

Q1 2021

Interim Report
to Shareholders



2021 Management's Discussion and Analysis of Results and Financial Condition

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INTRODUCTION

This management's discussion and analysis ("MD&A") of the financial results and financial condition of Bridgemarq Real Estate Services Inc. for the three months ended March 31, 2021, has been prepared as at May 10, 2021. The three months ended March 31, 2021, shall be referred to in this MD&A as the "Quarter" and the comparative period of the three months ended March 31, 2020, shall be referred to in this MD&A as the "Prior Year Quarter". The financial information presented herein has been prepared on the basis of International Financial Reporting Standards ("IFRS") and is expressed in Canadian dollars unless otherwise stated.

The definitions of terms capitalized in this MD&A are provided in the Glossary of Terms commencing on page 33.

This MD&A is intended to provide the reader with an assessment of the Company's past performance as well as its financial position, performance objectives and future outlook. The information in this document should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2020, prepared in accordance with IFRS. Additional information relating to the Company, including its 2020 Annual Information Form, is available on SEDAR at www.sedar.com or on the Company's website at www.bridgemarq.com.

This MD&A makes reference to Distributable Cash Flow and Distributable Cash Flow per Share, which are non-GAAP measures and do not have any standardized meaning under IFRS. Please see *Distributable Cash Flow reconciled to Cash Flow from Operations* for a reconciliation of Distributable Cash Flow to cash flow from operating activities in the interim condensed consolidated statements of cash flows and further information about Distributable Cash Flow.

Management's Discussion and Analysis of Results and Financial Condition

Highlights

The table below sets out selected historical information and other data for the Company.

- Revenues for the Quarter amounted to \$13.1 million, an increase of 18% over the Prior Year Quarter. Strong housing markets and an increase in the number of REALTORS® in the Company Network contributed to the increase.
- For the Quarter, the Company generated a net loss of \$2.5 million, compared to net earnings of \$20.1 million in the Prior Year Quarter. The change over the Prior Year Quarter was driven by a loss on the fair valuation of the Company's Exchangeable Units of \$5.4 million compared to a gain of \$20.9 million in the Prior Year Quarter.
- Distributable Cash Flow for the Quarter was \$5.6 million or \$0.44 per Share, compared to Distributable Cash Flow of \$3.9 million or \$0.30 per share in the Prior Year. The increase in Distributable Cash Flow was driven by higher revenues and lower administration expenses, partly offset by higher management fee and income tax expenses.
- The board of directors of Bridgemarq (the "Board") declared a cash dividend of \$0.1125 per Restricted Voting Share payable on April 30, 2021, to shareholders of record on March 31, 2021. This represents a targeted annual dividend of \$1.35 per Restricted Voting Share.

(Unaudited)
(in 000's) except per Share amounts and number of REALTORS®
For three months ended March 31,

	2021	2020
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)
Current income tax expense	(1,108)	(730)
Cash used in investing activities	(110)	(912)
Distributable Cash Flow	\$ 5,639	\$ 3,880
Dividends	\$ 3,201	\$ 3,201
Interest on Exchangeable Units	\$ 1,452	\$ 1,452
Net and comprehensive earnings (loss)	\$ (2,536)	\$ 20,126
Number of REALTORS®	19,316	19,120
Net and comprehensive earnings (loss) per Share	\$ (0.27)	\$ 0.05
Dividends per Restricted Voting Share	\$ 0.34	\$ 0.34
Interest on Exchangeable Units per Exchangeable Unit	\$ 0.44	\$ 0.44
Distributable Cash Flow	\$ 5,639	\$ 3,880
Distributable Cash Flow per Share	\$ 0.44	\$ 0.30

Management's Discussion and Analysis of Results and Financial Condition

In March 2020, the World Health Organization declared a global pandemic caused by the outbreak of the novel coronavirus, specifically identified as "COVID-19". The outbreak resulted in governments enacting emergency measures to combat the spread of the virus through the remainder of 2020 and into 2021. Many of these measures are continuing and include the implementation of travel bans, self-imposed quarantine, curfews, limitations on social gatherings, mandated reductions in retail and other economic activities and social distancing. These measures caused material disruption to the Company's business for a portion of 2020.

In response to the impact of COVID-19 on our Franchisees, the Company introduced the Pandemic Fee Relief Plan (the "Relief Plan") which was implemented to provide the support that was necessary to preserve our network and the presence of our Brands at a time when we believed the business revenues of our Franchisees could drop to unprecedented levels in a short period of time. The Relief Plan is further discussed under *Business Strategy*.

Since the June of 2020, real estate markets in Canada have been very strong, consistently setting records for both the selling price of homes and number of homes sold. While it appears that any negative impact of the pandemic on the Company's operations has lessened, management continues to closely evaluate the impact of COVID-19 and Canadian real estate markets in general on the Company's business. It is not possible to estimate the length and severity of these developments and the impact on the future financial results of the Company, despite the fact vaccinations have been approved in many countries and are being administered in Canada.

Organization

Bridgemarq's Restricted Voting Shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "BRE". Through its limited partnership holdings, Bridgemarq owns certain Franchise Agreements and Trademarks of real estate services Brands in Canada.

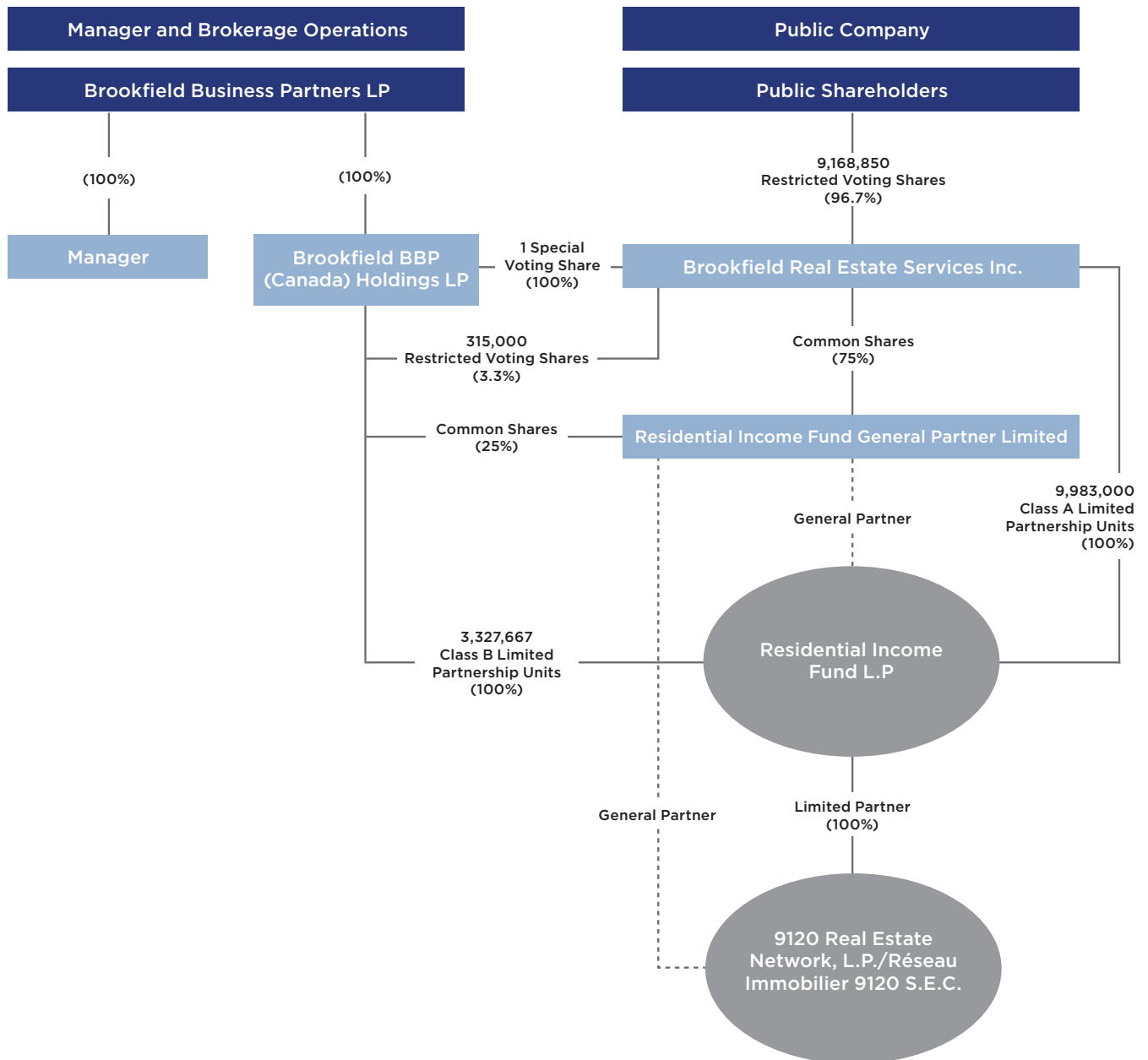
Bridgemarq directly owns a 75% interest in the Partnership which, in turn, owns VCLP. In addition, Bridgemarq directly owns a 75% interest in the General Partner. The Partnership and VCLP own and operate the assets from which Bridgemarq derives its revenue.

Brookfield owns the remaining 25% interest in the Partnership through its ownership of exchangeable units of the Partnership (the "Exchangeable Units"), the remaining 25% interest in the General Partner through its ownership of 25 common shares in the General Partner and one Special Voting Share of Bridgemarq. The Special Voting Share entitles Brookfield to a number of votes at any meeting of the restricted voting shareholders equal to the number of Restricted Voting Shares that may be obtained upon the exchange of all the Exchangeable Units held by the holder and/or its affiliates. In addition to its ownership of the Exchangeable Units, the common shares of the General Partner and the Special Voting Share, Brookfield indirectly owns 315,000 Restricted Voting Shares.

The Company receives certain management, administrative and support services from the Manager. Bridgemarq derives its revenue from franchise fees and other services it provides which are ancillary to the services it provides under Franchise Agreements with Franchisees.

Management's Discussion and Analysis of Results and Financial Condition

The ownership structure of the Company and the Manager is set out below:



Management's Discussion and Analysis of Results and Financial Condition

Business Strategy

The Company is a Canadian based real estate services firm that supplies REALTORS® with information, tools and services to assist them in providing efficient and effective delivery of real estate sales services in the communities they serve. Through a portfolio of highly regarded real estate services Brands, each of which offers a unique value proposition, the Company caters to the diverse service requirements of regional real estate professionals, in virtually all significant population centres across Canada.

Bridgemarq's objective is to provide its stakeholders with an investment vehicle that pays a substantial amount of its Distributable Cash Flow to its shareholders in the form of dividends. The Company's revenue is driven primarily by franchise fees derived from long-term Franchise Agreements. These franchise fees have historically been weighted toward fees that are fixed in nature. The Company believes that this has proven to be effective in moderating the variations in overall industry activity that can occur in the Canadian Market.

In response to the measures taken by governments across Canada to combat the spread of COVID-19, the Company implemented the Pandemic Fee Relief Plan for its Franchisees. This temporary fee plan provided fee rebates of

- \$128 per REALTOR®, for each of March, 2020 and April, 2020 for those Royal LePage Franchisees operating in Quebec
- \$150 per REALTOR® for April, 2020 for Via Capitale Franchisees, and
- variable amounts for those Royal LePage Franchisees operating outside Quebec based on the Gross Revenues of their REALTORS® for the Prior Year Quarter.

In addition, for those Royal LePage Franchisees operating outside of Quebec who elected to participate in the Relief Plan, fixed franchise fees were suspended for the period from April 1, 2020 through December 31, 2020 and Franchisees were charged a higher variable franchise fee subject to a cap. In 2020, Franchisees, representing approximately 98% of the REALTORS® in the Company Network, who were eligible to participate in the Relief Plan elected to do so. Under the Relief Plan, approximately 82% of the Company Network paid only variable fees for the period from April 2020 to December 2020, subject to a cap. Effective January 1, 2021, all Franchisees reverted back to the traditional fee plan, which is weighted towards fees that are fixed in nature.

The number of REALTORS® in the Company Network, the transaction volumes generated in the markets the Company serves, the manner in which the Company structures the contracted revenue streams, the success in attracting REALTORS® to the Company's Brands through their value propositions and the track record of the Company's Brands are all important factors in the Company's financial and operating performance. These factors, including, among others, general economic conditions and government and regulatory activity impact the Company's performance and are discussed in greater detail throughout this MD&A and in the Company's 2020 Annual Information Form, which is available at www.sedar.com.

The Company seeks to increase its Distributable Cash Flow by increasing the number of REALTORS® in the Company Network through entering into Franchise Agreements and by attracting and retaining REALTORS® through the provision of services and additional fee for service offerings, which increases the productivity of the REALTORS®.

Management Services Agreement

The Company is party to a Management Services Agreement (the "MSA"), which governs the management of the Company and the delivery of services to Brokers and REALTORS® by the Manager. The MSA has a term of ten years expiring on December 31, 2028. On expiry, the MSA automatically renews for an additional ten-year term unless the Company or the Manager provides notice of their intention to terminate the MSA no later than six months prior to expiry.

Under the terms of the MSA, the Company pays a monthly management fee to the Manager comprised of:

- a fixed management fee of \$840,000, plus
- a variable management fee equal to the greater of a) 23.5% of Distributable Cash (as such term is defined in the MSA) or 0.342% of the market value of the Restricted Voting Shares on a diluted basis for the first five years of the initial term of the MSA and b) 25% of Distributable Cash or 0.375% of the market value of the Restricted Voting Shares on a diluted basis thereafter.

During the second quarter of 2020, the Company entered into an agreement with the Manager whereby the Company was permitted to defer payment of the monthly management fee payable under the MSA for the period from April, 2020 to December, 2020. Amounts deferred under this agreement are non-interest bearing and are due five years from the date of the deferral. Amounts owing under the agreement can be repaid in cash or through the issuance of Exchangeable Units at the option of the Company.

Management's Discussion and Analysis of Results and Financial Condition

As a result of the capitalization of certain Franchise Agreements and other contracts transferred to the Company upon entering into the MSA, a portion of future payments for management fees will be allocated toward reducing the Company's contract transfer obligation and associated interest expense, with the remainder charged to the Company's statement of net and comprehensive earnings.

Company Revenues

As at March 31, 2021, the Company received franchise fees under 287 Franchise Agreements representing 19,316 REALTORS® operating from 663 locations, providing services under the Royal LePage, Via Capitale and Johnston & Daniel Brands operating collectively as the Company Network, with an approximate 16% share of the Canadian Market, based on 2020 transactional dollar volume.

The Company generates revenue from franchise fees with both fixed and variable components as well as other revenues. Fixed franchise fees represent fees that are payable to the Company as a fixed monthly amount per REALTOR® without regard to transaction volumes generated by that REALTOR®. Approximately 58% of the Company's revenues for the Quarter (Prior Year Quarter- 68%) were derived from fixed franchise fees. Variable franchise fees represent franchise and other fees that are payable to the Company based on the transaction volumes generated by REALTORS®, subject to a cap. Approximately 29% of the Company's revenues for the Quarter (Prior Year Quarter - 24%) were derived from variable franchise fees. Other revenues are derived from ancillary services provided to Franchisees outside of Franchise Agreements and include lead management fees received from Franchisees and fees for referral services paid by third parties. During the Quarter, other revenues represented 13% of total revenues (Prior Year Quarter- 8%).

In 2020, approximately 65% of the Company's annual franchise fees were partly insulated from the fluctuations in the Canadian Market as they were not directly driven by transaction volumes. This includes a portion of variable franchise fees which are effectively fixed in nature due to the fact that variable franchise fees are subject to a cap. The Company believes that the combination of a revenue stream based on the number of REALTORS® in the Network, increasing REALTOR® productivity and steady growth in the Canadian Market provides the base for strong and stable cash flows. A description of each type of revenue follows:

Fixed Franchise Fees are paid based on the number of REALTORS® in the Company Network. For the Quarter fixed franchise fees from Royal LePage Franchisees consisted of a fixed monthly fee of \$133 per REALTOR®. For the Prior Year Quarter, fixed franchise fees consisted of a fixed monthly fee of \$133 per REALTOR® for approximately 90% of the Royal LePage Network and \$128 per REALTOR® for 10% of the Royal LePage Network. Fixed fees from Via Capitale Franchisees consisted primarily of a fixed monthly fee of \$170 per REALTOR®. For those approximately 390 Royal LePage REALTORS® who participate in the Royal LePage commercial real estate program, an additional monthly fee of \$100 was paid to the Company.

Under the terms of the Relief Plan, Royal LePage Franchisees operating in Quebec received a rebate equal to the monthly fixed franchise fee, of \$128 per REALTOR®, for March, 2020. Amounting to a total rebate of \$0.3 million in the Prior Year Quarter.

Variable Franchise Fees are calculated as a percentage of Gross Revenues earned by the Franchisee's REALTORS®. Variable franchise fees are substantially all earned from Royal LePage Franchisees, are driven by the transactional dollar volume transacted by the REALTORS® and are derived as 1% of each REALTOR®'s Gross Revenues, subject to a cap of \$1,400 per year. Certain REALTORS® in the Royal LePage Network work as part of a Team. All REALTORS® who are members of a Team pay fixed franchise fees. However, for the purposes of the \$1,400 variable fee cap, the Gross Revenues of all Team members are aggregated to one cap.

