



INVESTOR PRESENTATION  
Q2 2022



**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”, “contributing”, “converting”, “deliver”, “drivers”, “enhanced”, “fastest”, “growth”, “improves”, “increasing”, “largest”, “lead”, “leader”, “leading”, “leverage”, “ongoing”, “opportunities”, “provides”, “rank”, “recruit”, “retain”, “robust”, “security”, “stability”, “strong”, “synonymous”, “time-tested”, “train”, “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 on the economy and the Company’s business, 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 flows as a result of changes in its underlying business, 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, 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 June 30, 2022, 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 June 30, 2022.

## Q2 Company Highlights

- Revenue for the first half of 2022 is \$27.2 million compared to \$27.1 million last year. Second quarter revenue was \$13.8 million, down slightly from \$14.0 million in Q2 last year.
- Net earnings for the quarter were \$11.3 million or \$0.36 per share, on a fully-diluted basis compared to \$0.9 million or \$0.10 per share in the second quarter of 2021 with non-cash valuation adjustments accounting for most of the increase.
- Distributable Cash Flow decreased to \$5.9 million compared to \$6.4 million in the second quarter of 2021.
- The Board of Directors approved a dividend to shareholders of \$0.1125 per restricted voting share payable September 30, 2022, to shareholders of record on August 31, 2022.



# 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

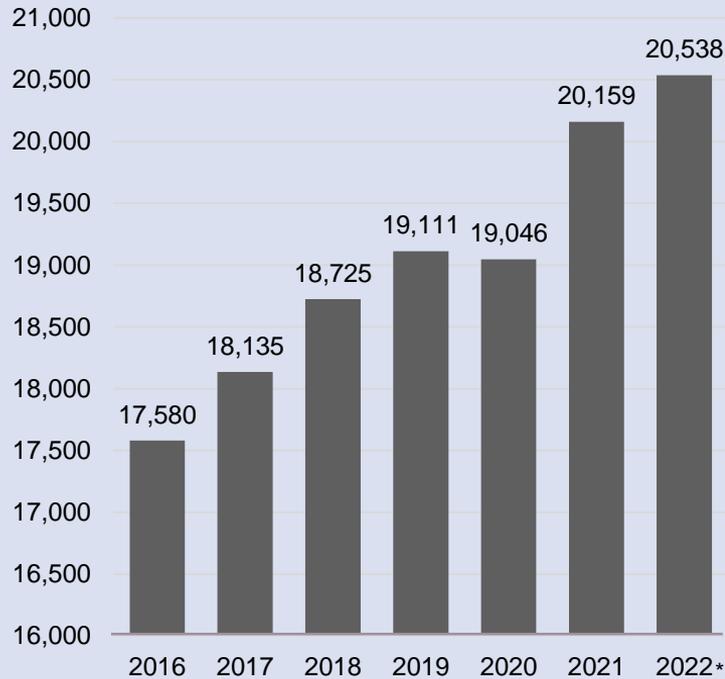
(Unaudited)

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

	<b>Q2 2022</b> For three months ended June 30	<b>Q2 2021</b> For three months ended June 30	<b>Q2 2022</b> For six months ended June 30	<b>Q2 2021</b> For six months ended June 30
Total revenue	\$13,796	\$13,952	\$27,222	\$27,051
Net earnings (loss)	\$11,339	\$914	\$16,058	(\$1,622)
Distributable cash flow	\$5,853	\$6,404	\$11,617	\$12,043
Dividends	\$3,201	\$3,201	\$6,402	\$6,402
Net earnings per share (loss)	\$0.36	\$0.10	\$0.75	(\$0.17)
Distributable cash flow per share	\$0.46	\$0.50	\$0.91	\$0.94
Dividends per share	\$0.34	\$0.34	\$0.68	\$0.68

<b>For twelve months ended June 30, 2022</b>	<b>Q2 2022</b>	<b>Q2 2021</b>	<b>Change (%)</b>
Distributable cash flow per share	\$1.63	\$1.43	14.0%
Dividends per share	\$1.35	\$1.35	-

## Company Growth Number of REALTOR®



\*As at June 30, 2022

# Strong Network Growth

Since 2016, the Company has had a compound annual agent growth of 3%

- On June 30, 2022, the Company network consisted of 20,538 REALTORS® operating through 283 franchise agreements at 730 locations.

