BRIDGEMARQ
REAL ESTATE SERVICES

2022
Q1 REPORT

Profile

Bridgemarq Real Estate Services Inc. ("Bridgemarq" and, together with its subsidiaries the "Company"), through its relationship with Bridgemarq Real Estate Services Manager Limited (the "Manager"), is a leading provider of services to residential real estate brokers and REALTORS®[1] across Canada. The Company generates cash flow primarily from fixed and variable franchise fees that are received from real estate brokers and REALTORS® operating under the Royal LePage, Via Capitale and Johnston & Daniel brands. Approximately 65 per cent of the Company's franchise fees in 2021 were fixed in nature; this provides revenue stability and helps insulate cash flows from fluctuations in the Canadian real estate market. Franchise fee revenues are supported by long-term franchise agreements, predominantly driven by fixed fees based on the number of REALTORS® in the Company's network. As at December 31, 2021, the Company network consisted of 20,159 REALTORS® and participated in approximately 26% of all home resales in Canada during the year. Bridgemarq is listed on the TSX and trades under the symbol "BRE". For further information about the Company, please visit www.bridgemarq.com.

[1] The trademarks REALTOR®, REALTORS® and the REALTOR® logo are controlled by The Canadian Real Estate Association (CREA) and identify real estate professionals who are members of CREA.

Company Operations

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, the Company caters to the diverse service requirements of regional real estate professionals, in virtually all significant population centres across Canada.

Royal LePage

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of more than 19,000 real estate professionals in over 650 locations nationwide. Since the mid-1990s, Royal LePage has more than tripled the size of its sales force. It offers its network of brokers and agents strong support with state-of-the-art marketing and lead generation tools, sophisticated business services, timely market data and analysis, as well as professional development through on-line and in-person training. Royal LePage is the only national real estate company in Canada to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women's and children's shelters and educational programs aimed at ending domestic violence. It is the largest such foundation in the country.

Johnston & Daniel

Founded in 1950, Johnston & Daniel is a leading residential real estate boutique firm with approximately 200 real estate professionals selling distinctive homes in southern Ontario. Johnston & Daniel operates as a division of Royal LePage Real Estate Services Ltd. and maintains its market leadership through a combination of rich training and development opportunities, strategic partnerships, in-house marketing services and powerful brand awareness.

Via Capitale

Via Capitale's mission is to deliver the best possible service by focusing on the human aspect of each transaction, professionalism and innovation. Via Capitale has approximately 900 brokers and agents in 55 locations across the province of Quebec. It has launched numerous innovative, client focused programs into the Quebec market through specialized web platforms, and has been a leading developer of real estate insurance programs for more than 20 years – making it the pioneer in this field and keeping the company at the forefront of the industry. Today, the Via Capitale name is synonymous with protection and innovation in the province of Quebec.

ROYAL LEPAGE

JOHNSTON & DANIEL
A DIVISION OF ROYAL LEPAGE REAL ESTATE SERVICES LTD., BROKERAGE

viacapitale

2022 Management's Discussion and Analysis of Results and Financial Condition

2022 Management's Discussion and Analysis of Results and Financial Condition 1
Highlights 2
Organization 3
Management Services Agreement 5
Company Revenues 6
Overview of First Quarter Operating Results 7
Variation of Operating Results for the Quarter Compared to the Prior Year Quarter 8
Key Performance Drivers 9
Stability of the Company's Revenue Streams 9
Number of REALTORS® in the Company Network 11
Transactional Dollar Volumes of the Canadian Market 12
REALTOR® Productivity 13
The Canadian Residential Real Estate Market 14
Canadian Market Outlook 15
First Quarter Operating Results and Cash Flows 18
Summary of Quarterly Results 20
Distributable Cash Flow 21
Distributable Cash Flow Reconciled to Cash Flow from Operating Activities 22
Debt Facilities 23
Liquidity 23
Cash and Capital Resources 25
Commitments and Contingencies 25
Off-Balance Sheet Arrangements 26
Transactions with Related Parties 26
Critical Accounting Estimates and Assumptions 27
Financial Instruments 28
Disclosure Controls and Internal Controls over Financial Reporting 29
Outstanding Restricted Voting Shares 29
Risk Factors 29
Forward-Looking Statements 30
Supplemental Information 31
Glossary of Terms 35

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, 2022, has been prepared as at May 11, 2022. The three months ended March 31, 2022, shall be referred to in this MD&A as the "Quarter" and the comparative period of the three months ended March 31, 2021, 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 35.