The amount of variable franchise fees paid by an individual REALTOR® can change depending upon, among other things, the total value of real estate they sell in a given year and increases or decreases in home prices. However, variable franchise fees are subject to a cap. For those REALTORS® or Teams who reach the cap, the variable franchise fee is effectively fixed in nature, in that the variable franchise fee paid by the REALTOR® will not change based on changes in the Canadian Market. In 2020 under the Relief Plan, the variable fees associated with approximately 4,710 REALTORS® and 1,172 Teams (representing more than 3,600 REALTORS® that exceeded the cap accounted for approximately 37% of revenues.

Other Revenues consist of revenues earned for services provided to Franchisees and REALTORS® outside of the franchise fees earned under the Franchise Agreements. Other revenues include referral fees paid by financial institutions for mortgage referrals and fees earned from Franchisees who purchase customer leads from the Company.

Management's Discussion and Analysis of Results and Financial Condition

Overview of First Quarter 2021 Operating Results

(Unaudited)

(in 000's) except per Share amounts;

Restricted Voting Shares outstanding;

Exchangeable Units outstanding;

Number of REALTORS®

For the three months ended March 31,

	2021	2020
Fixed franchise fees	\$ 7,584	\$ 7,541
Variable franchise fees	3,745	2,619
Other revenue	1,770	962
Revenues	13,099	11,122
Less:		
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 and write-off of intangible assets	-	(170)
Amortization of intangible assets	(1,951)	(2,249)
Interest expense 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)
Current income tax expense	(1,108)	(730)
Deferred income tax recovery (expense)	(89)	609
Net and comprehensive earnings (loss)	\$ (2,536)	\$ 20,126
Basic earnings (loss) per Restricted Voting Share	\$ (0.27)	\$ 2.12
Diluted earnings (loss) per Share	\$ (0.27)	\$ 0.05
Dividends paid per Restricted Voting Share	\$ 0.34	\$ 0.34
Interest expense per Exchangeable Unit	\$ 0.44	\$ 0.44
Restricted Voting Shares outstanding	9,483,850	9,483,850
Exchangeable Units outstanding	3,327,667	3,327,667
Number of REALTORS®	19,316	19,120

(in 000's)

As at

	March 31, 2021	March 31, 2020
Total assets	\$ 88,310	\$ 92,443
Total liabilities	\$ 142,486	\$ 111,921

Management's Discussion and Analysis of Results and Financial Condition

VARIATION OF OPERATING RESULTS FOR THE QUARTER COMPARED TO THE PRIOR YEAR QUARTER

Revenues:

Revenues have increased compared to the Prior Year Quarter as a result of an increase in agent count as well as stronger real estate markets across Canada.

Net Earnings:

For the Quarter, the Company generated a net loss of \$2.5 million or \$0.27 per Share, compared to net earnings of \$20.1 million or \$2.12 per Share in the Prior Year Quarter.

The primary drivers of the decrease in net earnings compared to the Prior Year Quarter were:

- A \$5.4 million loss on the fair valuation of the Exchangeable Units compared to a gain of \$20.9 million in the Prior Year Quarter
- A \$1.1 million increase in management fees as a result of higher revenues; and
- A \$1.1 million increase in income tax expense as a result of higher taxable income; partly offset by
- A \$2.0 million increase in revenue as a result of the increase in agent count and stronger real estate markets;
- A \$0.6 million decrease in administration expenses due to a recovery of previously recorded bad debt expense in the Quarter
- A \$0.6 million gain on the fair value of the interest rate swap compared to a loss of \$2.3 million in the Prior Year Quarter;
- A \$0.3 million decrease in amortization expense due to a number of intangible assets being fully amortized during 2020; and
- A \$0.2 million decrease in impairment and write-off of intangible assets.

Total Assets:

Total assets decreased by \$0.6 million during the Quarter. The main drivers of the net decrease were as follows:

- A \$2.0 million decrease in the carrying value of intangible assets, driven by amortization expense during the Quarter; partly offset by
- A \$1.9 million increase in accounts receivable due to greater revenues in the Quarter compared to the fourth quarter of 2020.

Total Liabilities:

Total liabilities increased by \$5.1 million in the Quarter. The main drivers of the net increase were as follows:

- A \$5.4 million increase in the liability associated with the Exchangeable Units, which is tied to the trading value of the Restricted Voting Shares (see further discussion under *First Quarter Operating Results and Cash Flows – Loss on fair value of Exchangeable Units*); partly offset by;
- A \$0.6 million decrease in the interest rate swap liability.

DIVIDENDS AND DISTRIBUTIONS:

Dividends approved by the Board on the Restricted Voting Shares were \$0.34 per share in the Quarter, consistent with the Prior Year Quarter.

Interest on Exchangeable Units also remained consistent with Prior Year Quarter.

Management's Discussion and Analysis of Results and Financial Condition

Key Performance Drivers

Key performance drivers of the Company's business include:

1. The stability of the Company's revenue streams;
2. The number of REALTORS® in the Company Network;
3. Transaction dollar volumes;
4. REALTOR® Productivity; and
5. Products and services offered to REALTORS®.

STABILITY OF THE COMPANY'S REVENUE STREAMS

The stability of the Company's revenue streams is derived from a number of factors, including the fixed-fee structure of the Company's franchise fees, the ability to increase franchise fees under the terms of the Franchise Agreements, the geographic distribution of the Company Network, and the length and renewal of the Franchise Agreements owned by the Company.

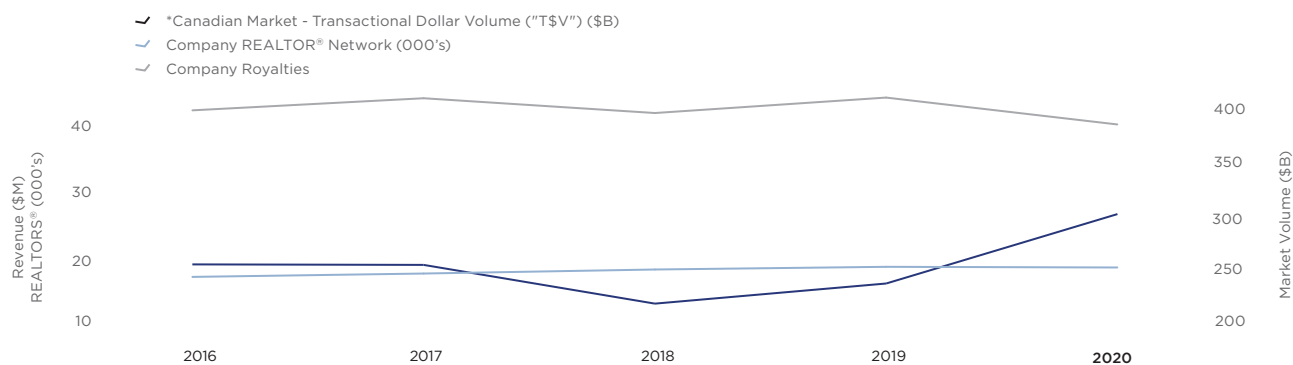
FIXED - FEE STRUCTURE

The Company estimates that for 2020, approximately 65% of its revenues were fixed in nature. In addition to its fixed franchise fees, a substantial portion of the Company's variable franchise fees were effectively fixed in nature.

The amount of variable franchise fees paid by an individual REALTOR® can change depending upon, among other things, the total value of real estate they sell in a given year and increases or decreases in home prices across Canada. However, variable franchise fees were subject to an annual cap of \$1,400 per REALTOR® or Team of REALTORS® prior to April 1, 2020. For the period from April 1, 2020 to December 31, 2020, variable franchise fees were subject to a cap of \$2,295 per REALTOR® (\$3,213 per REALTOR® who participated in the Royal LePage commercial program) or \$1,200 per Team member. For those REALTORS® or Teams who reach the relevant cap, the variable franchise fee is effectively fixed in nature, in that the variable franchise fee paid by the REALTOR® or Team does not change based on changes in the Canadian Market.

The chart below compares the Company's annual revenues to the Canadian Market and the underlying number of REALTORS® in the Company Network. The quarterly rolling twelve month changes in the Company's revenues and the Canadian Market is shown under "Transactional Dollar Volumes" on page 12.

REVENUES, MARKET AND REALTOR® TRENDS



*Source: Canadian Real Estate Association ("CREA")

INCREASE IN FEES

Under the terms of the Franchise Agreements, the Company is permitted to increase the franchise fees it charges based on changes in the Canadian consumer price index.

In 2020, the Company implemented an increase in the monthly fixed franchise fees paid by Royal LePage and Johnston & Daniel Franchisees from \$128 to \$133 per REALTOR® and increased in the maximum annual variable franchise fee payable under its standard fee plan based on 1% of each REALTOR®'s or Team's Gross Revenue from \$1,350 to \$1,400 effective.

The impact of the increase in fees was not fully realized in 2020 as a result of the implementation of the Relief Plan in April 2020. Effective January 1, 2021, all Franchisees have reverted back to the standard fee plan which is biased towards fixed franchise fees.

Management's Discussion and Analysis of Results and Financial Condition

GEOGRAPHIC DISTRIBUTION OF THE COMPANY NETWORK

As at March 31, 2021, the Company Network of 19,316 REALTORS® operated through 287 Franchise Agreements, providing services to 663 locations across the country. Of the Brokerages in the Company Network, approximately 56% operate with fewer than 50 REALTORS® and represent 15% of the REALTORS® in the Company Network. The Company's smallest Franchisees have one REALTOR® while the largest has more than 1,700 REALTORS®.

The Company Network is geographically dispersed. As compared to the distribution of REALTORS® across Canada, the Company is focused on growing the Company Network in all regions of Canada.

As at March 31, 2020	Canadian ¹ REALTOR® Population	Company REALTOR® Population
Ontario	60%	59%
British Columbia	16%	13%
Quebec	10%	16%
Alberta	8%	5%
Maritimes	3%	4%
Prairies	3%	3%
Total	100%	100%

¹ Source: CREA

FRANCHISE AGREEMENTS

Franchise Agreements are contracts between the Company and Franchisees which govern matters such as use of the Trademarks, rights and obligations of Franchisees and the Company, renewal terms, services to be provided and franchise fees. Over the term of the Franchise Agreement, the Franchisee may undertake activities which require an amendment to the standard contract such as the opening of a new location. These changes are documented by way of an addendum to the standard contract and form part of the Franchise Agreement.

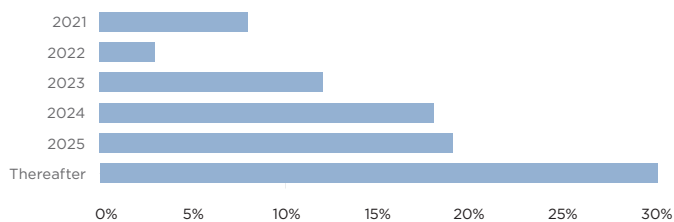
The Royal LePage Franchise Agreements, which represent 95% of the Company's REALTORS®, are for 10 to 20 year terms with a standard renewal term of ten years. These long-duration contracts exceed the industry standard of five years and thereby reduce agreement renewal risk. In addition, the Company regularly attempts to extend contract terms a further ten years in advance of renewal dates when opportunities present themselves.

The Via Capitale Franchise Agreements, which represent 5% of the Company's REALTORS®, are typically five years in duration with standard renewal terms extending five years.

A summary of the Company's agreement renewal profiles as at March 31, 2021 for the Company Network is shown below.

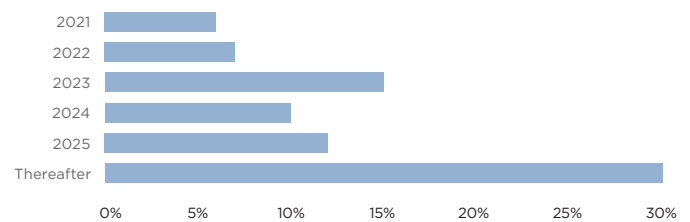
% OF FRANCHISE AGREEMENTS UP FOR RENEWAL

(by Number of REALTORS®)



% OF FRANCHISE AGREEMENTS UP FOR RENEWAL

(by Number of Agreements)



Management's Discussion and Analysis of Results and Financial Condition

RENEWALS

The Company has historically been able to achieve renewal success in more than 98% of Franchise Agreements as they come due, expressed as a percentage of the underlying number of REALTORS® associated with those agreements. Due to the ongoing success of the Company's Franchisees, a number of opportunities, such as increasing Franchisee locations, present themselves to renew Franchise Agreements before they come due.

During the Quarter, one Franchise Agreements, representing 11 REALTORS®, extended their term or renewed, and 6 Franchise Agreements, representing 131 REALTORS®, renewed early.

During the Prior Year Quarter, three Franchise Agreements, representing 106 REALTORS®, extended their term or renewed.

During the Quarter, four Franchise Agreements were terminated, three of which was as a result of Franchisees merging operations and remaining a part of the Company Network, and one resulted in a loss of two REALTORS®.

During the Prior Year Quarter, two Franchise Agreements were terminated, both of which were as a result of Franchisees merging operations and remaining a part of the Company Network.

NUMBER OF REALTORS® IN THE COMPANY NETWORK

For the Quarter, the Company Network of 19,316 REALTORS® increased by 270 REALTORS® compared to a net increase of 9 REALTORS® in the Prior Year Quarter.

	2016	2017	2018	2019	2020	2021 ²
Company Network						
Opening REALTOR® Count	16,794	17,580	18,135	18,725	19,111	19,046
Net REALTOR® growth (attrition) for the period	786	555	590	386	(65)	270
Closing REALTOR® Count	17,580	18,135	18,725	19,111	19,046	19,316
% Change in the period	5%	3%	3%	2%	0%	1%
Canadian REALTOR® Population¹						
CREA REALTOR® Membership	121,212	125,316	129,752	133,242	134,803	136,605
% Change in the period	6%	3%	4%	3%	1%	1%

¹ Source: CREA, CREA Membership data as of Mar 31, 2021 not available as of MDA date

² As at March 31, 2021

The Company strives to increase the number of REALTORS® in the Company Network through the continued momentum of converting competing brokerages and REALTORS® to the Company's Brands and developing programs to increase REALTOR® growth. The number of REALTORS® in the Company Network increases when the Company enters into new Franchise Agreements with Franchisees and when our existing Franchisees are successful in increasing the number of REALTORS® at their Brokerage.

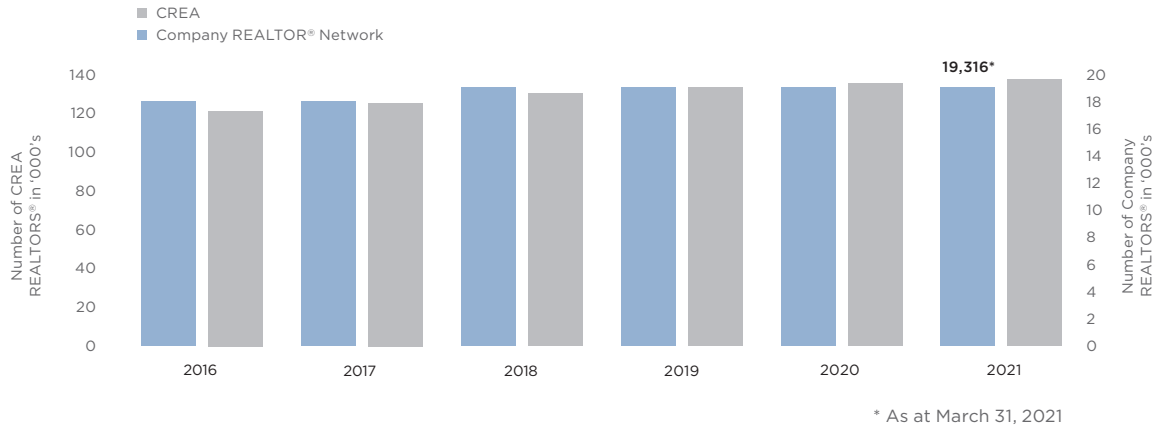
Since January 1, 2016, the Company Network has grown by 15% from 16,794 REALTORS® to 19,316 at March 31, 2021. Growth in the Company Network slowed in 2020 primarily due to the pandemic.

During the Quarter, the Company's REALTOR® count grew by 270. This growth included the addition of one new Franchisee in southern Ontario who converted to Royal LePage from a competitor with 34 REALTORS®. The remainder of the growth was due primarily to successful recruitment efforts at our existing Franchisees.

Management's Discussion and Analysis of Results and Financial Condition

CANADIAN REAL ESTATE REALTORS®

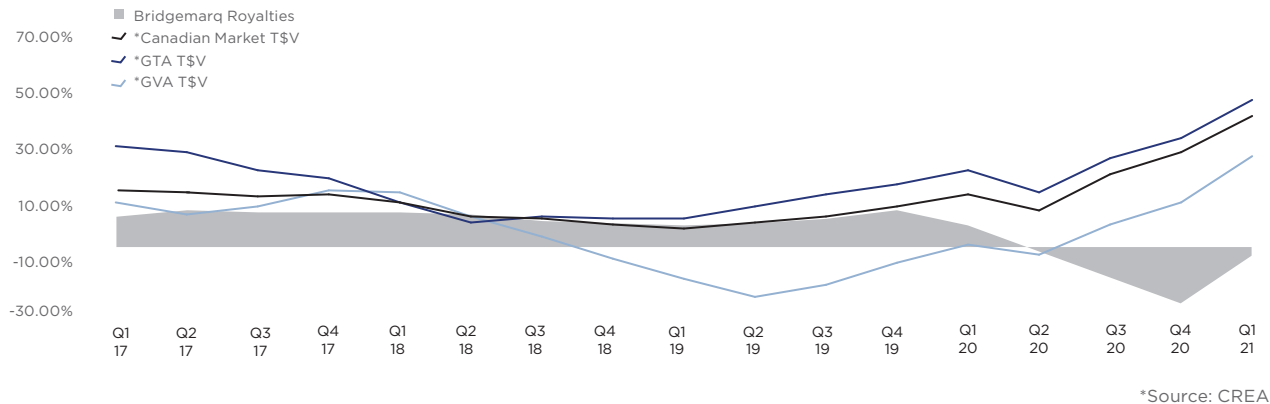
(Years ended December 31)



TRANSACTIONAL DOLLAR VOLUMES

The chart below shows the cumulative growth in the Canadian Market and select urban markets as compared to the growth in the Company's revenues since the first quarter of 2017.

