023 Annual Information Form, is available on SEDAR+ at www.sedarplus.ca or on the Company's website at www.bridgemarq.com.

As discussed elsewhere in this MD&A, the Company internalized the management of the Company and acquired certain real estate brokerage operations earlier in the year in a transaction with Brookfield. As the acquisition of these businesses was completed on March 31, 2024, the results for the Year include the operating results of the Acquired Businesses since March 31, 2024.

This MD&A makes reference to Free Cash Flow and Free Cash Flow per Share as well as Adjusted Net Earnings and Adjusted Net Earnings per Share which are non-GAAP financial measures. These financial measures do not have any standardized meaning under IFRS and, accordingly, may not be comparable to similar measures used by other companies.

Free Cash Flow represents operating income before deducting interest on leases, depreciation and amortization and net impairment and write-off of intangible assets, minus current income tax expense, minus additions to property and equipment and intangible assets, minus repayment of contract transfer obligations, minus lease payments. Free Cash Flow per Share is calculated by dividing Free Cash Flow by the total number of Restricted Voting Shares outstanding, on a diluted basis. The Company believes that Free Cash Flow and Free Cash Flow per Share are useful supplemental measures of performance as they provide investors with an indication of the amount of cash flow generated by the Company which is available to holders of Restricted Voting Shares and Exchangeable Unitholders, subject to working capital and other investment requirements and principal debt repayments, if any. Please see *Free Cash Flow reconciled to Cash Flow from Operating Activities* for a reconciliation of Free Cash Flow to cash flow from operating activities in the consolidated statements of cash flows and *Free Cash Flow* for further information about Free Cash Flow and Free Cash Flow per Share.

Adjusted Net Earnings represents operating income minus income tax expense. Adjusted Net Earnings per Share is calculated by dividing Adjusted Net Earnings by the total number of Restricted Voting Shares outstanding, on a diluted basis. Management believes that Adjusted Net Earnings and Adjusted Net Earnings per Share are useful supplemental measures as they provide investors with an indication of the operating results of the Company on a fully-diluted basis (excluding certain non-cash or non-recurring items that do not directly impact the ongoing operations of the Company) as if all Exchangeable Units had been converted into Restricted Voting Shares at the beginning of the period presented. Non-cash and non-recurring items excluded from the calculation of Adjusted Net Earnings are comprised of losses on interest rate swaps and debt facility amendments, gains on settlement of liabilities and losses related to disposal of property and equipment and leases terminations. Adjusted Net Earnings also excludes interest on Exchangeable Units and losses on fair valuation of Exchangeable Units since Adjusted Net Earnings is determined on a fully-diluted basis. Please see *ADJUSTED NET EARNINGS* for a reconciliation of Adjusted Net Earnings to operating income and net and comprehensive earnings (loss) in the consolidated statements of net and comprehensive earnings (loss).

HIGHLIGHTS

Highlights for the Quarter and Year include:

- Revenues for the Quarter amounted to $101.5 million, compared to the $10.8 million generated in the Prior Year Quarter. For the Year, revenues increased from $48.5 million in the Prior Year to $350.7 million. The increase in revenues is substantially due to the inclusion of the operating results of the Acquired Businesses from April 1, 2024. Franchise fees for the Year increased marginally as the benefit of fee increases implemented at the start of the Year and improved market conditions were partly offset by the fact that the franchise fee revenues received from the Acquired Businesses are now eliminated in the consolidated accounts of the Company. The franchise fees received from the Acquired Businesses were treated as third party revenue prior to April 1, 2024.

- For the Quarter, the Company generated a net loss of $9.6 million or $1.02 per Share, compared to a net loss of $1.0 million or $0.11 per Share in the Prior Year Quarter. For the Year, the Company generated a loss of $10.3 million or $1.09 per Share compared to earnings of $4.0 million or $0.42 per Share in the Prior Year. The lower earnings in 2024 are largely driven by a loss of $6.4 million in the Quarter on the valuation of the Exchangeable Units (compared to a loss of $1.4 million in the Prior Year Quarter) and a loss of $9.3 million in the Year compared to a loss of $1.1 million in the Prior Year. The fair valuation adjustment on the Exchangeable Units is directly related to changes in the market price of Bridgemarq's Restricted Voting Shares.

- For the Quarter, cash provided by operating activities amounted to $1.8 million, compared to $2.3 million in the Prior Year Quarter primarily driven by higher interest payments. For the Year, cash flow from operations increased by $3.4 million compared to the Prior Year due to increased interest income and a reduction in working capital partly offset by higher interest costs.

- Adjusted Net Earnings amounted to a loss of $0.4 million in the Quarter compared to earnings of $2.2 million in the Prior Year Quarter. For the Year, Adjusted Net Earnings was $7.3 million compared to $12.4 million in the Prior Year. The reduction in Adjusted Net Earnings is primarily due to higher interest expense, higher impairment of intangible assets and increased amortization of intangible assets which were acquired as part of the Transaction, partly offset by the operating results of the Acquired Businesses. Adjusted Net Earnings per Share is also lower in the Quarter and Year due to the dilutive impact of issuing additional Exchangeable Units to complete the Transaction.

- The Company generated $1.8 million in Free Cash Flow during the Quarter compared to $3.6 million generated in the Prior Year Quarter. For the Year, Free Cash Flow amounted to $16.8 million, which was lower than the $18.1 million recorded in the Prior Year.

- On March 25, 2024, the shareholders of Bridgemarq® approved a transaction to acquire the Brokerage Operations, internalize the management of the Company and settle certain deferred payments owed to Brookfield. The Transaction was completed on March 31, 2024. As consideration for the Transaction, the Partnership issued 2,920,877 Exchangeable Units and paid $131,000 in cash during the second quarter of 2024 as a final adjustment to the purchase price.

- The board of directors of Bridgemarq (the "Board") declared cash dividends of $0.34 per Restricted Voting Share during the Quarter, unchanged from the Prior Year Quarter. Total dividends paid during the Year amounted to $1.35 per Restricted Voting Share, unchanged from the Prior Year.

OPERATING RESULTS SUMMARY

(in 000's) except per Share amounts	Three months ended December 31, 2024	Three months ended December 31, 2023	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Revenues	101,498	10,825	350,670	48,454
Expenses				
Commissions	(83,411)	–	(274,907)	–
Cost of other revenue	(714)	(193)	(5,150)	(1,031)
Operating Expenses	(12,204)	(5,482)	(41,932)	(22,044)
Interest on debt	(1,056)	(738)	(4,646)	(2,967)
Interest on lease obligation	(303)	–	(936)	–
Depreciation, amortization and impairment	(4,258)	(1,708)	(14,624)	(7,095)
Operating income (loss)	$ (448)	$ 2,704	$ 8,475	$ 15,317
Cash provided by operating activities	$ 1,803	$ 2,272	$ 17,099	$ 13,667
Dividends	$ 3,201	$ 3,201	$ 12,803	$ 12,803
Interest on Exchangeable Units	$ 2,726	$ 1,452	$ 9,628	$ 5,806
Net and comprehensive earnings (loss)	$ (9,632)	$ (1,039)	$ (10,322)	$ 3,997
Diluted earnings (loss) per Share	$ (1.02)	$ (0.11)	$ (1.09)	$ 0.42
Adjusted net earnings (loss)	$ (413)	$ 2,213	$ 7,326	$ 12,410
Adjusted net earnings (loss) per Share	$ (0.03)	$ 0.17	$ 0.49	$ 0.97

ORGANIZATION

Bridgemarq's Restricted Voting Shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "BRE". Through its limited partnership holdings, Bridgemarq owns the Brokerage Operations, and certain Franchise Agreements and Trademarks of real estate services Brands in Canada.

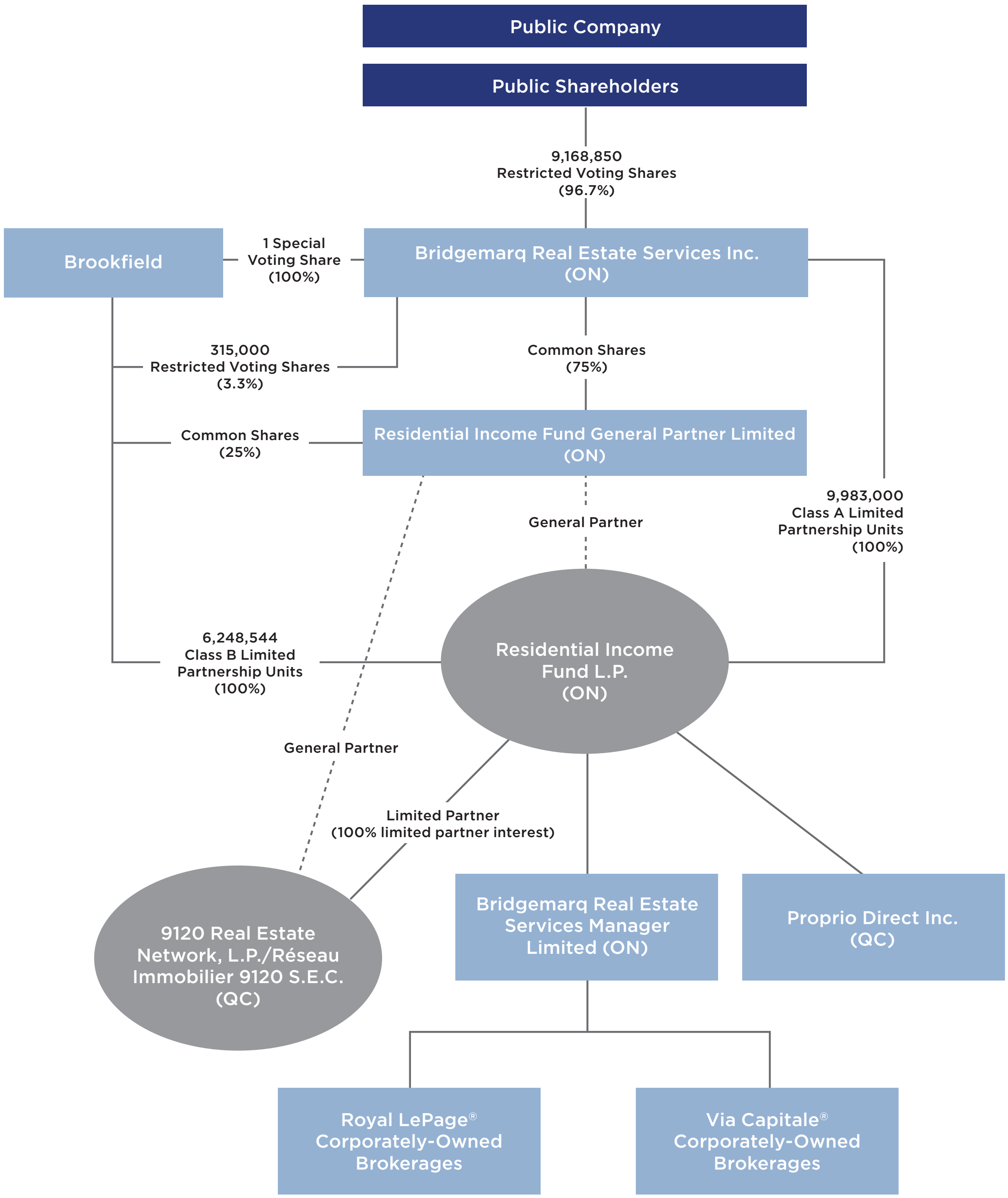
Bridgemarq directly owns a 61.5% interest in the Partnership which, in turn, owns VCLP. In addition, Bridgemarq directly owns a 75% interest in the General Partner. The Partnership and VCLP own and operate the assets from which Bridgemarq derives its revenue.

Brookfield owns the remaining 38.5% interest in the Partnership through its ownership of the Exchangeable Units, the remaining 25% interest in the General Partner through its ownership of 25 common shares in the General Partner and one Special Voting Share of Bridgemarq. The Special Voting Share entitles Brookfield to a number of votes at any meeting of the holders of Restricted Voting Shares equal to the number of Restricted Voting Shares that may be obtained upon the exchange of all the Exchangeable Units held by the holder and/or its affiliates, except that the holder of the Special Voting Share is not entitled to vote to approve or elect the independent directors of Bridgemarq elected by holders of Restricted Voting Shares. In addition to its ownership of the Exchangeable Units, the common shares of the General Partner and the Special Voting Share, Brookfield owns 315,000 Restricted Voting Shares.

Prior to April 1, 2024, the Company received certain management, administrative and support services from the Manager under the terms of the MSA. As part of the Transaction, the Company has internalized the management of the Company by acquiring the Manager. As such, the employees of the Manager are now employees of Bridgemarq, eliminating all payments of management fees to external parties.

After the closing of the Transaction, Bridgemarq generates revenue from two operating segments. The Franchise Operations derives its revenue from franchise fees and other ancillary services it provides to its franchisees and REALTORS®. The Brokerage Operations derives its revenue through the operation of full-service real estate brokerage locations in British Columbia, Ontario and Québec operating under the Royal LePage®, Via Capitale®, Proprio Direct®, Johnston & Daniel® and Les Immeubles Mont-Tremblant real estate brands. The Brokerage Operations provide services to REALTORS® which are complementary to those services provided under the Company's Franchise Operations.

The ownership structure of the Company subsequent to the completion of the Transaction is set out below:



2024 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS AND FINANCIAL CONDITION

BUSINESS OF THE COMPANY

The Company is a Canadian based real estate services firm that supplies REALTORS® with information, tools and services to assist them in providing efficient and effective delivery of real estate sales services in the communities they serve. Through a portfolio of prominent real estate services Brands, each of which offers a unique value proposition, the Company caters to the diverse service requirements of regional real estate professionals, in virtually all significant population centres across Canada. The Company operates in two distinct business segments:

- The Company's Brokerage Operations operate full-service real estate brokerages under the Royal LePage®, Proprio Direct®, Via Capitale®, Johnston & Daniel® and Les Immeubles Mont-Tremblant Brands. As at December 31, 2024, the Brokerage Operations were comprised of 2,706 REALTORS® operating out of 36 operating locations providing services to REALTORS® and their clients in the greater Toronto area, greater Vancouver area and in various locations within the province of Québec.
- The Company's Franchise Operations provide franchise services to Brokerages under the Royal LePage® Brand across Canada, the Via Capitale® Brand in the province of Québec and Johnston & Daniel® in southern Ontario. As at December 31, 2024, the Franchise Network was comprised of 20,283 REALTORS® operating under 280 Franchise Agreements from 684 locations, including 2,015 REALTORS® and 35 locations operated by the Brokerage Operations.

The complementary nature of these two business segments allows Bridgemarq to generate revenues at multiple points in the real estate transaction including the sale and purchase of real estate, the generation and sale of leads to Brokerages and REALTORS®, and by providing services to real estate practitioners through the franchising of the Company's brands.

The number of REALTORS® in the Franchise Network and at the Company's Brokerage Operations, the transaction volumes generated in the markets the Company serves, the transaction price of residential and commercial real estate, the success in attracting REALTORS® to the Company's Brands through their value propositions and the track record of the Company's Brands are all important factors in the Company's financial and operating performance. These factors, including, among others, general economic conditions and government and regulatory activity impact the Company's performance and are discussed in greater detail throughout this MD&A and in the Company's 2023 Annual Information Form, which is available on SEDAR+ at www.sedarplus.ca or on the Company's website at www.bridgemarq.com.

The Company seeks to increase its revenues and cash flow by:

- increasing the number of REALTORS® in the Franchise Network through entering into new Franchise Agreements;
- attracting and retaining REALTORS® to the Franchise Network and its Brokerage Operations; and
- providing services and additional fee for service offerings, which increase the productivity of REALTORS®.

MANAGEMENT SERVICES AGREEMENT

The Company is party to a Management Services Agreement (the "MSA"), which, prior to April 1, 2024, governed the management of the Company and the delivery of services to Brokers and REALTORS® by the Manager. The MSA has a term of ten years expiring on December 31, 2028.

Under the terms of the MSA, the Company paid a monthly management fee to the Manager comprised of:

- a fixed management fee of $840,000, plus
- a variable management fee equal to the greater of a) 23.5% of Distributable Cash (as such term is defined in the MSA) or 0.342% of the market value of the Restricted Voting Shares on a diluted basis for the first five years of the initial term of the MSA and b) 25% of Distributable Cash or 0.375% of the market value of the Restricted Voting Shares on a diluted basis thereafter.

As a result of the capitalization of certain Franchise Agreements and other contracts transferred to the Company upon entering into the MSA, a portion of management fees paid to the Manager was allocated toward reducing the Company's contract transfer obligation and associated interest expense, with the remainder charged to the Company's consolidated statement of net and comprehensive earnings (loss). Management fees are no longer payable to a third party and the contract transfer obligation was effectively settled upon closing of the Transaction.

The Company had deferred the payment of certain management fees to the Manager totaling $5.6 million. These deferred payments were non-interest bearing and were due no later than 2025. These deferred payments have been settled as a result of the Transaction.

ACQUISITION OF REAL ESTATE BROKERAGES AND INTERNALIZATION OF MANAGEMENT

On December 14, 2023, the Company announced that it had entered into a share purchase agreement among Bridgemarq, the Partnership and Brookfield to acquire all of the issued and outstanding shares in the capital of the Manager and Proprio Direct® from Brookfield and to settle certain deferred payments owing to Brookfield in consideration for the issuance of Exchangeable Units.

Bridgemarq was required to seek the approval of shareholders for the issuance of the Exchangeable Units pursuant to the Transaction in accordance with the rules of the TSX. At a meeting of shareholders held on March 25, 2024, the shareholders of Bridgemarq approved the issuance of those Exchangeable Units. Brookfield was not entitled to vote at the meeting. The Transaction closed on March 31, 2024.

Upon closing of the Transaction, the Partnership acquired the Acquired Businesses and settled the deferred payments owing to Brookfield by issuing 2,920,877 Exchangeable Units. During the second quarter of 2024, the Company paid $131,000 to Brookfield representing the difference between the actual working capital acquired in the Transaction and the working capital that was estimated on the closing date for the Transaction. The total value of the Transaction is approximately $40.9 million based on the closing price of Bridgemarq's Restricted Voting Shares of $13.97 on the TSX as of March 28, 2024 the last trading day prior to the closing of the Transaction. The value ascribed to the Transaction was apportioned between i) the acquisition of the brokerages and internalization of the management of the Company of $40.0 million, and ii) the settlement of certain deferred fees owing to Brookfield of $0.9 million. As a result of the Transaction, Brookfield's ownership interest in the Company (on a fully-diluted basis) increased from approximately 28.4% prior to the closing of the Transaction to approximately 41.7%.

As a result of the acquisition of the Brokerage Operations, the Company benefits from a broader revenue base and earns revenues from the Gross Revenue of the acquired brokerages in addition to the franchise fees and ancillary revenues it has historically generated from Franchisees. The completion of the Transaction adds to the Company's capability to capture future growth across a broader spectrum of the real estate industry through both organic growth and potential acquisition opportunities. In addition, the Transaction deleverages the business through the settlement of the deferred payments owing to the Manager and to Brookfield, and provides a simplified organizational structure, which eliminates the requirement to pay management fees to a third party.

The Company has consolidated the operating results of the Acquired Businesses starting on March 31, 2024.

The Company reviews the value of its intangible assets at each reporting period to determine whether the carrying value of those intangible assets is impaired. As a result of the acquisition of the Manager, the Company changed the methodology by which it allocates its expenses in determining the net recoverable amount of its franchise agreements resulting in a $2.6 million impairment charge during the Year.

Prior to the completion of the Transaction, the Company owed certain deferred fees and other obligations to the Manager and to Brookfield. When the Manager was acquired, these obligations were effectively settled, resulting in settlement gains of $1.3 million recorded in the first quarter of 2024.

2024 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS AND FINANCIAL CONDITION

COMPANY REVENUES

The primary source of revenue earned by the Franchise Operations is franchise fees it receives from Franchisees. Fixed franchise fees represent approximately 76% of total franchise fees and are payable to the Company as a fixed monthly amount per REALTOR® without regard to transaction volumes generated by that REALTOR®. Variable franchise fees represent franchise fees that are payable to the Company based on the transaction volumes generated by REALTORS®, subject to a cap.

Fixed franchise fees are earned based on the number of REALTORS® in the Franchise Network. Royal LePage Franchisees pay a fixed monthly fee of $139 per REALTOR® (2023 – $136 per REALTOR®). An additional monthly fee of $100 is charged for each REALTOR® who participates in the Royal LePage Commercial™ program. Fixed fees from Via Capitale Franchisees consist primarily of a fixed monthly fee of $180 per REALTOR®.

Variable franchise fees are calculated as 1% of Gross Revenues earned by REALTORS® in the Royal LePage Franchise Network, subject to a cap of $1,500 per year (2023 – $1,450). Certain REALTORS® in the Royal LePage Network work as part of a Team. All REALTORS® who are members of a Team pay fixed franchise fees. However, for the purposes of the variable fee cap of $1,500 (2023 – $1,450), the Gross Revenues of all Team members are aggregated to one cap.

Other revenues earned by the Franchise Operations are derived from ancillary services provided to Franchisees outside of the services provided under the Franchise Agreements or amounts received from third parties and include the sale of leads and lead management fees received from Franchisees, conference and event registration fees and fees for referral services paid by third parties.

The Company's Brokerage operations generate revenue primarily from Gross Revenue (or gross commission income ("GCI")) received through serving as the broker at the closing of real estate transactions. The percentage of GCI paid to each sales representative is negotiated between the brokerage and the individual sales representative and is included in an agent agreement.

Other revenues earned by the Brokerage Operations include transaction processing fees, rent charged for sales representatives' office space, interest revenue earned on deposits, advertising and sponsorship and marketing support services.