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 unaudited financial statements for the three months ended March 31, 2022 and the audited financial statements for the year ended December 31, 2021, which are prepared in accordance with IFRS. Additional information relating to the Company, including its 2021 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 financial measures. These financial measures do not have any standardized meaning under IFRS and, accordingly, may not be comparable to similar measures used by other companies. Distributable Cash Flow represents operating income before deducting amortization and net impairment of intangible assets, minus current income tax expense, minus cash used in investing activities. Distributable Cash Flow per Share is calculated by dividing the Distributable Cash Flow by the total number of Restricted Voting Shares outstanding, on a diluted basis. 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 and other investment requirements. 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 consolidated statements of cash flows and *Distributable Cash Flow* for further information about Distributable Cash Flow and Distributable Cash Flow per Share.

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 $13.4 million, an increase of 2% over the $13.1 million generated in the Prior Year Quarter. The increase in revenues is primarily due to an increase in number of REALTORS® in the Company Network over the past twelve months.
- For the Quarter, the Company generated net earnings of $4.7 million or $0.50 per Restricted Voting Share, compared to a net loss of $2.5 million $0.27 per Share in the Prior Year Quarter. Net earnings increased primarily due to a gain on fair value of Exchangeable Units of $1.3 million compared to a loss of $5.4 million in the Prior Year Quarter.
- For the Quarter, Distributable Cash Flow amounted to $5.8 million, compared to $5.6 million in the Prior Year Quarter driven by higher revenues partly offset by higher administration expenses, higher current income tax expense and higher management fees.
- The board of directors of Bridgemarq (the "Board") declared cash dividends of $0.34 per Restricted Voting Share during the Quarter, unchanged from the Prior Year Prior Year Quarter. 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,	2022	2021
Fixed franchise fees	$ 7,995	$ 7,584
Variable franchise fees	4,152	3,745
Other revenue	1,279	1,770
Revenues	13,426	13,099
Cost of other revenue	(251)	(273)
Administration expenses	(268)	(52)
Management fees	(5,216)	(5,177)
Interest expense	(714)	(740)
Current income tax expense	(1,147)	(1,108)
Cash used in investing activities	(66)	(110)
Distributable Cash Flow	$ 5,764	$ 5,639
Dividends	$ 3,201	$ 3,201
Interest on Exchangeable Units	$ 1,452	$ 1,452
Net and comprehensive earnings (loss)	$ 4,719	$ (2,536)
Number of REALTORS®	20,321	19,316

Net and comprehensive earnings (loss) per Share	$ 0.38	$ (0.27)
Dividends per Restricted Voting Share	$ 0.34	$ 0.34
Interest on Exchangeable Units per Exchangeable Unit	$ 0.44	$ 0.44
Distributable Cash Flow	$ 5,764	$ 5,639
Distributable Cash Flow per Share	$ 0.45	$ 0.44

Management's Discussion and Analysis of Results and Financial Condition

Since June of 2020, real estate markets in Canada have been very strong. It appears that any negative impact of the pandemic (declared by the World Health Organization in March 2020) on the Company's operations has lessened, however 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 impact on the future financial results of the Company of any resurgence of COVID-19 or its variants.

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.

