



INVESTOR PRESENTATION  
Q3 2021



**BRIDGEMARQ**  
REAL ESTATE SERVICES

## FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking information and other “forward-looking statements”. Words such as “access”, “achieves”, “assist”, “attract”, “award-winning”, “continues”, “capitalize”, “contributing”, “convert”, “converting”, “deliver”, “drivers”, “enhanced”, “fastest”, “focus”, “focuses”, “generates”, “growth”, “guide”, “improve”, “increasing”, “largest”, “lead”, “leader”, “leading”, “leverage”, “offers”, “opportunities”, “positions”, “promotes”, “provides”, “represents”, “rank”, “recruit”, “retain”, “robust”, “security”, “stability”, “strong”, “supports”, “synonymous”, “time-tested”, “train”, “transformation”, 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.

This document should be read in conjunction with the Company’s quarterly financial statement and quarterly MD&A. This presentation makes reference to Distributable Cash Flow and Distributable Cash Flow per Share, which are non-GAAP financial measures and do not have any standardized meaning under IFRS and, accordingly, may not be comparable to similar measures used by other companies. These non-GAAP measures are more fully defined and discussed in the Company’s MD&A for the year ended September 30, 2021, which is incorporated by reference in this presentation and available on SEDAR at [www.sedar.com](http://www.sedar.com). Please refer to Appendix A for a reconciliation of these non-GAAP measures to their most directly comparable financial measure included in the annual consolidated financial statements for the period ended September 30, 2021.

# Q3 Company Highlights

- Revenues for the quarter amounted to \$12.4 million, an increase of 16% over Q3 of 2020. While housing markets were relatively flat compared to 2020, the Company provided fee relief in 2020 under the Pandemic Fee Relief Plan which negatively impacted revenues last year. The Company also benefitted from an increase in the number of REALTORS® in the Company network in the quarter.
- For the quarter, the Company generated net earnings of \$3.9 million, compared to a net loss of \$2.2 million last year. The improved results were driven by a \$1.7 million improvement in revenues and a gain on the fair valuation of the Company's exchangeable units of \$1.7 million compared to a loss of \$3.5 million in Q3 last year.
- Distributable cash flow for the quarter was \$5.2 million or \$0.41 per share, compared to distributable cash flow of \$4.4 million or \$0.35 per share in Q3 last year. The increase in distributable cash flow was driven by higher revenues, partly offset by higher administration expenses, higher management fees and higher income tax expenses.
- The board of directors of Bridgemarq declared a cash dividend of \$0.1125 per restricted voting share payable on December 31, 2021, to shareholders of record on November 30, 2021. This represents a targeted annual dividend of \$1.35 per restricted voting share.



# Key Business Drivers

*Time-tested strategy, contributing to growth and stability*

Stability of the  
Company's  
Revenues

1

Number of  
REALTORS® in  
the Company  
Network

2

Transactional  
Dollar Volume

3

REALTOR®  
Productivity

4

Products and  
Services  
Offered

5

# Company Financial Highlights

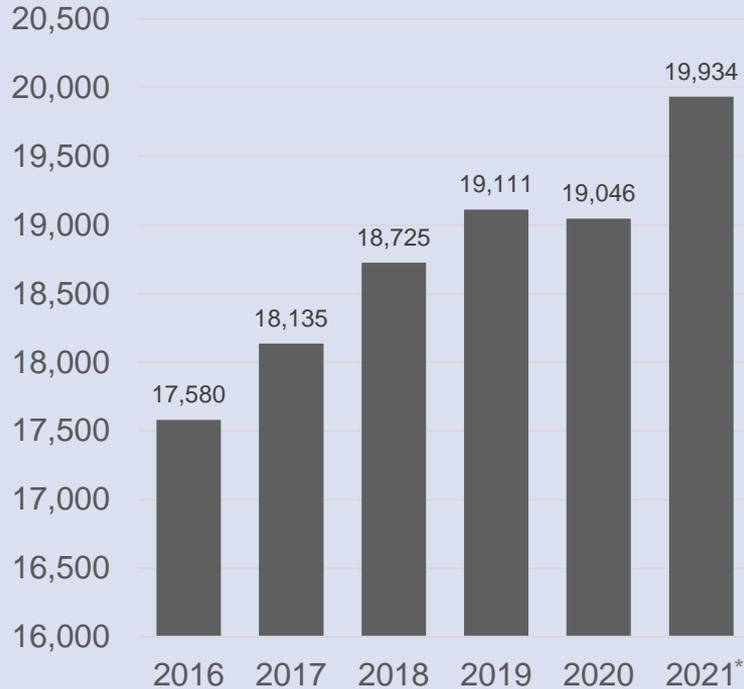
(Unaudited)

(in 000's) except per share amounts, which are calculated on a fully diluted basis.