OVERVIEW OF 2024 OPERATING RESULTS

Years Ended December 31, (in 000's) except per Share amounts; Restricted Voting Shares outstanding; Exchangeable Units outstanding; Number of REALTORS®	**2024**	2023	2022
Gross Commission Income	**$ 288,360**	$ –	$ –
Franchise fees	**44,994**	44,845	45,615
Other revenue	**17,316**	3,609	4,256
Revenues	**350,670**	48,454	49,871
Less:			
Commissions	**274,907**	–	–
Cost of other revenue	**5,150**	1,030	1,207
Compensation	**21,158**	–	–
General and administration	**6,288**	2,885	1,120
Software, hosting and licensing	**3,570**	–	–
Premises	**2,387**	–	–
Marketing and communications	**2,296**	–	–
Other operating	**1,491**	–	–
Management fees	**4,742**	19,159	19,872
Interest on debt	**4,646**	2,967	2,970
Interest on lease obligation	**936**	–	–
	$ 23,099	$ 22,414	$ 24,702
Impairment and write-off of intangible assets	**(2,629)**	(201)	(154)
Depreciation and amortization	**(11,995)**	(6,894)	(7,168)
Interest on Exchangeable Units	**(9,628)**	(5,806)	(5,806)
Gain (loss) on fair value of Exchangeable Units	**(9,286)**	(1,098)	11,547
Gain on settlement of deferred payments	**1,224**	–	–
Gain on settlement of contract transfer obligation	**99**	–	–
Loss on termination of lease	**(45)**	–	–
Loss on disposal of property and equipment	**(12)**	–	–
Gain (loss) on interest rate swap	**–**	(1,386)	2,203
Loss on debt facility amendment	**–**	(122)	–
Current income tax expense	**(2,907)**	(3,396)	(3,948)
Deferred income tax (recovery) expense	**1,758**	488	(407)
Net and comprehensive earnings (loss)	**$ (10,322)**	$ 3,997	$ 20,969
Basic earnings (loss) per Restricted Voting Share	**$ (1.09)**	$ 0.42	$ 2.21
Diluted earnings (loss) per Share	**$ (1.09)**	$ 0.42	$ 1.19
Dividends paid per Restricted Voting Share	**$ 1.35**	$ 1.35	$ 1.35
Interest expense per Exchangeable Unit	**$ 1.74**	$ 1.74	$ 1.74
Restricted Voting Shares outstanding	**9,483,850**	9,483,850	9,483,850
Exchangeable Units outstanding	**6,248,544**	3,327,667	3,327,667
Number of REALTORS®	**20,974**	20,529	20,686

(in 000's) As at	**December 31, 2024**	December 31, 2023	December 31, 2022
Total assets	**$ 157,445**	$ 64,892	$ 72,629
Total liabilities	**$ 237,690**	$ 122,012	$ 120,943

2024 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS AND FINANCIAL CONDITION

Variation of Operating Results for the Year Compared to the Prior Year

Revenues:

Revenues for the Year totaled $350.7 million, compared to $48.5 million for the Prior Year. The increase in revenues is primarily due to the inclusion of GCI and other revenues of the Acquired Businesses. Franchise fees for the Year increased marginally as the benefit of fee increases implemented at the start of the Year and improved market conditions were partly offset by the fact that the franchise fee revenues received from the Acquired Businesses are now eliminated in the consolidated accounts of the Company. The franchise fees received from the Acquired Businesses were treated as third party revenue prior to March 31, 2024.

Net Earnings:

For the Year, the Company generated a net loss of $10.3 million or $1.09 per Share, compared to net earnings of $4.0 million or $0.42 per Share in the Prior Year.

The primary drivers of the decrease in net earnings compared to the Prior Year were:

- A $302.2 million increase in revenue less $279.0 million in commission expense and cost of other revenue primarily due to the results of the Acquired Businesses being included since April 1, 2024;
- A $1.4 million loss on the fair value of the interest rate swap upon settlement in the Prior Year; and
- A $1.3 million gain on the settlement of deferred payments and the contract transfer obligation;
- partly offset by
- A $19.9 million increase in operating expenses resulting from the acquisition of the Manager and the Brokerage Operations and increased professional fees associated with the Transaction;
- A loss of $9.3 million on the fair valuation of the Exchangeable Units compared to a loss of $1.1 million in the Prior Year;
- A $5.1 million increase in depreciation and amortization expense due to the amortization of intangible assets acquired in the Transaction;
- A $3.8 million increase in interest on Exchangeable Units due to the additional Exchangeable Units issued as consideration in the Transaction;
- A $2.6 million increase in interest expense due to higher interest rates and the inclusion of interest on lease obligations assumed on the acquisition of the Brokerage Operations; and
- A $2.4 million increase in write-off and impairment of intangible assets, as the Company changed the methodology by which it allocates its expenses in determining the net recoverable amount of intangible assets after the acquisition of the Manager.

Total Assets:

Total assets as at end of the Year increased by $92.6 million compared to December 31, 2023 primarily as a result of the assets acquired in the Transaction including cash held in trust, property and equipment, goodwill and right-of-use assets.

Total Liabilities:

Total liabilities at the end of the Year increased by $115.7 million compared to December 31, 2023. The main drivers of the net increase were:

- $85.3 million in liabilities assumed as a result of the Transaction including accounts payable and accrued liabilities, customer deposits and lease obligations;
- A $40.8 million increase in the liability associated with the Exchangeable Units issued as consideration in the Transaction; and
- A $9.3 million loss on the revaluation of Exchangeable Units.

Dividends and distributions:

Dividends approved by the Board on the Restricted Voting Shares were $1.35 per share in the Year, consistent with the Prior Year.

Interest expense on Exchangeable Units increased as a result of the issuance of Exchangeable Units as consideration for the Acquired Businesses under the terms of the Transaction.

Variation of Operating Results for the Prior Year Compared to 2022

Revenues:
Revenues for the Prior Year decreased compared to 2022 as a result of weakness in the Canadian Market.

Net Earnings:
For the Prior Year, the Company generated net earnings of $4.0 million or $0.42 per Share, compared to net earnings of $21 million or $1.19 per Share in 2022.

The primary drivers of the decrease in net earnings compared to 2022 were:

- A loss of $1.1 million on the fair valuation of the Exchangeable Units compared to a gain of $11.5 million in 2022;
- A $1.4 million loss on the fair value of the interest rate swap upon settlement compared to a $2.2 million gain in 2022;
- A $1.8 million increase in administration expenses as a result of higher legal and consulting costs and directors' fees associated with the evaluation and negotiation of the Transaction;
- A $1.4 million decrease in revenue as a result of weakness in the Canadian Market;
- partly offset by
- A $1.4 million decrease in income tax expense;
- A $0.7 million decrease in management fees; and
- A $0.3 million decrease in amortization expense due to a number of intangible assets being fully amortized during the Prior Year.

Total Assets:
Total assets as at end of the Prior Year decreased by $7.7 million compared to December 31, 2022. The main drivers of the net decrease were as follows:

- A $6.8 million decrease in the carrying value of intangible assets, driven by amortization expense during the Prior Year;
- A $1.4 million decrease in the interest rate swap asset upon expiry; and
- A $0.7 million decrease in cash; partly offset by
- A $0.5 million increase in the deferred income tax asset; and
- A $0.4 million increase in prepaid expenses.

Total Liabilities:
Total liabilities at the end of the Prior Year increased by $1.1 million compared to December 31, 2022. The main drivers of the net increase were as follows:

- A $1.1 million increase in the liability associated with the Exchangeable Units, which is tied to the trading value of the Restricted Voting Shares;
- A $0.3 million increase in accounts payable and accrued liabilities; and
- A $0.1 million increase in the debt facilities; partly offset by
- A $0.6 million decrease in the contract transfer obligation.

Dividends and distributions:
Dividends approved by the Board on the Restricted Voting Shares were $1.35 per share in the Prior Year, consistent with 2022.

Interest on Exchangeable Units also remained consistent with 2022.

KEY PERFORMANCE DRIVERS

Key performance drivers of the Company’s operating performance include:

1. The composition of the Company’s revenue streams;
2. The number of REALTORS® in the Franchise Network and at the Brokerage Operations;
3. Transactional dollar volumes of the Canadian Market;
4. REALTOR® Productivity; and
5. Products and services offered to REALTORS®.

Composition of the Company’s revenue streams

As a result of the Transaction, the Company has broadened its business to capture additional revenue which is more closely correlated with the cyclicality of the Canadian real estate market. The GCI generated by the Brokerage Operations tends to increase or decrease depending on home sale activity. This revenue diversification complements the revenues of the Franchise Operations which are primarily fixed in nature and have provided a reliable base of cash flow to support the Company’s operations, dividends and distributions to holders of Exchangeable Units. The Company estimates that for 2024, approximately 76% of its franchise fee revenues were fixed in nature which includes a substantial portion of variable franchise fees which were effectively fixed in nature. For those REALTORS® or Teams who reach the variable fee cap, the variable franchise fee is effectively fixed in nature, in that the variable franchise fee paid by the REALTOR® or Team does not change based on changes in the Canadian Market.

Effective January 1, 2025, the Company increased the fees to be paid by REALTORS® operating under the Royal LePage and Johnston Daniel Brands with the monthly fixed fees increasing by $5 to $144 and the maximum annual variable franchise fee increasing to $1,525. Monthly fees paid by REALTORS® operating under the Via Capitale Brand were increased to $192 on January 1, 2025.

Number of REALTORS® in the Franchise Network

For the Year, the Franchise Network of 20,283 REALTORS® decreased by 246 REALTORS® compared to a net decrease of 157 in the Prior Year.

As of December 31, except as noted	2020	2021	2022	2023	**2024**
Company Network					
Opening REALTOR® Count	19,111	19,046	20,159	20,686	**20,529**
Net REALTOR® growth (attrition) for the period	(65)	1,113	527	(157)	**(246)**
Closing REALTOR® Count[1]	19,046	20,159	20,686	20,529	**20,283**
% Change in the period	0%	6%	3%	-1%	**-1%**

Canadian REALTOR® Population[2]	2020	2021	2022	2023	**2024**
CREA REALTOR® Membership	136,605	151,087	160,064	164,598	**164,144**
% Change in the period	3%	11%	6%	3%	**0%**

[1] CREA

The Company strives to increase the number of REALTORS® in the Franchise Network through converting competing brokerages and REALTORS® to the Company’s Brands and developing programs to increase REALTOR® growth. The number of REALTORS® in the Franchise Network increases when the Company enters into new Franchise Agreements with Franchisees and when existing Franchisees are successful in increasing the number of REALTORS® at their Brokerage either through recruitment efforts or acquisitions.

The Franchise Network is geographically dispersed. The Company strives to grow the Franchise Network in all regions of Canada targeting proportionate participation across the country.

As at Dec. 31, 2024	Canadian[1] REALTOR® Population	Company REALTOR® Population
Ontario	59%	55%
British Columbia	16%	14%
Quebec	10%	18%
Alberta	9%	6%
Maritimes	3%	4%
Prairies	3%	3%
Total	100%	100%

[1] *Source: CREA*

FRANCHISE AGREEMENTS

Franchise Agreements are contracts between the Company and Franchisees, which govern matters such as use of the Trademarks, rights and obligations of Franchisees and the Company, renewal terms, services to be provided to Franchisees and franchise fees.

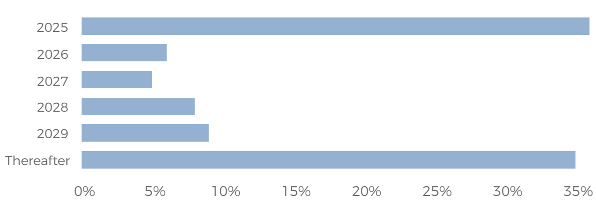
The Royal LePage Franchise Agreements, which represent 95% of REALTORS® in the Franchise Network, are for 10 to 20-year terms with a standard renewal term of ten years. These long-duration contracts exceed the industry standard of five years and thereby reduce agreement renewal risk. In addition, the Company regularly attempts to extend contract terms a further ten years in advance of renewal dates when opportunities present themselves.

The Via Capitale Franchise Agreements, which represent 5% of REALTORS® in the Franchise Network, are typically between five to seven years in duration with standard renewal terms extending between five to seven years.

A summary of the Company's agreement renewal profiles as at December 31, 2024 for the Franchise Network is shown below.

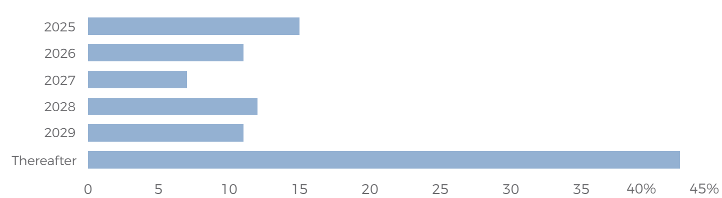
% Of Franchise Agreements Up For Renewal

(by Number of REALTORS®)



% Of Franchise Agreements Up For Renewal

(by Number of Agreements)



RENEWALS

The Company has historically achieved a very high renewal success rate with more than 96% of Franchise Agreements renewing in the past five years (expressed as a percentage of the underlying number of REALTORS® associated with those agreements). Due to the ongoing success of the Company's Franchisees, a number of opportunities, such as increasing Franchisee locations, present themselves to renew Franchise Agreements before they come due.

Via Capitale renewed two Franchise agreements in the Year and was successful in increasing the term of one of these Franchise Agreements on renewal for a seven year term.

During the Quarter, nine Franchisees (Prior Year Quarter – six), representing 995 REALTORS® (Prior Year Quarter – 283), extended the term of their Franchise Agreements or renewed. During the Year, 25 Franchisees (Prior Year– 25) representing 3,694 REALTORS® (Prior Year – 972) extended the term of their Franchise Agreements or renewed.

Number of REALTORS® Affiliated with the Brokerage Operations

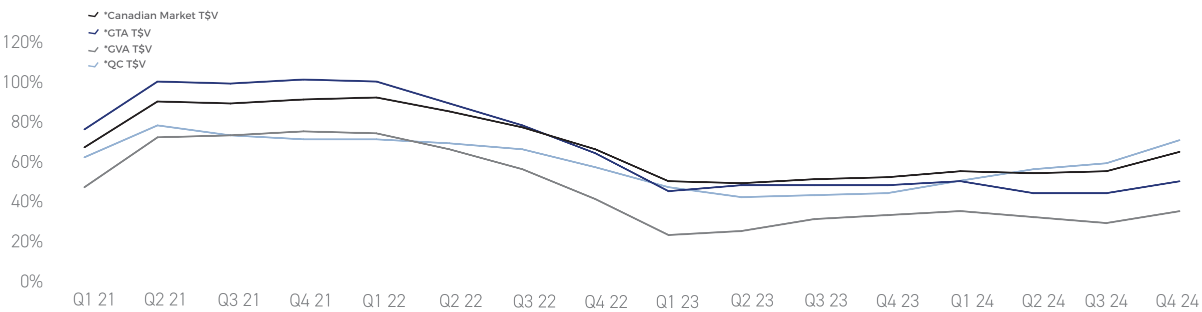
For the Quarter, the Brokerage operations declined by 18 REALTORS®. The Brokerage Operations employ a number of tools and techniques to recruit new and experienced REALTORS® into their operation. Of the 2,706 REALTORS® at the Brokerage operations, 2,015 also form part of the Franchise Network and benefit from recruiting programs offered by the Franchise Operations.

Transactional Dollar Volumes of the Canadian Market

The charts below show the cumulative growth in the Canadian Market and select urban markets since the first quarter of 2021.

QUARTERLY ROLLING TWELVE-MONTH % CHANGE

Transaction Dollar Volume

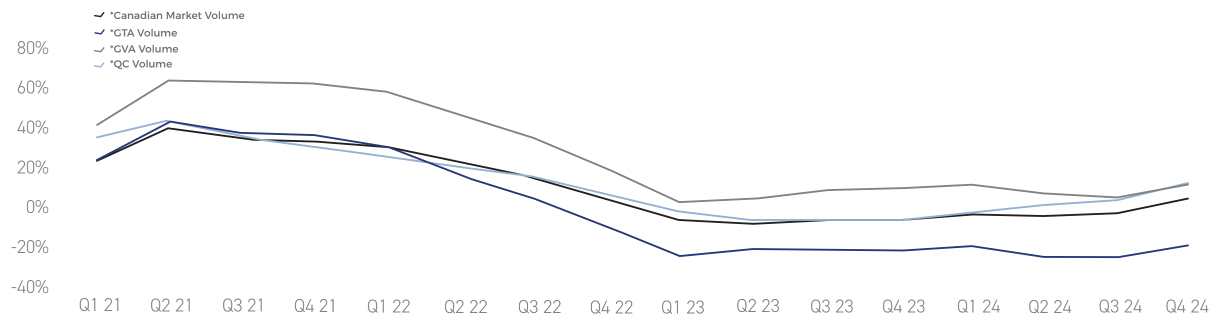


During the pandemic, housing activity across Canada rebounded dramatically to record levels in many markets. Pent-up demand, low interest rates, changing work and commuting patterns, increasing requirements for people to work from home during the pandemic and other factors increased the demand for housing. The first quarter of 2022 represented the strongest first quarter ever in the Canadian Market with transactional dollar volumes improving marginally over the first quarter of 2021. However, this increase was a result of increased prices substantially offset by a 12% drop in home sale volumes. In the second quarter of 2022, house prices began to retreat from their historic highs as demand moved downward. Commencing in March 2022, the Bank of Canada embarked on a campaign to increase interest rates in an effort to curb inflationary pressures. Higher borrowing costs, as well as concerns over affordability in general, dampened consumer demand through the last three quarters of 2022. Overall for 2022, the Canadian Market dropped 24% compared to 2021, represented by a 25% reduction in home sale volumes and a 2% reduction in the selling price of homes. Borrowing costs climbed in 2022 and into 2023, as the Bank of Canada prioritized inflation control in tightening monetary policy. From March, 2022 to July, 2023, the bank rate increased from 0.5% to 5.25% pushing many would-be buyers to the sidelines and contributing to slowing increases in home prices. Transaction dollar volume was down 26% year-over-year for the first half of 2023, but was higher by 7% in the second half. Overall, transaction dollar volume in 2023 was down 14% from 2022 as a result of an 11% drop in volumes and a 4% drop in average selling price. During the first quarter of 2024, the Canadian Market saw a year-over-year increase in transactional dollar volume of 17%, albeit comparing to a very weak first quarter of 2023. Market growth had tempered in the second quarter with year-over-year transaction volumes lower by 2% and prices lower by 3%. There was a slight improvement in the third quarter with year-over-year transaction volumes higher by 4% and prices lower by 1%. However, there was apparent strength in the Quarter as transaction volumes showed a year-over-year increase of 38% while the average selling prices were up 9% compared to the Prior Year Quarter. For the Year, primarily on the strength of the Quarter, the market improved compared to the Prior Year with transaction volume increasing by 11% and average selling prices increasing by 2%.

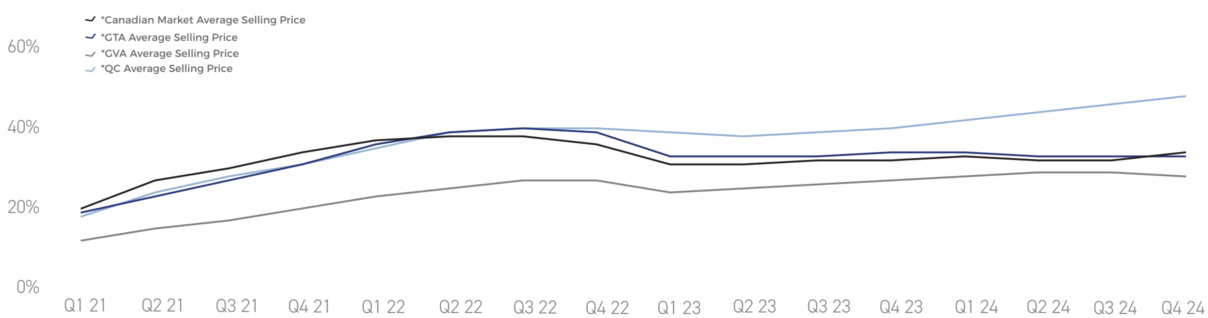
2024 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS AND FINANCIAL CONDITION

The Canadian Market is generally measured in terms of transactional dollar volume which is the gross value of all homes sold in Canada for a given period. The charts below show the historical volume of homes sold in Canada and the average selling price on a quarterly basis.

Residential Home Sales Volume



Average Home Selling Price



During the Quarter, the Canadian Market closed up 50%, at $84.9 billion, as compared to the Prior Year Quarter at $56.6 billion. The increase in transactional dollar volume was driven by an increase of 38% in the number of units sold and a 9% increase in price.

For the Year, the Canadian Market closed up 12%, at $338.3 billion, as compared to the Prior Year at $300.8 billion. The increase in transactional dollar volume was driven by an increase of 11% in the number of units sold and a 2% increase in price.

During the Quarter, the Greater Toronto Area ("GTA") market closed up 31% at $17.5 billion, as compared to the Prior Year Quarter at $13.4 billion.

For the Year, GTA market closed up 2% at $75.6 billion, as compared to the Prior Year at $74.3 billion.

During the Quarter, the Québec market closed up 58%, at $11.6 billion, as compared to the Prior Year Quarter, driven by a 42% increase in units sold and by an 11% increase in selling price.

For the Year, the Québec market closed up 28%, at $45.2 billion, as compared to the Prior Year, driven by a 19% increase in units sold and by an 8% increase in selling price.

During the Quarter, the Greater Vancouver market closed up 29%, at $8.3 billion, as compared to the Prior Year Quarter, driven by a 31% increase in units sold and by a 1% increase in selling price.

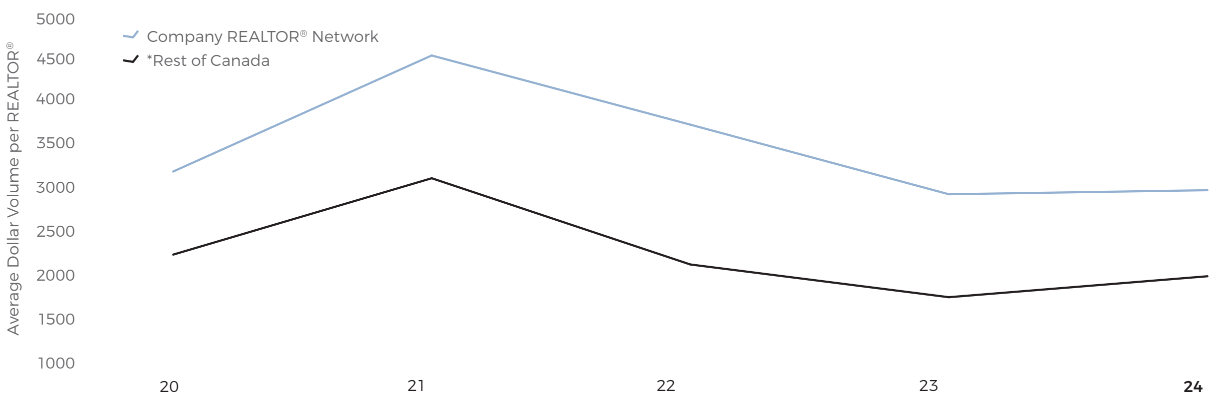
During the Year, the Greater Vancouver market closed up 2%, at $34.1 billion, as compared to the Prior Year, driven by a 1% increase in units sold and in selling price.