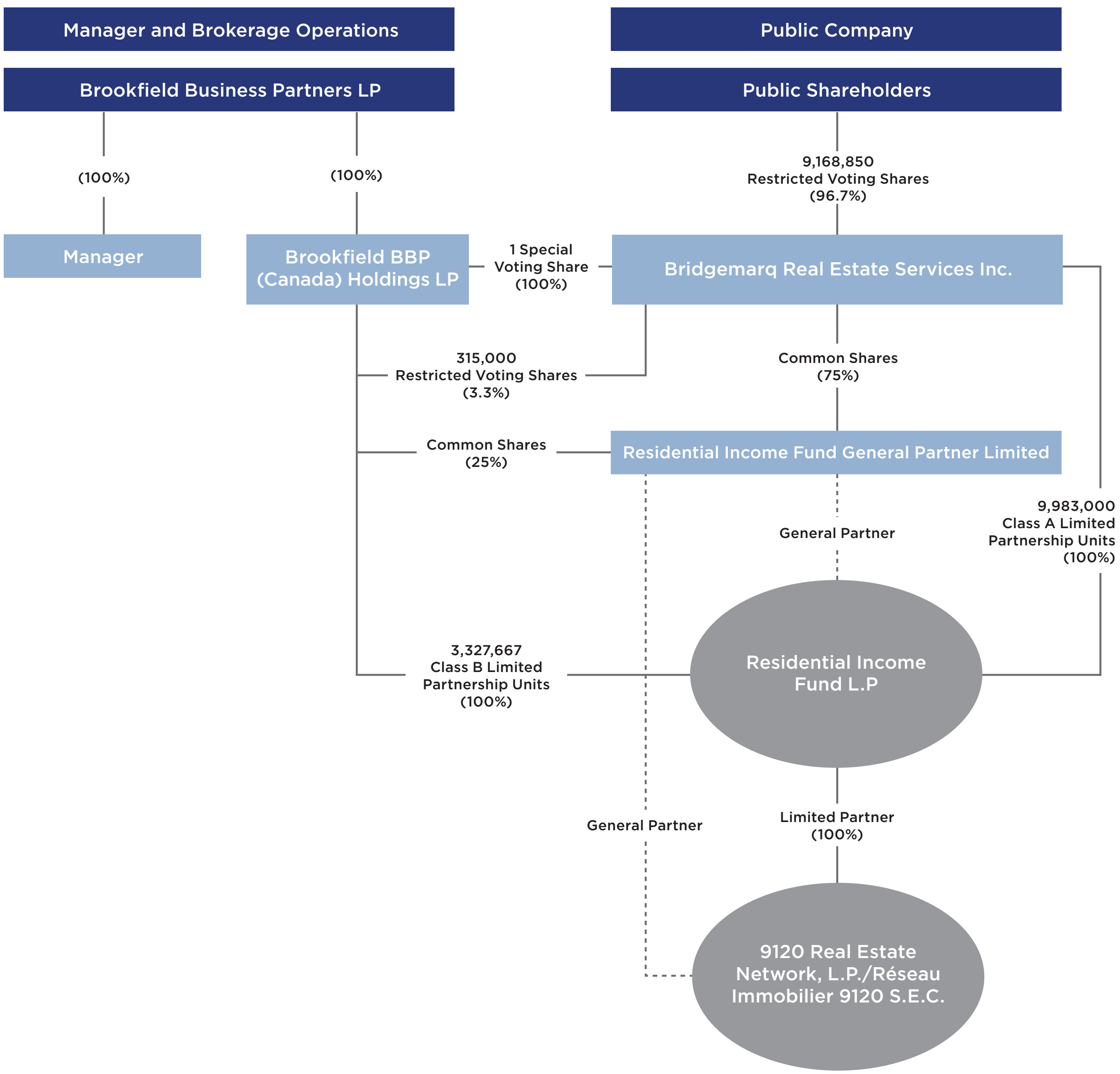
Bridgemarq directly owns a 75% interest in the Partnership which, in turn, owns VCLP. In addition, Bridgemarq directly owns a 75% interest in the General Partner. The Partnership and VCLP own and operate the assets from which Bridgemarq derives its revenue.

