



Bridgemarq Real Estate Services Reports Third Quarter Results and Monthly Dividend

(TORONTO, ON) November 6, 2020 – Bridgemarq Real Estate Services Inc. (“Bridgemarq” or the “Company”) (TSX: BRE) announced today its third quarter consolidated financial results and the approval of a monthly dividend to holders of the Company’s restricted voting shares.

HIGHLIGHTS

- Revenue in the third quarter was \$10.7 million compared to \$11.7 million for the same period in 2019.
- The Company generated a net loss for the quarter of \$2.2 million or \$0.23 per share, on a fully diluted basis compared to earnings of \$2.4 million in the third quarter of 2019. The difference was driven by a non-cash loss on the revaluation of the exchangeable units issued by the Company as a result of an increase in the Company’s share price during the quarter.
- The Board of Directors approved a dividend to shareholders of \$0.1125 per restricted voting share payable December 31, 2020 to shareholders of record on November 30, 2020.

THIRD QUARTER OPERATING RESULTS

Revenues during the third quarter were \$10.7 million, compared to \$11.7 million in the same period in 2019. For the nine months ending September 30, 2020, Revenues were \$33.3 million compared to \$33.7 million for the same period in 2019. In April, 2020, the Company introduced the Pandemic Fee Relief Plan (the “Relief Plan”) as an alternative to its standard fee plan. Under the Relief Plan, the Company suspended fixed franchise fees for approximately 82% of its network of REALTORS® and implemented an increased variable fee 3% of gross commission income up to a cap. Strong real estate markets in the third quarter have contributed to large number of REALTORS® reaching their cap, at which point they pay no franchise fees for the rest of the year.

The Company generated a net loss for the quarter of \$2.2 million, or \$0.23 per share on a fully diluted basis. These results included a \$3.5 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 \$11.75 at the start of the quarter to \$12.81 at September 30, 2020. In the third quarter of 2019 the Company generated net earnings of \$2.4 million which included a gain on the fair valuation of the Exchangeable Units of \$0.6 million due to a decrease in the share price during that quarter.

Distributable Cash Flow for the third quarter of 2020 amounted to \$4.2 million, compared to \$4.8 million generated during the third quarter of 2019. The decrease in Distributable Cash Flow was mainly driven by lower revenues.

“While the long term impact of the pandemic on Canada’s real estate industry and economy as a whole is unknown, the housing market’s recovery from the pandemic-driven spring lockdown has been stronger than anticipated. Real estate is a market sector that has fared well in 2020,” said Phil Soper, President and Chief Executive Officer, Bridgemarq Real Estate Services Inc. “The Company continues to provide ongoing guidance, tools and services to lead the network through the pandemic

and customer trend changes in order to provide the best-in-class service that customers expect from our established brands.”

MARKET UPDATE

The second quarter of 2020 saw an unprecedented fall in Canadian real estate activity as governments across Canada began implementing COVID-19 related restrictions on the operation of businesses and the social interactions permissible with of our consumer clients.

In May 2020, our real estate brokerages began to resume sales activity across the country. Pent-up demand from prior to the pandemic coupled with very low mortgage rates and new demand from buyers seeking larger homes to improve their work-from-home quality of life during the pandemic, resulted in high unit sales across many urban markets. This was most evident in Ontario and Quebec where inventory was low coming in to 2020. Strong unit sales and low supply resulted in significant upward pressure on home prices. During the quarter, the average price of a home in the greater regions of Toronto and Montreal rose 13.4% and 23.9% compared to the same period in 2019.

While the market has sustained strong momentum from early summer, it remains to be seen whether broader economic factors such as higher unemployment, GDP contraction and immigration restrictions will offset the desire of Canadians to improve their housing situations. As such, the extent to which COVID-19 will continue to impact the Canadian Market and the business of the Company is not known at this time.

CASH DIVIDEND

The Company declared a cash dividend of \$0.1125 cents per restricted voting share payable on December 31, 2020 to shareholders of record on November 30, 2020. The dividend distribution represents a target annual dividend of \$1.35 per restricted voting share, which is consistent with 2019. The Company has continued to maintain its dividend payments to shareholders despite the uncertainty created by the pandemic. Real estate markets have been unexpectedly strong since the dramatic drop in volumes in the second quarter. In addition, the Company has benefited from support of its largest investor which has agreed to allow the Company to defer certain payment of its management fees and interest on Exchangeable Units to support continued dividend payments and the Company's overall liquidity.

THE COMPANY NETWORK

As at September 30, 2020, the Network was comprised of 18,930 REALTORS®, operating under 289 franchise agreements providing services from 677 locations, with an approximate 17% share of the Canadian residential real estate market based on 2019 transactional dollar volume.