## % of Franchise Agreements Up For Renewal as at June 30, 2022



## Balanced, Lower Risk Contract Portfolio

The Company historically achieves a 98% contract renewal rate

- Year-to-date, 1 Franchise Agreement, representing 33 REALTORS® in the Company Network, extended their term or renewed during the quarter.
- Royal LePage Franchise Agreements, which represent 94% of the Company's REALTORS®, are 10-20 year terms with a standard renewal term of 10 years.

# Average Prices

Q2 2022 over Q2 2021

CANADA 3%

12%



TORONTO

9%

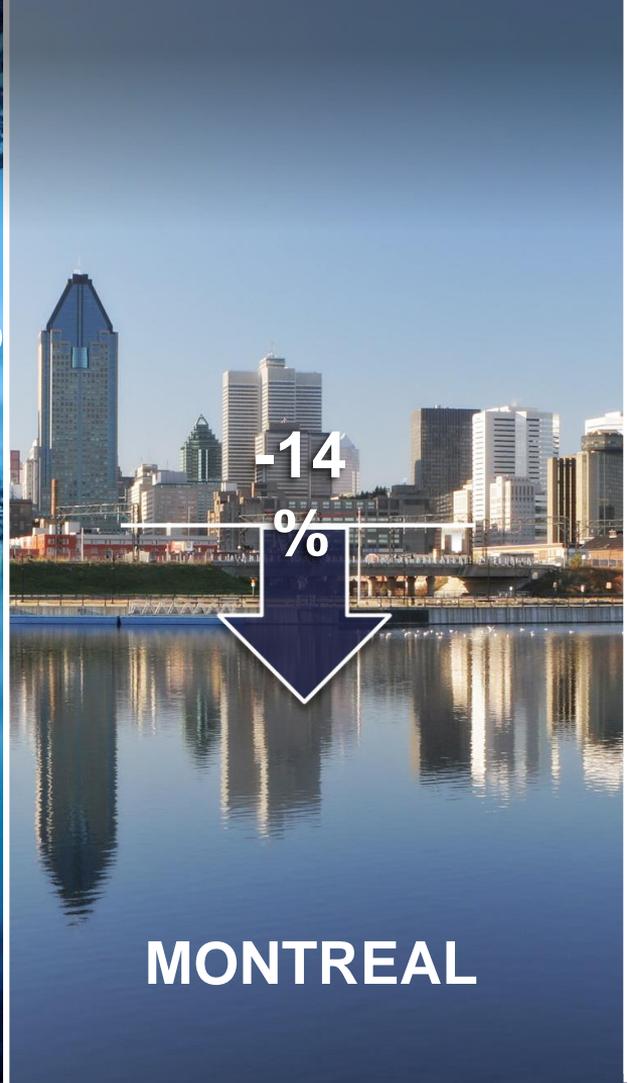


VANCOUVER

9%



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.

2022 highlights:

- In the Quarter, the Manager began to rollout QuickQuote™ to the Royal LePage network. This product provides Canadians with an instant, current market home value estimate alongside helpful related neighbourhood analytics. QuickQuote™ launched to consumers in July 2022. In the previous quarter, the brand launched a new app designed for REALTORS® to complete and submit FINTRAC forms. The tool also improves compliance and allows for quicker processing. In addition, the Royal LePage brand launched a new brand campaign targeting first-time homebuyers.
- Via Capitale announced a major sponsorship of the permanent exhibition Ma maison (My place), at the Musée de la civilisation du Québec, Quebec's largest museum. Enhancing brand awareness, Via Capitale's logo will be displayed at the exhibition until the end of 2027. In the previous quarter, the brand launched two benefits programs to its network. Via Capitale REALTORS® have access to the brand's health and wellness program that provides primary care and mental health benefits. The second program provides quickly accessible legal advice for professional and personal matters.