REALTOR® Productivity

The average REALTOR® in the Franchise Network generated approximately $2.9 million in transactional dollar volume for the twelve months ended December 31, 2024, compared to an estimated $1.7 million in transactional dollar volume generated by an average Canadian REALTOR®, outside the Franchise Network. Management believes that the higher productivity of the Franchise Network makes the Company less prone to a loss of REALTORS® during a period of reduced transactional dollar volume. The average transactional dollar volume per REALTOR® for the past five calendar years is summarized in the chart below.

CANADIAN RESIDENTIAL REAL ESTATE MARKET REALTOR® PRODUCTIVITY

(Average T$V per REALTOR®, in '000 of Canadian dollars)



*Source: CREA

Products and Services Provided to REALTORS®

The Company provides a broad array of innovative products and services to Franchisees and REALTORS®. Most of these products and services are provided in exchange for the franchise fees paid by our Franchisees. These include, among others, the use of our real estate Brands to promote their businesses, use of and access to internal and external communication tools including our websites and intranets, education and learning services, recruiting support, business development coaching and consulting, and access to fully integrated technology tools to help them manage their business.

In addition to those products and services, the Company provides additional services, which are useful to REALTORS® and Franchisees, but are not provided under the Franchise Agreements. These include access to branded promotional materials, including office supplies and clothing, a lead referral service and mortgage referral services on behalf of certain financial institutions. Certain of these products and services provide incremental revenue to the Company.

In 2024, the Company rolled out RLP **Investors**Edge™ – a new investor-focused portal that offers comprehensive agent training and a lead-generating website targeting individuals interested in owning real estate for investment purposes. In addition, the national brand campaign "Royal LePage®. The Results People®" was launched and resulted in more than 13 million digital impressions within the first three months. The campaign provided the Company's sales representatives with bilingual graphic and video assets for digital promotion across multiple platforms. The Company also rolled out its new trademarked logos and brand assets for all registered names.

During the year, the Company focused on leveraging artificial intelligence tools to support its network of real estate professionals. Proprio Direct launched tailored AI tools that provide data-driven insights to brokers and enhance the virtual staging of homes, as well as a virtual assistant program designed to streamline administrative tasks. A comprehensive training series, featuring tips on using ChatGPT, prompting techniques and the latest AI tools, was offered to members of the Royal LePage and Johnston & Daniel brands. Further, new awards branding and customized marketing materials for agents operating under the Johnston & Daniel luxury banner were created, including shareable social media assets to support agents' digital marketing efforts.

Via Capitale expanded its presence in the Montreal market with the opening of two new franchises, and launched a partnership with a real estate training academy to support new recruits to the industry.

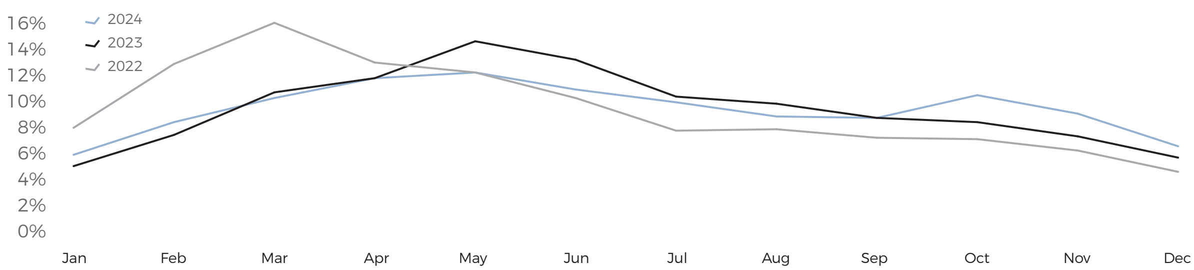
THE CANADIAN RESIDENTIAL REAL ESTATE MARKET

Spurred by declining borrowing rates, homebuyer activity increased in 2024 compared to the previous year. Since June of 2024, the Bank of Canada has been gradually reducing its target for the overnight lending rate, including the latest update on Wednesday, March 12th. The Bank's key lending rate currently sits at 2.75%.[1] Despite an increase in housing supply in most major markets across the country, average home prices have continued to rise modestly.

Historically, housing market activity picks up in the spring, although trade tensions with the United States have added an additional element of uncertainty in the market. The governing council of the Bank of Canada has noted that it will proceed carefully with any further changes to interest rates, as it assesses both the upward pressures on inflation from higher costs and the downward pressures from weaker demand.

CANADIAN RESIDENTIAL REAL ESTATE MARKET- SEASONALITY

(*% Canadian Market T$V by month)



*Source: CREA

Historically, the second quarter of each year, often referred to as the "spring market", has seen the highest value of real estate traded in a given year. However, the pandemic fueled strength in the markets in 2021 and contributed to the first quarter of 2022 being unusually strong. Historical seasonality patterns re-emerged in 2023 and 2024 with second quarter volumes being the strongest for the year.

[1] *Bank of Canada reduces policy rate by 25 basis points to 2¾%, March 12, 2024*

ANALYSIS OF FOURTH QUARTER AND ANNUAL OPERATING RESULTS AND CASH FLOWS

Years Ended December 31, (in 000's) except per Share amounts; Restricted Voting Shares outstanding; Exchangeable Units outstanding; Number of REALTORS®	**Three months ended December 31, 2024**	Three months ended December 31, 2023	**Twelve months ended December 31, 2024**	Twelve months ended December 31, 2023
Gross Commission Income	**$ 86,699**	$ –	**$ 288,360**	$ –
Franchise fees	**10,466**	10,059	**44,994**	44,845
Other revenue	**4,333**	766	**17,316**	3,609
Revenues	**101,498**	10,825	**350,670**	48,454
Less:				
Commissions	**83,411**	–	**274,907**	–
Cost of other revenue	**714**	193	**5,150**	1,030
Compensation	**7,518**	–	**21,158**	–
General and administration	**1,419**	1,060	**6,288**	2,885
Software, hosting and licensing	**1,095**	–	**3,570**	–
Premises	**766**	–	**2,387**	–
Marketing and communications	**830**	–	**2,296**	–
Other operating	**576**	–	**1,491**	–
Management fees	**–**	4,422	**4,742**	19,159
Interest on debt	**1,056**	738	**4,646**	2,967
Interest on lease obligation	**303**	–	**936**	–
	$ 3,810	$ 4,413	**$ 23,099**	$ 22,414
Impairment and write-off of intangible assets	**(854)**	–	**(2,629)**	(201)
Depreciation and amortization	**(3,404)**	(1,708)	**(11,995)**	(6,894)
Interest on Exchangeable Units	**(2,726)**	(1,452)	**(9,628)**	(5,806)
Loss on fair value of Exchangeable Units	**(6,436)**	(1,364)	**(9,286)**	(1,098)
Gain on settlement of deferred payments	**–**	–	**1,224**	–
Gain on settlement of contract transfer obligation	**–**	–	**99**	–
Loss on termination of lease	**(45)**	–	**(45)**	–
Loss on disposal of property and equipment	**(12)**	–	**(12)**	–
Loss on interest rate swap	**–**	(436)	**–**	(1,386)
Loss on debt facility amendment	**–**	–	**–**	(122)
Current income tax expense	**(592)**	(642)	**(2,907)**	(3,396)
Deferred income tax recovery	**627**	151	**1,758**	488
Net and comprehensive earnings (loss)	**$ (9,632)**	$ (1,039)	**$ (10,322)**	$ 3,997
Basic earnings (loss) per Restricted Voting Share	**$ (1.02)**	$ (0.11)	**$ (1.09)**	$ 0.42
Diluted earnings (loss) per Share	**$ (1.02)**	$ (0.11)	**$ (1.09)**	$ 0.42
Dividends paid per Restricted Voting Share	**$ 0.34**	$ 0.34	**$ 1.35**	$ 1.35
Interest expense per Exchangeable Unit	**$ 0.44**	$ 0.44	**$ 1.74**	$ 1.74
Restricted Voting Shares outstanding	**9,483,850**	9,483,850	**9,483,850**	9,483,850
Exchangeable Units outstanding	**6,248,544**	3,327,667	**6,248,544**	3,327,667
Number of REALTORS®	**20,974**	20,529	**20,974**	20,529

Cash Flow Information (in 000's) Cash provided by (used for):				
Operating activities	**$ 1,803**	$ 2,272	**$ 17,099**	$ 13,667
Investing activities	**(463)**	(271)	**2,483**	(1,477)
Financing activities	**(4,387)**	(3,201)	**(16,237)**	(12,866)

(in 000's) As at	**December 31, 2024**	December 31, 2023
Total assets	**$ 157,445**	$ 64,892
Total liabilities	**$ 237,690**	$ 122,012

FOURTH QUARTER OPERATING RESULTS AND CASH FLOWS

During the Quarter, the Company generated a net loss of $9.6 million compared to a net loss of $1.0 million in the Prior Year Quarter.

Revenues for the Quarter totaled $101.5 million, compared to $10.8 million for the Prior Year Quarter. The increase in revenues is due to the inclusion of GCI and other revenues of the Acquired Businesses. Franchise fees for the Quarter increased, driven by fee increases implemented on January 1, 2024 and improving market conditions partly offset by the elimination of franchise fees received from the Acquired Businesses for the Quarter. The franchise fees received from the Acquired Businesses were treated as third party revenue prior to April 1, 2024.

Commissions expense represents commissions paid to sales representatives who sell real estate in the Company's Brokerage Operations.

Cost of other revenue represents the direct costs associated with ancillary and other revenues.

Compensation represents compensation expense paid to employees. Prior to the completion of the Transaction, the Company had no employees. All management services were provided under the terms of the MSA prior to April 1, 2024.

General and administration expenses of $1.4 million for the Quarter increased compared to the Prior Year Quarter due to the inclusion of costs of the Brokerage Operations and the Manager, which were acquired on completion of the Transaction.

Software, hosting and licensing, premises, marketing and communications and other operating expenses represent the expenses incurred by the Acquired Businesses in the Quarter. These represent the expenses of operating the Brokerage Operations as well as expenses that were previously incurred by the Manager in fulfilling its obligations to the Company under the terms of the MSA.

Management fee expenses are nil in the Quarter as management of the Company has been internalized as a result of the Transaction.

Interest on debt of $1.1 million was higher than the Prior Year Quarter due to higher interest rates compared to the Prior Year.

Interest on lease obligation represents the interest charge related to the leased premises of the Brokerage Operations.

Depreciation and amortization for the Quarter of $3.4 million increased by $1.7 million compared to the Prior Year Quarter due to the acquisition of the Brokerage Operations. Under the Transaction, the Company acquired a number of sales agreements associated with the Brokerage Operations, which are amortized over a period of five years.

Interest on Exchangeable Units represents the distributions to Exchangeable Unitholders. For the Quarter, total distributions amounted to $0.44 per Exchangeable Unit, unchanged from the Prior Year Quarter. Aggregate payments, however, totaled $2.7 million compared to $1.5 million in the Prior Year Quarter due to the additional Exchangeable Units issued as consideration under the Transaction. Distributions to Exchangeable Unitholders are determined with reference to dividends paid on Bridgemarq's Restricted Voting Shares.

Gain (loss) on fair value of Exchangeable Units represents the change in the fair value of the Exchangeable Units. The Exchangeable Units are valued based on the market value of the Company's Restricted Voting Shares. At December 31, 2024, the Company's Restricted Voting Shares were valued at $15.03 per share compared to $14.00 per share at September 30, 2024, resulting in a loss of $6.4 million for the Quarter. This loss represents an increase in the obligation associated with the conversion features of the Exchangeable Units. For the Prior Year Quarter, the price of the Company's Restricted Voting Shares increased from $12.76 per share at September 30, 2023 to $13.17 per share at December 31, 2023 resulting in a loss of $1.4 million.

Loss on interest rate swap was a non-cash item which represented the change in fair value of the Company's interest rate swaps. The interest rate swap matured in December 2023.

Income tax expense. The effective income tax rate paid by the Company for the Quarter was 0% (Prior Year Quarter – -90%).

The Company's effective income tax rate is significantly different than the Company's enacted income tax rate of 26.5%. The difference in the effective income tax rate is driven by a number of items that are included in the determination of net earnings but excluded from the determination of taxable income (including, among other things, non-deductible amortization of intangible assets, interest on Exchangeable Units and fair valuation adjustments on Exchangeable Units) as well as items that are excluded from the determination of net earnings but included in the determination of taxable income (including, among other things, payments associated with franchise agreement expenses).

Cash provided by operating activities decreased by $0.5 million compared to the Prior Year Quarter. The decrease is driven primarily by higher interest payments.

Cash used in investing activities was consistent with the Prior Year Quarter.

Cash used in financing activities is comprised of dividends paid to shareholders and lease payments. The increase in cash used in financing activities is due to the payment of office leases at the Brokerage Operations, which were assumed on completion of the Transaction.

ANNUAL OPERATING RESULTS AND CASH FLOWS

For the Year, the Company generated a net loss of $10.3 million compared to net earnings of $4.0 million in the Prior Year.

Revenues for the Year totaled $350.7 million, compared to $48.5 million for the Prior Year. The increase in revenues is due to the inclusion of gross commission income and other revenues of the Acquired Businesses. Franchise fees for the Year increased driven by fee increases implemented on January 1, 2024 and improving market conditions partly offset by the elimination of franchise fees received from the Acquired Businesses after the first quarter. The franchise fees received from the Acquired Businesses were treated as third party revenue prior to April 1, 2024.

Commissions expense represents commissions paid to sales representatives who sell real estate in the Company's Brokerage Operations.

Cost of other revenue represents the direct costs associated with ancillary and other revenues.

Compensation represents compensation expense paid to employees. Prior to the completion of the Transaction, the Company had no employees. All management services were provided under the terms of the MSA prior to April 1, 2024.

General and administration expenses of $6.3 million for the Year increased compared to the Prior Year due to the inclusion of costs of the Brokerage Operations and the Manager which were acquired on completion of the Transaction as well as professional fees incurred to complete the Transaction.

Software, hosting and licensing, premises, marketing and communications other operating expenses represent the expenses incurred by the Acquired Businesses during the second and third quarters. These represent the expenses of operating the Brokerage Operations as well as expenses that were previously incurred by the Manager in fulfilling its obligation to the Company under the terms of the MSA.

Management fee expenses are lower than the Prior Year as management of the Company has been internalized effective March 31, 2024 as a result of the Transaction.

Interest on debt of $4.6 million was higher than the Prior Year due to higher interest rates.

Interest on lease obligation represents the interest charge related to the leased premises of the Brokerage Operations.

Depreciation and amortization for the Year of $12.0 million increased by $5.1 million compared to the Prior Year due to the acquisition of the Brokerage Operations. Under the Transaction, the Company acquired a number of sales agreements associated with the Brokerage Operations which are amortized over a period of five years.

Interest on Exchangeable Units represents the distributions to Exchangeable Unitholders. For the Year, total distributions amounted to $9.6 million compared to $5.8 million in the Prior Year due to the additional Exchangeable Units issued as consideration in the Transaction. Distributions to Exchangeable Unitholders are determined with reference to dividends paid on Bridgemarq's Restricted Voting Shares.

Gain (loss) on fair value of Exchangeable Units represents the change in the fair value of the Exchangeable Units. The Exchangeable Units are valued based on the value of the Company's Restricted Voting Shares. At December 31, 2024, the Company's Restricted Voting Shares were valued at $15.03 per share compared to $13.17 per share at December 31, 2023, resulting in a loss of $9.3 million for the Year. This loss represents an increase in the obligation associated with the conversion features of the Exchangeable Units. For the Prior Year, the price of the Company's Restricted Voting Shares increased from $12.84 per share at December 31, 2022 to $13.17 per share at December 31, 2023, resulting in a loss of $1.1 million.

Gains on settlement of deferred payments and contract transfer obligation totaling $1.3 million for the Year were recorded when certain deferred fees and other obligations to the Manager and to Brookfield were effectively settled pursuant to the Transaction.

Loss on interest rate swap was a non-cash item which represented the change in fair value of the Company's interest rate swaps. The interest rate swap matured in December 2023.

Income tax expense. The effective income tax rate paid by the Company for the Year was -13% (Prior Year– 42%). The Company's effective income tax rate is significantly different than the Company's enacted income tax rate of 26.5%. The difference in the effective income tax rate is driven by a number of items that are included in the determination of net earnings but excluded from the determination of taxable income (including, among other things, non-deductible amortization of intangible assets, interest on Exchangeable Units and fair valuation adjustments on Exchangeable Units) as well as items that are excluded from the determination of net earnings but included in the determination of taxable income (including, among other things, payments associated with franchise agreement expenses).

Cash provided by operating activities increased by $3.4 million compared to the Prior Year. The increase is due to increased interest income and a reduction in working capital partly offset by higher interest costs.

Cash provided by investing activities increased by $4.0 million compared to the Prior Year primarily due to the $4.0 million cash acquired on the Transaction.

Cash used in financing activities increased by $3.4 million due to lease payments of $3.3 million as a result of the acquisition of the Brokerage Operations. Dividends paid to shareholders were consistent with the Prior Year.

The identifiable assets and liabilities acquired in the Transaction are as follows:

Fair value of Exchangeable Units issued	$	39,909
Cash paid for working capital adjustment	$	131
Less:		
Cash acquired		(4,146)
Settlement of pre-existing relationships		2,432
Net Consideration	$	38,326
Cash held in trust	$	52,367
Accounts receivable		3,091
Other current assets		4,246
Property and equipment		2,599
Other non-current assets		217
Right-of-use assets		19,034
Deferred income taxes, net		(539)
Intangible assets		18,940
Goodwill		23,626
Accounts payable and accrued liabilities		(13,883)
Customer deposits		(52,367)
Lease liabilities		(19,005)
Net assets acquired	$	38,326

SUMMARY OF QUARTERLY RESULTS

(Unaudited) For three months ended,	2024				2023			
(in 000's) except per Share amounts and number of REALTORS®;	**Dec. 31**	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31
Revenues								
Gross Commission Income	**$ 86,699**	$109,624	$ 92,037	$ –	$ –	$ –	$ –	$ –
Franchise fees	**10,466**	11,523	11,929	11,076	10,059	11,852	11,755	11,179
Other revenue	**4,333**	5,665	6,538	691	766	945	1,086	812
	101,498	126,812	110,504	11,767	10,825	12,797	12,841	11,991
Less:								
Commissions	**83,411**	104,444	87,052	–	–	–	–	–
Cost of other revenue	**714**	1,973	2,311	152	193	267	345	226
Compensation	**7,518**	6,642	6,998	–	–	–	–	–
General and administration	**1,419**	1,884	1,874	1,111	1,060	510	948	367
Software, hosting and licensing	**1,095**	1,225	1,250	–	–	–	–	–
Premises	**766**	778	843	–	–	–	–	–
Marketing and communications	**830**	746	720	–	–	–	–	–
Other operating	**576**	288	627	–	–	–	–	–
Management fees	**–**	–	–	4,742	4,422	4,997	4,888	4,852
Interest on debt	**1,056**	1,102	1,205	1,193	738	746	740	743
Interest on lease obligation	**303**	313	320	–	–	–	–	–
	3,810	7,417	7,304	4,569	4,413	6,278	5,920	5,803
Impairment and write-off of intangible assets	**(854)**	(54)	(180)	(1,552)	–	(8)	(91)	(102)
Depreciation and amortization	**(3,404)**	(3,422)	(3,462)	(1,695)	(1,708)	(1,711)	(1,734)	(1,741)
Interest on Exchangeable units	**(2,726)**	(2,726)	(2,725)	(1,452)	(1,452)	(1,452)	(1,452)	(1,452)
Gain (loss) on fair value of Exchangeable Units	**(6,436)**	(10,810)	10,622	(2,662)	(1,364)	6,755	(499)	(5,990)
Loss on termination of lease	**(45)**	–	–	–	–	–	–	–
Loss on disposal of property and equipment	**(12)**	–	–	–	–	–	–	–
Gain on settlement of deferred payments	**–**	–	–	1,224	–	–	–	–
Gain on settlement of contract transfer obligation	**–**	–	–	99	–	–	–	–
Loss on interest rate swap	**–**	–	–	–	(436)	(420)	(152)	(378)
Loss on debt facility amendment	**–**	–	–	–	–	–	–	(122)
Earnings (loss) before income tax	**(9,667)**	(9,595)	11,559	(1,469)	(548)	9,442	1,992	(3,982)
Current income tax expense	**592**	1,246	494	575	642	990	827	937
Deferred income tax expense (recovery)	**(627)**	–	536	(1,666)	(151)	(149)	26	(214)
Net and comprehensive earnings (loss)	**$ (9,632)**	$ (10,841)	$ 10,529	$ (378)	$ (1,039)	$ 8,602	$ 1,139	$ (4,705)
Basic earnings (loss) per Restricted Voting Share	**$ (1.02)**	$ (1.14)	$ 1.11	$ (0.04)	$ (0.11)	$ 0.91	$ 0.12	$ (0.50)
Diluted earnings (loss) per Share	**$ (1.02)**	$ (1.14)	$ 0.17	$ (0.04)	$ (0.11)	$ 0.26	$ 0.12	$ (0.50)
Adjusted net earnings (loss)	**$ (413)**	$ 2,695	$ 2,632	$ 2,413	$ 2,213	$ 3,718	$ 3,242	$ 3,237
Adjusted net earnings (loss) Per Share	**$ (0.03)**	$ 0.17	$ 0.17	$ 0.19	$ 0.17	$ 0.29	$ 0.25	$ 0.25
Number of REALTORS®	**20,974**	21,144	21,266	20,564	20,529	20,796	20,752	20,619

DEBT FACILITIES

Effective March 31, 2024, the Company agreed to certain amendments to the Company's debt facilities in connection with the Transaction, including an increase in the Operating Facility from $5 million to $10 million. As at December 31, 2024, the Company's $95.0 million financing is comprised of the following three arrangements:

- A $55.0 million non-revolving term facility (the "Term Facility");
- A $30.0 million revolving acquisition facility (the "Acquisition Facility") to support acquisitions pursued by the Company. A standby fee of 0.15% applies on undrawn amounts under this facility; and
- A $10.0 million revolving operating facility (the "Operating Facility") to meet the Company's day-to-day operating requirements.

As at December 31, 2024, the Company has drawn $55.0 million on the Term Facility, $12 million on the Acquisition Facility and nil on the Operating Facility.