QUARTERLY ROLLING TWELVE-MONTH % CHANGE



Transactional dollar volume of real estate in Canada began to decline nationally during the first quarter of 2017 as real estate values and volumes weakened. This downward trend continued until the first quarter of 2019 when the GTA showed its first year-over-year quarterly improvement in twelve months. This momentum continued into the second quarter of 2019 when the GVA market came off of 30-year lows. After four consecutive quarters of growth in transaction dollar volume, home sale volumes fell dramatically in the face of government actions to combat the spread of COVID-19 during the second quarter of 2020. However, during the last half of 2020, and into the first quarter of 2021, activity across Canada rebounded dramatically (to record levels in many markets) as pent up demand, low interest rates, changing work and commuting patterns, increasing requirements for people to work from home and other factors increased the demand for housing. The Company's revenues however fell during the fourth quarter of 2020 compared to the fourth quarter of 2019 as a result of revenues being capped under the Relief Plan. Upon expiry of the Relief Plan, the Company's revenues rebounded and improved by 18% during the Quarter compared to the Prior Year Quarter.

During the Quarter, the Canadian Market closed up 98%, at \$ 113.8 billion, as compared to the Prior Year Quarter at \$ 57.9 billion. The increase in transaction dollar volume was driven by a 30% increase in price and a 53% increase in units sold.

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During the Quarter, the GTA market closed up 105%, at \$ 35.3 billion, as compared to the Prior Year Quarter. The increase in transaction dollar volume was driven by a 20 % increase in price and 69% increase in units sold.

During the Quarter, the GVA market closed up 101%, at \$ 14.1 billion, as compared to the Prior Year Quarter, driven by a 13% increase in price and a 78% increase in units sold.

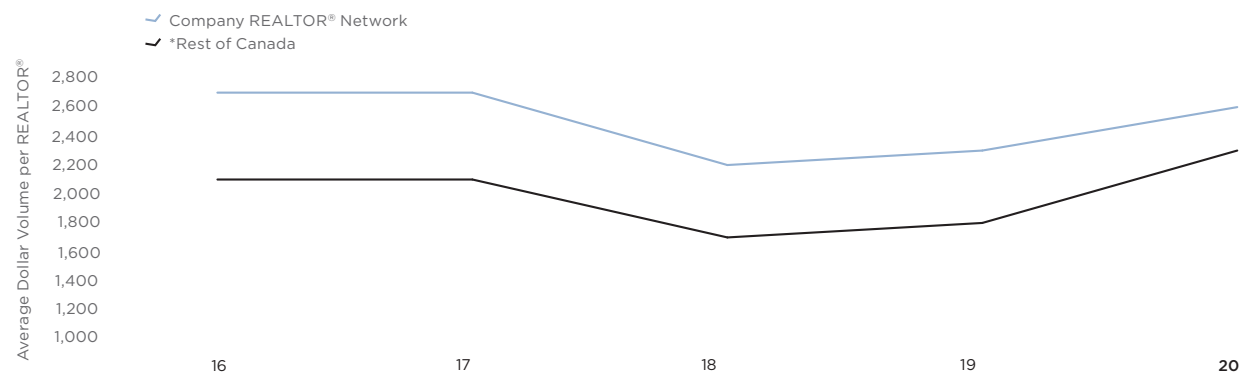
During the Quarter, the Greater Montreal Area market closed up 35%, at \$ 7.8 billion, as compared to the Prior Year Quarter, driven by a 24% increase in selling price and a 6% increase in units sold.

REALTOR® Productivity

The average REALTOR® in the Company Network generated approximately \$2.6 million in transactional dollar volume for the twelve months ended December 31, 2020, compared to an estimated \$2.3 million in transactional dollar volume generated by an average Canadian REALTOR®, outside the Company Network. Management believes that the higher productivity of the Company's Network of REALTORS®, makes the Company less prone to a loss of REALTORS® during a period of reduced transactional dollar volume. The average transactional dollar volume per REALTOR® for the past five calendar years is summarized in the chart below.

CANADIAN RESIDENTIAL REAL ESTATE MARKET REALTOR® PRODUCTIVITY

(Average T\$V per REALTOR®, in '000 of Canadian dollars)



*Source: CREA

PRODUCTS AND SERVICES OFFERED TO REALTORS®

The Company provides a broad array of innovative products and services to Franchisees and their REALTORS®. Most of these products and services are provided in exchange for the franchise fees paid by our Franchisees. These include, among others, the use of our real estate Brands to promote their businesses, use of and access to internal and external communication tools including our websites and intranets, education and learning services, recruiting support, business development coaching and consulting and access to fully integrated technology tools to help them manage their business.

In addition to those products and services, the Company provides additional services which are useful to REALTORS® and Franchisees but are not provided under the Franchise Agreements. These include, access to branded promotional materials including office supplies and clothing, a lead referral service and mortgage referral services on behalf of certain financial institutions. Certain of these products and services provide incremental revenue to the Company.

The Manager, on behalf of the Company, invests in new products, tools and services to assist Franchisees in managing their businesses. In the Quarter, the Manager provided enhancements to rlpSPHERE, the Royal LePage brand's digital ecosystem introduced in 2020, to improve the user interface, increase functionality and offer improved marketing and consumer insight for selling REALTORS®.

The Johnston & Daniel brand launched a new consumer-facing website to attract higher customer traffic to its luxury real estate services offering. The platform is integrated with rlpSPHERE, allowing the Brand to leverage powerful lead generation tools.

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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®.

The Canadian Residential Real Estate Market

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.

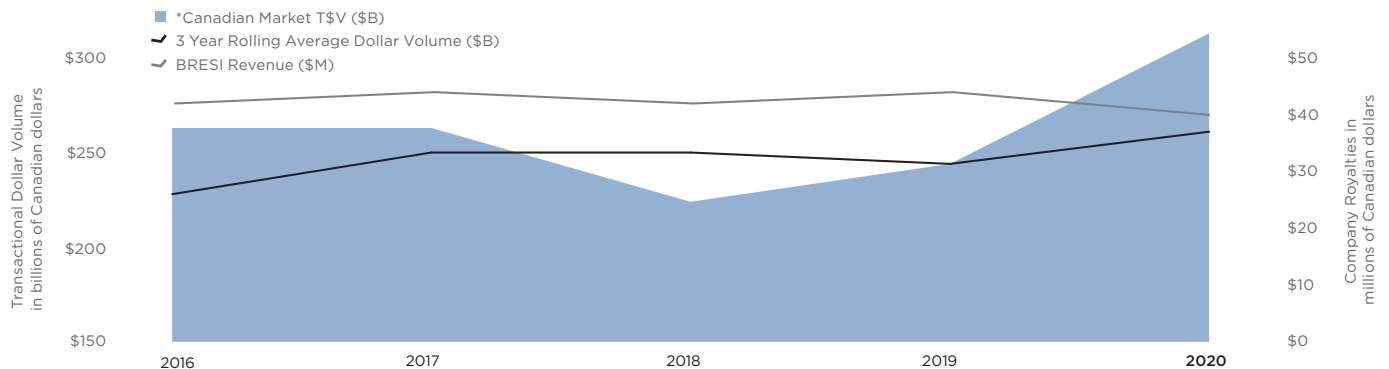
Recovering immigration numbers and a return of tens of thousands of temporary residents, predominantly foreign students, is expected to support continued recovery in condominiums, a sector that has lagged in performance over the past year.

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.

TRANSACTION DOLLAR VOLUME - CANADIAN RESIDENTIAL REAL ESTATE MARKET

(2016-2020)



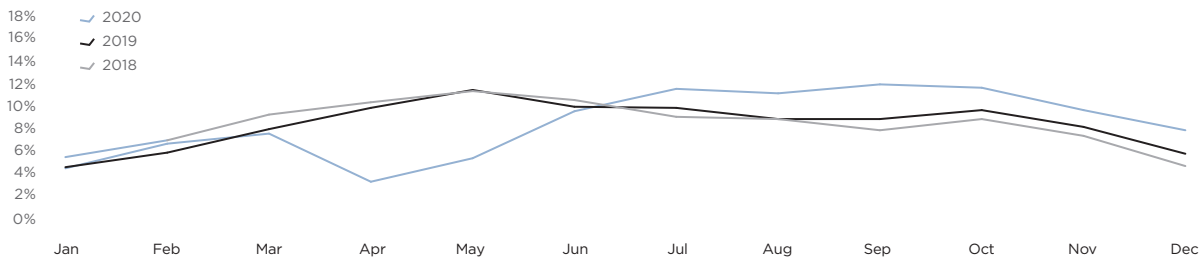
*Source: CREA

The Company's revenues are affected by the seasonality of the Canadian Market, which typically sees stronger transactional dollar volumes in the second and third quarters of each year. The impact of the seasonality of the Canadian Market is somewhat mitigated by the fixed-fee nature of the Company's revenues. In the latter part of the year, variable franchise fees can be negatively impacted by the Royal LePage REALTORS® and Teams who have capped with respect to variable franchise fees.

Management's Discussion and Analysis of Results and Financial Condition

CANADIAN RESIDENTIAL REAL ESTATE MARKET

(*% Canadian Market T\$V by month)



*Source: CREA

In the chart above, we can see that historical seasonality patterns for the Canadian Market did not hold true for 2020, primarily due to the pandemic. Government restrictions around social interaction and travel and economic uncertainty emerged in March 2020, contributing to the Canadian Market experiencing its largest ever year-over-year declines in April and May, 2020. From May, 2020 through December, 2020, real estate markets were very strong with many Canadian markets experiencing all-time monthly highs during this period, as low interest rates, pent-up demand and changing work-from-home patterns emerged.

Canadian Market Outlook

A summary of key commentary on the Canadian Market, as reported by the Canadian Real Estate Association ("CREA"), the Toronto Real Estate Board ("TREB") and the Bank of Canada ("BoC") follows:

From CREA¹: On March 15, 2021, CREA updated its forecast for home sales activity via the Multiple Listing Service[®] (MLS[®]) Systems of Canadian real estate boards and associations.

Current trends and the outlook for housing market fundamentals suggest activity will remain strong through 2021, resulting in a record number of sales. That said, activity is forecast to begin returning to more typical levels over time. 2022 is expected to see fewer MLS[®] transactions compared to 2021, while remaining above all other years on record.

Over the past several years, record levels of international immigration (not including 2020), low interest rates, and an increasingly middle-aged Millennial cohort have all fueled strong household formation and housing demand in Canada. Recall that prior to COVID-19, the number of available listings nationally was already at a 14-year low and the national number of months of inventory on the eve of the lockdowns had fallen to below four months (seller's market territory). COVID-19 has only served to supercharge trends that were already present.

The pandemic has changed the relationship that many people have with housing. For many, home has been everything over the last year. It has resulted in an increased desire for a place of one's own, for more spacious properties and bigger yards. At the same time, the calculus around home's proximity to work, typically one of the biggest factors in choosing where to live, has changed considerably this year, and probably to some extent forever. As a result, strong first-time home buying activity is teaming up with a surge in existing owners choosing to pull up stakes and move in recent months.

Add in record-low mortgage carrying costs and you have a recipe for record, or at least historically strong, levels of MLS[®] activity in all parts of the country. The flip side of that coin are people for whom the pandemic has been a reason not to engage in the housing market over the last year, particularly on the supply side. Inventories are down across Canada, more so than ever before, while at the same time demand is setting almost unbelievable monthly records. This dynamic is playing out on the price side in the form of rising prices everywhere. This in turn, may be pulling even more demand forward from the future as buyers feel increased urgency to lock in current prices at record low mortgage rates.

¹ Source: Market forecast to begin easing from current record levels over the second half of 2021 and into 2022, published March 15, 2021

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Economic activity has been stronger than expected over the winter months. While mortgage interest rates declined throughout 2020 and are still near all-time lows, inflationary fears have surfaced to start 2021. That said, at this point the Bank of Canada is signaling that it wishes to keep interest rates low over the remainder of 2021 and through 2022. Additionally, mass vaccination of the population is not far off, which will trigger a reopening of the hard-to-distance sectors of the economy that have struggled most with the virus, and a re-acceleration on the immigration front as well.

Some 701,000 properties are forecast to trade hands via Canadian MLS® systems in 2021. The strength of demand is geographically broad-based and CREA anticipates double-digit sales growth in every province. While CREA's previous forecast was also for a record number of sales in 2021, activity has been much stronger than expected and this represents a large upward revision resulting from the incredible growth in sales over that last number of months. For reference, the new all-time monthly record set in February 2021 was over 783,000 sales on a seasonally adjusted annual basis.

The national average home price is forecast to rise by 16.5% on an annual basis to just over \$665,000 in 2021. This reflects the current unprecedented imbalance of supply and demand, currently at less than 2 months of inventory nationally to begin 2021. Conditions are now favouring sellers to some extent in virtually all local markets. The vast majority of Ontario markets are now into weeks of inventory. As with the annual sales figures, CREA believes this average price forecast to be well on the conservative side, in relation to current monthly data.

On a monthly and quarterly basis, sales are forecast to begin trending down towards more typical levels through the latter half of 2021 and into 2022. Limited supply and higher prices are expected to tap the brakes on activity in 2022 compared to 2021, although increased churn in resale markets resulting from the COVID-related shake-up to so many people's lives will likely continue to boost activity above what was normal before COVID-19. Indeed, it is possible that many of the moves associated with changes related to increased remote work won't play out until a little further down the road when we have more certainty about what the future will look like post-COVID.

National home sales are forecast to fall by 12.6% to around 614,000 units in 2022. This easing trend is expected to play out across Canada as higher prices and a lack of available supply impacts all areas of the country, as previously pent-up demand is exhausted, and as the urgency to purchase a home base to ride out the pandemic fades along with the virus itself.

The national average price is forecast to edge up by just 2.1% to \$679,000 in 2022 as the current demand-supply imbalance unwinds.

From TRREB²: On April 6, 2021, TRREB published their monthly housing report on March activity.

For the third straight month of 2021, record home sales continued in March across the Greater Toronto Area (GTA) with buyers taking advantage of favourable borrowing costs and continued improvement in many sectors of the economy.

GTA REALTORS® reported 15,652 sales in March 2021 – close to double that of March 2020. While sales were strong, it is important to remember that for the second half of March 2021, we are comparing against the initial impact of COVID-19 in the second half of March 2020 when sales activity dropped off dramatically. With this in mind, it is important to consider annual sales growth for the pre-COVID period (March 1 to 14, 2020) and the COVID period (March 15 to 31, 2020):

- There were 6,504 sales reported during the first 14 days of March 2021 – up 41 per cent compared to the pre-COVID period in March 2020.
- There were 9,148 sales reported between March 15 and March 31, 2021, an increase of 174 per cent compared to the COVID period of March 2020. This is a stark reminder of the initial impact COVID-19 had on the housing market and overall economy a year ago.

For March 2021 as a whole, new listings were up 57 per cent year-over-year to 22,709. While representing a strong year-over-year increase, the annual growth rate for new listings was well-below that of sales.

The MLS® Home Price Index Composite Benchmark for March 2021 was up by 16.5 per cent compared to March 2020. The average selling price at \$1,097,565 was up by 21.6 per cent over the same period. Following the recent trend, low-rise home sales in regions surrounding the City of Toronto drove price growth.

² Source: TREB Market Year in Review & Outlook Report, published February 8, 2021

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From the BoC³: On April 21, 2021, the Bank of Canada announced it was holding its target for the overnight rate at the effective lower bound of 1/4 percent, with the Bank Rate at 1/4 percent and the deposit rate at 1/4 percent. The Bank continues to provide extraordinary forward guidance on the path for the overnight rate, reinforced and supplemented by the Bank's quantitative easing (QE) program. Effective the week of April 26, weekly net purchases of Government of Canada bonds will be adjusted to a target of \$3 billion. This adjustment to the amount of incremental stimulus being added each week reflects the progress made in the economic recovery.

The outlook has improved for both the global and Canadian economies. Activity has proven more resilient than expected in the face of the COVID-19 pandemic, and the rollout of vaccines is progressing. A number of regions, including Canada, are experiencing a difficult third wave of infections and lockdowns. The more contagious variants of the virus are straining healthcare systems and affecting hard-to-distance activities, and have introduced a new dimension of uncertainty. The recovery remains highly dependent on the evolution of the pandemic and the pace of vaccinations.

Global economic growth is stronger than was forecast in the January Monetary Policy Report (MPR), although the pace varies considerably across countries. After a contraction of 2 1/2 percent in 2020, the Bank now projects global GDP to grow by just over 6 3/4 percent in 2021, about 4 percent in 2022, and almost 3 1/2 percent in 2023. The recovery in the United States has been particularly strong, owing to fiscal stimulus and rapid vaccine rollouts. The global recovery has lifted commodity prices, including oil, contributing to the strength of the Canadian dollar.