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 tables below present reconciliations of cash flow from operating activities, as presented in the consolidated statements of cash flows, to Distributable Cash Flow for the Quarter and on a trailing twelve-month basis. Distributable Cash Flow is 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 June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Cash flow from operating activities	\$ 4,887	\$ 5,291	\$ 8,394	\$ 8,511
Add (deduct):				
Interest on Exchangeable Units	1,452	1,452	2,904	2,904
Current Income tax expense	(1,222)	(1,008)	(2,369)	(2,116)
Income taxes paid	1,150	750	2,500	1,500
Changes in non-cash working capital	(301)	24	409	1,522
Interest expense	(2,171)	(2,156)	(4,300)	(4,303)
Interest paid	2,165	2,099	4,252	4,181
Interest income	14	13	14	22
Interest received	(14)	(14)	(14)	(21)
Cash used for investing activities	(107)	(47)	(173)	(157)
Distributable Cash Flow	\$ 5,853	\$ 6,404	\$ 11,617	\$ 12,043

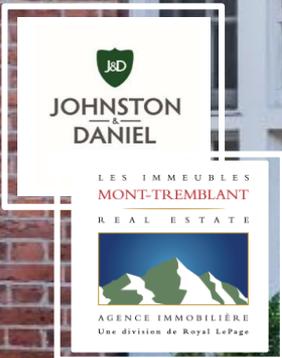
# Appendix B

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





- Leader in Canadian real estate since 1913
- ~19,000 agents in more than 650 locations nationwide



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



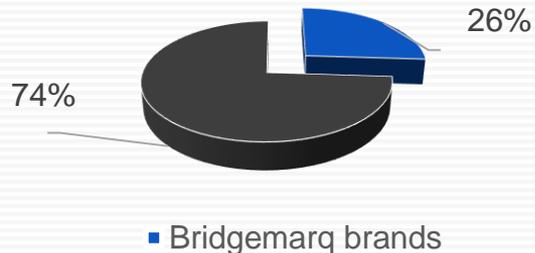
- Quebec-based real estate services brand synonymous with innovation and consumer protection
- ~900 agents in more than 50 locations

# Canada's largest company network of REALTORS®

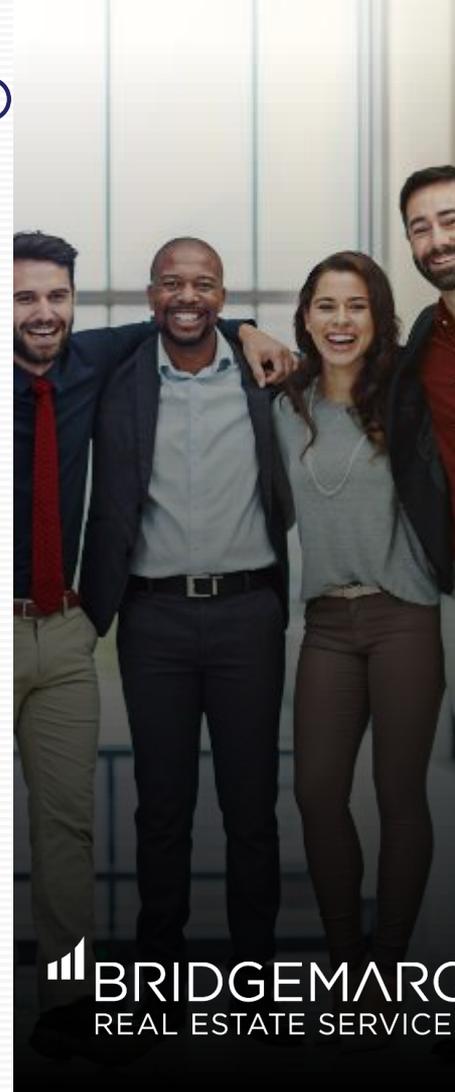
- Franchisees rank number 1 in over 100 markets nationwide
- Average company REALTOR® generated approximately \$500,000 more in home sales compared to the industry average last year
- Fastest growing Commercial brand

Bridgemarq. An established brand with room to grow

Participation in Canadian home resales\*



\*Year ended 2021



**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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