



Brokerage Acquisition,
Internalization of Management and
Equitization of Deferred Payments

December 18, 2023

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking information and other “forward-looking statements” within the meaning of Canadian provincial securities laws and other forward-looking statements (collectively, “forward-looking statements”), including statements with respect to the Transaction, including the anticipated benefits of the Transaction, the economic and strategic impact of the Transaction, the satisfaction of conditions to closing the Transaction and the timeline thereof. Words such as: “intend”, “growth”, “continued”, “will”, “would”, “expected”, “future”, “pro forma”, 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 amendments or changes to the Transaction or changes to real estate markets in Canada, the number of residential homes sold in the future in Canada or in any specific province, revenues received by the Company under its franchise agreements or otherwise, the financial success of brokerages operating under franchise agreements with the Company, the growth and expansion plans of the Company's competitors, the results of the shareholder vote to approve the Transaction, the ability of the Company to clear any condition of the Transaction closing including, among others, competition approval and bank approval, the impact of any adjustments to the purchase price of the Transaction as outlined in the agreements governing the Transaction, any changes to the operations of the Company or the acquired assets before or after completing the Transaction either for strategic or operating reasons, any inability to realize the anticipated benefits of the Transaction, changes in laws or regulations which could reasonably affect the housing market in Canada and consumer response thereto, a change in general economic conditions (including interest rates, consumer confidence, commodity prices, real estate legislation and regulations and other general economic factors or indicators), the availability of attractive investment opportunities, the average rate of commissions charged, 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^{®1} in the Company's network or revenue from the Company's network, ability to generate sufficient cash flows in the future to pay dividends to holders of restricted voting shares of the Company (the “Restricted Voting Shares”) and interest to the holders of Class B limited partnership units of Residential Income Fund L.P. (the “Exchangeable Units”), ability to acquire, renew and/or extend Franchise Agreements, the ability to increase fees, the 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, the availability of equity and debt financing, conversion of Exchangeable Units into Restricted Voting Shares, a change in tax law 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 positive results of a vote by shareholders to approve the Transaction, 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, regulatory developments and the ability to obtain financing on acceptable terms. The factors underlying current expectations are dynamic and subject to change. Although the forward-looking statements contained in this presentation 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.

¹ REALTORS[®] is a trademark identifying real estate licensees in Canada who are members of the Canadian Real Estate Association.

PRO FORMA FINANCIAL INFORMATION

The pro forma financial information referred to in this presentation, which gives effect to the Transaction as if it had closed on January 1, 2022 and October 1, 2022, respectively, was prepared utilizing accounting policies that are consistent with those disclosed in the audited consolidated financial statements of the Company for the year ended December 31, 2022 and the unaudited condensed consolidated financial statements of the Company as at and for the three and nine months ended September 30, 2023.

The pro forma financial information has been derived from, and should be read in conjunction with: (i) the audited consolidated financial statements of the Company for the year ended December 31, 2022, and (ii) the unaudited condensed consolidated financial statements of the Company as at and for the three and nine months ended September 30, 2023, each of which is available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile, as well as (iii) the audited combined consolidated financial statements of the Manager and Proprio Direct for the year ended December 31, 2022, and (iv) the unaudited interim condensed combined consolidated financial statements of the Manager and Proprio Direct for the three and nine months ended September 30, 2023, each of which will be included in the Company's management information circular to be mailed to shareholders in connection with the Transaction and will be available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile. Certain adjustments and assumptions were made when preparing the pro forma financial information to give effect to the Transaction. The information upon which such adjustments and assumptions were made was preliminary and adjustments and assumptions of this nature are difficult to make with complete accuracy. Additionally, the pro forma financial information may not reflect, among other things, all of the costs that are expected to be incurred by the Company in connection with the Transaction. The Company has not independently verified the financial statements of the Manager and Proprio Direct that were used to prepare certain of the pro forma financial information included in this presentation and such pro forma financial information is not intended to be indicative of the financial condition, results of operations or cash flows that would actually have occurred, or which are expected in future periods, had the Transaction occurred on the dates indicated. The pro forma financial information contained in this presentation is included for informational purposes only, as of their respective dates, and undue reliance should not be placed on such pro forma financial information.

