



## **Bridgemarq Real Estate Services Reports First Quarter Results and Monthly Dividend**

**(TORONTO, ON) May 11, 2021** – Bridgemarq Real Estate Services Inc. (“Bridgemarq” or the “Company”) (TSX: BRE) announced today its first quarter consolidated financial results and the approval of a monthly dividend to holders of the Company’s restricted voting shares.

### **HIGHLIGHTS**

- Revenue in the first quarter was strong at \$13.1 million, an increase of 18% over the same period in 2020. Strong housing markets and an increase in the number of REALTORS® in the Company network contributed to the increase.
- The Company generated a net loss for the quarter of \$2.5 million or \$0.27 per share, on a fully-diluted basis compared to earnings of \$20.1 million in the first quarter of 2020. The difference was due to non-cash, revaluation adjustments on the Exchangeable Units issued by the Company, driven by an increase in the Company’s share price during the quarter.
- Distributable Cash Flow improved to \$5.6 million or \$0.44 per fully-diluted share from \$3.9 million or \$0.30 per share in the first quarter of 2020.
- The Board of Directors approved a dividend to shareholders of \$0.1125 per restricted voting share payable June 30, 2021 to shareholders of record on May 31, 2021.
- The Company’s annual shareholders’ meeting will be held on May 11th, 2021 at 10 a.m. eastern time.

### **FIRST QUARTER OPERATING RESULTS**

Revenues during the first quarter were \$13.1 million, compared to \$11.1 million in the same period in 2020. The increase was primarily due to strong housing markets and an increase of 270 REALTORS® in the Company network.

The Company generated a net loss for the quarter of \$2.5 million, or \$0.27 per share on a fully diluted basis. These results included a \$5.4 million loss on the fair value of the Exchangeable Units issued by the Company driven by an increase in the Company’s share price from \$14.80 at the start of the quarter to \$16.41 at March 31, 2021.

Distributable cash flow for the first quarter of 2021 amounted to \$5.6 million, compared to \$3.9 million generated during the first quarter of 2020. The increase in distributable cash flow was primarily due to higher revenues, partly offset by higher management fees and higher income tax expenses.

“From coast to coast, in the cities, suburbs and countryside, our Realtors experienced one of the busiest winter markets on record. Seasonal activity levels are typically very low in January and February. This year saw uncharacteristically high consumer demand through the entire first quarter. The Company was able to capitalize and drive strong financial results,” said Phil Soper, President and Chief Executive Officer, Bridgemarq Real Estate Services Inc. “The supportive market and growth in the size of our agent network positions us well for a successful 2021.”

## **MARKET UPDATE**

The Canadian Market finished 2020 on a high note, positive momentum that continued right through the quarter and April, 2021. Continued low borrowing costs, an improving employment picture and high levels of demand from Canadians seeking to improve housing situations have put upward pressure on home prices.

While market fundamentals are poised to sustain strong momentum into the back half of the year, it remains to be seen how factors such as stubbornly high unemployment in certain sectors and eroding affordability might act as a drag on future growth.

Recovering immigration numbers and a return of tens of thousands of temporary residents, predominantly foreign students, is expected to support continued recovery in condominiums, a sector that has lagged in performance over the past year.

As more people are vaccinated, additional inventory could enter the market, as consumer comfort levels rise. This could partly ease the severe housing shortage that has developed during the pandemic.

A third wave of COVID-19 continues to disrupt the economy and the day-to-day lives of Canadians. However, real estate services technology available prior to the pandemic, as well as new innovations over the past year that have enhanced digital services, have allowed for most brokerage and agent activity to be seamlessly conducted online. Where onsite activities are required, COVID-19 best practices are used to significantly reduce risk.

## **CASH DIVIDEND**

The Company declared a cash dividend of \$0.1125 cents per restricted voting share payable on June 30, 2021 to shareholders of record on May 31, 2021. The dividend distribution represents a target annual dividend of \$1.35 per restricted voting share, which is consistent with 2020.

## **THE COMPANY NETWORK**

As at March 31, 2021, the Network was comprised of 19,316 REALTORS®, operating under 287 franchise agreements providing services from 663 locations, with an approximate 16% share of the Canadian residential real estate market based on 2020 transactional dollar volume.

## **SHAREHOLDERS MEETING**

The Company will be holding its annual meeting of shareholders on May 11th, 2020 at 10 a.m. eastern time. The meeting is a virtual only, live audio webcast.

To access the shareholders' meeting, please visit <https://web.lumiagm.com/446931801> and follow the login instructions. Shareholders and proxyholders will require their unique control number, which is provided by AST Trust Company Canada in accordance with the instructions provided to shareholders. Guests are welcomed to join the meeting by following the platform's instructions on the morning of the meeting.

For more information on participation at the virtual only, live audio webcast, please review the Company's meeting guide (<http://www.bridgemarq.com/meeting-guide>) and the Management Information Circular. For answers to frequently asked questions regarding the virtual meeting platform, please visit <https://go.lumiglobal.com/fag>.