In Canada, growth in the first quarter appears considerably stronger than the Bank's January forecast, as households and companies adapted to the second wave and associated restrictions. Substantial job gains in February and March boosted employment. However, new lockdowns will pose another setback and the labour market remains difficult for many Canadians, especially low-wage workers, young people and women. As vaccines roll out and the economy reopens, consumption is expected to rebound strongly in the second half of this year and remain robust over the projection. Housing construction and resales are at historic highs, driven by the desire for more living space, low mortgage rates, and limited supply. The Bank will continue to monitor the potential risks associated with the rapid rise in house prices. Meanwhile, strong growth in foreign demand and higher commodity prices are expected to drive a robust recovery in exports and business investment. Additional federal and provincial fiscal stimulus will contribute importantly to growth. The Bank now forecasts real GDP growth of 6 1/2 percent in 2021, moderating to around 3 3/4 percent in 2022 and 3 1/4 percent in 2023.

The Bank has revised up its estimate of potential output in light of greater resilience to the pandemic and accelerated digitalization. The virus and lockdowns have had very different impacts across sectors, businesses, and groups of workers, creating an unusual degree of uncertainty about the amount of slack in the economy and how long it will take to be absorbed. To gauge the evolution of slack, the Bank will look at a broad spectrum of indicators, including various measures of labour market conditions.

Over the next few months, inflation is expected to rise temporarily to around the top of the 1-3 percent inflation-control range. This is largely the result of base-year effects—year-over-year CPI inflation is higher because prices of some goods and services fell sharply at the start of the pandemic. In addition, the increase in oil prices since December has driven gasoline prices above their pre-pandemic levels. The Bank expects CPI inflation to ease back toward 2 percent over the second half of 2021 as these base-year effects diminish, and inflation is expected to ease further because of the ongoing drag from excess capacity. As slack is absorbed, inflation should return to 2 percent on a sustained basis some time in the second half of 2022.

Even as economic prospects improve, the Governing Council judges that there is still considerable excess capacity, and the recovery continues to require extraordinary monetary policy support. We remain committed to holding the policy interest rate at the effective lower bound until economic slack is absorbed so that the 2 percent inflation target is sustainably achieved. Based on the Bank's latest projection, this is now expected to happen some time in the second half of 2022. The Bank is continuing its QE program to reinforce this commitment and keep interest rates low across the yield curve. Decisions regarding further adjustments to the pace of net purchases will be guided by Governing Council's ongoing assessment of the strength and durability of the recovery. We will continue to provide the appropriate degree of monetary policy stimulus to support the recovery and achieve the inflation objective.

³ Source: BoC press release published April 21, 2021

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First Quarter Operating Results and Cash Flows

(Unaudited)
(in 000's) except per Share amounts and
Number of REALTORS®;
For the three months ended March 31,

	2021	2020
Revenues		
Fixed franchise fees	\$ 7,584	\$ 7,541
Variable franchise fees	3,745	2,619
Other revenue	1,770	962
	13,099	11,122
Less:		
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 and write-off of intangible assets	-	(170)
Amortization of intangible assets	(1,951)	(2,249)
Interest on Exchangeable Units	(1,452)	(1,452)
Loss on fair value of Exchangeable Units	(5,358)	20,931
Loss on interest rate swap	565	(2,335)
Gain on deferred payments	-	-
Earnings before income taxes	(1,339)	20,247
Current income tax expense	1,108	730
Deferred income tax expense (recovery)	89	(609)
Net and comprehensive earnings	\$ (2,536)	\$ 20,126
Basic earnings per Restricted Voting Share	\$ (0.27)	\$ 2.12
Diluted earnings per Share	\$ (0.27)	\$ 0.05
Number of REALTORS®	19,316	19,120

Cash Flow Information
(in 000's)

Cash provided by (used for):		
Operating activities	\$ 3,220	\$ 2,890
Investing activities	(110)	(912)
Financing activities	(3,201)	(3,201)

FIRST QUARTER OPERATING RESULTS AND CASH FLOWS

During the Quarter, the Company generated a net loss of \$2.5 million and cash provided by operating activities of \$3.2 million, as compared to net earnings of \$20.1 million and cash provided by operating activities of \$2.9 million in the Prior Year Quarter.

Revenues for the Quarter totaled \$13.1 million, compared to \$11.1 million for the Prior Year Quarter. Fixed franchise fees represented 58% of revenues for the Quarter (Prior Year Quarter - 68%). Revenues increased due to an increase in agent count and an improvement in the Canadian Market.

Fixed franchise fees for the Quarter increased by 1% as compared to the Prior Year Quarter, due to an increase in agent count and an increase in fixed franchise fees for approximately 10% of those Franchises operating under the Royal LePage Brand which saw their fees increase from \$128 per month to \$133 per month, effective July 1, 2020.

Variable franchise fees for the Quarter increased by 43% compared to the Prior Year Quarter as a result of significantly stronger real estate markets.

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Other Revenues for the Quarter increased by 84% compared to the Prior Year Quarter as a result of strong real estate markets. Other revenues consist of revenues earned from referral fees (including mortgage referrals and lead referrals to franchisees) which experienced significant increases in volumes due to greater web traffic and higher mortgage initiations during the strong real estate markets in the Quarter.

Cost of other revenue represents the direct costs associated with lead management referrals and other revenues.

Administration expenses for the Quarter decreased by 92% due to a recovery of bad debt expense of \$0.2 million in the Quarter compared to a bad debt expense of \$0.4 million in the Prior Year Quarter.

Management fee expense was \$5.2 million for the Quarter, which was 27% higher than the Prior Year Quarter due to higher revenues and a reduction in the portion of management fee payments allocated to the amortization of the contract transfer obligation.

Interest expense of \$0.7 million was consistent compared to the Prior Year Quarter due to the interest accretion on deferred payments being substantially offset by the benefit of lower interest rates.

Amortization of Intangible Assets for the Quarter totaled \$2.0 million, a decrease of \$0.3 million compared to the Prior Year Quarter as a result of a number of intangible assets becoming fully amortized in 2020.

Interest on Exchangeable Units represents the distributions to Exchangeable Unitholders. For the Quarter, total distributions amounted to \$0.44 per Exchangeable Unit, unchanged from the Prior Year Quarter. Distributions to Exchangeable Unitholders are determined with reference to dividends paid on Bridgemarq's Restricted Voting Shares.

Gain on fair value of Exchangeable Units represents the change in the fair value of the Exchangeable Units. The Exchangeable Units are valued based on the value of the Company's Restricted Voting Shares. At March 31, 2021, the Company's Restricted Voting Shares were valued at \$16.41 per share up from \$14.80 at December 31, 2020, resulting in a loss in the Quarter of \$5.4 million. For the Prior Year Quarter, the price of the Company's Restricted Voting Shares decreased from \$14.72 per share at December 31, 2019 to \$8.43 per share at March 31, 2020 resulting in a gain of \$20.9 million for the Prior Year Quarter.

Gain on interest rate swap of \$0.6 million is a non-cash item which represents the change in fair value of the Company's interest rate swap which swaps the variable interest rate obligation on \$55.0 million of the Company's outstanding debt facilities to a fixed rate of 3.94% through December 31, 2023.

Income Tax Expense The effective income tax rate for the Quarter was greater than 100% (Prior Year Quarter - 1%). The Company's effective income tax rate is significantly different than the Company's enacted income tax rate of 26.5%. The difference in the effective income tax rate is driven by a number of items that are included in the determination of net earnings but excluded from the determination of taxable income (including, among other things, non-deductible amortization of intangible assets, interest on Exchangeable Units, fair valuation adjustments on Exchangeable Units, interest expense on accretion of deferred payments and losses associated with the interest rate swaps.) as well as items that are excluded from the determination of net earnings but included in the determination of taxable income (including, payments associated with the contract transfer obligation).

Cash provided by operating activities increased by \$0.3 million compared to the Prior Year Quarter as result of higher revenues and lower administrative expenses, partly offset by higher management fees and increases in non-cash working capital.

Cash used in investing activities decreased by \$0.8 million as a result of a reduction in the amount of management fees allocated to repayment of the contract transfer obligation and lower net payments of franchise agreement expenses.

Cash used in financing activities represent dividends paid to shareholders which are consistent with the Prior Year Quarter.

Management's Discussion and Analysis of Results and Financial Condition

Summary of Quarterly Results

(Unaudited) For three months ended,	2021				2020			
(in 000's) except per Share amounts and number of REALTORS®; number of REALTORS®;	Mar. 31	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30
Revenues								
Fixed franchise fees	\$ 7,584	\$ 1,191	\$ 1,239	\$ 1,276	\$ 7,541	\$ 7,303	\$ 7,389	\$ 7,267
Variable franchise fees	3,745	4,776	8,038	8,467	2,619	2,183	3,077	3,233
Other revenue	1,770	1,119	1,460	1,651	962	1,182	1,260	1,338
	13,099	7,086	10,737	11,394	11,122	10,668	11,726	11,838
Less:								
Cost of other revenue	273	235	197	165	119	107	155	153
Administration expenses (recovery)	52	(171)	(50)	174	655	429	53	316
Management fees	5,177	4,185	4,411	4,203	4,076	3,730	4,041	4,013
Interest expense	740	758	761	732	750	761	748	757
	6,857	2,079	5,418	6,120	5,522	5,641	6,729	6,599
Impairment and write-off of intangible assets, net	-	(9)	(76)	(113)	(170)	(32)	-	(168)
Amortization of intangible assets	(1,951)	(2,017)	(2,041)	(2,198)	(2,249)	(2,631)	(2,634)	(2,639)
Interest on Exchangeable Units	(1,452)	(1,451)	(1,452)	(1,452)	(1,452)	(1,451)	(1,452)	(1,452)
Gain (loss) on fair value of Exchangeable Units	(5,358)	(6,622)	(3,527)	(11,048)	20,931	-	633	6,655
Gain (loss) on interest rate swap	565	205	133	(211)	(2,335)	659	155	(460)
Gain on deferred payments	-	-	310	881	-	-	-	-
Earnings (loss) before income tax	(1,339)	(7,815)	(1,235)	(8,021)	20,247	2,186	3,431	8,535
Current income tax expense	1,108	82	722	556	730	675	882	703
Deferred income tax expense (recovery)	89	80	250	599	(609)	218	127	80
Net and comprehensive earnings (loss)	\$ (2,536)	\$ (7,977)	\$ (2,207)	\$ (9,176)	\$ 20,126	\$ 1,293	\$ 2,422	\$ 7,752
Basic earnings (loss) per Restricted Voting Share	\$ (0.27)	\$ (0.84)	\$ (0.23)	\$ (0.97)	\$ 2.12	\$ 0.14	\$ 0.26	\$ 0.82
Diluted earnings (loss) per Share	\$ (0.27)	\$ (0.84)	\$ (0.23)	\$ (0.97)	\$ 0.05	\$ 0.14	\$ 0.26	\$ 0.20
Number of REALTORS®	19,316	19,046	18,930	18,921	19,120	19,111	19,184	19,046

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DISTRIBUTABLE CASH FLOW

Distributable Cash Flow represents operating income before deducting amortization and net impairment of intangible assets minus income tax expense 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 for distribution to the Company's shareholders on a diluted basis, subject to working capital requirements.

The calculation of Distributable Cash Flow for the three months ended March 31, 2021 is presented in the table below with comparative amounts for 2020.

(Unaudited)
(\$ 000's)

For three months ended March 31,

	2021	2020
Fixed franchise fees	\$ 7,584	\$ 7,541
Variable franchise fees	3,745	2,619
Other revenue	1,770	962
Revenues	13,099	11,122
Less:		
Cost of other revenue	273	119
Administration expenses	52	655
Management fees	5,177	4,076
Interest expense	740	750
Current income tax expense	1,108	730
Cash used for investing activities	110	912
Distributable Cash Flow	\$ 5,639	\$ 3,880
Distributable Cash Flow per Share	\$ 0.44	\$ 0.30

Distributable Cash Flow for the Quarter totaled \$5.6 million, an increase of \$1.8 million primarily due to higher revenues, partly offset by higher management fees and higher income tax expenses.

The calculation of Distributable Cash Flow for the trailing twelve-month period ended March 31, 2021 is presented in the table below with comparative amounts for 2020.

For twelve months ended,
(in 000's) except per Share amounts

	2021 Mar. 31,	2020 Mar. 31,
Revenues	\$ 41,446	\$ 45,354
Less:		
Administration expenses	5	1,453
Management fees	17,976	15,860
Interest expense	2,991	3,016
Current income tax expense	2,468	2,990
Cash used for investing activities	2,501	3,884
Distributable Cash Flow	\$ 15,505	\$ 18,151
Distributable Cash Flow per Share	\$ 1.21	\$ 1.42

For the twelve-month period ended March 31, 2021, the Company generated Distributable Cash Flow of \$15.5 million or \$1.21 per Share, as compared to \$18.2 million or \$1.42 per Share generated for the twelve-month period ended March 31, 2020. Distributable cash flow per share is calculated by dividing the distributable cash flow by the total number of shares on a diluted basis. Distributable Cash Flow decreased compared to the Prior Year Quarter primarily due to lower revenues under the Relief Plan for the period from April 1, 2020 to December 31, 2020, partly offset by lower income tax expense and lower cash flows used for investing activities.

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Distributable Cash Flow and Distributable Cash Flow per Share are non-GAAP measures and do not have standardized meanings under IFRS and, accordingly, may not be comparable to similar measures used by other companies. Management believes that Distributable Cash Flow and Distributable Cash Flow per Share are useful supplemental measures of performance as they provide investors with an indication of the amount of cash flow generated after investing activities which is available to holders of Restricted Voting Shares and Exchangeable Unitholders, subject to working capital requirements. Investors are cautioned, however, that Distributable Cash Flow and Distributable Cash Flow per Share should not be interpreted as alternatives to using net earnings or net earnings per Share (as measures of profitability) or cash provided by operating activities (as a measure for cash flows) to evaluate the Company's financial performance.

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.

(Unaudited) (\$ 000's) For three months ended March 31,	2021	2020
Cash flow from operating activities	\$ 3,220	\$ 2,890
Add (deduct):		
Interest on Exchangeable Units	1,452	1,452
Income tax expense	(1,108)	(730)
Income taxes paid	750	630
Changes in non-cash working capital items	1,500	559
Interest expense	(2,147)	(2,163)
Interest paid	2,082	2,154
Interest income	(35)	(41)
Interest received	35	41
Cash used in investing activities	(110)	(912)
Distributable Cash Flow	\$ 5,639	\$ 3,880

The Company has paid out, in the past, and could pay out, in any given period, cash in excess of net earnings to shareholders as a significant portion of the Company's operating expenses is made up of non-cash amortization of intangible assets and other non-cash charges to net earnings. Management does not view the payment of cash in excess of net earnings as an economic return of capital as these intangible assets and other non-cash charges are not expected to require a further cash outlay in the future. The Company has paid out a significant portion of its Distributable Cash Flow in the past in the form of dividends to holders of Restricted Voting Shares and interest to Exchangeable Unitholders. It is management's expectation, at the discretion of the Board, that for the foreseeable future, the Company will continue to pay out a significant portion of its Distributable Cash Flow to holders of Restricted Voting Share and Exchangeable Unitholders, subject to working capital requirements and other investment opportunities.

Debt Facilities

As at March 31, 2021 the Company's \$80.0 million financing is comprised of the following three arrangements, maturing December 31, 2023:

- A \$55.0 million term facility (the "Term Facility"). The Term Facility bears interest at a variable rate of Banker's Acceptances ("BAs") +1.70% or Prime + 0.5%;
- A \$20.0 million acquisition facility (the "Acquisition Facility") to support acquisitions pursued by the Company, bearing interest at a variable rate of BAs +1.70% or Prime + 0.5%. A standby fee of 0.15% applies on undrawn amounts under this facility; and
- A \$5.0 million revolving operating facility (the "Operating Facility") to meet the Company's day-to-day operating requirements, bearing interest at a variable rate of BAs +1.70% or Prime + 0.5%.

As at March 31, 2021, the Company has drawn \$55.0 million on the Term Facility, \$18.5 million on the Acquisition Facility and nil on the Operating Facility.

Management's Discussion and Analysis of Results and Financial Condition

Borrowings under each of these arrangements are secured by a first ranking security interest in substantially all assets of the Company.

The covenants of this financing prescribe that the Company must maintain a ratio of Consolidated EBITDA to Senior Interest Expense at a minimum of 3:1 and a ratio of Senior Indebtedness to Consolidated EBITDA at a maximum of 4:1 as outlined in the loan agreement. Consolidated EBITDA is defined as earnings (loss) before income tax adjusted for amortization and net impairment or recovery of intangible assets, interest expense, hedging activities and fair value adjustments on the Exchangeable Units. Senior Indebtedness is defined as borrowings on the Company's debt facilities. Senior Interest Expense is defined as interest on Senior Indebtedness. The Company is compliant with these covenants for all periods presented.

The Company has entered into an interest rate swap agreement to swap the variable interest rate obligation on the \$55.0 million Term Facility to a fixed rate obligation of 3.94% through December 31, 2023. This interest rate swap is a financial instrument and is disclosed at its fair value with any change in that fair value recorded as a gain or loss in the Company's consolidated statements of net and comprehensive earnings. At March 31, 2021 the Company determined that the fair value of the interest rate swap represents a liability of \$2.1 million (December 31, 2020 - \$2.7 million). For the Quarter, the Company recognized a fair value gain of \$0.6 million (Prior Year Quarter- loss of \$2.3 million).