	<b>Q3 2021</b> For three months ended September 30	<b>Q3 2020</b> For three months ended September 30	<b>Q3 2021</b> For nine months ended September 30	<b>Q3 2021</b> For nine months ended September 30
Total revenue	\$12,434	\$10,737	\$39,485	\$33,253
Net earnings (loss)	\$3,865	\$(2,207)	\$2,244	\$8,744
Distributable cash flow	\$5,190	\$4,428	\$17,233	\$12,027
Dividends	\$3,201	\$3,201	\$9,602	\$9,602
Net earnings per share (loss)	\$0.28	\$(0.23)	\$0.24	\$0.53
Distributable cash flow per share	\$0.41	\$0.35	\$1.35	\$0.94
Dividends per share	\$0.34	\$0.34	\$1.01	\$1.01

<b>For twelve months ended September 30, 2021</b>	<b>Q3 2021</b>	<b>Q3 2020</b>	<b>Change (%)</b>
Distributable cash flow per share	\$1.49	\$1.24	20.2%
Dividends per share	\$1.35	\$1.35	-

## Company Growth Number of REALTOR®



\*As at September 30<sup>th</sup>, 2021

## Strong Network Growth

The Company's agent growth count increased 13% since 2016

- On September 30, 2021, the Company network consisted of 19,934 REALTORS® operating through 285 franchise agreements at 668 locations.
- The Company represents an approximate 16% share of the Canadian residential real estate market based on 2020 transactional dollar volume.

% of Franchise Agreements Up For Renewal  
as at September 30, 2021



## Balanced, Lower Risk Contract Portfolio

The Company historically achieves a 98% contract renewal rate

- Year-to-date Franchise Agreements, representing 104 REALTORS® in the Company Network, extended their term or renewed during the quarter.
- Royal LePage Franchise Agreements, which represent 95% of the Company's REALTORS®, are 10-20 year terms with a standard renewal term of 10 years.

# Average Prices

Q3 2021 over Q3 2020

17%



TORONTO

7%



VANCOUVER

13%



MONTREAL





# Best-in-class offering

The Company's network continues to receive new and enhanced products, tools and services to assist Franchisees in managing their businesses.

## 2021 highlights:

- Enhancements that improve functionality and marketing insights were made to rlpSPHERE, the Royal LePage brand's digital ecosystem designed to enhance productivity and profitability. Recruitment campaigns were developed and launched to promote network growth. The Manager also launched the Royal LePage blog, a consumer-facing website that enhances brand awareness and consumer engagement. Royal LePage's industry-facing blog was refreshed and enhanced with a new design that positions the brand as a leader in real estate services technology and supports recruitment efforts. In 2021, the Royal LePage received three awards from the Canadian Public Relations Society for excellence in media relations.
- The Johnston & Daniel brand unveiled an enhanced international marketing program. With the addition of its newest partner, J&D Global now offers more premium digital exposure including top tier international news outlets. Currently, J&D Global generates more than half a billion page views for listings over \$1 million in 133 global markets across 23 countries. Earlier this year, the brand launched a new consumer-facing website to attract higher traffic to its luxury real estate services offering.
- The Via Capitale brand entered into an agreement with a Montreal-based mortgage firm to give clients access to improved insurance products and more competitive residential and commercial financing.

The products and services offered by the Company are supported by ongoing training programs for Brokers and REALTORS®, which assist in leveraging the Company's competitive advantages to attract and retain REALTORS®.



# APPENDIX

# Appendix A

## *Distributable cash flow reconciled to cash flow from operating activities*

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

(Unaudited) (\$ 000's)	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Cash flow from operating activities	\$ 4,311	\$ 4,699	\$ 12,821	\$ 18,073
Add (deduct):				
Interest on Exchangeable Units	1,452	1,452	4,355	4,355
Income tax expense	(987)	(722)	(3,103)	(2,008)
Income taxes paid	1,380	720	2,880	1,980
Changes in non-cash working capital items	(849)	336	677	(583)
Interest expense:	(2,151)	(2,162)	(6,454)	(6,456)
Interest paid	2,086	2,098	6,267	6,311
Interest income	(6)	(36)	(28)	(88)
Interest received	6	34	27	84
Deferral of payments	-	(1,413)	-	(5,425)
Gain on deferred payments	-	(310)	-	(1,191)
Cash used in investing activities	(52)	(268)	(209)	(3,025)
Distributable Cash Flow	\$ 5,190	\$ 4,428	\$ 17,233	\$ 12,027

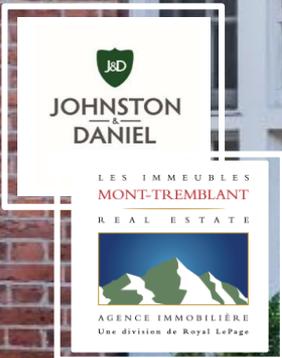
# Appendix B

Access the investment potential of Canada's real estate market through Bridgemarq's iconic real estate brands.