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.

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 of the Company

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 prominent 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 has historically paid 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.

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 2021 Annual Information Form, which is available at www.sedar.com or on the Company's website at www.bridgemarq.com.

The Company seeks to increase its revenues and 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.

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 management fees paid to the Manager is allocated toward reducing the Company's contract transfer obligation and associated interest expense, with the remainder charged to the Company's consolidated statement of net and comprehensive earnings.

Management's Discussion and Analysis of Results and Financial Condition

Company Revenues

As at March 31, 2022, the Company Network was comprised of 20,321 REALTORS® operating under 282 Franchise Agreements from 723 locations, providing services under the Royal LePage, Via Capitale and Johnston & Daniel Brands. During 2021, REALTORS® in the Company Network participated in approximately 26% of all home resales in Canada.

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 60% of the Company's revenues for the Quarter (Prior Year Quarter – 58%) 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 30% of the Company's revenues for the Quarter (Prior Year Quarter – 29%) were derived from variable franchise fees. Other revenues are derived from ancillary services provided to Franchisees outside of the services provided under the 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 10% of total revenues (Prior Year Quarter – 13%).

In 2021, approximately 78% 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 they 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 earned based on the number of REALTORS® in the Company Network. For the Quarter and the Prior Year Quarter, fixed franchise fees from Royal LePage Franchisees consisted of a fixed monthly fee of $133 per REALTOR®. Fixed fees from Via Capitale Franchisees consisted primarily of a fixed monthly fee of $170 per REALTOR®. For those approximately 493 Royal LePage REALTORS® who participate in the Royal LePage commercial real estate program, an additional monthly fee of $100 was paid to the Company during the Year.

Effective April 1, 2022, the monthly fixed fee paid by Royal Lepage Franchisees has increased to $136 per REALTOR®.

Variable Franchise Fees are calculated as a percentage of Gross Revenues earned by certain REALTORS® in the Company Network. 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 $1,450 per year for (2021 – $1,400). 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 variable fee cap of $1,400 (for 2021 – $1,450), 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 2021, the variable fees associated with approximately 4,559 REALTORS® and 1,343 Teams (representing more than 4,029 REALTORS®) that exceeded the cap accounted for approximately 17% 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 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,	2022	2021
Fixed franchise fees	$ 7,995	$ 7,584
Variable franchise fees	4,152	3,745
Other revenue	1,279	1,770
Revenues	13,426	13,099
Less:		
Cost of other revenue	251	273
Administration expenses	268	52
Management fees	5,216	5,177
Interest expense	714	740
	$ 6,977	$ 6,857
Amortization of intangible assets	(1,819)	(1,951)
Interest expense on Exchangeable Units	(1,452)	(1,452)
Gain (loss) on fair value of Exchangeable Units	1,265	(5,358)
Gain on interest rate swap	1,136	565
Current income tax expense	(1,147)	(1,108)
Deferred income tax expense	(241)	(89)
Net and comprehensive earnings (loss)	$ 4,719	$ (2,536)
Basic earnings (loss) per Restricted Voting Share	$ 0.50	$ (0.27)
Diluted earnings (loss) per Share	$ 0.38	$ (0.27)
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®	20,321	19,316

(in 000's) As at	March 31, 2022	March 31, 2021
Total assets	$ 78,367	$ 88,310
Total liabilities	$ 133,329	$ 142,486

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 the number of REALTORS® in the Company Network and continued strong real estate markets in Canada.

Net Earnings:
For the Quarter, the Company generated net earnings of $4.7 million or $0.50 per Share, compared to a net loss of $2.5 million or $0.27 per Share in the Prior Year Quarter.

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

- A $1.3 million gain on the fair valuation of the Exchangeable Units compared to a $5.4 million loss in the Prior Year Quarter;
- A $0.6 million increase in the gain on the fair value of the interest rate swap;
- A $0.3 million increase in revenue as a result of an increase in the number of REALTORS® in the Company Network and strong real estate markets; and
- A $0.1 million decrease in amortization expense due to a number of intangible assets being fully amortized during 2021; partly offset by
- A $0.2 million increase in administration expense;
- A $0.2 million increase in income tax expense.