Liquidity

Revenues from franchise fees and other services provided to Franchisees are the largest source of liquidity for the Company. Given that Franchisees are contractually obligated to pay franchise fees for up to ten years under the Franchise Agreements and given the high degree of success the Company has had in renewing its Franchise Agreements in the past when they come due, the Company believes that the existing portfolio of Franchise Agreements, along with its non-cash working capital and capital resources, will generate sufficient cash flow for the Company to meet its operating commitments.

The Company's ability to grow its Distributable Cash Flow is dependent upon its ability to increase the size of the Network, which it can do by, a) supporting Franchisees in their efforts to recruit REALTORS® to their Brokerages, b) assisting Franchisees to acquire Brokerages from outside the Network and, c) entering into new Franchise Agreements. In addition, the Company has the opportunity to grow its sources of other revenue and may consider other types of investments in the future. The Company has entered into the Acquisition Facility to provide capital resources in the event they are presented with opportunities to grow the Company. The Company meets regularly with the Manager during the year to determine the Manager's progress in identifying potential new Franchise Agreements.

During the Quarter, the Company generated Distributable Cash Flow of \$5.6 million, compared to \$3.9 million in the Prior Year Quarter. The increase is due primarily to higher revenues partly offset by higher management fees and income tax expenses.

In 2020, the Company entered into an agreement with the Manager and Brookfield whereby the Company deferred certain payments of management fees payable to the Manager and payments of interest on the Exchangeable Units. Amounts deferred under this agreement are non-interest bearing, are due in 2025 and can be repaid in cash or through the issuance of Exchangeable Units, at the option of the Company.

The Company paid dividends to shareholders and interest to holders of Exchangeable Units totaling \$18.6 million for the Year, unchanged from the Prior Year.

WORKING CAPITAL

Changes in the Company's net working capital are primarily driven by cash flow from operating activities, collections of accounts receivable, payments of accounts payable and payment of dividends and interest.

Overall, working capital increased by \$1.1 million during the Quarter to \$10.0 million as at March 31, 2021. The increase in working capital resulted primarily from:

- A \$1.9 million increase in accounts receivable due to higher revenues in the Quarter;
- A \$0.4 million increase in accounts payable and accrued liabilities; partly offset by
- A \$0.4 million decrease in income tax receivable; and
- A \$0.1 million decrease in cash;

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A summary of the Company's working capital is presented below:

(\$ 000's) As at	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	Change in Quarter	Change in Year
Current assets										
Cash	\$ 9,065	\$ 9,156	\$10,648	\$ 9,418	\$ 3,979	\$ 5,202	\$ 5,709	\$ 4,090	\$ (91)	\$ 5,086
Accounts receivable and current portion of notes receivable	4,260	2,376	4,132	5,139	5,038	4,559	4,602	5,561	1,884	(778)
Prepaid expenses	131	143	130	124	256	211	187	192	(12)	(125)
Current income tax receivable	294	652	145	147	73	173	218	901	(358)	221
Goods and Services tax receivable	-	-	-	-	-	-	-	62	-	-
	\$13,750	\$ 12,327	\$ 15,055	\$ 14,828	\$ 9,346	\$ 10,145	\$ 10,716	\$ 10,806	\$ 1,423	\$ 4,404
Current liabilities										
Accounts payable and accrued liabilities	\$ 1,650	\$ 1,283	\$ 1,342	\$ 2,197	\$ 1,172	\$ 1,210	\$ 1,212	\$ 1,243	\$ 367	\$ 478
Contract transfer obligation	552	549	604	842	1,280	1,920	2,705	3,122	3	(728)
Interest payable to Exchangeable Unitholders	484	484	484	968	484	484	484	484	-	-
Dividends payable to Restricted Voting shareholders	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	-	-
	3,753	3,383	3,497	5,074	4,003	4,681	5,468	5,916	370	(250)
Net working capital	\$ 9,997	\$ 8,944	\$ 11,558	\$ 9,754	\$ 5,343	\$ 5,464	\$ 5,248	\$ 4,890	\$ 1,053	\$ 4,654

Cash and Capital Resources

A summary of cash and capital resources available to the Company as at March 31, 2021 and December 31, 2020 is presented below:

(in 000's) As at	March 31, 2021	December 31, 2020
Cash	\$ 9,065	\$ 9,156
Term Facility	-	-
Acquisition Facility	1,500	1,500
Operating Facility	5,000	5,000
Net borrowing capacity	\$ 6,500	\$ 6,500
Available resources	\$ 15,565	\$ 15,656

As at March 31, 2021, \$18.5 million of the Acquisition Facility has been drawn by the Company, leaving \$6.5 million available under the debt facilities. This is consistent with the net borrowing capacity as at December 31, 2020.

In addition to the capital resources included in the table above, the Company generates substantial Distributable Cash Flow which can be used to fund dividend payments and interest on Exchangeable Units and to repay amounts owing under the debt facilities.

Management's Discussion and Analysis of Results and Financial Condition

Commitments

The estimated contractual liabilities and their dates of maturity are summarized in the chart below.

As at March 31,	2021	2022	2023	2024	Beyond 2024	Total
Accounts payable and accrued liabilities	\$ 1,650	\$ -	\$ -	\$ -	\$ -	\$ 1,650
Current contract transfer obligation	552	-	-	-	-	552
Interest payable to Exchangeable Unitholders	484	-	-	-	-	484
Dividends payable to shareholders	1,067	-	-	-	-	1,067
Interest on long-term debt	2,172	2,896	2,896	-	-	7,964
Interest on contract transfer obligation	126	143	114	90	169	642
Long term contract transfer obligation	-	573	602	356	1,478	3,009
Interest rate swap liability	-	-	2,139	-	-	2,139
Debt facilities	-	-	73,500	-	-	73,500
Deferred payments	-	-	-	-	6,616	6,616
Exchangeable Units	-	-	-	-	54,607	54,607
Total	\$ 6,051	\$ 3,612	\$ 79,251	\$ 446	\$ 62,870	\$ 152,230

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

As at the date of this MD&A, Brookfield controlled approximately 28.4% of the Company through its ownership of the Exchangeable Units of the Partnership and 315,000 Restricted Voting Shares. The Exchangeable Units were issued by the Company at its inception to affiliates of Brookfield as consideration for certain assets purchased from those affiliates. These assets included the Trademarks and Franchise Agreements related to the business of its Royal LePage residential real estate brokerage franchise operations.

The Manager operates 26 corporately owned Royal LePage residential Brokerage locations. These locations are serviced by approximately 1,700 REALTORS® with 1,222 REALTORS® operating out of 15 locations in the GTA market, 456 REALTORS® operating from 9 locations in the GV market and 24 REALTORS® operating from 2 locations in Quebec.

All of the corporately owned operations operate under Franchise Agreements with standard fixed and variable franchise fees and participated in the Relief Plan. The Franchise Agreements for GTA based locations are up for renewal in 2023, while the Franchise Agreements for the GV operations are up for renewal between 2023-2024. The Franchise Agreements for the Quebec locations are up for renewal in 2028.

The management of the Company is provided by the Manager under the terms of the MSA. The Manager is a company controlled by the Exchangeable Unitholders. Under the MSA, the Manager provides certain management, administrative and support services to the Company and its subsidiaries and, in return, is paid a monthly fee equal to \$840,000 plus:

- a) during the first five years of the initial term of the MSA, the greater of:
 - (i) 23.5% of the Distributable Cash (as such term is defined in the MSA) of the Company; and
 - (ii) 0.342% of the Current Market Value (as such term is defined in the MSA), and
- b) after the first five years of the initial term of the MSA, the greater of:
 - (i) 25.0% of the Distributable Cash of the Company; and
 - (ii) 0.375% of the Current Market Value.

Under certain circumstances, the Company can pay the monthly fees to the Manager through the issuance of Exchangeable Units of the Partnership.

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As a result of the capitalization of certain Franchise Agreements and other contracts transferred to the Company upon entering into the MSA, a portion of future payments for management fees will be allocated toward reducing the Company's contract transfer obligation and associated interest expense, with the remainder charged to the Company's statement of net and comprehensive earnings.

The related party transactions entered into by the Company were transacted at contracted rates or at exchange amounts approximating fair market value. A summary of these amounts can be found in Note 13 of the interim condensed consolidated financial statements.

Critical Accounting Estimates and Assumptions

Substantially all of the Company's activities are based on cash transactions, with revenue and expenditures based on contracted terms. The operating activities not based on contractual terms include bad debt expense (which is included in the Company's administration costs), and the amortization of intangible assets.

The Company's intangible assets are regularly monitored for indications of impairment and reversal of impairment in the carrying value of these assets.

The preparation of financial statements requires management to select appropriate accounting policies and to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. In particular, critical accounting policies and estimates utilized in the normal course of preparing the Company's interim condensed consolidated financial statements require the estimation of future cash flows utilized in assessing the fair value and related net impairment or recovery of intangible assets, determining the useful life of intangible assets, assessing the recoverability of accounts receivable, measuring deferred income taxes, measuring the fair value of deferred payments, measuring the fair value of the Exchangeable Units and the interest rate swaps and measuring fair values used for disclosure purposes.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis and, where applicable, relevant forward looking information, as required. These estimates have been prepared in a manner consistent with prior periods, and management is not aware of any trends, commitments, events or uncertainties that will materially affect the methodology or assumptions utilized in these interim condensed consolidated financial statements. The estimates are impacted by, among other things, movements in interest rates and cash flow forecasts, which are judgements and are uncertain. The interrelated nature of these factors prevents management from quantifying the overall impact of these movements on the Company's interim condensed consolidated financial statements in a meaningful way. These sources of estimation uncertainty relate in varying degrees to virtually all asset and liability account balances.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

The following are the critical judgments that have been made in applying the Company's accounting policies and that have the most significant impact on the amounts in the financial statements.

Forward Looking Information for Accounts Receivable and Notes Receivable

The measurement of estimated credit losses for accounts receivable and notes receivable and the assessment of increases in credit risk consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement and is uncertain, particularly as a result of impact of the COVID-19 pandemic. In assessing the valuation of accounts receivable, the Company evaluates the franchisee's historical payment patterns, the current financial health of the franchisee and expected or possible changes in future events or market conditions to determine whether an allowance for doubtful accounts should be recorded.

Management's Discussion and Analysis of Results and Financial Condition

Impairment of Intangible Assets and recovery of impairment

Under IAS 36, Impairment of Assets, the Company ensures that the carrying value of intangible assets are not more than their recoverable amount (i.e. the higher of; a) fair value less costs of disposal, and b) value-in-use). The Company regularly reviews intangible assets to determine whether indicators of impairment exist on individual Franchise Agreements, other contracts or Trademarks. When reviewing indicators of impairment for Franchise Agreements or other contracts, the Company considers certain factors including, franchise fees or other revenues earned, term to maturity, historical REALTOR® count, collectability of receivables, estimated future revenues to be earned and underlying market conditions. Where indicators of impairment exist, the Company recognizes impairment charges if the carrying amount of a Franchise Agreement exceeds its recoverable amount or if the recovery of the carrying amount is no longer reasonably assured. The estimation of future revenues and other forward looking information requires significant judgement and is highly uncertain as a result of, among other things, the potential impact of the COVID-19 pandemic. When an intangible asset has been previously written down to its recoverable amount as a result of recording an impairment loss and the conditions causing such an impairment loss have become more favourable, the previously recorded impairment loss may be reversed and is recorded as a recovery of impairment.

Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, notes receivable, accounts payable and accrued liabilities, contract transfer obligation, interest payable to Exchangeable Unitholders, dividends payable to holders of Restricted Voting Shares, debt facilities, interest rate swap liability and deferred payments.

The Company is exposed to credit risk with respect to accounts and notes receivable to the extent that any Franchisees are unable to pay their fees. The Company's credit risk is limited to the recorded amount of accounts and notes receivable. Management reviews the financial position of all Franchisees during the application process and closely monitors outstanding amounts receivable on an ongoing basis to evaluate the risk of a default occurring over the expected life of the accounts receivable. This monitoring includes evaluating the franchisee's historical payment patterns, the current financial health of the franchisee and expected or possible changes in future events or market conditions to determine whether an allowance for doubtful accounts should be recorded.

The Company is party to an interest rate swap agreement which swaps the variable interest rate obligation on the \$55.0 million Term Facility to a fixed rate obligation of 3.94% through to the expiry of the Company's Term Facility on December 31, 2023. The Company is exposed to the risk of interest rate fluctuations on its \$20.0 million Acquisition Facility and its \$5.0 million Operating Facility as the interest rates on these facilities are based on Prime or Banker's Acceptance interest rates. As at March 31, 2021, the Company has drawn \$18.5 million on the Acquisition Facility, and nil on the Operating Facility.

Disclosure Controls and Internal Controls over Financial Reporting

The Company takes all necessary steps to ensure that material information regarding the Company's reports filed or submitted under securities legislation fairly presents the financial information of the Company. Responsibility for this resides with management, including the President and Chief Executive Officer and the Chief Financial Officer. Management is responsible for establishing, maintaining and evaluating disclosure controls and procedures as well as internal control over financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P")

The evaluation of the effectiveness of DC&P, as defined in National Instrument 52-109 *Certification of Disclosures in Issuers' Annual and Interim Filings*, was performed under the supervision of the President and Chief Executive Officer and the Chief Financial Officer. They conclude that these DC&P were adequate and effective as at March 31, 2021. The Company's management can therefore provide reasonable assurance that it receives material information relating to the Company in a timely manner so that it can provide investors with complete and reliable information.

INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management has designed ICFR to provide reasonable assurance that the Company's financial reporting is reliable and that the Company's interim condensed consolidated financial statements were prepared in accordance with IFRS. The design and effectiveness of ICFR was evaluated as defined in National Instrument 52-109 under the supervision of the President and Chief Executive Officer and the Chief Financial Officer. Based on the evaluations, they conclude that ICFR is adequate and effective to provide such assurance as at March 31, 2021. The design of ICFR is undertaken in accordance with the 2013 COSO framework.

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Outstanding Restricted Voting Shares

Bridgemarq is authorized to issue an unlimited number of Restricted Voting Shares, an unlimited number of preferred shares and one Special Voting Share. As of May 10, 2021, Bridgemarq has issued 9,483,850 Restricted Voting Shares, no preferred shares and one Special Voting Share.

Each Restricted Voting Share represents a proportionate voting right in Bridgemarq, and holders of Bridgemarq's Restricted Voting Shares are entitled to dividends declared and distributed by Bridgemarq.

The Special Voting Share is owned by Brookfield and represents the proportionate voting rights of Exchangeable Unitholders in the Company. The Special Voting Share is not eligible to receive dividends and can be redeemed at \$0.01 per share.

Risk Factors

Risks related to the residential real estate brokerage industry and the business of the Company are outlined in the Company's Annual Information Form, which is available at www.sedar.com and on the Company's website at www.bridgemarq.com under Investor Centre/Other Disclosure Reports. Additional discussion regarding these risks as appropriate is provided in this MD&A.

Forward-Looking Statements

This MD&A contains forward-looking information and other "forward-looking statements" within the meaning of applicable securities legislation. Words such as "accelerated", "affecting", "allowing", "anticipates", "appears", "attract(ing)", "are", "believes", "can", "choosing", "continue(s)", "continued", "contributing", "consist", "consistently", "could", "decline", "demand", "derives", "does", "ease", "eroding", "estimate(s)", "exceed(s)", "expected", "expects", "exposed", "feel", "forecast(s)", "further", "future", "gains", "generate(s)", "give", "grow", "growing", "growth", "has", "have", "impact(s)", "improve", "improving", "include", "increase(s)", "increasing", "invests", "is", "judges", "keep", "limiting", "makes", "may", "moderating", "momentum", "objective(s)", "offer", "on", "ongoing", "operate(s)", "outlook", "owing", "playing", "potential", "pressure", "projection", "projects", "provide(s)", "provided", "purchase(s)", "pulling", "receives", "recovering", "recovery", "re-accelerated", "record-low", "reflects", "remain(s)", "remaining", "reopen", "represent(s)", "represent(ing)", "resilient", "resulting", "retain", "return", "rise", "seeking", "seeks", "setting", "shortage", "should", "strives", "stubbornly", "suggest", "supercharge", "support(ive)", "surge", "sustain", "teaming", "typical(ly)", "uncertainty", "varies", "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, but are not limited to: the duration and effects of the COVID-19 pandemic, including the impact of COVID-19 on the economy, the Company's business, government or other regulatory initiatives to address the spread of COVID-19 and changes in government policy, 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 level of residential real estate transactions, 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® in the Company's Network or revenue from the Company's Network, availability to generate sufficient cash flows in the future to pay dividends to holders of Restricted Voting Shares and interest to Exchangeable Unitholders, 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.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, regulatory developments and the ability to obtain financing on acceptable terms, 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 MD&A 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 forward-looking statements in this MD&A are made as of the date of this MD&A and 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.

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Supplemental Information HISTORY OF DIVIDENDS DECLARED

(per Restricted Voting Share*)

Month Declared	2021	2020	2019	2018	2017	2016
January	\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083	\$ 0.1083
February	\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083	\$ 0.1083
March	\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083	\$ 0.1083
April		\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083	\$ 0.1083
May		\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083	\$ 0.1083
June		\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083	\$ 0.1083
July		\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083	\$ 0.1083
August		\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083
September		\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083
October		\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083
November		\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083
December		\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1125	\$ 0.1083
	\$ 0.3375	\$ 1.3500	\$ 1.3500	\$ 1.3500	\$ 1.3206	\$ 1.2996

* Amounts declared prior to 2011 represent distributions declared to unitholders, prior to the Company's re-organization from an income trust to a corporate structure on December 31, 2010.