Borrowings under each of these arrangements bear interest at a variable rate of Banker's Acceptances ("BAs") +2.0% (2023 – BAs + 1.7%) or Prime + 0.8% (2023 – Prime + 0.5%) and are secured by a first ranking security interest in substantially all assets of the Company.

The covenants of this financing prescribe that the Company must maintain a ratio of Consolidated EBITDA to Senior Interest Expense at a minimum of 3:1 and a ratio of Senior Indebtedness to Consolidated EBITDA at a maximum of 4:1 as outlined in the loan agreement. Consolidated EBITDA is defined as earnings before income tax adjusted for amortization and net impairment or recovery of intangible assets, interest expense, hedging activities and fair value adjustments on the Exchangeable Units. Senior Indebtedness is defined as borrowings on the Company's debt facilities. Senior Interest Expense is defined as interest on Senior Indebtedness. The Company is compliant with these covenants for all periods presented.

FREE CASH FLOW

Free Cash Flow represents operating income before deducting interest on leases, depreciation and amortization and net impairment and write-off of intangible assets, minus current income tax expense, minus additions to property and equipment and intangible assets, minus repayment of contract transfer obligations, minus lease payments. Free Cash Flow is used by the Company as a measure of the amount of cash generated by the Company, which is available for distribution to the Company's shareholders on a diluted basis, subject to working capital and other investment requirements.

The calculation of Free Cash Flow for the Quarter and the Year is presented in the table below with comparative amounts for the Prior Year Quarter and the Prior Year.

($ 000's)	**Three months ended December 31, 2024**	Three months ended December 31, 2023	**Twelve months ended December 31, 2024**	Twelve months ended December 31, 2023
Revenues	**$ 101,498**	$ 10,825	**$ 350,670**	$ 48,454
Non-cash items included in revenue	**(134)**	118	**490**	535
	$ 101,364	$ 10,943	**$ 351,160**	$ 48,989
Less:				
Commissions	**83,411**	–	**274,907**	–
Cost of other revenue	**714**	193	**5,150**	1,031
Compensation	**7,518**	–	**21,158**	–
General and administration	**1,419**	1,060	**6,288**	2,885
Software, hosting and licensing	**1,095**	–	**3,570**	–
Premises	**765**	–	**2,387**	–
Marketing and communications	**830**	–	**2,296**	–
Other operating	**575**	–	**1,491**	–
Management fees	**–**	4,422	**4,742**	19,159
Interest on debt	**1,056**	738	**4,646**	2,967
Current income tax expense	**592**	642	**2,907**	3,396
Lease payments	**1,105**	–	**3,276**	–
Additions to property and equipment and intangible assets	**463**	116	**1,528**	873
Repayment of contract transfer obligation	**–**	155	**4**	604
Free Cash Flow	**$ 1,821**	$ 3,617	**$ 16,810**	$ 18,074
Free Cash Flow per Share	**$ 0.12**	$ 0.38	**$ 1.12**	$ 1.91

Free Cash Flow per Share is calculated by dividing Free Cash Flow by the number of outstanding Restricted Voting Shares on a diluted basis. Free Cash Flow per Share is used by the Company to measure the amount of cash per Share generated which is available for distribution to the Company's shareholders on a diluted basis, subject to working capital and other investment requirements.

Free Cash Flow for the Quarter totaled $1.8 million compared to $3.6 million generated in the Prior Year Quarter. For the Year, Free Cash Flow generated by the Company amounted to $16.8 million compared to $18.1 million in the Prior Year.

Free Cash Flow and Free Cash Flow per Share are non-GAAP financial measures and do not have standardized meanings under IFRS and, accordingly, may not be comparable to similar measures used by other companies. The Company believes that Free Cash Flow and Free Cash Flow per Share are useful supplemental measures of performance as they provide investors with an indication of the amount of cash flow generated after investing activities and lease payments which is available to holders of Restricted Voting Shares and Exchangeable Unitholders, subject to working capital and other investment requirements. Investors are cautioned, however, that Free Cash Flow and Free Cash Flow per Share should not be interpreted as alternatives to using net earnings or net earnings per Share (as measures of profitability) or cash provided by operating activities (as a measure for cash flows) to evaluate the Company's financial performance.

Free Cash Flow Reconciled to Cash Flow from Operating Activities

The table below reconciles cash flow from operating activities, as presented in the consolidated statements of cash flows, to Free Cash Flow for the Quarter and the Year. Free Cash Flow is a measure used by the Company to assess the resources available to the Company for distribution to holders of Restricted Voting Shares and holders of Exchangeable Units subject to other uses for cash.

($ 000's)	**Three months ended December 31, 2024**	Three months ended December 31, 2023	**Twelve months ended December 31, 2024**	Twelve months ended December 31, 2023
Cash flow from operating activities	**$ 1,803**	$ 2,272	**$ 17,099**	$ 13,667
Add (deduct):				
Interest on Exchangeable Units	**2,726**	1,452	**9,628**	5,806
Interest on Lease Obligation	**303**	–	**936**	–
Current Income tax expense	**(592)**	(642)	**(2,907)**	(3,396)
Income taxes paid	**507**	800	**2,909**	3,500
Changes in non-cash working capital	**(1,028)**	(329)	**(4,284)**	(289)
Interest expense	**(4,083)**	(2,298)	**(15,210)**	(9,143)
Interest paid	**3,758**	2,634	**13,447**	9,406
Interest income	**378**	113	**1,526**	404
Interest received	**(378)**	(113)	**(1,526)**	(404)
Lease payments	**(1,105)**	–	**(3,276)**	–
Additions to property and equipment and intangible assets	**(463)**	(116)	**(1,528)**	(873)
Repayment of contract transfer obligation and other	**(5)**	(155)	**(4)**	(604)
Free Cash Flow	**$ 1,821**	$ 3,617	**$ 16,810**	$ 18,074

The Company has paid out, in the past, and could pay out, in any given period, cash in excess of net earnings to shareholders as a significant portion of the Company's operating expenses is made up of non-cash amortization of intangible assets and other non-cash charges to net earnings. Management does not view the payment of cash in excess of net earnings as an economic return of capital as these intangible assets and other non-cash charges are not expected to require a further cash outlay in the future.

LIQUIDITY

Revenues from franchise fees and other services provided to Franchisees by the Franchise Operations have historically been the largest source of liquidity for the Company. Given that Franchisees are contractually obligated to pay franchise fees for up to ten years under the Franchise Agreements and given the high degree of success the Company has had in renewing its Franchise Agreements in the past when they come due, the Company believes that the existing portfolio of Franchise Agreements, along with its non-cash working capital and capital resources, will continue to generate strong cash flow for the Company. Following the closing of the Transaction, the Company benefits from the operating cash flows of the Brokerage Operations. In addition, the Company has $9.1 million in cash and access to $28.0 million in credit facilities to supplement the operating cash flows and Free Cash Flow generated by the Company. The Company believes that there is sufficient liquidity to allow it to meet its operating commitments in the foreseeable future.

The Company's ability to grow its Free Cash Flow is dependent upon its ability to increase the size of the Franchise Network, which it may achieve by, a) supporting Franchisees and Company-owned brokerages in their efforts to recruit REALTORS® to their Brokerages, b) assisting Franchisees to acquire Brokerages from outside the Franchise Network c) acquiring additional Company-owned brokerages and, d) entering into new Franchise Agreements. With the acquisition of the Brokerage Operations, the Company expects to add to its capability to capture future growth across a broader spectrum of the real estate industry through both organic growth and future acquisition opportunities. In addition, the Company has the opportunity to further grow its sources of other revenue and may consider other types of investments in the future. The Acquisition Facility provides capital resources for the Company to pursue growth opportunities.

During the Quarter, the Company generated Free Cash Flow of $1.8 million, compared to $3.6 million in the Prior Year Quarter.

The Company paid dividends to shareholders and interest to holders of Exchangeable Units totaling $5.9 million for the Quarter (Prior Year Quarter – $4.7 million).

During the Year, the Company generated cash from operating activities of $17.1 million, compared to $13.7 million in the Prior Year.

The Company paid dividends to shareholders and interest to holders of Exchangeable Units totaling $22.4 million for the Year, compared to $18.6 million in the Prior Year due to the additional Exchangeable Units issued as consideration in the Transaction. Distributions to Exchangeable Unitholders are determined with reference to dividends paid on Bridgemarq's Restricted Voting Shares.

WORKING CAPITAL

Changes in the Company's net working capital are primarily driven by cash flow from operating activities, collections of accounts receivable, payments of accounts payable and payment of dividends and interest.

Overall, working capital decreased to a deficit of $97.3 million as at December 31, 2024 compared to $7.1 million as at December 31, 2023. The decrease in working capital resulted primarily from:

- The reclassification of Exchangeable Units from non-current liabilities to current liabilities; and
- The assumption of negative working capital on closing the Transaction.

The Exchangeable Units do not represent a liability that requires any payment of cash. The Exchangeable Units are exchangeable on a one-for-one basis for Restricted Voting Shares at the option of the holder. If a takeover bid is made for 25% or more of the outstanding Restricted Voting Shares and a contemporaneous identical offer is not made for the Exchangeable Units, the holder can exchange the Exchangeable Units at a ratio of 1.1 Restricted Voting Shares per Exchangeable Unit. They are classified as a current liability under IAS 1 notwithstanding the fact that, under no circumstance, can the holder exchange the Exchangeable Units for any asset other than Restricted Voting Shares.

A summary of the Company's working capital is presented below:

($ 000's) As at	Dec. 31, 2024	Sept. 30, 2024	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	Mar. 31, 2023	Change in Quarter	Change in Year
Current assets										
Cash	**$ 9,088**	$ 12,135	$14,080	$ 8,594	$ 5,743	$ 6,943	$ 5,915	$ 6,160	$ (3,047)	$ 3,345
Cash held in trust	**35,467**	37,785	61,564	52,367	–	–	–	–	(2,318)	35,467
Accounts receivable and current portion of notes receivable	**5,837**	5,435	7,104	7,570	3,781	4,253	4,497	4,345	402	2,056
Prepaid expenses and other current assets	**3,326**	2,719	4,359	4,415	805	385	362	371	607	2,521
Current income tax receivable	**155**	147	133	616	85	–	190	117	8	70
Interest rate swap asset	**–**	–	–	–	–	436	857	1,008	–	–
	53,873	58,221	87,240	73,562	10,414	12,017	11,821	12,001	(4,348)	43,459
Current liabilities										
Accounts payable and accrued liabilities	**$ 16,837**	$ 14,752	$ 19,328	$ 14,799	$ 1,407	$ 1,655	$ 1,508	$ 1,475	$ 2,085	$ 15,430
Customer deposits	**35,467**	37,785	61,564	52,367	–	–	–	–	(2,318)	35,467
Contract transfer obligation	**–**	–	–	–	356	419	481	542	–	(356)
Lease liabilities	**3,000**	2,944	3,265	3,731	–	–	–	–	56	3,000
Current income tax liability	**–**	–	–	–	–	73	–	–	–	–
Interest payable to Exchangeable Unitholders	**909**	909	909	484	484	484	484	484	–	425
Dividends payable to Restricted Voting shareholders	**1,067**	1,067	1,067	1,067	1,067	1,067	1,067	1,067	–	–
Debt facilities	**–**	–	–	–	–	–	–	–	–	–
Exchangeable Units	**93,916**	87,480	76,670	87,292	–	–	–	–	6,436	93,916
	151,196	144,937	162,803	159,740	3,314	3,698	3,540	3,568	6,259	147,882
Net working capital	**$ (97,323)**	$ (86,716)	$ (75,563)	$ (86,178)	$ 7,100	$ 8,319	$ 8,281	$ 8,433	$ (10,607)	$(104,423)

CASH AND CAPITAL RESOURCES

A summary of cash and capital resources available to the Company as at December 31, 2024 and December 31, 2023 is presented below:

(in 000's) As at	December 31, 2024	December 31, 2023
Cash	$ 9,088	$ 5,743
Acquisition Facility	18,000	18,000
Operating Facility	10,000	5,000
Net borrowing capacity	$ 28,000	$ 23,000
Available resources	$ 37,088	$ 28,743

As at December 31, 2024, $12.0 million of the Acquisition Facility has been drawn by the Company, leaving $28.0 million of net borrowing capacity under the debt facilities.

In addition to the cash and capital resources included in the table above, the Company generates substantial cash flow from operating activities, which can be used to fund dividend payments and interest on Exchangeable Units and to repay amounts owing under the debt facilities, subject to working capital requirements and other investment opportunities.

COMMITMENTS AND CONTINGENCIES

The estimated contractual liabilities and their dates of maturity are summarized in the chart below.

As at September 30,	2024	2025	2026	2027	2028	Beyond 2028	Total
Accounts payable and accrued liabilities	$ 16,837	$ –	$ –	$ –	$ –	$ –	$ 16,837
Customer deposits	35,467	–	–	–	–	–	$ 35,467
Leases	3,000	2,519	2,157	2,078	2,093	8,404	$ 20,251
Interest payable to Exchangeable Unitholders	909	–	–	–	–	–	$ 909
Dividends payable to shareholders	1,067	–	–	–	–	–	$ 1,067
Interest on long-term debt	3,960	3,960	–	–	–	–	$ 7,920
Debt facilities	–	67,000	–	–	–	–	$ 67,000
Exchangeable Units	93,916	–	–	–	–	–	$ 93,916
Total	$ 155,156	$ 73,479	$ 2,157	$ 2,078	$ 2,093	$ 8,404	$ 243,367

The Company and certain of its Brokerage Operations have been named as defendants in two legal actions seeking orders certifying the actions as class proceedings filed in April, 2021 and January, 2024, respectively, which include, among other things, allegations of anti-competitive behaviour and seek general and special damages in an amount to be proven at trial. The April, 2021 action initially named the Toronto Regional Real Estate Board, CREA, seven major real estate brokerages (including certain of the Brokerage Operations) and five franchisors (including certain of the Franchise Operations). The franchisors were removed as defendants following a motion to strike ruled on by the Federal Court of Canada in September, 2023. This ruling was appealed, which appeals were heard over two days during the Quarter. The court's decision is anticipated sometime in 2025. The January, 2024 action names CREA, numerous real estate boards across the provinces and territories, eight major real estate brokerages (excluding any of the Brokerage Operations) and eleven franchisors (including certain of the Franchise Operations). The outcome of this claim continues to largely depend on the outcome of the April 2021 action. Neither of these actions has been certified as a class action. The Company understands that one of the franchisors named in the two actions has entered into a settlement agreement with the plaintiffs. This franchisor has publicly stated that the decision to settle is a business decision and this franchisor does not admit any wrongdoing. The terms of settlement remain undisclosed and the settlement is subject to court approval. Notwithstanding this settlement, the Company continues to believe that all allegations in both actions are entirely without merit and that the likelihood of any negative impact on the Company is remote.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off–balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

As at the date of this MD&A, Brookfield controlled approximately 41.7% of the Company through its ownership of the Exchangeable Units of the Partnership and 315,000 Restricted Voting Shares.

Prior to the closing of the Transaction, the Manager operated the corporately-owned Royal LePage and Via Capitale residential Brokerage locations serving more than 2,000 REALTORS® primarily in the GTA market and Greater Vancouver and Greater Montréal Areas.

All of the corporately-owned Royal LePage and Via Capitale Brokerages operate under Franchise Agreements with standard fixed and variable franchise fees. The Franchise Agreements for the GTA were renewed during 2024. The Franchise Agreements for the Royal LePage Québec locations are up for renewal in 2028. The Franchise Agreements for the Via Capitale Brokerages expire between 2025-2028.

The Company acquired all of the Royal LePage and Via Capitale Brokerages owned by Brookfield under the terms of the Transaction.

Prior to completion of the Transaction, the management of the Company was provided by the Manager under the terms of the MSA. The Manager was a company controlled by Brookfield. Under the MSA, the Manager provided certain management, administrative and support services to the Company and its subsidiaries and, in return, was paid a monthly fee equal to $840,000 plus:

a) during the first five years of the initial term of the MSA, the greater of:

(i) 23.5% of the Distributable Cash (as such term is defined in the MSA) of the Company; and

(ii) 0.342% of the Current Market Value (as such term is defined in the MSA), and

b) after the first five years of the initial term of the MSA, the greater of:

(i) 25.0% of the Distributable Cash of the Company; and

(ii) 0.375% of the Current Market Value.

As a result of the capitalization of certain Franchise Agreements and other contracts transferred to the Company upon entering into the MSA, a portion of payments for management fees were allocated toward reducing the Company's contract transfer obligation and associated interest expense, with the remainder charged to the Company's consolidated statement of net and comprehensive earnings (loss).

The Company acquired the Manager under the terms of the Transaction and, as a result, the management of the Company has been internalized and the MSA is no longer be required. In addition, the contract transfer obligation and certain deferred fees owing to the Manager were settled as a result of the Transaction.

The related party transactions entered into by the Company were transacted at contracted rates or at exchange amounts approximating fair market value. A summary of these amounts can be found in Note 17 of the consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Substantially all of the Company's activities are based on cash transactions, with revenue and expenditures based on contracted terms. The operating activities not based on contractual terms include bad debt expense (which is included in the Company's administration costs), and the amortization of intangible assets.

The Company's intangible assets are regularly monitored for indications of impairment and reversal of impairment in the carrying value of these assets. The Company's accounts receivables are regularly monitored to determine their collectability.

The preparation of financial statements requires management to select appropriate accounting policies and to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In particular, critical accounting policies and estimates utilized in the normal course of preparing the Company's consolidated financial statements require; the determination of cash generating units, estimating of future cash flows utilized in assessing the fair value and related net impairment or recovery of intangible assets, determining the useful life of intangible assets, assessing the recoverability of accounts receivable, measuring deferred income taxes, measuring the fair value of the Exchangeable Units and measuring fair values used for disclosure purposes.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates have been applied in a manner consistent with prior periods. While the Company believes that the potential impact of COVID-19 has lessened, it is possible that any future resurgence may affect the Company's future earnings, cash flows and financial condition and such effects are uncertain, including the nature, severity and duration of any resulting economic curtailment and the short to medium-term effect on Canadian real estate markets and the Canadian economy in general. Accordingly, estimates used in the preparation of the Company's financial statements including those associated with evaluations of intangible assets and collectability of accounts receivable may be subject to significant adjustments in future periods. The estimates are impacted by, among other things, movements in interest rates and cash flow forecasts, which involve judgements and are uncertain. The interrelated nature of these factors prevents the Company from quantifying the overall impact of these movements on the Company's consolidated financial statements in a meaningful way. These sources of estimation uncertainty relate in varying degrees to virtually all asset and liability account balances.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The following are the critical judgements that have been made in applying the Company's accounting policies and that have the most significant impact on the amounts recorded in the consolidated financial statements.

IMPAIRMENT OF INTANGIBLE ASSETS AND RECOVERY OF IMPAIRMENT

The Company ensures that the carrying value of intangible assets is not higher than its recoverable amount (i.e. the higher of: a) fair value less costs of disposal; and b) value-in-use). The Company reviews intangible assets at each reporting period to determine whether indicators of impairment or a reversal of impairment exist on Agent Agreements, individual Franchise Agreements, franchise agreement expenses, Brands and Trademarks. Determining whether the value of an intangible asset, cash generating unit or the portfolio of intangible assets is impaired or has increased requires considerable judgement. When reviewing indicators for impairment or recovery of previously impaired intangible assets, the Company considers certain factors including, financial performance of the business, revenues earned, term to maturity of relevant contractual arrangements, historical agent count, collectability of receivables, estimated future revenues expected to be earned and underlying market conditions. The estimation of future cash flows and other forward-looking information requires significant judgement and is highly uncertain.

IMPAIRMENT OF GOODWILL

The Company annually reviews the carrying value of goodwill to determine if there is any impairment. Determining whether the value of goodwill is impaired requires considerable judgement. The assessment of impairment involves the use of accounting estimates and assumptions, changes in which could materially impact the financial condition or operating performance if actual results differ from such estimates and assumptions. Furthermore, significant negative industry or economic trends, disruptions to the business, unexpected significant changes or planned changes in use of the assets, a decrease in business results, growth rates that fall below management's assumptions, divestitures, or a significant loss in the number of sales representatives at a given brokerage may have a negative effect on the fair values and key valuation assumptions. The estimation of future cash flows and other forward-looking information requires significant judgement and is highly uncertain.

FAIR VALUE OF ASSETS AND LIABILITIES IN A BUSINESS COMBINATION

During the Year, the Company acquired the shares of the Manager and Proprio Direct. The fair value of assets acquired and liabilities assumed in a business combination are estimated based on information available at the date of acquisition and involves considerable judgement in determining the fair values assigned to property, plant, equipment and intangible assets acquired and liabilities assumed on acquisition. The determination of these fair values involves analysis including the use of discounted cash flow models, estimated future margins, future growth rates and estimated future customer attrition. There is measurement uncertainty inherent in this analysis, particularly in the fair value measurement of contingent consideration, and actual results could differ from estimates.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, cash held in trust, accounts receivable, notes receivable, accounts payable and accrued liabilities, customer deposits, interest payable to Exchangeable Unitholders, dividends payable to holders of Restricted Voting Shares and debt facilities.

The Company is exposed to credit risk with respect to accounts and notes receivable to the extent that any Franchisees are unable to pay their fees or sales representatives do not pay amounts owing to the Brokerage Operations. The Company's credit risk is limited to the recorded amount of accounts and notes receivable. Management reviews the financial position of all Franchisees during the application process and closely monitors outstanding amounts receivable on an ongoing basis to evaluate the risk of a default occurring over the expected life of the accounts receivable. This monitoring includes evaluating the franchisee's historical payment patterns, the current financial health of the franchisee and expected or possible changes in future events or market conditions to determine whether an allowance for doubtful accounts should be recorded. Credit risk is also mitigated by the fact that the Brokerage Operations have the ability to deduct any amounts owing from sales representatives from the commission income they earn on their transactions with customers.

The Company was party to an interest rate swap agreement which swapped the variable interest rate obligation on the $55.0 million Term Facility to a fixed rate obligation of 3.94% through to December 31, 2023 when the swap agreement matured.

The Company is now exposed to the risk of interest rate fluctuations on its $55.0 million Term Facility, its $30.0 million Acquisition Facility and its $10.0 million Operating Facility as the interest rates on these facilities are based on Prime or BA interest rates.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company takes all necessary steps to ensure that material information regarding the Company's reports filed or submitted under securities legislation fairly presents the financial information of the Company. Responsibility for this resides with management, including the President and Chief Executive Officer and the Chief Financial Officer. Management is responsible for establishing, maintaining and evaluating disclosure controls and procedures as well as internal control over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P")

The evaluation of the effectiveness of DC&P, as defined in National Instrument 52-109 *Certification of Disclosures in Issuers' Annual and Interim Filings,* was performed under the supervision of the President and Chief Executive Officer and the Chief Financial Officer. They concluded that these DC&P were adequate and effective as at December 31, 2024. The Company's management can therefore provide reasonable assurance that it receives material information relating to the Company in a timely manner so that it can provide investors with complete and reliable information.

INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management has designed ICFR to provide reasonable assurance that the Company's financial reporting is reliable and that the Company's consolidated financial statements were prepared in accordance with IFRS. The design and effectiveness of ICFR was evaluated as defined in National Instrument 52-109 under the supervision of the President and Chief Executive Officer and the Chief Financial Officer. Based on the evaluations, they conclude that ICFR is adequate and effective to provide such assurance as at December 31, 2024. The design of ICFR is undertaken in accordance with the 2013 COSO framework.

OUTSTANDING RESTRICTED VOTING SHARES

Bridgemarq is authorized to issue an unlimited number of Restricted Voting Shares, an unlimited number of preferred shares and one Special Voting Share. As of March 17, 2025, Bridgemarq has issued 9,483,850 Restricted Voting Shares, no preferred shares and one Special Voting Share.

Each Restricted Voting Share represents a proportionate voting right in Bridgemarq, and holders of Bridgemarq's Restricted Voting Shares are entitled to dividends declared and distributed by Bridgemarq.

The Special Voting Share is owned by Brookfield and represents the proportionate voting rights of Exchangeable Unitholders in the Company. The Special Voting Share is not eligible to receive dividends and can be redeemed at $0.01 per share.

RISK FACTORS

Risks related to the real estate brokerage industry and the business of the Company are outlined in the Company's Annual Information Form, which is available at www.sedarplus.ca and on the Company's website at www.bridgemarq.com under *Investor Centre/Other Disclosure Reports.* Additional discussion regarding these risks as appropriate is provided in this MD&A.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking information and other “forward-looking statements” within the meaning of applicable securities legislation. Words such “ability”, “allow”, “anticipated”, “assesses”, “assessing”, “assumptions”, “attempts”, “attracting”, “be”, “believes”, “believe”, “capability”, “can”, “consider”, “continues”, “continue”, “could”, “dependent”, “depending”, “determine”, “entering into”, “estimates”, “estimation”, “expects”, “expire”, “expected”, “forward-looking”, “further”, “fund”, “future”, “grow”, “growth”, “if”, “increase”, “increasing”, “is”, “likelihood”, “may”, “may be”, “may have”, “may not”, “not expected”, “objectives”, “ongoing”, “opportunities”, “outlook”, “possible”, “potential”, “providing”, “pursue”, “repay”, “retaining”, “renewal”, “seeks”, “should be”, “should not”, “strives”, “supporting”, “to”, “uncertain”, “uncertainty”, “unexpected”, “will”, and other expressions that are predictions of or could indicate future events and trends and that do not relate to historical matters, identify forward-looking statements. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those indicated in the forward-looking statements include, but are not limited to: any resurgence of COVID-19 (including any impact of COVID-19 on the economy and the Company’s business), natural disasters, war or acts of terrorism, changes in the supply or demand of houses for sale in Canada or in any particular region within Canada, changes in the selling price for houses in Canada or any particular region within Canada, changes in the Company’s cash flow, changes in the Company’s strategy with respect to and/or ability to pay dividends, changes in the productivity of the Company’s REALTORS® or the commissions they charge their customers, changes in government policy, laws or regulations which could reasonably affect the housing markets in Canada or the economy in general, changes to any products or services developed or offered by the Company, consumer response to any changes in the housing markets in Canada or any changes in government policy, laws or regulations, changes in general economic conditions (including interest rates, consumer confidence, inflation and other general economic factors or indicators), changes in global and regional economic growth (including international trade relations, the impact of tariffs, political uncertainty), changes in the demand for and prices of natural resources on local and international markets, the level of residential real estate transactions, competition from other real estate brokers or from discount and/or Internet-based real estate alternatives, the closing of existing real estate brokerage offices, other developments in the residential real estate brokerage industry or the Company that reduce the number of REALTORS® in the Company’s network or revenue from the Company’s network of REALTORS®, our ability to maintain brand equity through the use of trademarks, the methods used by shareholders or analysts to evaluate the value of the Company and its publicly-traded securities, changes in tax laws or regulations, and other risks detailed in the Company’s annual information form, which is filed with securities commissions and posted on SEDAR+ at www.sedarplus.ca. Forward-looking information is based on various material factors or assumptions, which are based on information currently available to management. Material factors or assumptions that were applied in drawing conclusions or making estimates set out in the forward-looking statements include, but are not limited to: anticipated economic conditions, anticipated impact of government policies, anticipated financial performance, anticipated market conditions, business prospects, the successful execution of the Company’s business strategies and recent regulatory developments, including as the foregoing relate to COVID-19. The factors underlying current expectations are dynamic and subject to change. Although the forward-looking statements contained in this MD&A are based upon what management believes are reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

2024 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS AND FINANCIAL CONDITION

SUPPLEMENTAL INFORMATION

SHARE PERFORMANCE

(in Canadian dollars) except shares outstanding and average daily volume For three months ended,	**Dec. 31, 2024**	Sept. 30, 2024	June 30, 2024	Mar. 31, 2024	Dec. 31, 2023	Sept. 30, 2023	June 30, 2023	Mar. 31, 2023
Trading price range of units (TSX: "BRE")								
Close	**$ 15.03**	$ 14.00	$ 12.27	$ 13.97	$ 13.17	$ 12.76	$ 14.79	$ 14.64
High	**$ 15.79**	$ 14.24	$ 14.00	$ 14.35	$ 13.38	$ 15.93	$ 15.15	$ 14.86
Low	**$ 13.93**	$ 12.15	$ 11.50	$ 12.76	$ 11.06	$ 12.68	$ 14.00	$ 12.82
Average daily volume	**9,517**	8,000	6,963	7,750	10,669	6,692	8,087	11,698
Number of restricted voting shares outstanding at period end	**9,483,850**	9,483,850	9,483,850	9,483,850	9,483,850	9,483,850	9,483,850	9,483,850
Market capitalization ($000's)	**$236,458**	$220,254	$ 193,036	$ 219,782	$ 168,728	$ 163,475	$ 189,482	$ 187,561

CANADIAN RESIDENTIAL REAL ESTATE MARKET

For Three months ended	**Dec. 31 2024**	Sept. 30 2024	June 30 2024	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
Canada								
Transaction dollar volume[1]	**$ 84,910**	$ 80,247	$ 102,011	$ 71,085	$ 56,625	$ 76,727	$ 106,545	$ 60,928
Average selling price	**$ 710,114**	$ 662,214	$ 700,012	$ 684,190	$ 653,881	$ 657,774	$ 718,874	$ 661,867
Number of units sold	**119,572**	121,180	145,728	103,896	86,599	116,647	148,211	92,054
Number of REALTORS® at period end[2]	**164,144**	163,002	160,989	160,012	164,598	164,453	163,188	160,586
Housing starts	**58,800**	58,404	60,925	49,568	57,954	62,229	63,264	40,066
Greater Toronto Area								
Transaction dollar volume[1]	**$ 17,502**	$ 16,689	$ 23,502	$ 17,867	$ 13,404	$ 16,644	$ 28,213	$ 16,075
Average selling price	**$ 1,109,008**	$ 1,094,946	$ 1,161,227	$ 1,093,003	$ 1,097,239	$ 1,104,425	$ 1,178,202	$ 1,089,819
Number of units sold	**15,782**	15,242	20,239	16,347	12,216	15,070	23,946	14,750
Housing starts	**5,770**	9,419	10,381	12,148	7,448	14,212	15,665	10,103
Greater Vancouver Area								
Transaction dollar volume[1]	**$ 8,300**	$ 7,665	$ 10,574	$ 7,607	$ 6,422	$ 8,446	$ 11,837	$ 6,646
Average selling price	**$ 1,266,433**	$ 1,266,457	$ 1,333,354	$ 1,290,786	$ 1,280,989	$ 1,285,690	$ 1,295,055	$ 1,233,197
Number of units sold	**6,554**	6,052	7,930	5,893	5,013	6,569	9,140	5,389
Housing starts	**7,609**	6,225	6,651	7,627	8,027	7,759	10,340	7,118
Greater Montreal Area								
Transaction dollar volume[1]	**$ 6,834**	$ 5,895	$ 7,883	$ 6,083	$ 4,153	$ 5,091	$ 6,839	$ 4,717
Average selling price	**$ 631,405**	$ 618,996	$ 606,929	$ 584,539	$ 578,468	$ 597,045	$ 581,647	$ 540,979
Number of units sold	**10,823**	9,523	12,989	10,407	7,180	8,527	11,758	8,719
Housing starts	**5,081**	3,116	6,558	2,815	4,348	4,960	2,945	2,982
Quebec								
Transaction dollar volume[1]	**$ 11,616**	$ 10,282	$ 13,072	$ 10,218	$ 7,340	$ 8,744	$ 11,091	$ 8,021
Average selling price	**$ 515,657**	$ 502,512	$ 501,928	$ 478,886	$ 463,921	$ 477,517	$ 473,461	$ 438,759
Number of units sold	**22,527**	20,462	26,043	21,337	15,821	18,312	23,426	18,282
Housing starts	**12,432**	9,610	12,422	6,757	8,779	10,101	7,632	6,078

[1] (in millions Canadian dollars)
[2] CREA

For Twelve months ended	**Dec. 31 2024**	Sept. 30 2024	June 30 2024	Mar. 31 2024	Dec. 31 2023	Sept. 30 2023	June 30 2023	Mar. 31 2023
Canada								
Transaction dollar volume[1]	**$ 338,253**	$309,969	$306,449	$ 310,983	$ 300,825	$ 298,304	$ 291,620	$ 295,753
Average selling price	**$ 689,783**	$ 677,670	$ 676,682	$ 682,948	$ 678,282	$ 674,095	$ 668,768	$ 666,073
Number of units sold	**490,376**	457,403	452,870	455,353	443,511	442,525	436,056	444,025
Housing starts	**227,697**	226,851	230,676	233,015	223,513	226,360	231,277	235,673
Greater Toronto Area								
Transaction dollar volume[1]	**$ 75,561**	$ 71,462	$ 71,417	$ 76,128	$ 74,336	$ 74,359	$ 74,269	$ 72,156
Average selling price	**$ 1,117,600**	$ 1,115,833	$ 1,118,126	$ 1,126,505	$ 1,126,604	$ 1,122,102	$ 1,115,638	$ 1,123,087
Number of units sold	**67,610**	64,044	63,872	67,579	65,982	66,268	66,571	64,248
Housing starts	**37,718**	39,396	44,189	49,473	47,428	52,189	51,357	45,291
Greater Vancouver Area								
Transaction dollar volume[1]	**$ 34,145**	$ 32,266	$ 33,047	$ 34,311	$ 33,350	$ 32,793	$ 30,994	$ 30,328
Average selling price	**$ 1,291,948**	$1,296,460	$1,300,823	$ 1,289,149	$ 1,277,232	$ 1,263,684	$1,245,840	$ 1,241,284
Number of units sold	**26,429**	24,888	25,405	26,615	26,111	25,950	24,878	24,433
Housing starts	**28,112**	28,530	30,064	33,753	33,244	32,843	31,731	28,793
Greater Montreal Area								
Transaction dollar volume[1]	**$ 26,695**	$ 24,015	$ 23,211	$ 22,167	$ 20,800	$ 20,890	$ 20,442	$ 22,065
Average selling price	**$ 610,285**	$ 598,888	$ 593,589	$ 585,306	$ 574,845	$ 569,848	$ 563,001	$ 572,883
Number of units sold	**43,742**	40,099	39,103	37,872	36,184	36,658	36,309	38,515
Housing starts	**17,570**	16,837	18,681	15,068	15,235	15,329	15,966	22,074
Quebec								
Transaction dollar volume[1]	**$ 45,188**	$ 40,912	$ 39,374	$ 37,393	$ 35,197	$ 34,973	$ 34,340	$ 36,363
Average selling price	**$ 500,042**	$489,007	$483,036	$ 473,957	$464,085	$ 458,918	$ 452,325	$ 458,758
Number of units sold	**90,369**	83,663	81,513	78,896	75,841	76,207	75,918	79,263
Housing starts	**41,221**	37,568	38,059	33,269	32,590	34,466	35,493	44,190

[1] (in millions Canadian dollars)
Source: CREA, CMHC, TREB

FREE CASH FLOW

(in 000's) except per Share amounts	Three months ended December 31, 2024	Three months ended December 31, 2023	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Revenues	101,498	10,825	350,670	48,454
Expenses				
Commissions	(83,411)	–	(274,907)	–
Cost of other revenue	(714)	(193)	(5,150)	(1,031)
Operating Expenses	(12,204)	(5,482)	(41,932)	(22,044)
Interest on debt	(1,056)	(738)	(4,646)	(2,967)
Amortization of incentive payments	(134)	119	490	535
Current income tax expense	(592)	(642)	(2,907)	(3,396)
Lease payments	(1,105)	–	(3,276)	–
Additions to property and equipment and intangible assets	(463)	(116)	(1,528)	(873)
Repayment of contract transfer obligation and other	2	(156)	(4)	(604)
Free Cash Flow	$ 1,821	$ 3,617	$ 16,810	$ 18,074
Cash provided by operating activities	$ 1,803	$ 2,272	$ 17,099	$ 13,667
Dividends	$ 3,201	$ 3,201	$ 12,803	$ 12,803
Interest on Exchangeable Units	$ 2,726	$ 1,452	$ 9,628	$ 5,806
Net and comprehensive earnings (loss)	$ (9,632)	$ (1,039)	$ (10,322)	$ 3,997
Diluted earnings (loss) per Share	$ (1.02)	$ (0.11)	$ (1.09)	$ 0.42

ADJUSTED NET EARNINGS

The calculation of Adjusted Net Earnings for the Quarter and the Year is presented in the table below with comparative amounts for the Prior Year Quarter and the Prior Year.

(in 000's) except per Share amounts	Three months ended December 31, 2024	Three months ended December 31, 2023	Twelve months ended December 31, 2024	Twelve months ended December 31, 2023
Revenues	101,498	10,825	350,670	48,454
Expenses				
Commissions	(83,411)	–	(274,907)	–
Cost of other revenue	(714)	(193)	(5,150)	(1,031)
Operating Expenses	(12,204)	(5,482)	(41,932)	(22,044)
Interest on debt	(1,056)	(738)	(4,646)	(2,967)
Interest on lease obligation	(303)	–	(936)	–
Depreciation, amortization and impairment	(4,258)	(1,708)	(14,624)	(7,095)
Operating Income	$ (448)	$ 2,704	$ 8,475	$ 15,317
Income tax expense	35	(491)	(1,149)	(2,908)
Adjusted net earnings (loss)	$ (413)	$ 2,213	$ 7,326	$ 12,410
Adjusted net earnings (loss) per Share	$ (0.03)	$ 0.17	$ 0.49	$ 0.97

The table below presents a reconciliation of net and comprehensive earnings (loss), as presented in the consolidated statements of net and comprehensive earnings (loss), to Adjusted Net Earnings for the Quarter and the Year with comparative amounts for the Prior Year Quarter and the Prior Year.

(in 000's) except per Share amounts; Restricted Voting Shares outstanding; Exchangeable Units outstanding; Number of REALTORS®	**Three months ended December 31, 2024**	Three months ended December 31, 2023	**Twelve months ended December 31, 2024**	Twelve months ended December 31, 2023
Net and comprehensive earnings (loss)	**$ (9,632)**	$ (1,039)	**$ (10,322)**	$ 3,997
Add (deduct):				
Interest on Exchangeable Units	**2,726**	1,452	**9,628**	5,806
Loss on fair value of Exchangeable Units	**6,436**	1,364	**9,286**	1,098
Gain on settlement of deferred payments	**–**	–	**(1,224)**	–
Gain on settlement of contract transfer obligation	**–**	–	**(99)**	–
Loss on termination of lease	**45**	–	**45**	–
Loss on disposal of property and equipment	**12**	–	**12**	–
Loss on interest rate swap	**–**	436	**–**	1,386
Loss on debt facility amendment	**–**	–	**–**	122
Adjusted net earnings (loss)	**$ (413)**	$ 2,213	**$ 7,326**	$ 12,410
Adjusted net earnings (loss) per Share	**$ (0.03)**	$ 0.17	**$ 0.49**	$ 0.97

GLOSSARY OF TERMS

"Acquired Businesses" means the Brokerage Operations, the Manager and its subsidiaries and Proprio Direct acquired from Brookfield under the terms of the Transaction.

"Adjusted Net Earnings" means operating income minus income tax expense. Adjusted Net Earnings is used by the Company to measure the operating results of the Company on a fully-diluted basis excluding certain non-cash or non-recurring non-operating items that do not directly impact the ongoing operations of the Company. Adjusted Net Earnings is a non-GAAP financial measure and does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

"Adjusted Net Earnings per Share" means Adjusted Net Earnings divided by the total number of Restricted Voting Shares outstanding, on a diluted basis. Adjusted Net Earnings per Share is used by the Company to measure the operating results of the Company on a fully-diluted basis excluding certain non-cash or non-recurring non-operating items that do not directly impact the ongoing operations of the Company. Adjusted Net Earnings per Share is a non-GAAP financial measure and does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

"Agent Agreement" means the agreement under which a real estate Brokerage agrees to provide certain services to a sales representative in exchange for a fee, generally determined as a percentage of the Gross Revenue earned by the sales representative.

"Brands" means the real estate services brands owned or controlled by Bridgemarq namely, Royal LePage, Johnston & Daniel, Via Capitale, Proprio Direct and Les Immeubles Mont-Tremblant.

"Bridgemarq" means Bridgemarq Real Estate Services Inc., a corporation incorporated under the laws of the Province of Ontario.

"Broker" means a REALTOR® who is licensed with the relevant regulatory body to manage a Brokerage.

"Broker-Owner" means the individual or a controlling group of individuals who have entered into Franchise Agreements to provide services under the Royal LePage, Johnston & Daniel or Via Capitale brands and are licensed with the relevant regulatory body to manage a Brokerage.

"Brokerage" means a real estate brokerage company, usually owned or controlled by a Broker, which may operate one or more offices or divisions.

"Brokerage Operations" means the real estate brokerage operations of the Company operating under the Royal LePage®, Johnston & Daniel®, Via Capitale®, Proprio Direct® and Les Immeubles Mont-Tremblant Brands.

"Brookfield" means Brookfield BBP (Canada) L.P., a limited partnership governed by the laws of Ontario and a subsidiary of Brookfield Business Partners LP, together with its affiliates but excluding the Manager and the subsidiaries of the Manager.

"Canadian Market" means the real estate market in Canada.

"Company" means Bridgemarq, together with its subsidiaries.

"Exchangeable Units" means the Class B subordinated limited partnership units of the Partnership, of which 6,248,544 are outstanding as of the date hereof and were issued by the Partnership at the inception of the Company to an affiliate of Brookfield in partial consideration for the Partnership's acquisition of the assets of the Partnership from that affiliate and as consideration for the Transaction. The Exchangeable Units, except as otherwise noted, have economic and voting rights equivalent in all material respects to the Class A limited partnership units of the Partnership which are owned by Bridgemarq. The Exchangeable Units are indirectly exchangeable, on a one-for-one basis, subject to adjustment, for Restricted Voting Shares.

"Franchise" means a residential real estate Brokerage franchise operated pursuant to a Franchise Agreement with the Manager's comprehensive systems consisting of proprietary technological, marketing, promotional, communication and support systems.

"Franchise Agreements" means the franchise agreements and addendums thereto pursuant to which Brokerage offices offer residential brokerage services to their REALTORS®, including use of the Trademarks.

"Franchisees" means Brokerages which pay franchise fees under the Franchise Agreements.

"Franchise Network" means collectively the Royal LePage Network and the Via Capitale Network.

"Franchise Operations" means the franchise real estate services operations of the Company operating under the Royal LePage®, Johnston & Daniel® and Via Capitale® Brands.

"Free Cash Flow" means operating income before deducting interest on leases, depreciation and amortization and net impairment and write-off of intangible assets, minus current income tax expense, minus additions to property and equipment and intangible assets, minus repayment of contract transfer obligations, minus lease payments. Free Cash Flow is used by the Company to measure the amount of cash generated from operations which is available to the Company's shareholders and holders of Exchangeable Units, subject to working capital and other investment requirements. Free Cash Flow is a non-GAAP financial measure and does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

"Free Cash Flow per Share" means Free Cash Flow divided by the number of outstanding Restricted Voting Shares on a diluted basis where such dilution represents the total number of shares of the Company that would be outstanding if holders of Exchangeable Units converted those Units into Restricted Voting Shares. Free Cash Flow per Share is a non-GAAP financial ratio and does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

"General Partner" means Residential Income Fund General Partner Limited, a corporation incorporated under the laws of the Province of Ontario to be the general partner of the Partnership and a subsidiary of Bridgemarq.

"Gross Revenue" means, in respect of a Franchisee, the gross commission income (net of payments to cooperating Brokerages) earned in respect of the closings of residential resale real estate transactions through REALTORS® associated with such Franchisee.

"International Financial Reporting Standards" or **"IFRS"** means a set of accounting standards developed by an independent, not-for-profit organization called the International Accounting Standards Board (IASB). IFRS is a global framework that provides general guidance for the preparation of financial statements and its disclosure to the public to convey measurable and comparable financial information.

"Management Services Agreement" or **"MSA"** means the fourth amended and restated management services agreement, made effective November 6, 2018, together with any amendments thereto, between the Company and the Manager pursuant to which, among other things, prior to the completion of the Transaction, the Manager provided management and administrative services to the Company including management of the assets of the Company.

"Manager" means Bridgemarq Real Estate Services Manager Limited, a corporation incorporated under the laws of the Province of Ontario and a subsidiary of Bridgemarq. Prior to the completion of the Transaction, the Manager was a subsidiary of Brookfield and provided management and administrative services to the Company, including management of the assets of the Company.

"Network" means the collection of Brokerages and REALTORS® which operate under one of the Brands controlled by the Company.

"Partnership" means Residential Income Fund L.P., a limited partnership established under the laws of the Province of Ontario, and a subsidiary of Bridgemarq.

"Proprio Direct" means Proprio Direct Inc., a corporation incorporated under the laws of Canada which operates a real estate brokerage in the Province of Québec, and a subsidiary of Bridgemarq.