## **DISTRIBUTABLE CASH FLOW**

This news release and accompanying financial statements make reference to distributable cash flow. Distributable cash flow is defined as operating income before deducting amortization and net impairment or recovery of intangible assets, minus current income tax expense and minus cash used in investing activities. Distributable cash flow is used by the Company to measure the amount of cash generated from operations which is available to the Company's shareholders 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 Class B LP units into restricted voting shares. The Company uses distributable cash flow to assess its operating results and the value of its business and believes that many of its shareholders and analysts also find this measure useful. Distributable cash flow does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

## **FORWARD-LOOKING STATEMENTS**

This news release contains forward-looking information and other "forward-looking statements". Words such as "supportive", "growth", "continued", "improving", "demand", "pressure", "are", "sustain", "momentum", "remains", "stubbornly", "eroding", "future", "recovering", "return", "is", "support", "have", "could", "rise", "ease", "shortage", "has" 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: the duration and effects of the COVID-19 pandemic, including the impact of COVID-19 on the economy and the Company's business, the impact of government or other regulatory initiatives to address the impact of the spread of COVID-19 on the Canadian economy, including the impact on real estate markets, 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 as a result of COVID-19, 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, 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 and other general economic factors or indicators), changes in global and regional economic growth, 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 as a result of COVID-19 or otherwise, other developments in the residential real estate brokerage industry or the Company that reduce the number of REALTORS® in the Company's Network or royalty revenue from the Company's Network, 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.sedar.com](http://www.sedar.com). 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 press release 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.

### **About Bridgemarq Real Estate Services**

Bridgemarq is a leading provider of services to residential real estate brokers and a network of approximately 19,000 REALTORS®.<sup>1</sup> We operate in Canada under the Royal LePage, Via Capitale and Johnston & Daniel brands. For more information, go to [bridgemarq.com](http://bridgemarq.com).

Bridgemarq is an affiliate of Brookfield Business Partners, a business services and industrials company focused on owning and operating high-quality businesses that benefit from barriers to entry and/or low production costs. Brookfield Business Partners is listed on the New York and Toronto stock exchanges. Further information is available at [bbu.brookfield.com](http://bbu.brookfield.com).

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<sup>1</sup> The trademarks REALTOR®, REALTORS® and the REALTOR® logo are controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA.

**Bridgemarq Real Estate Services Inc.**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>
<b>Interim Balance Sheet Highlights</b>		
Cash	\$ 9,065	\$ 9,156
Other current assets	4,685	3,171
Total current assets	13,750	12,327
Non-current assets	74,560	76,632
<b>Total assets</b>	<b>\$ 88,310</b>	<b>\$ 88,959</b>

Accounts payable and accrued liabilities	\$ 1,650	\$ 1,282
Interest payable on Exchangeable Units	484	484
Dividends payable to shareholders	1,067	1,067
Contract transfer obligation	552	549
Total current liabilities	3,753	3,382
Debt facilities	73,388	73,379
Other non-current liabilities	10,738	11,388
Exchangeable Units	54,607	49,249
Total Liabilities	142,486	137,398
Shareholders' deficit	(54,176)	(48,439)
<b>Total Liabilities and Shareholders' deficit</b>	<b>\$ 88,310</b>	<b>\$ 88,959</b>

	<b>Three months ended March 31, 2021</b>	<b>Three months ended March 31, 2020</b>
<b>Interim Earnings Highlights</b>		
Fixed franchise fees	\$ 7,584	\$ 7,541
Variable franchise fees	3,745	2,619
Other revenue	1,770	962
Revenues	13,099	11,122
Cost of other revenue	(273)	(119)
Administration expenses	(52)	(655)
Management fees	(5,177)	(4,076)
Interest expense	(740)	(750)
	6,857	5,522
Impairment, write-off and amortization of intangible assets	(1,951)	(2,419)
Interest on Exchangeable Units	(1,452)	(1,452)
Gain (loss) on fair value of Exchangeable Units	(5,358)	20,931
Gain (loss) on interest rate swap	565	(2,335)
Income tax expense	(1,108)	(730)
Deferred income tax recovery (expense)	(89)	609
<b>Net and comprehensive (loss) earnings</b>	<b>\$ (2,536)</b>	<b>\$ 20,126</b>
<b>Basic (loss) earnings per Restricted Voting Share</b>	<b>\$ (0.27)</b>	<b>\$ 2.12</b>
<b>Diluted (loss) earnings per Share</b>	<b>\$ (0.27)</b>	<b>\$ 0.05</b>

<b>Cash Flow Highlights</b>		
Cash provided by operating activities:	\$ 3,220	\$ 2,890
Cash used for investing activities:	(110)	(912)
Cash used for financing activities:	(3,201)	(3,201)
Change in cash for the period	(91)	(1,223)
Cash, beginning of the period	9,156	5,202
<b>Cash, end of the period</b>	<b>\$ 9,065</b>	<b>\$ 3,979</b>

	<b>Twelve months ended 31-Mar-20</b>	<b>Twelve months ended 31-Mar-19</b>
<b>Distributable Cash Flow Highlights</b>		
Distributable Cash Flow	\$ 15,505	\$ 18,151
Distributable Cash Flow per Share	\$ 1.21	\$ 1.42