SHARE PERFORMANCE

(in Canadian dollars)
except shares outstanding
and average daily volume
For three months ended,

	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	Mar. 31, 2020	Dec. 31, 2019	Sept. 30, 2019	June 30, 2019	Mar. 31, 2019
Trading price range of units (TSX: "BRE")									
Close	\$ 16.41	\$ 14.80	\$ 12.81	\$ 11.75	\$ 8.43	\$ 14.72	\$ 14.72	\$ 14.91	\$ 16.91
High	\$ 17.00	\$ 14.88	\$ 14.19	\$ 11.99	\$ 15.85	\$ 15.38	\$ 14.92	\$ 17.30	\$ 17.13
Low	\$ 14.33	\$ 14.75	\$ 11.14	\$ 6.59	\$ 6.31	\$ 14.02	\$ 12.87	\$ 14.91	\$ 12.87
Average daily volume	14,371	10,677	11,576	17,592	27,027	19,317	15,546	11,880	17,245
Number of restricted voting shares outstanding at period end	9,483,850	9,483,850	9,483,850	9,483,850	9,483,850	9,483,850	9,483,850	9,483,850	9,483,850
Market capitalization (\$'000's)	\$ 210,237	\$ 189,610	\$ 164,116	\$ 150,535	\$ 108,001	\$ 188,586	\$ 188,586	\$ 191,020	\$ 216,643

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CANADIAN RESIDENTIAL REAL ESTATE MARKET

For Three months ended	Mar. 31 2021	Dec. 31 2020	Sept. 30 2020	June 30 2020	Mar. 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Canada								
Transaction dollar volume ¹	\$ 113,813	\$ 90,071	\$ 109,085	\$ 55,949	\$ 57,920	\$ 57,324	\$ 66,821	\$ 76,313
Average selling price	\$ 682,552	\$ 607,280	\$ 604,211	\$ 538,831	\$ 531,722	\$ 500,938	\$ 494,268	\$ 490,529
Number of units sold	166,746	148,814	185,561	108,087	108,930	109,381	133,331	151,680
Number of REALTORS® at period end ²	136,605	134,803	133,120	133,476	133,242	133,242	132,254	131,388
Housing starts	54,502	57,457	58,971	47,525	38,170	49,954	55,078	56,122
Greater Toronto Area								
Transaction dollar volume ¹	\$ 35,298	\$ 25,161	\$ 31,244	\$ 14,401	\$ 17,656	\$ 16,803	\$ 19,525	\$ 23,074
Average selling price	\$ 1,053,585	\$ 929,699	\$ 920,168	\$ 891,167	\$ 890,822	\$ 819,319	\$ 811,602	\$ 810,661
Number of units sold	33,503	26,358	32,821	16,152	19,820	19,868	24,007	27,772
Housing starts	9,625	8,502	12,155	11,090	6,840	6,513	8,651	7,907
Greater Vancouver Area								
Transaction dollar volume ¹	\$ 14,084	\$ 10,986	\$ 10,839	\$ 5,343	\$ 6,536	\$ 7,463	\$ 6,986	\$ 6,640
Average selling price	\$ 1,159,167	\$ 1,079,033	\$ 1,103,099	\$ 1,049,475	\$ 1,029,394	\$ 982,541	\$ 982,541	\$ 990,857
Number of units sold	12,150	10,075	10,065	5,122	6,349	7,484	7,203	6,617
Housing starts	7,322	6,192	6,415	5,384	4,380	5,912	6,506	9,951
Greater Montreal Area								
Transaction dollar volume ¹	\$ 7,719	\$ 7,717	\$ 7,291	\$ 4,329	\$ 6,004	\$ 4,963	\$ 4,385	\$ 6,130
Average selling price	\$ 534,155	\$ 501,339	\$ 499,339	\$ 465,748	\$ 435,379	\$ 408,401	\$ 402,934	\$ 398,029
Number of units sold	15,425	15,679	15,381	10,156	14,661	11,828	10,777	15,763
Housing starts	8,080	7,981	8,017	6,268	5,008	5,997	5,779	8,247

¹ (in millions Canadian dollars)

² CREA Membership data as of Mar 31, 2021 not available as of MDA date

Source: CREA, CMHC, TREB

For Twelve months ended	Mar. 31 2021	Dec. 31 2020	Sept. 30 2020	June 30 2020	Mar. 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Canada								
Transaction dollar volume ¹	\$ 368,917	\$ 313,025	\$ 280,278	\$ 238,014	\$ 258,379	\$ 244,872	\$ 233,939	\$ 225,300
Average selling price	\$ 605,569	\$ 567,699	\$ 547,462	\$ 517,728	\$ 513,347	\$ 500,938	\$ 493,018	\$ 487,746
Number of units sold	609,208	551,392	511,959	459,729	503,322	488,828	474,503	461,922
Housing starts	218,455	202,123	194,620	190,727	199,324	196,729	199,267	193,376
Greater Toronto Area								
Transaction dollar volume ¹	\$ 106,104	\$ 88,462	\$ 80,104	\$ 68,385	\$ 77,058	\$ 71,957	\$ 68,870	\$ 65,052
Average selling price	\$ 974,916	\$ 929,699	\$ 903,484	\$ 856,453	\$ 842,465	\$ 819,319	\$ 806,888	\$ 798,635
Number of units sold	108,834	95,151	88,661	79,847	91,467	87,825	85,352	81,454
Housing starts	41,372	38,587	36,598	33,094	29,911	30,462	34,978	35,754
Greater Vancouver Area								
Transaction dollar volume ¹	\$ 41,252	\$ 33,704	\$ 30,180	\$ 26,327	\$ 27,624	\$ 25,342	\$ 22,779	\$ 21,618
Average selling price	\$ 1,102,638	\$ 1,066,198	\$ 1,039,979	\$ 1,006,457	\$ 998,948	\$ 986,796	\$ 993,887	\$ 1,009,281
Number of units sold	37,412	31,611	29,020	26,158	27,653	25,681	22,919	21,419
Housing starts	25,313	22,371	22,091	22,182	26,749	28,141	27,577	26,565
Greater Montreal Area								
Transaction dollar volume ¹	\$ 27,056	\$ 25,341	\$ 22,586	\$ 19,681	\$ 21,481	\$ 20,284	\$ 19,321	\$ 18,683
Average selling price	\$ 477,680	\$ 453,505	\$ 434,135	\$ 415,008	\$ 405,084	\$ 394,661	\$ 388,739	\$ 385,286
Number of units sold	56,641	55,877	52,026	47,422	53,029	51,396	49,702	48,490
Housing starts	30,346	27,274	25,290	23,052	25,031	25,112	27,258	26,295

¹ (in millions Canadian dollars)

Source: CREA, CMHC, TREB

Management's Discussion and Analysis of Results and Financial Condition

DISTRIBUTABLE CASH FLOW AND ITS UTILIZATION

(\$ 000's)	Three months ended Mar. 31, 2021	Year ended Dec. 31, 2020	Year ended Dec. 31, 2019	Year ended Dec. 31, 2018	Year ended Dec. 31, 2017	Year ended Dec. 31, 2016
Fixed franchise fees	\$ 7,584	\$ 11,247	\$ 29,285	\$ 28,326	\$ 26,816	\$ 25,844
Variable franchise fees	3,745	23,900	10,638	10,737	10,853	10,229
Other revenue	1,770	5,192	4,426	-	-	-
Premium franchise fees	-	-	-	2,964	6,569	6,363
Revenues	13,099	40,339	44,349	42,027	44,238	42,436
Less:						
Cost of other revenue	273	716	524	-	-	-
Administration expenses	52	608	1,196	1,259	816	1,058
Management fees	5,177	16,875	15,478	7,616	8,178	7,754
Interest Expense	740	3,001	3,031	2,686	2,532	2,606
Current income tax expense	1,108	2,090	2,989	5,183	5,280	4,893
Cash used for investing activities	110	3,109	3,934	10,849	10,119	9,366
Distributable Cash Flow	\$ 5,639	\$ 13,940	\$ 17,197	\$ 14,434	\$ 17,313	\$ 16,759
Less:						
Dividends to shareholders	3,201	12,803	12,803	12,803	12,485	12,325
Interest to Exchangeable Unitholders	1,452	5,806	5,806	5,806	5,750	5,710
Total distributions	\$ 4,653	\$ 18,609	\$ 18,609	\$ 18,609	\$ 18,235	\$ 18,035
Distributions payment rate ¹	83%	133%	108%	129%	105%	108%

¹ This represents the total distributions paid as a percentage of Distributable Cash Flow. A percentage greater than 100% indicates periods where the Company utilized its existing cash resources or its debt facilities to finance certain of its investing activities or its distributions to shareholders and holders of Exchangeable Units.

CASH FLOW FROM OPERATING ACTIVITIES RECONCILED TO DISTRIBUTABLE CASH FLOW

(\$ 000's)	Three months ended Mar. 31, 2021	Year ended Dec. 31, 2020	Year ended Dec. 31, 2019	Year ended Dec. 31, 2018	Year ended Dec. 31, 2017	Year ended Dec. 31, 2016
Cash Flow from Operating activities	\$ 3,220	\$ 19,866	\$ 15,600	\$ 18,971	\$ 21,060	\$ 20,148
Add (deduct):						
Changes in non-cash working capital items	1,500	(2,585)	(924)	(229)	608	111
Interest on Exchangeable Units	1,452	5,806	5,806	5,806	5,750	5,710
Change in accrued income taxes	(358)	790	698	758	35	205
Change in accrued interest expense	(65)	(209)	(49)	(23)	(21)	(49)
Change in accrued interest income	-	(3)	-	-	-	-
Deferral of payments	-	(6,616)	-	-	-	-
Cash used in investing activities	(110)	(3,109)	(3,934)	(10,849)	(10,119)	(9,366)
Distributable Cash Flow	\$ 5,639	\$ 13,940	\$ 17,197	\$ 14,434	\$ 17,313	\$ 16,759

Management's Discussion and Analysis of Results and Financial Condition

SELECTED OPERATING INFORMATION

As at	Mar. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2016
Number of REALTORS®	19,316	19,046	19,111	18,725	18,135	17,580
Number of Agents					17,865	17,328
Number of locations	663	662	678	673	658	667
Number of franchise agreements	287	289	301	291	293	297

Management's Discussion and Analysis of Results and Financial Condition

Glossary of Terms

"Brands" means the real estate services brands owned or controlled by Bridgemarq namely, Royal LePage, Johnston & Daniel and Via Capitale.

"Bridgemarq" means Bridgemarq Real Estate Services Inc., a corporation incorporated under the laws of the Province of Ontario.

"Broker" means a REALTOR® who is licensed with the relevant regulatory body to manage a Brokerage.

"Broker-Owner" means the individual or a controlling group of individuals who have entered into Franchise Agreements to provide services under the Royal LePage, Johnston & Daniel or Via Capitale brands and are licensed with the relevant regulatory body to manage a Brokerage.

"Brokerage" means a real estate brokerage company, usually owned or controlled by a Broker, which may operate one or more offices or divisions.

"Brookfield" means Brookfield BBP (Canada) Holdings LP, a limited partnership governed by the laws of Ontario and a subsidiary of Brookfield Business Partners LP, together with its affiliates but excluding the Manager and the subsidiaries of the Manager.

"Canadian Market" means the real estate market in Canada.

"Company" means Bridgemarq, together with its subsidiaries.

"Company Network" means collectively the Royal LePage Network and the Via Capitale Network.

"Distributable Cash Flow" means 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.

"Exchangeable Units" means the 3,327,667 Class B LP Units the Partnership issued at the inception of the Company to an affiliate of Brookfield in partial consideration for the Partnership's acquisition of the assets of the Partnership from that affiliate. The Class B LP Units, except as otherwise noted, have economic and voting rights equivalent in all material respects to the Class A LP Units which are owned by Bridgemarq. The Class B LP Units are indirectly exchangeable, on a one-for-one basis, subject to adjustment, for Restricted Voting Shares.

"Franchise" means a residential real estate Brokerage franchise operated pursuant to a Franchise Agreement with the Manager's comprehensive systems consisting of proprietary technological, marketing, promotional, communication and support systems.

"Franchise Agreements" means the franchise agreements and addendums thereto pursuant to which Brokerage offices offer residential brokerage services to their REALTORS®, including use of the Trademarks.

"Franchisees" means Brokerages which pay franchise fees under the Franchise Agreements.

"General Partner" means Residential Income Fund General Partner Limited, a corporation incorporated under the laws of the Province of Ontario to be the general partner of the Partnership and a subsidiary of Bridgemarq.

"Gross Revenue" means, in respect of a Franchisee, the gross commission income (net of payments to cooperating Brokerages) earned in respect of the closings of residential resale real estate transactions through REALTORS® associated with such Franchisee.

Management’s Discussion and Analysis of Results and Financial Condition

“**International Financial Reporting Standards**” or “**IFRS**” means a set of accounting standards developed by an independent, not-for-profit organization called the International Accounting Standards Board (IASB). IFRS is a global framework that provides general guidance for the preparation of financial statements and its disclosure to the public to convey measurable and comparable financial information.

“**Interest Rate Swaps**” means the financial arrangements entered into with a Canadian Chartered Bank to fix the interest rate on \$53.0 million of the Company’s Term Facility at 3.64% to October 28, 2019 and to fix the interest rate on the Company’s \$55.0 million Term Facility at 3.94% from October 29, 2019 to December 31, 2023. The fluctuation of the fair value of the Interest Rate Swaps is primarily driven by changes in the expected variable interest rate yield curve from the expected variable interest rate yield curve at the inception of the financial arrangements.

“**Management Services Agreement**” or “**MSA**” means the fourth amended and restated management services agreement, made effective November 6, 2018, together with any amendments thereto, between the Company and the Manager pursuant to which, among other things, the Manager provides management and administrative services to the Company including management of the assets of the Company.

“**Manager**” means Bridgemark Real Estate Services Manager Limited (formerly known as Brookfield Real Estate Services Manager Limited), a corporation incorporated under the laws of the Province of Ontario and an indirectly, wholly-owned subsidiary of Brookfield, together with its subsidiaries. The Manager provides management and administrative services to the Company, including management of the assets of the Company.

“**Network**” means the collection of Brokerages and REALTORS® which operate under one of the Brands controlled by the Company.

“**Partnership**” means Residential Income Fund L.P., a limited partnership established under the laws of the Province of Ontario, and a subsidiary of Bridgemark.

“**REALTOR®**” and “**REALTORS®**” are the exclusive designation for a member/members of The Canadian Real Estate Association and are defined as an individual/group of individuals licensed to trade in real estate.

“**Restricted Voting Share(s)**” means the restricted voting shares in the capital of Bridgemark.

“**Royal LePage**” means a nationally recognized real estate Brand controlled by the Company.

“**Royal LePage Network**” means the network of Franchisees operating under the Royal LePage and Johnston & Daniel Brands.

“**Share**” means a Restricted Voting Share 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.

“**Special Voting Share**” means the share of Bridgemark issued to the holder of the Exchangeable Units to represent voting rights in Bridgemark proportionate to the number of votes the Exchangeable Unitholders would obtain if they converted their Exchangeable Units to Restricted Voting Shares.

“**System for Electronic Document Analysis and Retrieval**” or “**SEDAR**” means a Canadian mandatory document filing and retrieval system for all Canadian public companies where documents such as prospectuses, financial statements and material change reports are filed and are accessible by the public to further the goal of transparency and full disclosure.

“**Team**” means a group of REALTORS® who work together and market themselves as part of a team rather than as individual REALTORS®.

“**Trademarks**” means the trade-mark rights related to Bridgemark’s business.

“**Via Capitale**” means a real estate Brand controlled by the Company which operates primarily in the province of Quebec.

“**Via Capitale Network**” means the network of Franchisees operating under the Via Capitale Brand.

“**VCLP**” means 9120 Real Estate Network, L.P./Réseau Immobilier 9120 S.E.C., a limited partnership established under the laws of the Province of Quebec, and a subsidiary of Bridgemark.

Interim Condensed Consolidated Balance Sheets

(Unaudited) As at, (In thousands of Canadian dollars)	Note	March 31, 2021	December 31, 2020
Assets			
Current assets			
Cash		\$ 9,065	\$ 9,156
Accounts receivable	4,13	4,230	2,348
Current portion of notes receivable	5	30	28
Current income tax receivable		294	652
Prepaid expenses		131	143
		13,750	12,327
Non-current assets			
Notes receivable	5	86	91
Deferred income tax asset	7	6,309	6,398
Intangible assets	6	68,165	70,143
		\$ 88,310	\$ 88,959
Liabilities and shareholders' deficit			
Current liabilities			
Accounts payable and accrued liabilities	13	\$ 1,650	\$ 1,282
Contract transfer obligation	3,13	552	549
Interest payable to Exchangeable Unitholders	10,13	484	484
Dividends payable to shareholders	12	1,067	1,067
		3,753	3,382
Non-current liabilities			
Debt facilities	8	73,388	73,379
Deferred payments	9,13	5,590	5,535
Contract transfer obligation	3,13	3,009	3,149
Interest rate swap liability	8	2,139	2,704
Exchangeable Units	10	54,607	49,249
		142,486	137,398
Shareholders' deficit			
Restricted voting shares	11	140,076	140,076
Deficit		(194,252)	(188,515)
		(54,176)	(48,439)
		\$ 88,310	\$ 88,959

See accompanying notes to the interim condensed consolidated financial statements.