"REALTOR®" and **"REALTORS®"** are the exclusive designation for a member/members of The Canadian Real Estate Association and are defined as an individual/group of individuals licensed to trade in real estate.

"Restricted Voting Share(s)" means the restricted voting shares in the capital of Bridgemarq.

"Royal LePage" means a nationally recognized real estate Brand controlled by the Company.

"Royal LePage Network" means the network of Franchisees operating under the Royal LePage and Johnston & Daniel Brands.

"Share" means a Restricted Voting Share on a diluted basis, where such dilution represents the total number of shares of the Company that would be outstanding if holders of Exchangeable Units converted their Exchangeable Units into Restricted Voting Shares.

"Special Voting Share" means the share of Bridgemarq issued to the holder of the Exchangeable Units to represent voting rights in Bridgemarq proportionate to the number of votes the Exchangeable Unitholder would obtain if they converted their Exchangeable Units to Restricted Voting Shares.

"SEDAR+" means the System for Electronic Data Analysis and Retrieval +, a Canadian mandatory document filing and retrieval system for all Canadian public companies where documents such as prospectuses, financial statements and material change reports are filed and are accessible by the public to further the goal of transparency and full disclosure.

"Team" means a group of REALTORS® who work together and market themselves as part of a team rather than as individual REALTORS®.

"Trademarks" means the trade-mark rights related to Bridgemarq's business.

"Transaction" means the transaction under which the Company acquired certain real estate brokerage operations of Brookfield, internalized the management of the Company and settled certain deferred payments owing to Brookfield as further described in Acquisition of Real Estate Brokerages and Internalization of Management.

"Via Capitale" means a real estate Brand controlled by the Company which operates primarily in the province of Québec.

"Via Capitale Network" means the network of Franchisees operating under the Via Capitale Brand.

"VCLP" means 9120 Real Estate Network, L.P./Réseau Immobilier 9120 S.E.C., a limited partnership established under the laws of the Province of Québec, and a subsidiary of Bridgemarq.

INDEPENDENT AUDITOR’S REPORT

To the Shareholders and Board of Directors of Bridgemarq Real Estate Services Inc.

OPINION

We have audited the consolidated financial statements of Bridgemarq Real Estate Services Inc. (the “Company”), which comprise the consolidated balance sheets as at December 31, 2024 and 2023, and the consolidated statements of net and comprehensive earnings (loss), changes in shareholders’ deficit and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively, referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Business Combination – Refer to Note 3 of the Financial Statements

Key Audit Matter Description

On March 31, 2024, the Company acquired 100% of the outstanding shares of Bridgemarq Real Estate Services Manager Limited and Proprio Direct Inc. from Brookfield BBP (Canada) Holdings L.P and recognized the assets acquired and the liabilities assumed at fair value, including intangible assets for agent contracts and brands (“intangible assets”).

In determining the fair value of the intangible assets, management was required to make assumptions around the forecasted cash flows, future margins, future growth rates, future agent attrition and discount rates.

While there are several estimates and assumptions that are required to determine the fair value of the intangible assets, the estimates with the highest degree of subjectivity are forecasted revenues and discount rates. This required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Key Audit Matter was Addressed in the Audit

Our audit procedures related to the forecasted revenues and discount rates used to determine the fair value of the intangible assets included the following, among others:

- Evaluated the reasonableness of the forecasted revenues through consideration of the following:
    - o Historical results of the acquired businesses;
    - o Industry reports that are publicly available; and
    - o Actual results of the acquired businesses post-acquisition.

With the assistance of fair value specialists, evaluated the reasonableness of the discount rates by testing the source information underlying the determination of the discount rates and developing a range of independent estimates and comparing those to the discount rates used by management.

Intangible Assets – Valuation of Franchise Agreements — Refer to Note 9 of the financial statements.

Key Audit Matter Description

The Company's evaluation of the Franchise Agreements for impairment involves the comparison of the recoverable amounts of the Franchise Agreements to their carrying amounts. An impairment charge is recorded when the carrying amount exceeds the recoverable amount. The Company uses a discounted cash flow model to estimate the recoverable amounts of its Franchise Agreements. This requires management to make significant estimates and assumptions around future cash flows and other forward-looking information.

While there are several estimates and assumptions that are required to determine the recoverable amounts of the Franchise Agreements, the estimates with the highest degree of subjectivity are the probability of franchise renewal, forecasts of future revenues from Franchise Agreements and discount rates. Performing audit procedures to evaluate the reasonableness of these estimates required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the probability of franchise renewal, forecasts of future revenues from Franchise Agreements and discount rates used by management to determine the recoverable amounts of the Franchise Agreements included the following, among others:

- Evaluated the reasonableness of management's assessment of the probability of franchise renewal used in the future cash flows through consideration to historical renewal experience and market factors.
- Evaluated management's ability to accurately forecast future revenues by comparing actual results to management's historical forecasts.
- Evaluated the reasonableness of management's forecasts of future revenues from Franchise Agreements through consideration of the following:
  - o Historical revenues; and
  - o Trends in industry reports.
- With the assistance of fair value specialists, evaluated the reasonableness of the discount rates by testing the source information underlying the determination of the discount rates and developing a range of independent estimates and comparing those to the discount rates used by management.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

INDEPENDENT AUDITOR'S REPORT

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Terng Chen.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
March 17, 2025

CONSOLIDATED BALANCE SHEETS

As at, (In thousands of Canadian dollars)	Note	December 31, 2024	December 31, 2023
Assets			
Current assets			
Cash		**$ 9,088**	$ 5,743
Cash held in trust		**35,467**	–
Accounts receivable	5	**5,692**	3,494
Current portion of notes receivable	6	**145**	287
Current income tax receivable	11	**155**	85
Prepaid expenses and other current assets		**3,326**	805
		53,873	10,414
Non-current assets			
Notes receivable	6	**210**	61
Property and equipment	7	**2,273**	–
Right-of-use assets	8	**19,500**	–
Deferred income tax asset	11	**9,823**	6,232
Intangible assets	9	**48,140**	48,185
Goodwill	10	**23,626**	–
		$ 157,445	$ 64,892
Liabilities and shareholders' deficit			
Current liabilities			
Accounts payable and accrued liabilities		**$ 16,837**	$ 1,407
Customer deposits		**35,467**	–
Lease liabilities	8	**3,000**	–
Interest payable to Exchangeable Unitholders	14	**909**	484
Dividends payable to shareholders	16	**1,067**	1,067
Exchangeable Units	14	**93,916**	–
Contract transfer obligation	4	**–**	356
		151,196	3,314
Non-current liabilities			
Debt facilities	12	**66,904**	67,022
Lease liabilities	8	**17,251**	–
Deferred income tax liability	11	**2,339**	–
Deferred payments	3	**–**	6,235
Contract transfer obligation	4	**–**	1,616
Exchangeable Units	14	**–**	43,825
		237,690	122,012
Shareholders' deficit			
Restricted voting shares	16	**140,076**	140,076
Deficit		**(220,321)**	(197,196)
		(80,245)	(57,120)
		$ 157,445	$ 64,892

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board

Gail Kilgour
Director

Lorraine Bell
Director

CONSOLIDATED STATEMENTS OF NET AND COMPREHENSIVE EARNINGS (LOSS)

Years ended December 31, (In thousands of Canadian dollars, except share and per share amounts)	Note	2024	2023
Revenues			
Gross commission income		$ 288,360	$ –
Franchise fees		44,994	44,845
Other revenue		17,316	3,609
		350,670	48,454
Expenses			
Commissions		274,907	–
Cost of other revenue		5,150	1,031
Compensation		21,158	–
General and administration	5,17	6,288	2,885
Software, hosting and licensing		3,570	–
Premises		2,387	–
Marketing and communications		2,296	–
Other operating		1,491	–
Management fees	4,17	4,742	19,159
Interest on debt	4,12,17	4,646	2,967
Interest on lease obligation		936	–
Impairment and write-off of intangible assets	9	2,629	201
Depreciation and amortization	7,8,9	11,995	6,894
		342,195	33,137
Operating income		8,475	15,317
Interest on Exchangeable Units	14	(9,628)	(5,806)
Loss on fair value of Exchangeable Units	14	(9,286)	(1,098)
Gain on settlement of deferred payments	4,13	1,224	–
Gain on settlement of contract transfer obligation	4	99	–
Loss on termination of lease		(45)	–
Loss on disposal of property and equipment		(12)	–
Loss on interest rate swap		–	(1,386)
Loss on debt facility amendment		–	(122)
Earnings (loss) before income tax		(9,173)	6,905
Current income tax expense	11	2,907	3,396
Deferred income tax recovery	11	(1,758)	(488)
Income tax expense	11	1,149	2,908
Net and comprehensive earnings (loss)		$ (10,322)	$ 3,997
Basic earnings (loss) per share	16	$ (1.09)	$ 0.42
Weighted average number of shares outstanding used in computing basic (loss) earnings per share		9,483,850	9,483,850
Diluted earnings (loss) per share	16	$ (1.09)	$ 0.42
Weighted average number of shares outstanding used in computing diluted earnings (loss) per share		15,022,126	9,483,850

See accompanying notes to the consolidated financial statements.

STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

(In thousands of Canadian dollars)	Restricted Voting Shares	Deficit	Shareholders' Deficit
Balance, December 31, 2023	$ 140,076	$ (197,196)	$ (57,120)
Net loss	–	(10,322)	(10,322)
Dividends paid	–	(12,803)	(12,803)
Balance, December 31, 2024	**$ 140,076**	**$ (220,321)**	**$ (80,245)**

(In thousands of Canadian dollars)	Restricted Voting Shares	Deficit	Shareholders' Deficit
Balance, December 31, 2022	$ 140,076	$ (188,390)	$ (48,314)
Net earnings	–	3,997	3,997
Dividends paid	–	(12,803)	(12,803)
Balance, December 31, 2023	**$ 140,076**	**$ (197,196)**	**$ (57,120)**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, (In thousands of Canadian dollars)	Note	**2024**	2023
Cash provided by:			
Operating activities			
Net earnings (loss) for the year		**$ (10,322)**	$ 3,997
Adjusted for			
Loss on fair value of Exchangeable Units	14	**9,286**	1,098
Interest expense	9	**15,210**	9,143
Interest paid		**(13,447)**	(9,406)
Interest income		**(1,526)**	(404)
Interest received		**1,526**	404
Current income tax expense	11	**2,907**	3,396
Income taxes paid		**(2,909)**	(3,500)
Deferred income tax recovery	11	**(1,758)**	(488)
Impairment and write-off of intangible assets	9	**2,629**	201
Depreciation and amortization	7,8,9	**12,485**	7,429
Gain on settlement of deferred payments		**(1,224)**	–
Gain on settlement of contract transfer obligation		**(99)**	–
Loss on termination of lease		**45**	–
Loss on disposal of property and equipment		**12**	–
Loss on interest rate swap	12	**–**	1,386
Loss on debt facility amendment	12	**–**	122
Net changes in non-cash working capital		**4,284**	289
		17,099	13,667
Investing activities			
Additions to property and equipment and intangible assets		**(1,528)**	(873)
Cash acquired on acquisition	3	**4,015**	–
Repayment of contract transfer obligation	4	**(4)**	(604)
		2,483	(1,477)
Financing activities			
Financing fees	12	**(158)**	(63)
Lease payments	8	**(3,276)**	–
Dividends paid to shareholders	16,18	**(12,803)**	(12,803)
		(16,237)	(12,866)
Increase (decrease) in cash during the year		**3,345**	(676)
Cash, beginning of the year		**5,743**	6,419
Cash, end of the year		**$ 9,088**	$ 5,743

See accompanying notes to the consolidated financial statements.

1. ORGANIZATION

Bridgemarq Real Estate Services Inc. ("Bridgemarq" and, together with its subsidiaries the "Company"), is incorporated under the *Ontario Business Corporations Act.* Bridgemarq is listed on the Toronto Stock Exchange ("TSX") under the symbol "BRE". The registered and head office of the Company is located at 39 Wynford Drive, Suite 200, Toronto, Ontario, M3C 3K5. Through its ownership interest in Residential Income Fund L.P. (the "Partnership"), Bridgemarq owns certain real estate brokerage operations ("Brokerages"), franchise agreements ("Franchise Agreements") and Trademark Rights ("Trademarks") of residential real estate brands in Canada.

Bridgemarq directly owns a 61.5% interest in the Partnership which, in turn, directly or indirectly owns 100% of the following entities:

9120 Real Estate Network, L.P. ("VCLP").
Proprio Direct Inc.
Bridgemarq Real Estate Services Manager Limited ("BRESML" or the "Manager")
10572314 Canada Inc.
9106-2083 Quebec Inc.
9106-1496 Quebec Inc.
9333-0868 Quebec Inc.
9371-7536 Quebec Inc.
9120-5583 Quebec Inc.
Credit Valley Real Estate Inc.
RLPS GP Inc.
RLPS Limited Partnership
Royal LePage Real Estate Services Ltd.
Sequel Realty Ltd.

In addition, Bridgemarq directly owns a 75% interest in the general partner of the Partnership, Residential Income Fund General Partner Limited ("RIFGP").

Brookfield BBP (Canada) Holdings L.P ("BBP"), a subsidiary of Brookfield Business Partners L.P, owns the remaining 38.5% interest in the Partnership through its ownership of exchangeable units of the Partnership (the "Exchangeable Units"), the remaining 25% interest in RIFGP through its ownership of 25 common shares in RIFGP and one special voting share of Bridgemarq. The special voting share entitles BBP to a number of votes at any meeting of the restricted voting shareholders equal to the number of restricted voting shares that would be obtained upon the exchange of all the Exchangeable Units held by the holder. In addition, BBP indirectly owns 315,000 restricted voting shares.

On March 31, 2024, the Company completed the acquisition of 100% of the outstanding shares of BRESML and Proprio Direct Inc. ("Proprio Direct") which were previously owned by BBP (the "Acquisition").

As a result of the Acquisition, effective March 31, 2024, the Company has two operating segments.

The brokerage operations ("Brokerage Operations") operates full service real estate brokerage locations in British Columbia, Ontario and Quebec. The Brokerage Operations provide services to real estate sales representatives to support them in assisting businesses or residential customers who wish to buy or sell residential or commercial real estate in Canada.

The franchise services operations (the "Franchise Operations") provides real estate support services to real estate brokerages and their real estate sales representatives across Canada.

Certain costs associated with the oversight of the Brokerage Operations and the Franchise Operations which are not reasonably allocable to those segments are included as unallocated costs. These include, among other expenses and services, certain executive compensation costs, public company expenses and directors' fees.

Prior to the Acquisition, the Company received certain management, administrative and support services from BRESML which was acquired as part of the Acquisition (see Note 3 – Acquisition of Brokerage Operations and the Manager). The Partnership is party to an amended and restated Management Services Agreement (the "MSA") with BRESML which governs the relationship between BRESML and the Company. The MSA has an initial term of ten-years expiring on December 31, 2028. As a result of the Acquisition, the MSA is no longer relevant and is eliminated on the consolidation of the operating results of BRESML into the Company as of April 1, 2024.

2. MATERIAL ACCOUNTING POLICIES

Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board® have been authorized for issuance by the Board of Directors of Bridgemarq on March 17, 2025.

The consolidated financial statements have been prepared on a going concern basis and include the accounts of the Company.

Cash

Cash, and cash equivalents, comprise cash on hand and cash equivalents. Cash equivalents are short-term (generally with a maturity of three months or less) highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash equivalents are held for meeting short-term cash requirements and not for investment purposes.

Cash Held in Trust

Cash held in trust represents customer deposits held in trust accounts established pursuant to provincial regulations. The Company recognizes a corresponding customer deposit liability until the funds are released upon settlement of a real estate transaction.

Accounts Receivable and Notes Receivable

Accounts receivables and notes receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for uncollectable amounts.

Leases

The Company leases its operating premises and certain office equipment. Right-of-use assets represent the Company's right to use an underlying asset for the term of the lease and lease liabilities represent the Company's obligation to make lease payments under the terms of the lease. At the commencement of a lease arrangement, the Company records a liability for its lease obligation measured at the present value of the future lease payments adjusted for lease incentives and a right-of-use asset equal to the lease liability, adjusted for any prepayments and lease incentives received. The lease obligation is determined with reference to the term of the lease. Some leases include one or more options to renew or terminate the lease. The exercise of a lease renewal or termination option is assessed at the commencement of the lease and is reflected in the lease term if it is reasonably certain that the option will be exercised. The interest on the lease obligation is recorded as interest expense on lease obligation and recognized using the effective interest method over the term of the lease. Upon termination of a lease, the carrying amount of the right-of-use asset is derecognized and any gain or loss is recognized in the consolidated statement of net and comprehensive earnings (loss).

In addition to the contractual rental payments owing under individual lease agreements used in determining the cost amount of right-of-use assets, the Company may be obligated to pay other ancillary costs associated with the leased assets. These include utilities at leased premises, operating costs and operating escalation, property taxes, cleaning services and maintenance for leased assets. These expenses which are not reflected in the carrying value of right-of-use assets are charged to the consolidated statement of net and comprehensive earnings (loss) as they are incurred.

Property and Equipment

Property and equipment includes furniture, fixtures, office equipment and leasehold improvements. Property and equipment are recorded at their initial cost, less accumulated depreciation. Depreciation expense on property and equipment is based on the estimated useful lives of the related assets which range from 3-5 years. Leasehold improvements are amortized over the lower of their estimated useful life or the term of the underlying lease.

Intangible Assets

Intangible assets, consist of sales representative contracts between brokerages and their sales agents ("Agent Agreements"), Franchise Agreements, Trademarks, brands ("Brands") and franchise agreement expenses and are accounted for using the cost method. Brands are recorded at initial cost less accumulated impairment losses and are not amortized as they are considered to have an indefinite useful life. All other intangible assets are recorded at initial cost less accumulated amortization and accumulated net impairment losses.

Agent agreements, while short-term in nature, are subject to a very high rate of renewal and are amortized on a straight-line basis over a five-year period. Franchise and other Agreements are amortized over the term of the agreements plus one renewal period using the straight-line method on an agreement-by-agreement basis. Trademarks are amortized on a straight-line basis over their expected useful lives of 30 years.

Franchise agreement expenses may be incurred prior to or concurrent with entering into Franchise Agreements and may include direct payments to franchisees or prospective franchisees as well as contract specific legal costs. The Company may also provide fee rebates to franchisees under certain circumstances. These costs and rebates (net of any amounts recovered from franchisees) are capitalized on an agreement-by-agreement basis and amortized over the same term as the agreement to which they relate or, where the underlying agreement is less than a year, charged to the consolidated statement of net and comprehensive earnings (loss). The amortization charge for these fee rebates and any franchise agreement expenses represented by cash payments or rebates to franchisees is recorded as a reduction in revenues.

The Company reviews intangible assets each reporting period to determine whether indicators of impairment or a reversal of impairment exists on Agent Agreements, Franchise Agreements and Trademarks. Brands are reviewed annually or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. When reviewing for indicators of impairment or reversal of impairment of Agent Agreements and Franchise Agreements, the Company considers certain factors including, the financial performance of the underlying business, revenues earned, term to maturity of the relevant agreement, historical REALTOR® count, collectability of receivables, estimated future revenues expected to be earned and underlying market conditions. Where indicators of impairment exist, the Company recognizes impairment charges if the carrying amount of an Agent Agreement or Franchise Agreement exceeds its recoverable amount (recoverable amount is determined as the higher of a) estimated fair value less costs of disposal and b) value-in-use). Where the counterparties of one or more Franchise Agreements combine their operations by way of a merger, acquisition or other combination subsequent to entering into the initial Franchise Agreement, the carrying value of the underlying intangible assets are combined for purposes of evaluating impairment. Under the terms of the MSA, management fees were not directly allocable to individual Franchise Agreements but, rather, were considered on an aggregate basis for purposes of evaluating impairment on the total portfolio of Franchise Agreements. As a result of the Acquisition and direct ownership of the Manager, the operating costs of the Manager are now allocated to individual Franchise Agreements for purposes of evaluating impairment.

If the carrying value of the intangible asset exceeds the recoverable amount, the intangible asset is written down to the recoverable amount and an impairment loss is charged to the consolidated statement of net and comprehensive loss in the period. When an intangible asset has been previously written down to its recoverable amount as a result of recording an impairment loss and the conditions causing such an impairment loss have become more favourable, the previously recorded impairment loss may be reversed. Where an impairment loss is reversed, the carrying value of the intangible asset is increased to its revised recoverable amount (the lesser of a) the revised estimate of its recoverable amount, and b) the carrying amount that would have been recorded had no impairment loss been recognized previously) and an impairment reversal is recognized as income in the period.

Intangible assets subject to early termination or non-renewal, are written off in the period of termination or when non-renewal becomes reasonably assured.

Goodwill

Goodwill represents the excess of consideration paid over the fair value of the net tangible assets and identifiable intangible assets acquired in the Acquisition. Goodwill is not amortized, but is subject to impairment testing annually, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. The impairment assessment is performed at the individual brokerage level.

The assessment of goodwill impairment compares the carrying value of each cash generating unit, including the carrying value of the related goodwill to its respective recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. Where the carrying value of the goodwill is in excess of its recoverable amount, an impairment charge for the excess is recorded in the Company's consolidated statements of net and comprehensive earnings (loss).

In determining the fair value less costs of disposal, the fair value of each cash-generating unit is estimated using the income approach, a discounted cash flow method. The fair value less costs of disposal of the Company's cash-generating units is determined utilizing the Company's annual operating plans, and long-term cash flow forecasts (including best estimates of future revenues and operating expenses, including commission expense) and terminal value assumptions as well as market and general economic conditions, trends in the industry. In addition, management uses other assumptions that management believes are reasonable including discount rates, cost of capital, trademark royalty rates, and long-term growth rates.

Revenue Recognition

Brokerage Operations

Gross commission income of the Brokerage Operations is recognized at the point in time when a real estate transaction is closed and finalized by the REALTOR® and/or a lease is signed by the vendor or lessor. The commission expense that the Company pays to REALTORS® is recognized concurrently with the associated revenue.

Other revenues earned by the Brokerage Operations include amounts received from brokerages to conduct advertising campaigns and amounts received from REALTORS® for miscellaneous services provided by the brokerages such as rent and deal processing. Other revenue is recognized at the time when the service is provided to the REALTOR®. The direct costs associated with other revenues are recorded as cost of other revenue in the consolidated statements of net and comprehensive earnings (loss).

Franchise Operations

Certain of the information and services provided to REALTORS® and real estate brokers (the "Service Offering") are provided in exchange for franchise fees received from franchisees. Franchisees who pay franchise fees under the Franchise Agreements cannot elect to purchase any service under the Service Offering individually or on a stand-alone basis.