CONFERENCE CALL

Bridgemarq Real Estate Services Inc. will host a conference call on Friday, November 6, 2019 at 10 a.m. ET to discuss its third quarter financial results.

To access the call by telephone, please dial 1-888-231-8191 or 647-427-7450.

To access the call online, please visit:

https://produceredition.webcasts.com/starthere.jsp?ei=1393455&tp_key=7b0d54e599

Please connect approximately ten minutes prior to the beginning of the call to ensure participation.

A recording of the conference call will be available in the Investor Centre section of the Company's website by Friday, November 20, 2019.

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 "continues", "expect", "lead", "provide", "recovery", "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: 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. 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®.¹ We operate in Canada under the Royal LePage, Via Capitale and Johnston & Daniel brands. For more information, go to 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.

For more information, please contact:

Sarah Louise Gardiner
Director of Investor Relations
Bridgemarq Real Estate Services Inc.
info@bridgemarq.com
Tel: 416-510-5783

¹ 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.

(Unaudited, in thousands of Canadian dollars, except per share information)

Interim Balance Sheet Highlights	September 30, 2020	December 31, 2019
Cash	\$ 10,648	\$ 5,202
Other current assets	4,407	4,943
Total current assets	15,055	10,145
Non-current assets	78,853	84,648
Total assets	\$ 93,908	\$ 94,793

Accounts payable and accrued liabilities	\$ 1,342	\$ 1,210
Interest payable on Exchangeable Units	484	484
Dividends payable to shareholders	1,067	1,067
Contract transfer obligation	604	1,920
Total current liabilities	3,497	4,681
Debt facilities	73,368	73,338
Deferred payments	5,480	-
Other non-current liabilities	6,197	4,194
Exchangeable Units	42,627	48,983
Total Liabilities	131,169	131,196
Shareholders' deficit	(37,261)	(36,403)
Total Liabilities and Shareholders' deficit	\$ 93,908	\$ 94,793

Interim Earnings Highlights	Three months ended September 30, 2020	Three months ended September 30, 2019	Nine months ended September 30, 2020	Nine months ended September 30, 2019
Fixed franchise fees	\$ 1,239	\$ 7,389	\$ 10,056	\$ 21,982
Variable franchise fees	8,038	3,077	19,124	8,455
Other revenue	1,460	1,260	4,073	3,244
Revenues	10,737	11,726	33,253	33,681
Cost of other revenue	197	155	481	417
Administration expenses (recovery)	(50)	53	779	767
Management fees	4,411	4,041	12,690	11,748
Interest expense	761	748	2,243	2,270
Impairment, write-off and amortization of intangible assets	5,418	6,729	17,060	18,479
Interest on Exchangeable Units	(2,117)	(2,634)	(6,847)	(8,579)
Gain (loss) on fair value of Exchangeable Units	(1,452)	(1,452)	(4,355)	(4,355)
Gain (loss) on interest rate swap	(3,527)	633	6,356	(499)
Gain (loss) on interest rate swap	133	155	(2,413)	(1,274)
Gain on deferred payments	310	-	1,191	-
Income tax expense	(722)	(882)	(2,008)	(2,314)
Deferred income tax recovery (expense)	(250)	(127)	(240)	325
Net and comprehensive earnings (loss)	\$ (2,207)	\$ 2,422	\$ 8,744	\$ 1,783
Basic earnings (loss) per Restricted Voting Share	\$ (0.23)	\$ 0.26	\$ 0.92	\$ 0.19
Diluted earnings (loss) per Share	\$ (0.23)	\$ 0.26	\$ 0.53	\$ 0.19

Interim Cash Flow Highlights	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Cash provided by operating activities:	\$ 4,893	\$ 5,937	\$ 18,410	\$ 12,053
Cash used for investing activities:	(462)	(1,117)	(3,362)	(3,081)
Cash used for financing activities:	(3,201)	(3,201)	(9,602)	(7,602)
Change in cash for the period	1,230	1,619	5,446	1,370
Cash, beginning of the period	9,418	4,090	5,202	4,339
Cash, end of the period	\$ 10,648	\$ 5,709	\$ 10,648	\$ 5,709

Interim Distributable Cash Flow Highlights

Distributable Cash Flow	\$ 4,234	\$ 4,730	\$ 11,690	\$ 13,084
Distributable Cash Flow per Share	\$ 0.33	\$ 0.37	\$ 0.91	\$ 1.02

	Twelve months ended 30-Sep-20	Twelve months ended 30-Sep-19
Distributable Cash Flow	\$ 15,855	\$ 16,175
Distributable Cash Flow per Share	\$ 1.24	\$ 1.26