Approved on behalf of the Board



Gail Kilgour
Director



Lorraine Bell
Director

Interim Condensed Consolidated Statements of Net and Comprehensive Earnings (Loss)

(Unaudited)

For the three months ended March 31,

(In thousands of Canadian dollars, except per share amounts)

	Note	2021	2020
Revenues			
Fixed franchise fees		\$ 7,584	\$ 7,541
Variable franchise fees		3,745	2,619
Other revenue		1,770	962
		13,099	11,122
Expenses			
Cost of other revenue		273	119
Administration expenses	4,5,13	52	655
Management fees	3,13	5,177	4,076
Interest expense	3,8,9	740	750
Impairment and write-off of intangible assets	6	-	170
Amortization of intangible assets	6	1,951	2,249
		8,193	8,019
Operating income			
Interest on Exchangeable Units	10,13	(1,452)	(1,452)
Gain (loss) on fair value of Exchangeable Units	10	(5,358)	20,931
Gain (loss) on interest rate swap	8	565	(2,335)
(Loss) earnings before income tax		(1,339)	20,247
Current income tax expense		1,108	730
Deferred income tax expense (recovery)		89	(609)
Income tax expense	7	1,197	121
Net and comprehensive (loss) earnings		\$ (2,536)	\$ 20,126
Basic (loss) earnings per share	12	\$ (0.27)	\$ 2.12
Weighted average number of shares outstanding used in computing basic earning per share		9,483,850	9,483,850
Diluted (loss) earnings per share	12	\$ (0.27)	\$ 0.05
Weighted average number of shares outstanding used in computing diluted earnings per share		12,811,517	12,811,517

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Changes in Shareholders' Deficit

(Unaudited)

For the three months ended March 31,

(In thousands of Canadian dollars)

	Restricted Voting Shares	Deficit	Shareholders' Deficit
Balance, December 31, 2020	\$ 140,076	\$ (188,515)	\$ (48,439)
Net loss	-	(2,536)	(2,536)
Dividends paid	-	(3,201)	(3,201)
Balance, March 31, 2021	\$ 140,076	\$ (194,252)	\$ (54,176)

(In thousands of Canadian dollars)

	Restricted Voting Shares	Deficit	Shareholders' Deficit
Balance, December 31, 2019	\$ 140,076	\$ (176,479)	\$ (36,403)
Net earnings	-	20,126	20,126
Dividends paid	-	(3,201)	(3,201)
Balance, March 31, 2020	\$ 140,076	\$ (159,554)	\$ (19,478)

See accompanying notes to the interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited)

For the three months ended March 31,
(In thousands of Canadian dollars)

	Note	2021	2020
Cash provided by:			
Operating activities			
Net (loss) earnings for the period		\$ (2,536)	\$ 20,126
Adjusted for			
Loss (gain) on fair value of Exchangeable Units	10	5,358	(20,931)
Loss (gain) on interest rate swap	8	(565)	2,335
Interest expense	3,8,9,10	2,147	2,163
Interest paid		(2,082)	(2,154)
Interest income		35	41
Interest received		(35)	(41)
Current income tax expense	7	1,108	730
Income taxes paid		(750)	(630)
Deferred income tax expense (recovery)	7	89	(609)
Impairment and write-off of intangible assets	6	-	170
Amortization of intangible assets	6	1,951	2,249
Net changes in non-cash working capital		(1,500)	(559)
		3,220	2,890
Investing activities			
Payment of contract transfer obligation	3,13	(137)	(650)
Franchise agreement expenses, net	6	27	(262)
Interest expense on contract transfer obligation	3,13	45	66
Interest expense paid on contract transfer obligation	3,13	(45)	(66)
		(110)	(912)
Financing activities			
Dividends paid to shareholders	12	(3,201)	(3,201)
		(3,201)	(3,201)
Decrease in cash during the period		(91)	(1,223)
Cash, beginning of the period		9,156	5,202
Cash, end of the period		\$ 9,065	\$ 3,979

See accompanying notes to the interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020
(Expressed in thousands of Canadian dollars, unless stated otherwise)

1. Organization

Bridgemarq Real Estate Services Inc. (“Bridgemarq” and, together with its subsidiaries the “Company”), is incorporated under the *Ontario Business Corporations Act*. Bridgemarq is listed on the Toronto Stock Exchange (“TSX”) under the symbol “BRE”. Through its ownership interest in Residential Income Fund L.P. (the “Partnership”), Bridgemarq owns certain Franchise Agreements (“Franchise Agreements”) and Trademark Rights (“Trademarks”) of residential real estate brands in Canada.

Bridgemarq directly owns a 75% interest in the Partnership which, in turn, owns 9120 Real Estate Network, L.P. (“VCLP”). In addition, Bridgemarq directly owns a 75% interest in the general partner of the Partnership, Residential Income Fund General Partner Limited (“RIFGP”) (Collectively, the Partnership, VCLP and RIFGP represent the Company’s “Subsidiaries” and each of them is a “Subsidiary”). The Partnership and VCLP (together the “Operating Subsidiaries”) own and operate the assets from which the Company derives its revenue.

Brookfield BBP (Canada) Holdings L.P. (“BBP”), a subsidiary of Brookfield Business Partners L.P, owns the remaining 25% interest in the Partnership through its ownership of exchangeable units of the Partnership (the “Exchangeable Units”) and the remaining 25% interest in RIFGP through its ownership of 25 common shares in RIFGP. In addition to its ownership of the Exchangeable Units, BBP indirectly owns 315,000 restricted voting shares and one special voting share of Bridgemarq. The special voting share entitles BBP to a number of votes at any meeting of the restricted voting shareholders equal to the number of restricted voting shares that may be obtained upon the exchange of all the Exchangeable Units held by the holder.

The Company receives certain management, administrative and support services from Bridgemarq Real Estate Services Manager Ltd. (“BRESML”, and together with its subsidiaries, the “Manager”), an indirect wholly owned subsidiary of BBP. The Company is party to an amended and restated Management Services Agreement (the “MSA”) with the Manager which governs the relationship between the Manager and the Company. The MSA has an initial term of ten-years expiring on December 31, 2028. On expiry, the MSA automatically renews for an additional ten-year term unless the Company or the Manager provides notice of their intention to terminate the MSA no later than six months prior to expiry.

During the three months ended March 31, 2021, the Company derived approximately 86% of its revenues from franchise fees it receives under the Franchise Agreements (2020 – 91%).

2. Significant Accounting Policies

BASIS OF PRESENTATION

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board using the accounting policies described herein and the accounting policies used to prepare the audited annual financial statements of the Company as of and for the year ended December 31, 2020.

These interim condensed consolidated financial statements have been authorized for issuance by the Board of Directors of the Company on May 10, 2021 and should be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2020

The consolidated condensed financial statements have been prepared on a going concern basis and include the accounts of the Company.

ACCOUNTS RECEIVABLE AND NOTES RECEIVABLE

Accounts receivables and notes receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for uncollectable amounts.

INTANGIBLE ASSETS

Intangible assets, consisting of Franchise Agreements, Trademarks and other agreements purchased or transferred from the Manager (“Ancillary Agreements”), are accounted for using the cost method. Intangible assets are recorded at initial cost less accumulated amortization and accumulated net impairment losses.

Franchise Agreements and Ancillary Agreements are amortized over the term of the agreements plus one renewal period using the straight-line method on an agreement-by-agreement basis. Trademarks are amortized on a straight-line basis over their expected useful life.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020
(Expressed in thousands of Canadian dollars, unless stated otherwise)

The Company may incur franchise agreement expenses prior to or concurrent with entering into Franchise Agreements including payments to franchisees or prospective franchisees to defray the costs of converting REALTORS® or brokerages to the Company's brands as well as contract specific legal costs, if any. The Company may also provide certain fee rebates to franchisees under certain circumstances. These costs and rebates are capitalized on an agreement-by-agreement basis and amortized over the same term as the agreement to which they relate or, where the underlying agreement is less than a year, charged to the interim condensed consolidated statement of net and comprehensive earnings (loss). The amortization charge for these fee rebates and any franchise agreement expenses represented by cash payments to franchisees is recorded as a reduction in revenues.

The Company reviews intangible assets each reporting period to determine whether indicators of impairment or a reversal of impairment exists on individual Franchise Agreements, Trademarks and Ancillary Agreements. When reviewing for indicators of impairment or recovery of impairment of Franchise Agreements, the Company considers certain factors including, the financial performance of the business, franchise fees earned, term to maturity, historical REALTOR® count, collectability of receivables and underlying market conditions. When reviewing indicators for impairment on individual Ancillary Agreements, the Company considers certain factors including, prior year's revenues and estimated future revenues under each Ancillary Agreement as well as underlying market conditions. Where indicators of impairment exist, the Company recognizes impairment charges if the carrying amount of a Franchise Agreement or Ancillary Agreement exceeds its recoverable amount (recoverable amount is determined as the higher of a) estimated fair value less costs of disposal and b) value-in-use). Where the counter-parties of one or more Franchise Agreements combine their operations by way of a merger, acquisition or other combination subsequent to the acquisition of the underlying Franchise Agreement, the carrying value of the underlying intangible assets are combined for purposes of evaluating impairment.

If the carrying value of the intangible asset exceeds the recoverable amount, the intangible asset is written down to the recoverable amount and an impairment loss is charged to net and comprehensive earnings in the period. When an intangible asset has been previously written down to its recoverable amount as a result of recording an impairment loss and the conditions causing such an impairment loss have become more favourable, the previously recorded impairment loss may be reversed. Where an impairment loss is reversed, the carrying value of the intangible asset is increased to its revised recoverable amount (the lesser of a) the revised estimate of its recoverable amount, and b) the carrying amount that would have been recorded had no impairment loss been recognized previously) and an impairment reversal is recognized as income in the period.

Franchise Agreements subject to early termination or non-renewal, are written off in the period of termination or when non-renewal becomes reasonably assured.

REVENUE RECOGNITION

The Company is in the business of providing information and services to REALTORS® and real estate brokers in Canada through a portfolio of highly regarded real estate services brands. Certain of these information and services (the "Service Offering") are provided in exchange for franchise fees received from franchisees. The Service Offering is offered as a complete suite of services. Franchisees who pay franchise fees under the Franchise Agreements cannot elect to purchase any service under the Service Offering individually or on a stand-alone basis.

Franchise fees include franchise fees which have both fixed and variable components. Fixed franchise fees are payable to the Company as a fixed monthly amount per REALTOR® without regard to transaction volumes generated by that REALTOR®. Fixed franchise fees are recognized over time, which is when the control of the services and the right to use the trademark are transferred to the customer.

Variable franchise fees are payable to the Company based on the transaction volumes generated by REALTORS®, subject to a cap. Variable franchise fees are a percentage of a REALTOR®'s gross revenue, which is the gross commission income earned on a transaction. Variable franchise fees are recognized at the point in time when a residential real estate transaction is closed and finalized by the REALTOR® and/or a lease is signed by the vendor or lessor.

In order to respond to the impact of COVID-19 and maintain Bridgemarq's market share by supporting franchisees, the Company announced temporary changes to the franchise fees it charged in 2020. For the period from April 1, 2020 to December 31, 2020, the Company suspended fixed franchise fees and increased variable franchise fees (subject to a cap) for franchisees representing approximately 82% of the Company's REALTORS®.

In addition to the Service Offering, the Company provides certain ancillary services to franchisees under the Ancillary Agreements. These include information and services provided outside of those provided in the Franchise Agreements.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020
(Expressed in thousands of Canadian dollars, unless stated otherwise)

Each franchisee has the option of purchasing or utilizing the services provided under the Ancillary Agreements independent of the Service Offering. Revenues under the Ancillary Agreements are derived primarily from referral fees charged to external companies, lead management services provided to franchisees and other miscellaneous revenues. The direct costs associated with lead management and other revenues are recorded as cost of other revenue in the interim condensed consolidated statements of net and comprehensive earnings (loss).

External referral fees are generated from external parties who receive service referrals from the Company. External referral fees are recognized as revenue net of their direct costs at the point in time when the Company has completed its obligation under the agreement, which is when the control of the services are transferred to the customer.

Lead management services are provided to REALTORS® and franchisees on a subscription basis. Lead management revenue is recognized at the point in time a lead is assigned to the REALTOR® or the franchisee, which is when the performance obligation has been satisfied.

The Company's revenues are affected by the seasonality of Canadian real estate markets, which historically have seen stronger transactional dollar volumes in the second and third quarters of each year. This historical seasonality pattern did not recur in 2020 as the Canadian real estate market was impacted by a world wide pandemic, particularly in the second quarter of 2020.

EXCHANGEABLE UNITS

Exchangeable Units represent the future distribution obligation of the Company in respect of Class B LP units of the Partnership, and are convertible, on a one-for-one basis, subject to adjustment, into restricted voting shares of Bridgemarq. These financial instruments are classified as a financial liability as the holder can "put" these instruments to the Company as well as by virtue of the Partnership agreement, whereby the Partnership is required to distribute all of its income to the partners. The Company records any changes in the fair value of the Exchangeable Units through net and comprehensive earnings in the period the change occurs. The fair value of these financial liabilities is based on the market price of Bridgemarq's restricted voting shares and the number of Exchangeable Units outstanding at the reporting date.

3. Management Services Agreement

Under the Terms of the MSA, the Manager provides certain management, administrative and support services to the Company.

The monthly fee payable to the Manager is equal to a fixed management fee of \$840 plus a variable management fee equal to a) the greater of i) 23.5% of the distributable cash (as defined in the MSA) of the Company before management fees or ii) 0.342% of the market value of the restricted voting shares on a diluted basis for the first five years of the term of the MSA, and b) the greater of i) 25% of the distributable cash (as defined in the MSA) of the Company before management fees or ii) 0.375% of the market value of the restricted voting shares on a diluted basis thereafter.

For the three months ended March 31, 2021, the Company incurred management fees of \$5,359 (2020 - \$4,792) for these services, \$5,177 of which was charged to the consolidated statements of net and comprehensive earnings (loss) (2020 - \$4,076) and \$182 was used to reduce the contract transfer obligation owing to the Manager plus related interest (2020 - \$716).

4. Accounts Receivable

Accounts receivable represent amounts due from the Company's franchise network for franchise fees plus amounts due pursuant to the Ancillary Agreements. As at March 31, 2021, the Company had accounts receivable of \$4,230 (December 31, 2020 - \$2,348) net of an allowance for doubtful accounts of \$162 (December 31, 2020 - \$310). During the three months ended March 31, 2021, administration expense included a bad debt recovery related to accounts receivable of \$151 (2020 - bad debt expense of \$414).

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For the three months ended March 31, 2021 and 2020
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Management analyses accounts receivable and notes receivable to determine the allowance for doubtful accounts by assessing the collectability of receivables owing from each individual franchisee. This assessment takes into consideration certain factors including the aging of outstanding fees, franchisee operating performance, historical payment patterns, current collection efforts, relevant forward looking information and the Company's security interests, if any.

The table below summarizes the aging of accounts receivable as at March 31, 2021 and December 31, 2020.

As at,	March 31, 2021	December 31, 2020
Current	\$ 3,839	\$ 1,962
30 Days	289	322
60 Days	62	63
90+ Days	202	311
Subtotal	\$ 4,392	\$ 2,658
Allowance for doubtful accounts	(162)	(310)
Accounts receivable	\$ 4,230	\$ 2,348

The Company recognizes revenues in income to the extent that collection is reasonably assured at the time the revenue is earned.

5. Notes Receivable

The Company has certain franchisees with which it has entered into a signed formalized payment plan in respect of franchise fees due to the Company which were in arrears. Amounts under these payment plans which are due greater than one year from the financial statement date have been classified as non-current. The terms stipulated in the payment plan require the franchisees to repay the total outstanding balance in monthly payments plus interest at an agreed rate. Notes receivable are measured net of an allowance for doubtful accounts of \$71 at March 31, 2021, (December 31, 2020 - \$85).

As at March 31, 2021, the Company had notes receivable, net of allowance for doubtful accounts of \$116 (December 31, 2020 - \$119), of which \$30 was due within 12 months (December 31, 2020 - \$28) and \$86 was considered non-current (December 31, 2020 - \$91). During the three months ended March 31, 2021, administration expense included a bad debt recovery related to notes receivable of \$14 (2020 - \$14).

Scheduled contractual receipts under the terms of the notes receivable are as follows:

As at,	March 31, 2021	December 31, 2020
Current portion	\$ 91	\$ 88
Receivable in 13-24 months	36	53
Receivable thereafter	60	63
Subtotal	187	204
Allowance for doubtful accounts	(71)	(85)
Notes receivable	\$ 116	\$ 119

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6. Intangible Assets

Franchise agreement expenses and rebates are recorded as additions to intangible assets net of any recovery of previously paid franchise agreement expenses and net of any amortization of formerly capitalized franchise agreement expenses. For the three months ended March 31, 2021, reductions of intangible assets of \$27 (2020 - additions of \$262) reflect amortization of those franchise agreement expenses and rebates of \$147 (2020 - \$65) recorded as a reduction of revenues.

For the three months ended March 31, 2020, the Company identified eight Franchise Agreements with a carrying amount in excess of their recoverable amount and recognized an impairment charge of \$170 related to those Franchise Agreements.

A summary of intangible assets as at March 31, 2021 and December 31, 2020 is provided in the charts below.