Total Assets:
Total assets decreased by $0.2 million during the Quarter. The main drivers of the net decrease were as follows:

- A $1.9 million decrease in the carrying value of intangible assets, driven by amortization expense during the Quarter;
- A $0.3 million decrease in the deferred income tax asset; partly offset by
- A $1.1 million increase in accounts receivable due to higher revenues in the Quarter compared to the fourth quarter of 2021;
- A $0.3 million increase in the interest rate swap asset;
- A $0.2 million increase in cash; and
- A $0.2 million increase in income taxes receivable.

Total Liabilities:
Total liabilities decreased by $1.8 million in the Quarter. The main drivers of the net decrease were as follows:

- A $1.3 million decrease 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 – Gain (loss) on fair value of Exchangeable Units);
- A $0.8 million decrease in the interest rate swap liability;
- A $0.2 million decrease in the contract transfer obligation; partly offset by
- A $0.4 million increase in accounts payable and accrued liabilities during the Quarter.

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 the Prior Year.

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 of the Canadian Market;
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.

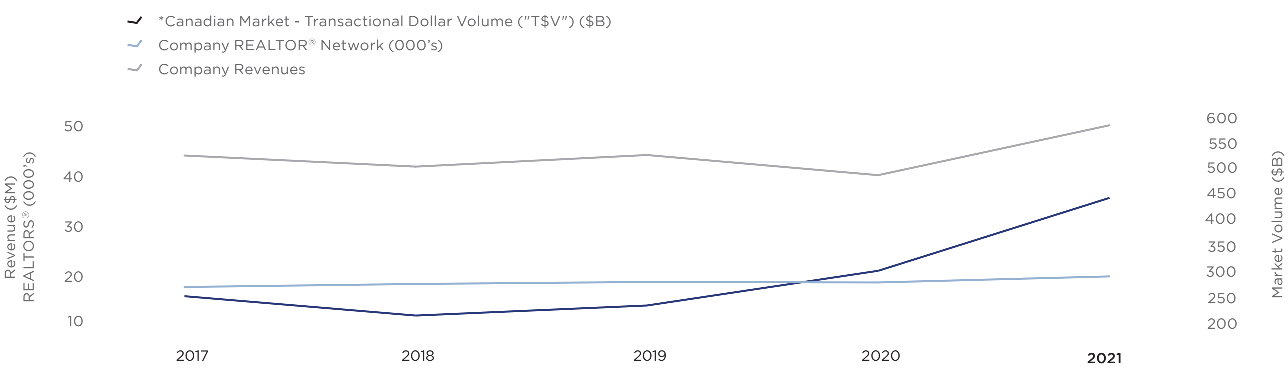
FIXED – FEE STRUCTURE

The Company estimates that for 2021, approximately 78% 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 are subject to an annual cap of $1,450 per REALTOR® or Team of REALTORS® (2021 - $1,400). For those REALTORS® or Teams who reach the variable fee 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 for the past five calendar years.

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.

Effective for 2022, the Company increased 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 $1,400 to $1,450. Effective April 1, 2022, the Company announced an increase in the monthly fixed franchise fees paid by Royal LePage and Johnston & Daniel Franchisees from $133 to $136 per REALTOR®.