NON-GAAP MEASURE

This document should be read in conjunction with the Company's quarterly and annual financial statements and Managements Discussion and Analysis which are available on SEDAR+ at www.sedarplus.ca. This presentation makes reference to EBITDA, which is a non-GAAP financial measure and does not have any standardized meaning under IFRS and, accordingly, may not be comparable to similar measures used by other companies. EBITDA is defined as operating income before deducting write-off of intangible assets, depreciation and amortization and interest expense and is a useful supplemental measure of performance as it provides investors an indication of the amount of cash flow generated by the Company (or the Brokerages or the Manager) before considering financing costs, income taxes and other investment and working capital requirements. Please refer to the Appendix to this presentation for a reconciliation of EBITDA to its most directly comparable financial measure included in the annual consolidated financial statements of the Company for the periods ended December 31, 2022 and September 30, 2023 and the pro forma operating results prepared by the Company giving effect to the Transaction on a pro forma basis for the periods ended December 31, 2022 and September 30, 2023.

OTHER MATTERS

Capitalized terms not otherwise defined above have the meaning given to them in this presentation. All amounts in the presentation are denoted in Canadian dollars. This presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company.

● BRIDGEMARQ ANNOUNCES BROKERAGE ACQUISITIONS ● AND INTERNALIZATION OF MANAGEMENT

Bridgemarq Real Estate Services Inc. (TSX-BRE) ("Bridgemarq" or the "Company") has entered into a definitive agreement with Brookfield Business Partners ("Brookfield") to complete a transaction (the "Transaction") that is intended to position the Company for innovation, growth and continued strong cash flow generation. Under the terms of the Transaction the Company will acquire:

- A significant portfolio of 30 highly strategic residential real estate brokerage locations operating under the Royal LePage®, Johnston & Daniel and Via Capitale banners as well as Proprio Direct, one of the leading and fastest growing virtual brokerages in Quebec ("Brokerages").
- The management company ("Manager") which currently provides management services to the Company under contract, including retaining all of the employees of the Manager that have been responsible for managing Bridgemarq and the Brokerages for over 20 years, and the termination of management fee payments to Brookfield.

● BRIDGEMARQ ANNOUNCES SETTLEMENT ● OF DEFERRED PAYMENTS

In addition to the acquisition of the Brokerages and the Manager, the Company announced that it would be settling approximately \$6.6 million in deferred payments through the issuance of Exchangeable Units as part of the Transaction. This results in a simplification of the capital structure of the Company and preserves cash resources through the issuance of equity to settle these liabilities, which were scheduled to be repaid by 2025.

The settlement of the deferred payments is at a 22% discount to their face value based on the 5-day volume weighted average trading price ("VWAP") of the Restricted Voting Shares.

The Transaction marks a new growth chapter for the Company in its storied 110-year legacy as a venerable market leader in Canadian real estate and enables the Company to expand its real estate footprint in Canada, capture more revenues and expand its capabilities beyond franchising.

TRANSACTION SUMMARY

Bridgemarq to issue 2.9MM² Exchangeable Units to BBU as consideration for the acquisition of the Manager and the Brokerages and the settlement of deferred management fees and distributions.

TRANSACTION STRUCTURE

- Acquisition of 30 real estate brokerage locations operating as Royal LePage, Johnston & Daniel, Via Capitale and Proprio Direct
- Internalization of management through the acquisition of the Manager
- Settlement of \$6.6 million in liabilities through the issuance of equity

PRO FORMA COMPANY PROFILE (2022)

- \$462 MM in Revenues
- \$35.4 MM in EBITDA³
- 21,500 REALTORS[®]
- 289 Franchise Agreements
- 300 Employees

CONSIDERATION

- The Company will issue approximately 2.9 million Exchangeable Units to Brookfield to acquire all the outstanding shares of the Manager and the Brokerages and settle the deferred management fees and distributions
- At a 5-day VWAP of \$11.74, the consideration is valued at \$34.0 million
- As a result of the Transaction, Brookfield's ownership interest in the Company is expected to increase from 28.4% to approximately 41.7% (on a fully diluted basis)