Franchise fees include franchise fees which have both fixed and variable components. Fixed franchise fees are payable to the Company as a fixed monthly amount per REALTOR® and are recognized over time, which is when the control of the services and the right to use the Trademarks are transferred to the customer. Variable franchise fees are payable to the Company based on a percentage of a REALTORS®'s gross commission income earned on a transaction, subject to a cap, and are recognized at the point in time when a residential real estate transaction is closed and finalized by the REALTOR® and/or a lease is signed by the vendor or lessor.

In addition to the Service Offering, the Franchise Operations provides certain ancillary services to franchisees which can be purchased or utilized at the option of the franchisee independent of the Service Offering. These revenues include registration and attendance fees charged for awards, networking and other events, referral fees charged to external companies, lead management services provided to franchisees and other miscellaneous revenues. These revenues are recognized at the time the Company has completed its obligation under the relevant agreement or arrangement. The direct costs associated with lead management and other revenues are recorded as cost of other revenue in the consolidated statements of net and comprehensive earnings (loss).

The Company's revenues are affected by the seasonality of Canadian real estate markets, which historically have seen stronger transactional dollar volumes in the second and third quarters of each year. Recently, these seasonality patterns have not been consistent with these historical patterns and there can be no certainty that these historical seasonality patterns will recur in any future year.

Exchangeable Units

Exchangeable Units represent the future distribution obligation of the Company in respect of Class B LP units of the Partnership, and are convertible, on a one-for-one basis, subject to adjustment, into restricted voting shares of Bridgemarq. These financial instruments are classified as a financial liability under IAS 32 as conversion is at the option of the holder as well as by virtue of the Partnership Agreement, whereby the Partnership is required to distribute all of its income to the partners. The Company records any changes in the fair value of the Exchangeable Units through net and comprehensive earnings in the period the change occurs. The fair value of these financial liabilities is based on the market price of Bridgemarq's restricted voting shares and the number of Exchangeable Units outstanding at the reporting date. Under certain amendments to IAS 1 "Presentation of Financial Statements" issued by the International Accounting Standards Board in October 2022, a company can classify a liability as non-current only if it has the right to defer settlement of that liability for a period of at least twelve months after the reporting date. Under the terms of the Exchangeable Units, the Company cannot defer the conversion of the Exchangeable Units into restricted voting shares if such conversion is requested by the holder of the Exchangeable Units. As such, effective January 1, 2024, the Company must classify the Exchangeable Units as a current liability notwithstanding the fact that the Company considers the Exchangeable Units to represent equity in the Company and that they can only be settled through the issuance of restricted voting shares of Bridgemarq and not through the payment of cash.

Income Taxes

Current income tax assets are measured at the net amount expected to be recovered from tax authorities based on the tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred income tax assets or liabilities are determined using the liability method on temporary differences between the tax bases and the carrying amounts of assets and liabilities. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, if any, to the extent that it is probable that deductions, tax credits and tax losses will be utilized to reduce taxes owing in future periods. The carrying amount of deferred income tax assets is reviewed periodically and reduced to the extent it is no longer probable that the income tax asset will be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability settled, based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Earnings Per Share

Earnings per share is based on the weighted average number of shares outstanding during the year. Diluted earnings per share is calculated to reflect the dilutive effect, if any, of the Exchangeable Unitholders exercising their right to exchange Class B LP units of the Partnership into restricted voting shares of Bridgemarq.

Financial Instruments

The Company classifies its financial instruments as follows:

Financial Statement Item:	Classification:	Measurement:
Cash	Amortized Cost	Amortized Cost
Accounts receivable	Amortized Cost	Amortized Cost
Notes receivable	Amortized Cost	Amortized Cost
Accounts payable and accrued liabilities	Amortized Cost	Amortized Cost
Interest payable to Exchangeable Unitholders	Amortized Cost	Amortized Cost
Dividends payable to shareholders	Amortized Cost	Amortized Cost
Debt facilities	Amortized Cost	Amortized Cost
Exchangeable Units	FVTPL	Fair Value

Critical Judgements and Estimates

The preparation of financial statements requires management to select appropriate accounting policies and to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In particular, critical accounting policies and estimates utilized in the normal course of preparing the Company's consolidated financial statements require the determination of cash generating units, the estimation of future cash flows utilized in assessing the fair value and related net impairment or recovery of intangible assets and goodwill, assessing the recoverability of accounts receivable, measuring deferred income taxes, measuring the fair value of the Exchangeable Units and measuring fair values of assets and liabilities used for disclosure purposes.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates have been applied in a manner consistent with prior periods. Estimates used in the preparation of our financial statements including those associated with evaluations of intangible assets and collectability of accounts receivable may be subject to significant adjustments in future periods. The estimates are impacted by, among other things, movements in interest rates, changes in Canadian housing markets, other changes in the Canadian economy and cash flow forecasts, which are judgements and are uncertain. The interrelated nature of these factors prevents the Company from quantifying the overall impact of these movements on the Company's consolidated financial statements as, the estimates used by the Company may not be indicative of actual results. These sources of estimation uncertainty relate in varying degrees to virtually all asset and liability account balances.

The following are the critical judgements that have been made in applying the Company's accounting policies and that have the most significant effect on the amounts in the consolidated financial statements:

Forward Looking Information for Accounts Receivable and Notes Receivable
The measurement of estimated credit losses for accounts receivable and notes receivable and the assessment of increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement and is uncertain. In assessing the valuation of accounts receivable, the Company evaluates each franchisee's historical payment patterns, the current financial health of the franchisee and expected or possible changes in future events or market conditions to determine whether an allowance for doubtful accounts should be recorded or reversed.

Impairment of Intangible Assets and Recovery of Impairment
The Company ensures that the carrying value of intangible assets is not higher than its recoverable amount (i.e. the higher of: a) fair value less costs of disposal; and. b) value-in-use). The Company reviews intangible assets at each reporting period to determine whether indicators of impairment or a reversal of impairment exist on Agent Agreements, Franchise Agreements, franchise agreement expenses and Trademarks, while Brands are reviewed annually. Determining whether the value of an intangible asset is impaired or has increased requires considerable judgement. When reviewing indicators for impairment or recovery of previously impaired intangible assets, the Company considers certain factors including; the financial performance of the underlying business, revenues earned, term to maturity of relevant contractual arrangements, historical agent count, collectability of receivables, estimated future revenues expected to be earned and underlying market conditions. The estimation of future cash flows and other forward-looking information requires significant judgement and is highly uncertain.

Impairment of Goodwill
The Company annually reviews the carrying value of goodwill to determine if there is any impairment. Determining whether the value of goodwill is impaired requires considerable judgement. The assessment of impairment involves the use of accounting estimates and assumptions, changes in which could result in material differences between the actual financial condition or operating performance of the underlying business compared to the financial condition or operating performance implied using such estimates and assumptions. Furthermore, significant negative industry or economic trends, disruptions to the business, unexpected significant changes or planned changes in use of the assets, a decrease in business results, growth rates that fall below management's assumptions, divestitures, or a significant loss in the number of sales representatives at a given brokerage may have a negative effect on the fair values and key valuation assumptions. The estimation of future cash flows and other forward-looking information requires significant judgement and is highly uncertain.

Fair Value of Assets and Liabilities in a Business Combination
On March 31, 2024, the Company acquired the shares of BRESML and Proprio Direct. The fair value of assets acquired and liabilities assumed in a business combination are estimated based on information available at the date of acquisition and involves considerable judgement in determining the fair values assigned to property and equipment and intangible assets acquired and liabilities assumed as a result of the Acquisition. The determination of these fair values involves analysis including the use of discounted cash flow models, estimated future margins, future growth rates and estimated future customer attrition. There is measurement uncertainty inherent in this analysis, particularly in the fair value measurement of contingent consideration, and actual results could differ from estimates.

Standards and Interpretations Not Yet Adopted

On April 4, 2024, the International Accounting Standards Board published IFRS 18 "Presentation and Disclosure in Financial Statements" that will replace IAS 1 "Presentation of Financial Statements. IFRS 18 includes a number of changes including, among other things, prescribed sub-totals and classifications in the financial statements, guidance on whether information should be included in the financial statements or the notes to those financial statements and the introduction of disclosures on management-defined performance measures (MPMs), which include both financial and non-financial performance measures. The Company is currently assessing the impact of this standard as the implementation of IFRS 18 is expected to significantly affect the presentation of the Company's financial statements. This standard will be effective for annual reporting periods beginning on or after January 1, 2027.

On May 30, 2024, the IASB issued amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures". The amendments are intended to, among other things, clarify the date of recognition and derecognition of some financial assets and liabilities, clarify and add additional guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion and add new disclosures for instruments with contractual terms that can change cash flows (including those with Environmental, Social, and Governance (ESG)-linked features). The IASB also updated the disclosure requirements relating to equity instruments designated at fair value through other comprehensive income (FVOCI) and added disclosure requirements for financial instruments with contingent features. The amendments will be effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently assessing the impacts to the consolidated financial statements.

(Expressed in thousands of Canadian dollars, unless stated otherwise)

3. ACQUISITION OF BROKERAGE OPERATIONS AND THE MANAGER

On March 31, 2024, the Company completed the Acquisition and settled certain deferred payments owing to BBP. The Acquisition was completed by way of a purchase of the outstanding shares of BRESML and Proprio Direct from BBP and results in the company diversifying into the real estate brokerage business and simplifying its management structure.

Under the regulations of the Toronto Stock Exchange, the Company was required to obtain approval of the transaction from the holders of restricted voting shares who are independent of BBP. This approval was obtained on March 25, 2024. The Company incurred costs of $956 (2023 – $1,530) to negotiate the Acquisition and to obtain the necessary shareholder and regulatory approvals. These transaction-related costs were charged to the consolidated statement of net and comprehensive earnings (loss) as general and administration expenses and included the cost of legal advisors and financial advisors and, incremental fees paid to directors of the Company who evaluated the terms of the Acquisition and other costs.

Consideration to acquire these assets consisted of 2,856,792 Exchangeable Units, with a value of $39,909 based on the closing price of Bridgemarq's restricted voting shares on March 28, 2024 and a cash payment of $131 on June 26, 2024 to reflect the excess of the actual working capital acquired over the working capital estimated balances used at the time of closing the Acquisition. The settlement of the deferred payments to BBP was completed by way of the issuance of 64,085 Exchangeable Units on March 31, 2024 with a value of $895.

The Company has accounted for the Acquisition using the acquisition method in accordance with IFRS 3 Business Combinations and the results of the acquired businesses are consolidated with those of the Company from April 1, 2024.

The identifiable assets and liabilities acquired in the transaction are as follows:

Fair value of Exchangeable Units issued	$	39,909
Cash paid for working capital adjustment	$	131
Less:		
Cash acquired		(4,146)
Settlement of pre-existing relationships		2,432
Net Consideration	$	38,326
Cash held in trust	$	52,367
Accounts receivable		3,091
Other current assets		4,246
Property and equipment		2,599
Other non-current assets		217
Right-of-use assets		19,034
Deferred income taxes, net		(539)
Intangible assets		18,940
Goodwill		23,626
Accounts payable and accrued liabilities		(13,883)
Customer deposits		(52,367)
Lease liabilities		(19,005)
Net assets acquired	$	38,326

The valuation of the net assets acquired as a result of the Acquisition are based on the Company's provisional assessment of their fair values. The fair value of the financial assets acquired includes accounts receivable with a fair value that approximates its gross contractual cash flows expected to be collected. The value of net assets acquired may be subject to further adjustment.

Management has assessed that none of the goodwill acquired in the Acquisition will be deductible for income tax purposes.

The operating results of BRESML and Proprio Direct are included in the consolidated statement of net and comprehensive earnings (loss) from April 1, 2024. On a pro forma basis, had the Acquisition of BRESML and Proprio Direct been completed on January 1, 2024, the additional revenue and net earnings available to common shareholders for the three months ended March 31, 2024 would have increased by $56,779 and $1,030, respectively. For the nine months ended December 31, 2024, the statement of net earnings and comprehensive earnings (loss) reflect revenues generated by the operations acquired as a result of the Acquisition of $300,012 and a net loss available to holders of Restricted Voting Shares of $2,008.

(Expressed in thousands of Canadian dollars, unless stated otherwise)

4. MANAGEMENT SERVICES AGREEMENT

Under the terms of the MSA, the Manager provides certain management, administrative and support services to the Company. As a result of the Acquisition, the MSA is no longer relevant and is eliminated on the consolidation of the operating results of BRESML into the Company as of April 1, 2024.

The monthly fee payable to the Manager was equal to a fixed management fee of $840 plus a variable management fee equal to a) the greater of i) 23.5% of the distributable cash (as defined in the MSA) of the Company before management fees or ii) 0.342% of the market value of the restricted voting shares on a diluted basis for the first five years of the term of the MSA, and b) the greater of i) 25% of the distributable cash (as defined in the MSA) of the Company before management fees or ii) 0.375% of the market value of the restricted voting shares on a diluted basis thereafter.

For the three months ended March 31, 2024, the Company incurred management fees of $4,854 of which $4,742 was charged to the consolidated statements of net and comprehensive earnings (loss) and $112 was used to reduce the contract transfer obligation owing to the Manager, plus related interest. The Company recorded a gain of $99 when the contract transfer obligation was settled on March 31, 2024 as a result of the Acquisition. For the year ended December 31, 2023, the Company incurred management fees of $19,876 for these services, $19,159 of which was charged to the consolidated statements of net and comprehensive earnings and $717 served to reduce the contract transfer obligation owing to the Manager plus related interest.

5. ACCOUNTS RECEIVABLE

As at December 31, 2024, the Company had accounts receivable of $5,692 (2023 – $3,494) net of an allowance for doubtful accounts of $407 (2023 – $115). During year ended December 31, 2024, administration expense included a bad debt expense $285 (2023 – $76).

Management reviews accounts receivable to determine whether an allowance for doubtful accounts is required by assessing the collectability of receivables owing from each individual debtor. This assessment takes into consideration certain factors including the aging of outstanding balances, debtor operating performance, historical payment patterns, current collection efforts, relevant forward-looking information and the Company's security interests, if any.

The table below summarizes the aging of accounts receivable as at December 31, 2024.

As at,	December 31, 2024	December 31, 2023
Current	$ 3,872	$ 2,860
30 days past due	718	418
60 days past due	505	188
90+ days past due	1,004	143
Subtotal	$ 6,099	$ 3,609
Allowance for doubtful acccounts	(407)	(115)
Accounts receivable	$ 5,692	$ 3,494

The Company recognizes revenues in income to the extent that collection is reasonably assured at the time the revenue is earned.

(Expressed in thousands of Canadian dollars, unless stated otherwise)

6. NOTES RECEIVABLE

Notes receivable represent formalized payment plans in respect of franchise fees due to the Company which were in arrears as well as financing provided to a franchisee related to an acquisition completed in a prior year. Amounts under franchise fee payment plans are due prior to December 2026 with those due greater than one year from the financial statement date being classified as non-current. The financing provided to an affiliate brokerage is non-interest bearing and has no fixed term. Monthly repayments are determined based on the profitability of the acquired brokerage.

7. PROPERTY AND EQUIPMENT

	Furniture, fixtures and equipment	Leasehold improvements	Total
Cost			
At December 31, 2023	$ –	$ –	$ –
Additions related to business combination (note 3)	576	2,023	2,599
Additions	134	211	345
Disposals	(9)	(36)	(45)
At December 31, 2024	**$ 701**	**$ 2,198**	**$ 2,899**
Accumulated Depreciation			
At December 31, 2023	$ –	$ –	$ –
Depreciation Expense	(233)	(398)	(631)
Disposal	2	3	5
At December 31, 2024	**$ (231)**	**$ (395)**	**$ (626)**
Carrying Value			
At December 31, 2023	$ –	$ –	$ –
At December 31, 2024	**$ 470**	**$ 1,803**	**$ 2,273**

8. RIGHT OF USE ASSETS AND LEASE LIABILITIES

The table below summarizes the Right of Use Assets as at December 31, 2024.

	Property	Equipment	Total
Cost			
At December 31, 2023	$ –	$ –	$ –
Additions related to business combination (note 3)	18,784	250	19,034
Additions	3,656	67	3,723
Terminations	(367)	–	(367)
At December 31, 2024	**$ 22,073**	**$ 317**	**$ 22,390**
Accumulated amortization			
At December 31, 2023	$ –	$ –	$ –
Amortization Expense	(2,908)	(167)	(3,075)
Terminations	185	–	185
At December 31, 2024	**$ (2,723)**	**$ (167)**	**$ (2,890)**
Carrying value			
At December 31, 2023	$ –	$ –	$ –
At December 31, 2024	**$ 19,350**	**$ 150**	**$ 19,500**

(Expressed in thousands of Canadian dollars, unless stated otherwise)

The table below summarizes the Lease Liabilities as at December 31, 2024.

As at,		**December 31, 2024**		December 31, 2023
Balance, beg				
Balance, beginning of year	$	–	$	–
Additions related to business combination (note 3)		19,005		–
Additions		3,723		–
Interest expense		936		–
Disposals		(137)		–
Payment of lease liabilities		(3,276)		–
Balance, end of period	**$**	**20,251**	**$**	**–**

		December 31, 2024		December 31, 2023
Current portion of lease liabilities		$3,000	$	–
Long-term portion of lease liabilities		17,251		–
Total lease liabilities	**$**	**20,251**	**$**	**–**

9. INTANGIBLE ASSETS

Franchise agreement expenses are recorded as additions to intangible assets net of any recovery of previously paid franchise agreement expenses.

For the year ended December 31, 2024, the Company identified 27 Franchise Agreements with a carrying amount in excess of their recoverable amount (2023 – five) resulting in a net impairment charge of $2,629 (2023 – $201).

A summary of intangible assets as at December 31, 2024 and 2023 is provided in the charts below.

		Franchise Agreements & Ancillary Agreements		**Trademarks**		**Agent Contract & Reacquired Rights**		**Brands**		**Total**
Cost										
At December	$	244,607	$	5,427	$	–	$	–	$	250,034
Adjustments from business combination (note 3)		(38,927)		–		16,440		2,500		(19,987)
Additions		1,183		–		–		–		1,183
Impairment and write-off		(5,913)		–		–		–		(5,913)
At December 31, 2024	**$**	**200,950**		**$5,427**		**$16,440**		**$2,500**		**$225,317**
Accumulated amortization										
At December 31, 2023		(198,094)	$	(3,755)	$	–	$	–	$	(201,849)
Adjustments from business combination (note 3)		30,168		–		–		–		30,168
Amortization expense		(5,509)		(188)		(3,083)		–		(8,780)
Impairment and write-off		3,284		–		–		–		3,284
At December 31, 2024	**$**	**(170,151)**	**$**	**(3,943)**	**$**	**(3,083)**	**$**	**–**	**$**	**(177,177)**
Carrying value										
At December 31, 2023	$	46,513	$	1,672	$	–	$	–	$	48,185
At December 31, 2024	**$**	**30,799**	**$**	**1,484**	**$**	**13,357**	**$**	**2,500**	**$**	**48,140**

(Expressed in thousands of Canadian dollars, unless stated otherwise)

	Franchise Agreements & Ancillary Agreements	Trademarks	Agent Contracts	Brands	Total
Cost					
At December 31, 2022	$ 244,865	$ 5,427	–	–	$ 250,292
Franchise agreement expenses and rebates	873	–	–	–	873
Write-off	(1,131)	–	–	–	(1,131)
At December 31, 2023	**$ 244,607**	**$ 5,427**	**$ –**	**$ –**	**$ 250,034**
Accumulated amortization					
At December 31, 2022	$ (191,779)	$ (3,571)	–	–	$ (195,350)
Amortization expense	(7,245)	(184)	–	–	(7,430)
Write-off	930	–	–	–	930
At December 31, 2023	**$ (198,094)**	**$ (3,755)**	**$ –**	**$ –**	**$ (201,849)**
Carrying value					
At December 31, 2022	$ 53,086	$ 1,856	$ –	$ –	$ 54,942
At December 31, 2023	**$ 46,513**	**$ 1,672**	**$ –**	**$ –**	**$ 48,185**

Adjustments from business combinations includes the settlement of the franchise agreements that existed between the Company and the Brokerage Operations prior to the Acquisition.

10. GOODWILL

As part of the Acquisition, the Company recorded goodwill of $23,626 on March 31, 2024 (see Note 3 – Acquisition of Brokerage Operations). The qualitative benefits associated with brokerages acquired as part of the Acquisition which are not identified as intangible assets or brands include unique geographic office and market locations, strong market share in the areas they operate, strong relationships with their independent sales representatives and opportunities for future growth and business development.

(Expressed in thousands of Canadian dollars, unless stated otherwise)

11. INCOME TAXES

The Company uses the liability method of tax allocation in accounting for income taxes. Under this method, temporary differences between the carrying amount of balance sheet items and their corresponding tax basis result in either deferred income tax assets or liabilities. Deferred income taxes are computed using substantively enacted tax rates applicable to the years in which the temporary differences are expected to reverse.

A reconciliation of income taxes at Canadian statutory rates with reported income taxes is as follows:

	2024	2023
Earnings (loss) before income tax recovery for the year:	**$ (9,173)**	$ 6,905
Expected income tax expense (recovery) at statutory rate of 26.5% (2023 – 26.5%)	**(2,431)**	1,830
Increase (decrease) in income tax expense due to the following:		
Non-deductible amortization	**1,186**	468
Non-deductible loss on fair value of Exchangeable Units	**2,461**	291
Non-deductible interest on Exchangeable Units	**2,552**	1,539
Income allocated to Exchangeable Unitholders	**(1,432)**	(1,186)
Adjustments for prior years and other	**(1,187)**	(34)
Total income tax expense	**$ 1,149**	$ 2,908

The major components of income tax expense include the following:

	2024	2023
Current income tax expense	**$ 2,907**	$ 3,396
Deferred income tax expense (recovery)	**(1,758)**	(488)
Total income tax expense	**$ 1,149**	$ 2,908

The significant components of the Company's deferred tax assets are as follows:

	Opening Balance	**Business Acquisition**	**Net Changes**	**Total**
Deferred tax assets:				
Intangible assets	$ 5,820	$ (2,250)	$ 888	$ 4,458
Lease liability	–	5,076	303	5,379
Tax loss carry forward	–	3,747	(615)	3,132
Other, net	412	148	(512)	48
Deferred income tax liabilities:				
Right-of-use assets	$ –	$ (5,050)	$ (130)	$ (5,180)
Property and equipment	–	(409)	56	(353)
Deferred tax asset	**$ 6,232**	**$ 1,262**	**$ (10)**	**$ 7,484**

Classification in the Consolidated Financial Statements	December 31, 2024	December 31, 2023
Deferred income tax assets (liabilities):	$ 9,823	$ 6,232
Deferred income tax recovery (expense)	(2,339)	–
Deferred tax asset	**$ 7,484**	**$ 6,232**

(Expressed in thousands of Canadian dollars, unless stated otherwise)

12. DEBT FACILITIES

The Company's debt is comprised of the following debt facilities:

As at,	December 31, 2024	December 31, 2023
Term facility	$ 55,000	$ 55,000
Acquisition facility	12,000	12,000
	$ 67,000	$ 67,000
Debt facility amendment adjustments and financing fees	(96)	22
Debt facilities	$ 66,904	$ 67,022

The Company has $95,000 (December 31, 2023 – $90,000) in financing available under a borrowing agreement with a Canadian Chartered Bank which matures on December 31, 2026 ("Maturity"). Effective March 31, 2024, the Company agreed to certain amendments to the debt facilities in consideration of the Acquisition, including an increase in the Operating Facility from $5,000 to $10,000.