Management's Discussion and Analysis of Results and Financial Condition

GEOGRAPHIC DISTRIBUTION OF THE COMPANY NETWORK

As at March 31, 2022, the Company Network of 20,321 REALTORS® operated through 282 Franchise Agreements, providing services to 723 locations across the country. Of the Brokerages in the Company Network, approximately 64% 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 Mar 31, 2022	Canadian[1] REALTOR® Population	Company REALTOR® Population
Ontario	61%	58%
British Columbia	16%	12%
Quebec	10%	17%
Alberta	8%	5%
Maritimes	3%	4%
Prairies	3%	4%
Total	100%	100%

[1] *Source: CREA*

FRANCHISE AGREEMENTS

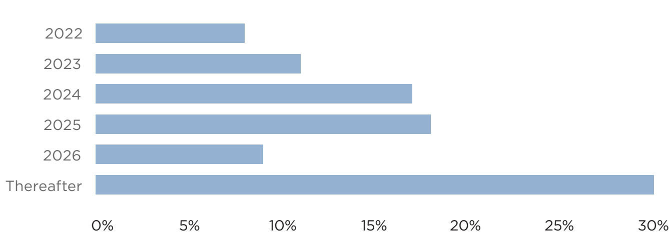
Franchise Agreements are contracts between the Company and Franchisees which govern matters such as use of the Trademarks, rights and obligations of Franchisees and the Company, renewal terms, services to be provided to Franchisees and franchise fees. Over the term of the Franchise Agreement, the Franchisee 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.

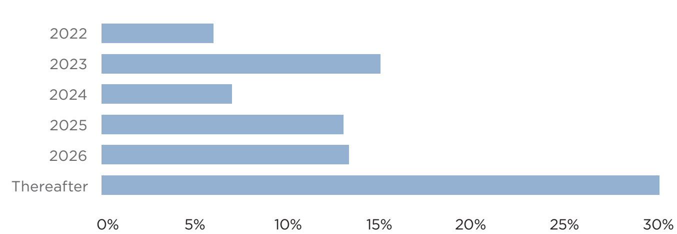
The Via Capitale Franchise Agreements, which represent 5% of the Company's REALTORS®, are typically five years in duration with standard renewal terms extending five years.

A summary of the Company's agreement renewal profiles as at March 31, 2022 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, over the past 5 years. 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, two (Prior Year Quarter – seven) Franchisees, representing 68 REALTORS® (Prior Year Quarter – 142), extended the term of their Franchise Agreements or renewed.

There were no Franchise Agreements terminated during the Quarter. During the Prior Year Quarter, four Franchise Agreements were terminated which resulted in the loss of two REALTORS®.

NUMBER OF REALTORS® IN THE COMPANY NETWORK

For the Quarter, the Company Network of 20,321 REALTORS® increased by 162 REALTORS® compared to a net increase of 9 REALTORS® in the Prior Year Quarter.

As of December 31, except as noted	2017	2018	2019	2020	2021	**2022**
Company Network						
Opening REALTOR® Count	17,580	18,135	18,725	19,111	19,046	**20,159**
Net REALTOR® growth (attrition) for the period	555	590	386	(65)	1,113	**162**
Closing REALTOR® Count1	18,135	18,725	19,111	19,046	20,159	**20,321**
% Change in the period	3%	3%	2%	0%	6%	**1%**

Canadian REALTOR® Population[2]	2017	2018	2019	2020	2021	**2022**
CREA REALTOR® Membership	125,316	129,752	133,242	136,605	151,087	**151,087**
% Change in the period	3%	4%	3%	3%	11%	**n/a**

[1]2022 REALTOR® count is as at March 31,
[2]Source: CREA, CREA Membership for 2022 is as at December 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 either through recruitment efforts or acquisitions.