PROCESS AND FAIRNESS OPINION

- The Transaction was negotiated between Brookfield and a committee of Bridgemarq's Board of Directors, comprised solely of independent members (the "Special Committee")
- The Special Committee recommends the Transaction be approved by shareholders based on the fairness opinion of an independent financial advisor

CONDITIONS AND TIMELINE

- | | |
|--|-------------------|
| • Board Approval | December 14, 2023 |
| • Management Information Circular to be mailed to shareholders | March, 2024 |
| • Shareholders to vote on approval of the Transaction | April, 2024 |
| • Transaction closes | April, 2024 |

Transaction is conditional on:

- Shareholder approval
- Regulatory approvals
- Other closing conditions customary in transactions of this nature

²Subject to customary purchase price adjustments.

³EBITDA is defined as operating earnings before deducting write-offs of intangible assets, depreciation and amortization and interest expense.

● BENEFITS OF THE ● TRANSACTION

The Transaction provides a number of meaningful benefits to shareholders, including:



Simplified Organizational Model and Increased Transparency



Balance Sheet Deleveraging While Maintaining Liquidity



Stronger Alignment of Interests



Strengthened Franchise and Network Management



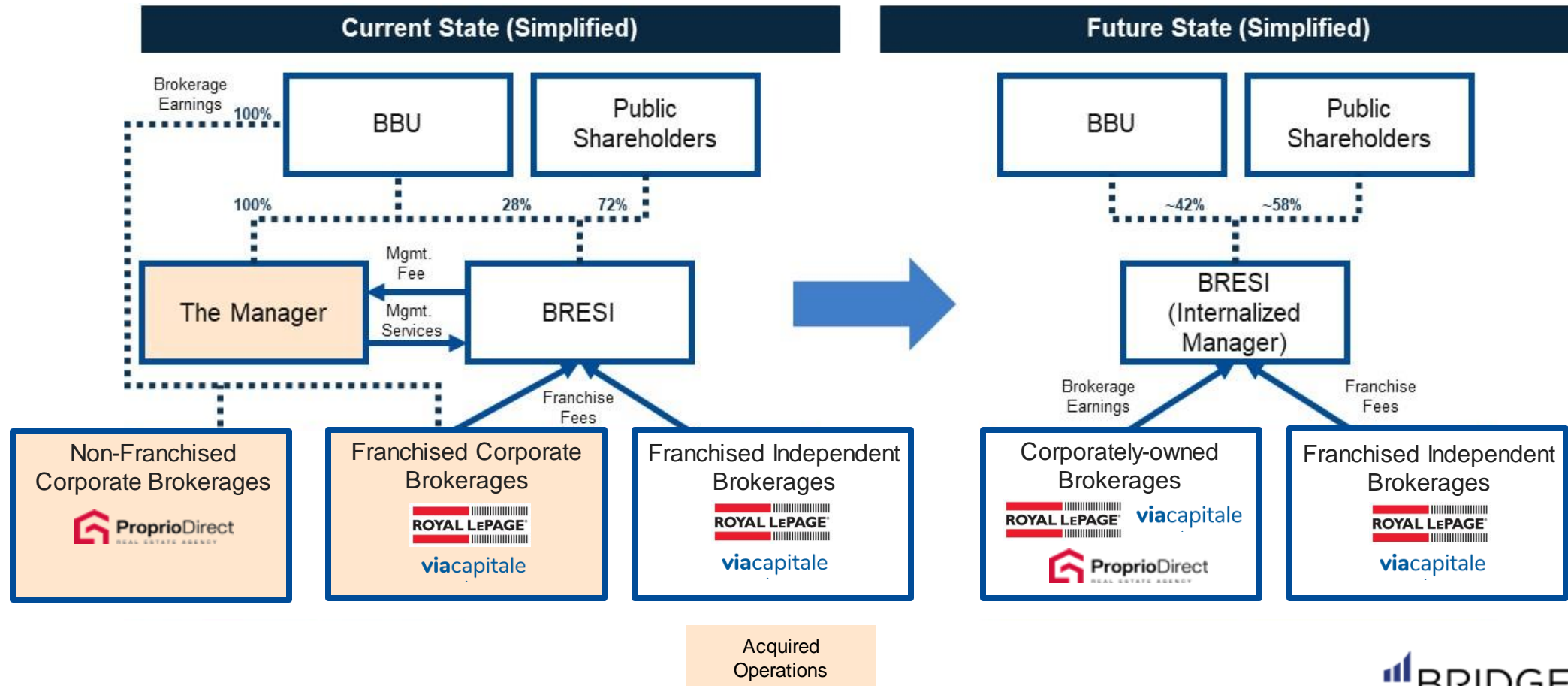
Expanded Growth Opportunities



Compelling Pro Forma Financial Metrics

TRANSACTION STRUCTURE OVERVIEW

The Transaction would simplify the corporate structure of Bridgemarq and allow the Company to build on a well-established brokerage platform to unlock future growth opportunities.



OVERVIEW OF THE MANAGEMENT COMPANY

The management company has operated as the exclusive management operator for Bridgemarq since 2003, with a mandate to provide a suite of business and management services to attract highly productive agents and grow the network.



Spencer Enright
Chairman



Phil Soper
President & CEO



Glen McMillan
CFO



Paul Zappala
EVP, Gen. Counsel



Aideen Kennedy
VP, Human Res.



Carolyn Cheng
COO



Sandra Webb
SVP, Marketing &
Communications



Luc Poupart
President,
Via Capitale



Alexandra Gélinas
VP, Operations,
Via Capitale

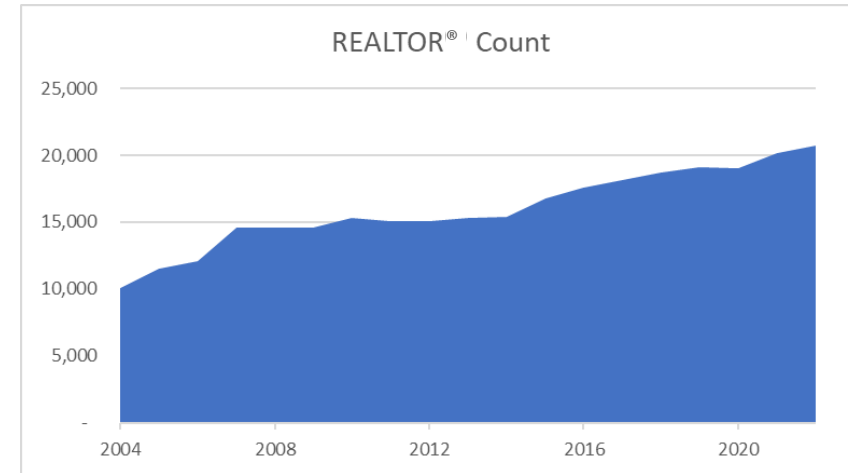
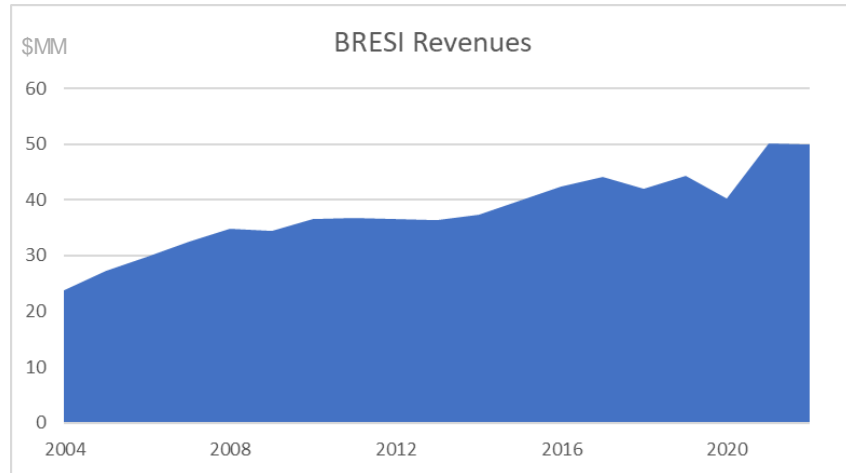