The debt facilities under this agreement are comprised of the following;

A $55,000 non-revolving term variable rate facility (the "Term Facility"). Repayment of principal outstanding is due on Maturity.

A $30,000 revolving acquisition facility (the "Acquisition Facility") is available to support acquisitions pursued by the Company. A standby fee of 0.15% applies on undrawn amounts under the Acquisition Facility. Repayment of principal outstanding is due on Maturity.

A $10,000 revolving operating facility (the "Operating Facility") is available to meet the Company's day-to-day operating requirements. No amounts have been drawn on this facility at December 31, 2024.

Borrowings under each of these arrangements are secured by a first ranking security interest in substantially all assets of the Company and bear interest at a variable rate of Banker's Acceptances (BAs) +2.00% or Prime + 0.8%, (2023 – BAs + 1.70% or Prime + 0.5%) at the option of the Company.

The Company's ability to borrow under these arrangements is subject to the Company maintaining certain financial covenants. Under these covenants, the Company must maintain a ratio of Consolidated EBITDA to Interest Expense on Senior Indebtedness at a minimum of 3.0 to 1 and a ratio of Senior Indebtedness to Consolidated EBITDA at a maximum of 4.0 to 1. The Company is obligated to make limited principal repayments under the Debt Facilities in circumstances where the ratio of Senior Indebtedness to Consolidated EBITDA exceeds 3.4:1. Such payments shall continue until the ratio of Senior Indebtedness to Consolidated EBITDA is less than 3.25:1.

Consolidated EBITDA is defined as operating income before deducting interest on debt, interest on lease obligation, impairment and write-off of intangible assets and depreciation and amortization. Senior Indebtedness is defined as borrowings on the Company's debt facilities. At December 31, 2024 and December 31, 2023, the Company complied with all covenants under the debt facilities.

The Company had entered into an interest rate swap agreement to swap the variable interest rate obligation on the $55,000 Term Facility to a fixed rate obligation of 3.94% through to December 31, 2023. For the year ended December 31, 2023, the Company recognized a fair value loss of $1,386 on the interest rate swap.

13. DEFERRED PAYMENTS

The Company owed certain management fees to the Manager and interest on Exchangeable Units to BBP totaling $6,616 that were deferred in a prior year. The management fees owing to the Manager were effectively settled as a result of the Acquisition. The interest on Exchangeable Units owing to BBP were settled as a result of the issuance of 64,085 Exchangeable Units to BBP on March 31, 2024. These deferred payments were non-interest bearing. On initial recognition, the Company recorded these deferred payments at their fair value using an income approach to determine fair value. For the three months ended March 31, 2024, the Company recorded interest expense of $62 (year ended December 31, 2023 – $243) reflecting accretion of the carrying value of the deferred payments using the effective interest rate method. The Company recorded a gain of $1,224 related to the fair value and settlement of the deferred payments as a result of the Acquisition.

14. EXCHANGEABLE UNITS

On March 31, 2024, the Company issued 2,920,877 Exchangeable Units to BBP pursuant to the Acquisition and the settlement of certain deferred payments owing to BBP bringing the total number of Exchangeable Units outstanding to 6,248,544 (see Note 3 – Acquisition of Brokerage Operations and the Manager and Note 13 – Deferred Payments).

The Exchangeable Units are exchangeable on a one-for-one basis for restricted voting shares of Bridgemarq at the option of the holder. If a takeover bid is made for 25% or more of the outstanding restricted voting shares of Bridgemarq and a contemporaneous identical offer is not made for the Exchangeable Units, the holder can exchange the Exchangeable Units at a ratio of 1.1 restricted voting shares per Exchangeable Unit subject to adjustment in certain cases. Under no circumstance can the holder exchange the Exchangeable Units for any asset other than restricted voting shares.

The Company measures the Exchangeable Units at their fair value using the closing price of the Company's restricted voting shares listed on the TSX. At December 31, 2024, the Company used the closing market price of Bridgemarq's shares of $15.03 (December 31, 2023 – $13.17). During the year ended December 31, 2024, the Company recorded a loss of $9,286 related to the fair value of the Exchangeable Units (2023 –$1,098).

The Exchangeable Unitholders are entitled to cash distributions from the Partnership in respect of their economic interest in the Partnership as and when declared by the Board of Directors of RIFGP. Such distributions are made on a before tax basis and are directly taxable in the hands of the Exchangeable Unitholders. For year ended December 31, 2024, the Board of Directors of RIFGP declared distributions payable to the Exchangeable Unitholders of $9,628 (2023 – $5,806).

15. SHARE CAPITAL

Bridgemarq is authorized to issue an unlimited number of restricted voting shares, an unlimited number of preferred shares and one special voting share.

Each restricted voting share represents a proportionate voting right in Bridgemarq, and holders of the restricted voting shares are entitled to dividends declared and distributed by Bridgemarq. No additional restricted voting shares were issued during the year ended December 31, 2024 or the year ended December 31, 2023.

No preferred shares were issued or outstanding as at December 31, 2024 or December 31, 2023.

The special voting share represents the proportionate voting rights of the Exchangeable Unitholders of the Partnership. The special voting share is redeemable by the holder at $0.01 per share, and the holder is not entitled to dividends declared by Bridgemarq.

The following table summarizes the outstanding shares of Bridgemarq:

As at December 31,	2024	2023
Restricted voting shares	9,483,850	9,483,850
Special voting share	1	1

16. EARNINGS PER SHARE

Basic and diluted earnings per share has been determined as follows:

(In thousands of Canadian dollars, except share and per share amounts)	2024	2023
Net earnings (loss) available to restricted voting shareholders – basic	$ (10,322)	$ 3,997
Interest on Exchangeable Units	9,628	5,806
Loss on fair value of Exchangeable Units	9,286	1,098
Net earnings available to restricted voting shareholders – diluted	$ 8,592	$ 10,901
Weighted average number of shares outstanding used in computing basic earnings per share	9,483,850	9,483,850
Total outstanding Exchangeable Units	6,248,544	3,327,667
Weighted average number of shares outstanding used in computing diluted earnings per share	15,022,126	9,483,850
Basic earnings (loss) per share	$ (1.09)	$ 0.42
Diluted earnings (loss) per share	$ (1.09)	$ 0.42
Dividends declared	$ 12,803	$ 12,803
Restricted voting shares	9,483,850	9,483,850
Dividends per restricted voting share	$ 1.35	$ 1.35

(Expressed in thousands of Canadian dollars, unless stated otherwise)

17. RELATED PARTY TRANSACTIONS

In addition to transactions disclosed elsewhere in the consolidated financial statements, the Company had the following transactions with related parties, including those companies acquired in the Acquisition and companies related to the Exchangeable Unitholders, during the years ended December 31, 2024 and December 31, 2023. Related party transactions with those companies acquired in the Acquisition are included for periods prior to March 31, 2024 as these companies are consolidated in the financial statements after that date. These transactions have been recorded at the exchange amount as agreed between the parties.

		2024		2023
a) Revenues				
Fixed franchise fees	**$**	**742**	$	3,102
Variable franchise fees	**$**	**267**	$	902
Other revenue, net	**$**	**80**	$	151
b) Expenses				
Cost of other revenue	**$**	**61**	$	193
Management fees	**$**	**4,742**	$	19,159
Insurance premiums and other	**$**	**34**	$	33
Interest on contract transfer obligation	**$**	**24**	$	114
c) Interest				
Interest to Exchangeable Unitholders	**$**	**9,628**	$	5,806

The following amounts due to/from related parties are included in the account balance as described;

As at,		**December 31, 2024**		December 31, 2023
d) Interest payable to Exchangeable Unitholders	**$**	**909**	$	484

Prior to March 31, 2024, the Company had no employees. As such, there was no compensation expense recorded in the results of the Company for the period ended March 31, 2024. In the nine months ended December 31, 2024, the remuneration paid to key management personnel was composed of short-term compensation and benefits totaling $1,648.

Certain members of the Company's board of directors are compensated for their services. During the year ended December 31, 2024, the Company incurred $ $457 in directors' fees (2023 – $556). Directors' fees are included in general and administration expense.

18. FINANCIAL INSTRUMENTS

In the normal course of business, the Company is exposed to a number of financial and other risks that can affect its operating performance. These risks are outlined below:

A) Credit Risk

Credit risk arises from the possibility debtors may not pay amounts owing to the Company. The Company's credit risk is limited to the recorded amount of accounts receivable and notes receivable.

All real estate transactions at the Brokerage Operations require the purchaser to pay a deposit which reduces the likelihood that a buyer will not complete the transaction. Credit risk also arises from the possibility that sales representatives may not pay amounts owing to the Brokerage Operations. Credit risk is mitigated by the fact that the Brokerage Operations has the ability to deduct any amounts owing from sales agents from the commission income they earn on their transactions with customers.

The Company reviews the financial position of all franchisees during the application process and closely monitors outstanding accounts receivable on an ongoing basis to evaluate the risk of a default occurring over the expected life of the accounts receivable. This monitoring includes evaluating the franchisee's historical payment patterns, the current financial health of the franchisee and expected or possible changes in future events or market conditions to determine whether a provision should be recorded. The estimation and application of monitoring future events or market conditions requires significant judgment and is uncertain.

(Expressed in thousands of Canadian dollars, unless stated otherwise)

As at December 31, 2024, the Company has recorded an allowance for doubtful accounts related to accounts receivable and notes receivable of $407 (December 31, 2023 – $115).

B) Liquidity Risk

The Company is exposed to liquidity risk in its ability to finance its working capital requirements and meet its cash flow needs, including paying dividends to shareholders of restricted voting shares and interest to Exchangeable Unitholders. The Company manages liquidity risk by maintaining conservative debt levels compared with those required by the covenants associated with the debt facilities. The Company has a $30,000 Acquisition Facility, of which $12,000 has been drawn, and a $10,000 undrawn Operating Facility which mature on December 31, 2026.

Estimated contractual maturities of the Company's financial liabilities are as follows:

As at December 31,	2025	2026	2027	2028	2029	Beyond 2029	Total
Accounts payable and accrued liabilities	$ 16,837	$ –	$ –	$ –	$ –	$ –	$ 16,837
Customer deposits	35,467	–	–	–	–	–	$ 35,467
Leases	3,000	2,519	2,157	2,078	2,093	8,404	$ 20,251
Interest payable to Exchangeable Unitholders	909	–	–	–	–	–	$ 909
Dividends payable to shareholders	1,067	–	–	–	–	–	$ 1,067
Interest on long-term debt	3,960	3,960	–	–	–	–	$ 7,920
Exchangeable Units	93,916	–	–	–	–	–	$ 93,916
Debt facilities	–	67,000	–	–	–	–	$ 67,000
Total	$ 155,156	$ 73,479	$ 2,157	$ 2,078	$ 2,093	$ 8,404	$ 243,367

As at December 31, 2024	Level 1	Level 2	Level 3	Total
Financial liabilities (assets):				
Exchangeable Units	93,916	–	–	93,916
Total	$ 93,916	$ –	$ –	$ 93,916

As at December 31, 2023	Level 1	Level 2	Level 3	Total
Financial liabilities (assets):				
Exchangeable Units	43,825	–	–	43,825
Total	$ 43,825	$ –	$ –	$ 43,825

C) Interest Rate Risk

The Company is exposed to the risk of interest rate fluctuations on its debt facilities as the interest rates on these facilities are based on the Prime rate and Banker's Acceptance rates.

The Acquisition Facility bears interest at a variable rate of BAs + 2.00% or Prime + 0.8%. Management has elected to pay interest at variable interest rates on its outstanding debt facilities and monitors this position on an ongoing basis. An increase of 1% in the Company's effective interest rate on its variable rate debt would result in an increase in its annual interest expense on the debt facilities of approximately $670.

D) Market Risk

The Company operates real estate brokerage offices in a number of markets across the country. The Brokerages Operations generates its revenue from its offices in the greater Toronto area, the Greater Vancouver area and throughout the province of Quebec. Real estate markets are cyclical and unpredictable which may contribute to volatility in the Company's cash flows. This market volatility is someone mitigated by the lower volatility associated with franchise fee revenues earned by the Franchise Operations and the geographic diversification of the Brokerage Operations.

E) Fair Value

The fair value of certain of the Company's financial instruments, including cash, accounts receivable, notes receivable, accounts payable and accrued liabilities, interest payable to Exchangeable Unitholders and dividends payable to holders of restricted voting shares, are estimated by management to approximate their carrying values due to their short-term nature. The fair value of the Company's outstanding borrowings of $67,000 approximate their carrying value of $66,904 as a result of its floating rate terms.

F) Fair Value Hierarchy

The Exchangeable Units are valued using level 1 valuation techniques. See Note 14 for disclosures related to fair values. There were no transfers between fair value hierarchy levels during the year.

19. MANAGEMENT OF CAPITAL

The Company's capital is made up of its cash on hand, debt facilities, Exchangeable Units and shareholders' deficit.

The Company's objectives in managing its capital include; a) maintaining a capital structure that provides financing options to the Company while remaining compliant with the covenants associated with the debt facilities; b) maintaining financial flexibility to preserve its ability to meet financial obligations, including debt servicing and dividends to shareholders; and c) deploying capital to provide an appropriate investment return to its shareholders.

The Company's financial strategy is designed to maintain a flexible capital structure consistent with these objectives and to be in a position to respond to changes in economic conditions and investment opportunities as they arise.

The covenants of the debt facilities prescribe that the Company must maintain a ratio of Consolidated EBITDA to Senior Interest Expense on Senior Indebtedness at a minimum of 3.0 to 1 and a ratio of Senior Indebtedness to Consolidated EBITDA at a maximum of 4.0 to 1.

As at December 31, 2024 and December 31, 2023, the Company was compliant with all financial covenants. There were no changes in the Company's approach to capital management during the year.

20. SEGMENTED INFORMATION

As a result of the Acquisition, the Company reports its operations in two business segments. These segments are determined based on the nature of their operations, the products and services they provide and the nature of the customers they service.

Within the Brokerage Operations, there are a number of brokerage locations that operate in different geographical regions under different real estate brands. These brokerage locations have been grouped to form the Brokerage Operations due to the nature of their operations and the commonality in how they generate revenues. All of the brokerage locations in the Brokerage Operations operate in Canada.

The Franchise Operations provide information and services to REALTORS® and real estate brokerages in Canada through a portfolio of highly regarded real estate services brands. The economic characteristics are consistent across the Company's brands as they each provide services, similar in nature, in the Canadian residential real estate market.

The Company excludes certain corporate oversight expenses in the determination of each operating segment's performance. Unallocated costs include costs related to those activities and operations which are common to the other operating segments of the Company and include the elimination of transactions between the segments.

Management evaluates the operating results of each segment based upon revenue and EBITDA. EBITDA is defined as operating income before deducting interest on debt, interest on lease obligations, impairment and write-off of intangible assets, and depreciation and amortization. The Company's determination and presentation of EBITDA may not be comparable to similar measures used by other companies.

For the three-month period ended March 31, 2024, 100% of the operating results are attributable to the Franchise Operations. The operating results of the Brokerage Operations are included in the consolidated statement of net and comprehensive earnings (loss) from April 1, 2024.

For the year ended December 31, 2024, 89% of the operating results (based on EBITDA) are attributable to the Franchise Operations and 19% of the operating results are attributable to the Brokerage Operations. These are partly offset by unallocated costs representing 8% of consolidated EBITDA.

The Brokerage Operations earned no revenue in the year ended December 31, 2023. The franchise fees received from the Brokerage Operations were treated as third party revenue prior to April 1, 2024. Following the completion of the Acquisition, franchise fees and other revenues received from the Brokerage Operations are now eliminated in the consolidated accounts of the Company. Franchise fees and other revenues earned from these businesses, totaling $1,089, were recorded by the Company under what is now the Franchise Operations segment during the first quarter of 2024. In 2023, franchise fees and other revenues earned from these brokerages, amounting to $4,155, were recorded under what is now the Franchise Operations segment.

(Expressed in thousands of Canadian dollars, unless stated otherwise)

The table below reconciles operating income as presented in the statement of net and comprehensive earnings (loss) to EBITDA used by management to evaluate the business segments of the Company:

	2024	2023
Operating income	**$ 8,475**	$ 15,317
Add: Interest on debt	4,646	2,967
Interest on lease obligation	936	–
Impairment and write-off and of intangible assets	2,629	201
Depreciation and amortization	11,995	6,894
EBITDA	**$ 28,681**	$ 25,379

The tables below provide selected segment disclosure for certain financial statement balances.

	2024	2023
Segment EBITDA		
Brokerage Operations	$ 5,523	$ –
Franchise Operations	25,640	25,379
Unallocated EBITDA	(2,482)	–
Total EBITDA	**$ 28,681**	$ 25,379

	2024	2023
Segment Revenue		
Brokerage Operations	$ 300,012	$ –
Franchise Operations	53,745	48,454
Eliminations	(3,087)	–
Total Revenue	**$ 350,670**	$ 48,454

	2024	2023
Segment Depreciation and amortization		
Brokerage Operations	$ 5,566	$ –
Franchise Operations	6,429	6,894
Total depreciation and amortization	**$ 11,995**	$ 6,894

As at,	December 31, 2024	December 31, 2023
Segment Assets		
Brokerage Operations	$ 99,900	$ –
Franchise Operations	57,545	64,892
Total assets	**$ 157,445**	$ 64,892

As at,	December 31, 2024	December 31, 2023
Segment Liabilities		
Brokerage Operations	$ 67,524	$ –
Franchise Operations	170,166	122,012
Total Liabilities	**$ 237,690**	$ 122,012

BOARD OF DIRECTORS

The Company is governed by a Board of Directors with six members, five of whom are independent of the Company. The Board oversees the business and affairs of the Company. The Directors have adopted formal terms of reference regarding their responsibilities and all matters of governance. The Company has three standing committees: the Audit Committee, the Governance Committee and the Human Resources & Compensation Committee.

COLUM BASTABLE FCA (IRL), LL.D
Independent Director
and Chair of the Audit Committee[2]

LORRAINE BELL CPA, CA,
Independent Director
and Chair of the Board[2,3]

JITANJLI DATT ICD.D
Independent Director[1,2]

SPENCER ENRIGHT CPA, CA,
Director and CEO of the Company

JOE FREEDMAN J.D. MBA
Independent Director[3]

GAIL KILGOUR ICD.D, MBA
Independent Director and Chair of the Governance Committee and Chair of the Human Resources & Compensation Committee[1]

[1] Member of the Audit Committee
[2] Member of the Governance Committee
[3] Member of the Human Resources & Compensation Committee

MANAGEMENT TEAM

The Company

Spencer Enright
Chief Executive Officer

Philip Soper
President

Glen McMillan
Chief Financial Officer

Paul Zappala
Chief Legal Officer

Philippe Lecoq
Executive Vice President, Brokerage Operations
President, Proprio Direct

Alexandra Gélinas
President, Via Capitale

Aideen Kennedy
Senior Vice President, Human Resources

OUR COMMITMENT TO SHELTER VICTIMS OF DOMESTIC VIOLENCE

Royal LePage professionals understand that a house is only a home if the people who live there feel safe. That's why, more than 25 years ago, we unanimously agreed that helping women and children find safety from domestic abuse should be where we channeled our big hearts and charitable efforts. Since its founding in 1998, the Royal LePage® Shelter Foundation™ has proudly grown to become the largest public foundation in Canada dedicated exclusively to funding women's shelters and domestic violence prevention. Royal LePage is the only Canadian real estate company with its own charitable foundation.

The Shelter Foundation has raised $51 million to-date and currently supports 200 local women's shelters and national partners. Our agents donate a portion of their commissions, and Royal LePage offices across Canada host local fundraising events. Our brokers, agents and staff also volunteer and provide in-kind goods to benefit the women and children residing in their local shelters. Every dollar raised goes directly to helping the more than 50,000 women and children who are served each year by the shelters and support programs we fund. More information about the Royal LePage Shelter Foundation can be found at www.royallepage.ca/shelter.

Support for the Royal LePage Shelter Foundation is a touchstone of identifying as a Royal LePage agent. That's why a growing number of agents donate for every home sold, as part of the Foundation's commission donation program. Many of our Royal LePage agents have joined the brand, in part, to support the Royal LePage Shelter Foundation. The Company is grateful for their contribution.

SHAREHOLDER INFORMATION

We regularly provide shareholders with information about the Company through our annual report, quarterly reports, and news releases. Information is available online at www.bridgemarq.com. On the website you will find information about the Company including annual and quarterly reports, press releases, webcasts, slide presentations, and dividend information.

Head Office
Bridgemarq Real Estate Services Inc.
39 Wynford Drive, Suite 200 Toronto, ON
M3C 3K5
Tel: 416-380-7500
info@bridgemarq.com
www.bridgemarq.com

Transfer Agent And Registrar
TSX Trust Company
100 Adelaide Street West, Suite 301
Toronto, ON M5H 4H1
Tel: 416-682-3860 or 1-800-387-0825
Fax: 1-888-249-6189
shareholderinquiries@tmx.com
www.txtrust.com

Auditors
Deloitte LLP

Corporate Counsel
Goodmans LLP

Tsx Symbol: BRE
Shares are eligible investments for DPSPs, RRSPs, RRIFs and RESPs.

Direct Inquiries To:
Anne-Elise Cugliari Allegritti, Director of Investor Relations
Bridgemarq Real Estate Services
Tel: 416-510-5783
info@bridgemarq.com

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