	Franchise Agreements & Ancillary Agreements	Trademarks	Total
Cost			
At December 31, 2020	\$ 244,470	\$ 5,427	\$ 249,897
Franchise agreement expenses and rebates, net	(27)	-	(27)
At March 31, 2021	\$ 244,443	\$ 5,427	\$ 249,870
Accumulated amortization			
At December 31, 2020	\$ (176,550)	\$ (3,204)	\$ (179,754)
Amortization expense	(1,905)	(46)	(1,951)
Agreements expiring during the year	-	-	-
At March 31, 2021	\$ (178,455)	\$ (3,250)	\$ (181,705)
Carrying value			
At December 31, 2020	\$ 67,920	\$ 2,223	\$ 70,143
At March 31, 2021	\$ 65,988	\$ 2,177	\$ 68,165

	Franchise Agreements & Ancillary Agreements	Trademarks	Total
Cost			
At December 31, 2019	\$ 246,231	\$ 5,427	\$ 251,658
Franchise agreement expenses and rebates, net	1,189	-	1,189
Impairment	(368)	-	(368)
Agreements expiring during the year	(2,582)	-	(2,582)
At December 31, 2020	\$ 244,470	\$ 5,427	\$ 249,897
Accumulated amortization			
At December 31, 2019	\$ (170,812)	\$ (3,019)	\$ (173,831)
Amortization expense	(8,320)	(185)	(8,505)
Agreements expiring during the year	2,582	-	2,582
At December 31, 2020	\$ (176,550)	\$ (3,204)	\$ (179,754)
Carrying value			
At December 31, 2019	\$ 75,419	\$ 2,408	\$ 77,827
At December 31, 2020	\$ 67,920	\$ 2,223	\$ 70,143

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7. Income Taxes

The Company uses the liability method of tax allocation in accounting for income taxes. Under this method, temporary differences between the carrying amount of balance sheet items and their corresponding tax basis result in either deferred income tax assets or liabilities. Deferred income taxes are computed using substantively enacted tax rates applicable to the years in which the temporary differences are expected to reverse.

A reconciliation of income taxes at Canadian statutory rates with reported income taxes is as follows:

For the three months ended March 31,	2021	2020
Earnings before income tax for the period:	\$ (1,339)	\$ 20,247
Expected income tax expense (recovery) at statutory rate of 26.5% (2019 - 26.5%)	(355)	5,366
Increase (decrease) in income tax expense due to the following:		
Non-deductible amortization	122	124
Non-deductible loss (non-taxable gain) on fair value of Exchangeable Units	1,420	(5,547)
Non-deductible interest on Exchangeable Units	385	385
Non-deductible impairment and write-off of intangible assets, net	-	5
Income allocated to Exchangeable Unitholders	(375)	(215)
Recognition of deferred tax assets and other	-	3
Total income tax expense	\$ 1,197	\$ 121

The major components of income tax expense include the following:

Years ended December 31,	2021	2020
Current income tax expense	\$ 1,108	\$ 730
Deferred income tax expense (recovery)	89	(609)
Total income tax expense	\$ 1,197	\$ 121

The significant components of the Company's deferred tax assets are as follows:

	Intangible Assets	Contract transfer obligation	Other	Total
Deferred income tax assets:				
At December 31, 2020	\$ 4,988	\$ 980	\$ 430	\$ 6,398
Deferred income tax recovery (expense)	82	(36)	(135)	(89)
At March 31, 2021	\$ 5,070	\$ 944	\$ 295	\$ 6,309

	Intangible Assets	Contract transfer obligation	Other	Total
Deferred income tax assets:				
At December 31, 2019	\$ 5,098	\$ 1,488	\$ 132	\$ 6,718
Deferred income tax recovery (expense)	(110)	(508)	298	(320)
At December 31, 2020	\$ 4,988	\$ 980	\$ 430	\$ 6,398

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For the three months ended March 31, 2021 and 2020
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8. Debt Facilities

The Company's debt is comprised of the following debt facilities:

As at	March 31, 2021	December 31, 2020
Term facility	\$ 55,000	\$ 55,000
Acquisition facility	18,500	18,500
	\$ 73,500	\$ 73,500
Financing fees	(112)	(121)
Debt facilities	\$ 73,388	\$ 73,379

The Company has \$80,000 in financing available under a borrowing agreement with a Canadian Chartered Bank. The debt facilities under this agreement are comprised of the following, which mature on December 31, 2023 ("Maturity"):

A \$55,000 non-revolving term variable rate facility (the "Term Facility"). Repayment of principal outstanding is due on Maturity.

A \$20,000 revolving acquisition facility (the "Acquisition Facility") is available to support acquisitions pursued by the Company. A standby fee of 0.15% applies on undrawn amounts under the Acquisition Facility. Repayment of principal outstanding is due on Maturity.

A \$5,000 revolving operating facility (the "Operating Facility") is available to meet the Company's day-to-day operating requirements. No amounts have been drawn on this facility at March 31, 2021.

Borrowings under each of these arrangements are secured by a first ranking security interest in substantially all assets of the Company and bear interest at a variable rate of Banker's Acceptances (BAs) +1.70% or Prime + 0.5%, at the option of the Company.

The Company's ability to borrow under these arrangements is subject to the Company maintain certain financial covenants. Under these covenants, the Company must maintain a ratio of Consolidated EBITDA to Interest Expense on Senior Indebtedness at a minimum of 3.0 to 1 and a ratio of Senior Indebtedness to Consolidated EBITDA at a maximum of 4.0 to 1. The Company is obligated to make limited principal repayments under the Debt Facilities in circumstances where the ratio of Senior Indebtedness to Consolidated EBITDA exceeds 3.4:1. Such payments shall continue until the ratio of Senior Indebtedness to Consolidated EBITDA is less than 3.25:1.

Consolidated EBITDA is defined as net earnings before income taxes, fair value adjustments on interest rate swaps and Exchangeable Units, impairment and amortization of intangible assets and interest expense. Senior Indebtedness is defined as borrowings on the Company's debt facilities. At March 31, 2021 and December 31, 2020, the Company complied with all covenants under the debt facilities.

The Company has entered into an interest rate swap agreement to swap the variable interest rate obligation on the \$55,000 Term Facility to a fixed rate obligation of 3.94% through to Maturity. The interest rate swap is a financial instrument and is disclosed at its fair value with any change in their fair value recorded as a gain or loss in the Company's consolidated statements of net and comprehensive earnings. The fair value is determined using a discounted cash flow model using observable yield curves and applicable credit spreads at a credit adjusted rate. At March 31, 2021, the Company determined that the fair value of the interest rate swaps represents a liability of \$2,139 (December 31, 2020 - \$2,704). For the three months ended March 31, 2021, the Company recognized a fair value gain of \$565 (2020 - loss of \$2,335).

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9. Deferred Payments

The Company has deferred payment of certain amounts owing to BBP and Manager pursuant to an agreement with BBP and the Manager. These deferred payments of \$6,616, are non-interest bearing, are due no later than 2025 and are repayable in cash or the issuance of Exchangeable Units, at the option of the Company. For the three months ended March 31, 2021, the Company recorded interest expense of \$55 (2020 - nil) reflecting accretion of the carrying value of the deferred payments using the effective interest rate method.

10. Exchangeable Units

The Exchangeable Units are exchangeable on a one-for-one basis for restricted voting shares of Bridgemarq at the option of the holder. The Company measures the Exchangeable Units at their fair value using the closing price of the Company's restricted voting shares listed on the TSX. At March 31, 2021, the Company used the closing market price of Bridgemarq's shares of \$16.41. (December 31, 2020 - \$14.80). During the three months ended March 31, 2020, the Company recorded a loss of \$5,358 related to the fair value of the Exchangeable Units (2020 - a gain of \$20,931).

The Exchangeable Unitholders are entitled to cash distributions from the Partnership in respect of their economic interest in the Partnership as and when declared by the Board of Directors of RIFGP. Such distributions are made on a before tax basis and are directly taxable in the hands of the Exchangeable Unitholders. For the three months ended March 31, 2021 the Board of Directors of RIFGP declared distributions payable to the Exchangeable Unitholders of \$1,452 (2020 - \$1,452).

11. Share Capital

Bridgemarq is authorized to issue an unlimited number of restricted voting shares, an unlimited number of preferred shares and one special voting share.

Each restricted voting share represents a proportionate voting right in Bridgemarq, and holders of the restricted voting shares are entitled to dividends declared and distributed by Bridgemarq.

The special voting share represents the proportionate voting rights of the Exchangeable Unitholders of the Partnership. The special voting share is redeemable by the holder at \$0.01 per share, and the holder is not entitled to dividends declared by Bridgemarq.

No additional restricted voting shares were issued during the three months ended March 31, 2021 or the year ended December 31, 2020.

No preferred shares were issued or outstanding as at March 31, 2021 or December 31, 2020.

The following table summarizes the outstanding shares of Bridgemarq:

As at March 31,	2021	2020
Restricted voting shares	9,483,850	9,483,850
Special voting share	1	1

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12. Earnings Per Share

Basic and diluted earnings per share has been determined as follows:

For the three months ended March 31,
(In thousands of Canadian dollars, except share and per share amounts)

	2021	2020
Net earnings (loss) available to restricted voting shareholders – basic	\$ (2,536)	\$ 20,126
Interest on Exchangeable Units	1,452	1,452
Loss (gain) on fair value of Exchangeable Units	5,358	(20,931)
Net earnings available to restricted voting shareholders – diluted	\$ 4,274	\$ 647
Weighted average number of shares outstanding used in computing basic earnings per share	9,483,850	9,483,850
Total outstanding Exchangeable Units	3,327,667	3,327,667
Weighted average number of shares outstanding used in computing diluted earnings per share	12,811,517	12,811,517
Basic earnings (loss) per share	\$ (0.27)	\$ 2.12
Diluted earnings (loss) per share	\$ (0.27)	\$ 0.05
Dividends declared	\$ 3,201	\$ 3,201
Restricted voting shares	9,483,850	9,483,850
Dividends per restricted voting share	\$ 0.34	\$ 0.34

13. Related Party Transactions

In addition to transactions disclosed elsewhere in the interim condensed consolidated financial statements, the Company had the following transactions with parties related to the Manager or the Exchangeable Unitholders during the three months ended March 31, 2021 and 2020. These transactions have been recorded at the exchange amount as agreed between the parties.

	2021	2020
a) Revenues		
Fixed franchise fees	\$ 663	\$ 695
Variable franchise fees	\$ 369	\$ 301
Other revenue, net	\$ 60	\$ 31
b) Expenses		
Management fees	\$ 5,177	\$ 4,076
Insurance premiums and other	\$ 6	\$ 5
Interest on contract transfer obligation	\$ 45	\$ 66
c) Interest		
Interest to Exchangeable Unitholders	\$ 1,452	\$ 1,452

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The following amounts due to/from related parties are included in the account balance as described;

As at	March 31, 2021	December 31, 2020
d) Accounts receivable		
Franchise fees receivable and other	\$ 380	\$ 366
e) Management fees and Interest on contract transfer obligation	\$ 1,147	\$ 766
f) Contract transfer obligation	\$ 3,561	\$ 4,968
g) Interest payable to Exchangeable Unitholders	\$ 484	\$ 484
h) Deferred payments	\$ 5,590	\$ -

The members of the Company's board of directors are compensated for their services. During the three months ended March 31, 2021, the Company incurred \$62 in directors' fees (2020 - \$49). Directors' fees are included in administration expenses.

14. Financial Instruments

In the normal course of business, the Company is exposed to a number of financial risks that can affect its operating performance. These risks are outlined below:

A) CREDIT RISK

Credit risk arises from the possibility that franchisees may not pay amounts owing to the Company. The Company's credit risk is limited to the recorded amount of accounts receivable and notes receivable. The Manager reviews the financial position of all franchisees during the application process and closely monitors outstanding accounts receivable on an ongoing basis to evaluate the risk of a default occurring over the expected life of the accounts receivable. This monitoring includes evaluating the franchisee's historical payment patterns, the current financial health of the franchisee and expected or possible changes in future events or market conditions to determine whether a provision should be recorded. The estimation and application of monitoring future events or market conditions requires significant judgment and is uncertain.

As at March 31, 2021, the Company has recorded an allowance for doubtful accounts related to accounts receivable and notes receivable of \$233 (December 31, 2020 - \$395).

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B) LIQUIDITY RISK

The Company is exposed to liquidity risk in its ability to finance its working capital requirements and meet its cash flow needs, including paying dividends to shareholders of restricted voting shares and interest to Exchangeable Unitholders. The Company manages liquidity risk by maintaining conservative debt levels compared with those required by the covenants associated with the debt facilities. The Company has a \$20,000 Acquisition Facility, of which \$18,500 has been drawn, and a \$5,000 undrawn Operating Facility (see Note 8).

Estimated contractual maturities of the Company's financial liabilities are as follows:

As at March 31,	2021	2022	2023	2024	Beyond 2024	Total
Accounts payable and accrued liabilities	\$ 1,650	\$ -	\$ -	\$ -	\$ -	\$ 1,650
Current contract transfer obligation	552	-	-	-	-	552
Interest payable to Exchangeable Unitholders	484	-	-	-	-	484
Dividends payable to shareholders	1,067	-	-	-	-	1,067
Interest on long-term debt	2,172	2,896	2,896	-	-	7,964
Interest on contract transfer obligation	126	143	114	90	169	642
Long term contract transfer obligation	-	573	602	356	1,478	3,009
Interest rate swap liability	-	-	2,139	-	-	2,139
Debt facilities	-	-	73,500	-	-	73,500
Deferred payments	-	-	-	-	6,616	6,616
Exchangeable Units	-	-	-	-	54,607	54,607
Total	\$ 6,051	\$ 3,612	\$ 79,251	\$ 446	\$ 62,870	\$ 152,230

C) INTEREST RATE RISK

The Company is exposed to the risk of interest rate fluctuations on its debt facilities as the interest rates on these facilities are based on the Prime rate and Banker's Acceptance rates.

As described in Note 8, the Company has entered into a five-year interest rate swap to fix the interest on the Company's \$55,000 Term Facility at 3.94% until December 31, 2023.

The Acquisition Facility bears interest at a variable rate of BAs + 1.70% or Prime + 0.5%. Management has elected to pay interest at variable interest rates on the Acquisition Facility and monitors this position on an ongoing basis. An increase of 1% in the Company's effective interest rate on its variable rate debt would result in an increase in its annual interest expense of approximately \$185.

D) FAIR VALUE

The fair value of certain of the Company's financial instruments, including cash, accounts receivable, notes receivable, accounts payable and accrued liabilities, interest payable to Exchangeable Unitholders and dividends payable to holders of restricted voting shares, are estimated by management to approximate their carrying values due to their short-term nature. The fair value of deferred payments is estimated to approximate its carrying value of \$5,590 due to the Company's option to settle this amount through the issuance of Exchangeable Units at any time. The fair value of the Company's outstanding borrowings of \$73,500 approximate their carrying value of \$73,388 and the fair value of the Company's outstanding contract transfer obligation approximates the carrying value of \$3,561 as a result of their floating rate terms.

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E) FAIR VALUE HIERARCHY

The following table summarizes the financial instruments measured at fair value in the consolidated balance sheets as at March 31, 2021 and December 31, 2020, classified using the fair value hierarchy.

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Exchangeable Units	54,607	-	-	54,607
Interest rate swap liability	-	2,139	-	2,139
Total	\$ 54,607	\$ 2,139	\$ -	\$ 56,746

As at December 31, 2020	Level 1	Level 2	Level 3	Total
Financial liability:				
Exchangeable Units	49,249	-	-	49,249
Interest rate swap liability	-	2,704	-	2,704
Total	\$ 49,249	\$ 2,704	\$ -	\$ 51,953

See Note 10 for disclosures related to Level 1 fair values and Note 8 for disclosures related to the Level 2 fair values. There were no transfers between fair value hierarchy levels during the period.

15. Management of Capital

The Company's capital is made up of its cash on hand, debt facilities, Exchangeable Units and shareholders' deficit.

The Company's objectives in managing its capital include; a) maintaining a capital structure that provides financing options to the Company while remaining compliant with the covenants associated with the debt facilities; b) maintaining financial flexibility to preserve its ability to meet financial obligations, including debt servicing and dividends to shareholders; and c) deploying capital to provide an appropriate investment return to its shareholders.

The Company's financial strategy is designed to maintain a flexible capital structure consistent with these objectives and to be in a position to respond to changes in economic conditions.

The covenants of the debt facilities prescribe that the Company must maintain a ratio of Consolidated EBITDA to Senior Interest Expense on Senior Indebtedness at a minimum of 3.0 to 1 and a ratio of Senior Indebtedness to Consolidated EBITDA at a maximum of 4.0 to 1.

Senior Indebtedness is defined as borrowings under the Company's debt facilities, as disclosed in Note 8. As at March 31, 2021 and December 31, 2020. The Company is compliant with all financial covenants. There were no changes in the Company's approach to capital management during the year.

16. Segmented Information

The Company has only one business segment which is providing information and services to REALTORS® and real estate brokers in Canada through a portfolio of highly regarded real estate services brands. The economic characteristics are consistent across the Company's brands as they each provide services, similar in nature, in the Canadian residential real estate market. Of the Company's revenues for the three months ended March 31, 2021, 95% (2020 - 94%) are generated from services provided under the Royal LePage and Johnston and Daniel brands and 5% (2020 - 6%) are generated from services provided under the Via Capitale brand.



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