Lisa Gibbs
Exec. Director,
Shelter Foundation



Eric Sun
Director, IT

● THE MANAGER HAS SUPPORTED THE COMPANY ● SINCE INCEPTION



The Manager has contributed to Bridgemarq's growth and maturity as an external management company under a Management Services Agreement:

- Agent growth and revenue growth of 4% per year since inception
- Converted the Company from an Income Trust to a corporation in 2010
- Completed the acquisition of the Via Capitale franchise network in 2008
- Oversaw significant growth in agent count from 2005 to 2010, in the wake of the US financial crisis
- Implemented the pandemic fee relief plan to franchisees in 2020, contributing to network engagement, high retention and strong agent growth

● OVERVIEW OF ● PROPRIO DIRECT



Highly scalable and unique consumer-centric brokerage that serves a broad spectrum of clients, including those that wish to source a buyer for their property.



Stability of revenues balanced with an opportunity to explore high-growth markets.



Industry comparable revenues per agent with lower operating costs results in superior margins compared to traditional brokerage models.



● OVERVIEW OF THE ● CORPORATE BROKERAGE



Representing the largest franchise in Bridgemarq's network, Royal LePage Real Estate Services Ltd. is made up of 1,800 real estate agents located in premium markets across Canada.



The corporate brokerages account for approximately 9% of the Bridgemarq network of agents, and 8% of total franchise fee revenue.



Royal LePage Real Estate Services Ltd. operates 25 locations in 11 cities (including Toronto, Oakville, Mont Tremblant, Greater Vancouver) across Ontario, Quebec and British Columbia.



Royal LePage Real Estate Services Ltd., Brokerage



Strong Network of More Than 21,000 REALTORS® at Over 730 Locations Across Canada, with a Leading Share of the Market

Exciting and Innovative Business Models Bringing Expanded Capabilities and Opportunities for Growth

Leading Iconic Brands



• BEST POSITIONED TO WIN IN CANADIAN REAL ESTATE

Strong Track Record of Reliable and Attractive Shareholder Dividends

Simplified Capital and Operating Structure with Reduced Financial Leverage

Best-in-Class Real Estate Brokerage Operations

PRO FORMA FINANCIAL INFORMATION

Transaction provides for an improved leverage profile and contributes to higher EBITDA

	2022 Actual	2022 Pro Forma	Sept 2023- LTM Actual	Sept 2023- LTM Pro Forma ⁴
Debt : EBITDA Ratio	2.4	1.9	2.6	2.3
EBITDA : Interest Ratio	9.3	12.6	8.5	9.6
EBITDA	\$27.7 MM	\$35.4 MM	\$25.6 MM	\$28.8 MM

Brookfield's increased effective ownership from 28.4% to approximately 41.7% reinforces their commitment to the success of the Company.

⁴ 2023 LTM Pro Forma data include preliminary results for the Manager and the Brokerages.

● APPENDIX

● APPENDIX

Reconciliation of EBITDA to Operating Earnings (C\$MM)

	2022 Actual	2022 Pro Forma	Sept 2023- LTM Actual	Sept 2023- LTM Pro Forma ⁵
Operating Earnings	\$17.4 MM	\$18.5 MM	\$15.5 MM	\$12.3 MM
Depreciation and Amortization	7.2	13.1	6.9	12.4
Write-Off of Intangible Assets	0.1	0.2	0.2	0.2
Interest Expense	3.0	3.6	3.0	3.9
EBITDA	<u>\$27.7 MM</u>	<u>\$35.4 MM</u>	<u>\$25.6 MM</u>	<u>\$28.8 MM</u>

⁵ 2023 LTM Pro Forma data include preliminary results for the Manager and the Brokerages.

**BRIDGEMARQ REAL ESTATE
SERVICES INC.**