- Leader in Canadian real estate since 1913
- ~18,000 agents in more than 600 locations nationwide



- Leading luxury real estate boutique firms selling distinctive homes in southern Ontario and Quebec's Laurentian Mountains region
- ~225 real estate professionals



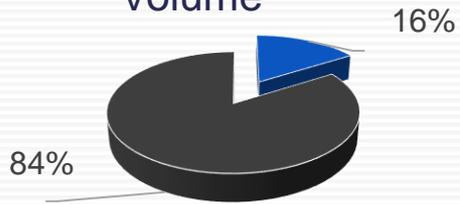
- Quebec-based real estate services brand synonymous with innovation and consumer protection
- ~900 agents in more than 50 locations

# Canada's largest company network of REALTORS®

- Franchisees rank number 1 in over 100 markets nationwide
- Participated in over \$90 billion in transactional dollar volume during 2020
- Average company REALTOR® generated more than \$300,000 in home sales compared to the industry average last year
- Fastest growing Commercial brand

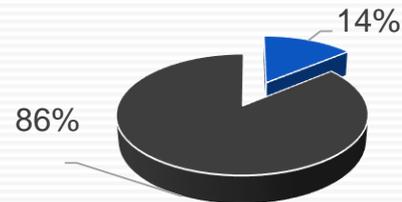
Bridgemarq. An established brand with room to grow

Transactional Dollar Volume\*



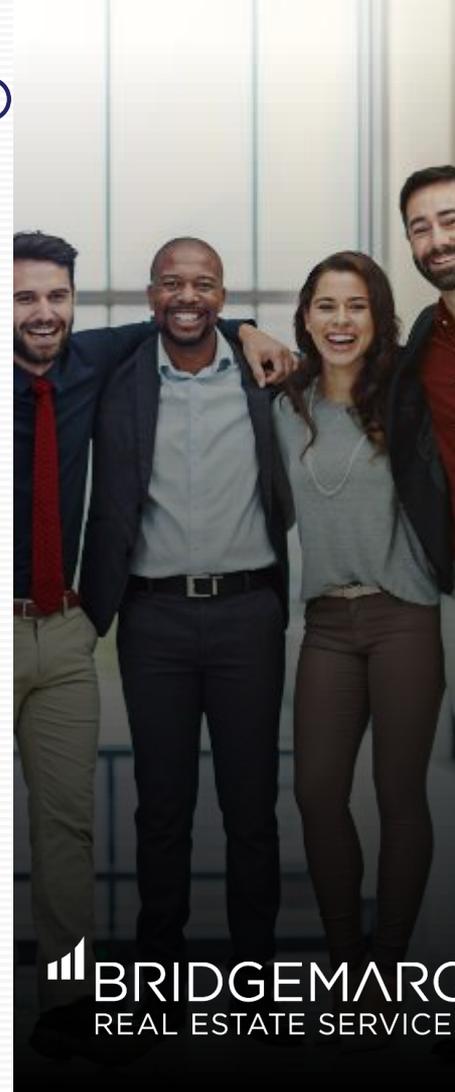
■ Bridgemarq ■ Other brands

Canadian Realtors®\*



■ Bridgemarq ■ Other brands

\*Year ended 2020



**BRIDGEMARQ**  
REAL ESTATE SERVICE

## Why franchisees choose Bridgemarq brands:

- Iconic Canadian brands offer compelling business opportunities
- First-to-market technology provides franchisees with a competitive differentiator
- Canada's highest ranking consumer website among real estate services brands
- Enhanced productivity and profitability through lead generation
- Strong brand awareness built through award-winning media relations campaigns and robust digital engagement programs
- Comprehensive training and resources provided by a dedicated team and best-in-class resources

98% franchisee renewal rate



# Business Strategy

- Deliver purposeful dividend income
- Lead with innovative, effective technology & business services
- Leverage size & scale as industry's largest firm
- Recruit, train & retain premium practitioners
- Security through long-term franchise agreements

# Royalty Growth Opportunities

- Increasing the number of REALTORS® through recruitment
- Converting competitor brokerages to a Company brand
- Increasing REALTOR® productivity
- New or expanded products and services
- Increasing the adoption of products and services.

In a sales-services industry, momentum is contagious...

*Leading agents choose a winner.*



# Bridgemarq Real Estate Services

## *A compelling investment*

- Strong track record of attractive annual dividends
- Financial stability and liquidity support
- A strong network of REALTORS® that have been supported with technology and financial resources to safely provide services during the COVID 19 pandemic
- Secured by industry leading long-term franchise agreements
- Iconic brands
- Proven, successful growth strategy

# CONTACT

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