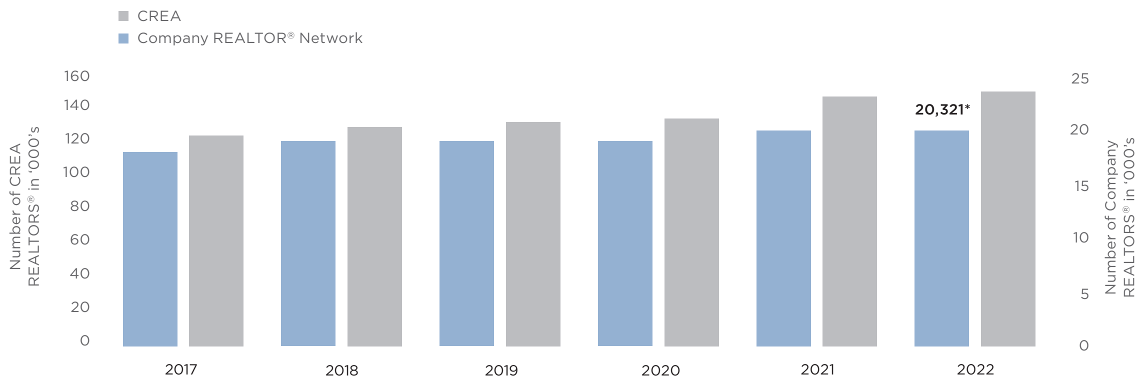
Since January 1, 2017, the Company Network has grown by 16% from 17,580 REALTORS® to 20,321 at March 31, 2022. Growth in the Company Network in 2020 was negatively impacted by the pandemic but improved significantly in 2021 marking the highest growth in the Company Network since 2015.

During the Quarter, the Company's net REALTOR® count grew by 1%. This growth included the addition of one new Franchisee representing an addition of two REALTORS®. The remainder of the growth was due primarily to successful recruitment and retention efforts at our existing Franchisees.

Management's Discussion and Analysis of Results and Financial Condition

CANADIAN REAL ESTATE REALTORS®

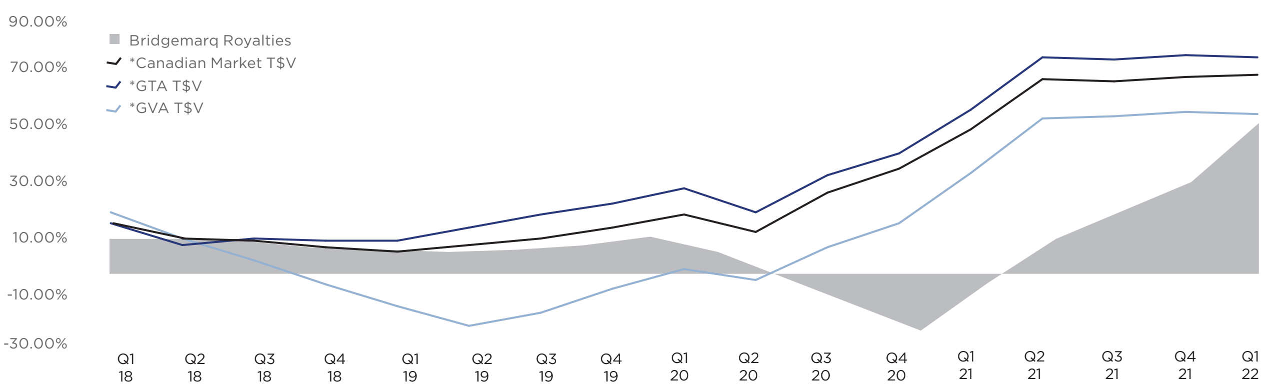
(Years ended December 31)



TRANSACTIONAL DOLLAR VOLUMES OF THE CANADIAN MARKET

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 2018.

QUARTERLY ROLLING TWELVE-MONTH % CHANGE



*Source: CREA

Real estate markets followed a downward bias through 2018 which continued until the first quarter of 2019 when the market in the Greater Toronto Arear ("GTA") showed its first year-over-year quarterly improvement in twelve months. This momentum continued into the second quarter of 2019 when the market in the Greater Vancouver Area ("GVA") 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 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. Housing market activity tempered somewhat in the last half of 2021, but continued near historic highs supported by continued increases in selling prices. The first quarter of 2022 represented the strongest first quarter ever in the Canadian Market with transaction dollar volumes improving marginally over the first quarter of 2021. However, this increase was a result of a 12% drop in home sale volumes substantially offset by increased prices.

The Company's revenues fell during the fourth quarter of 2020 compared to the fourth quarter of 2019 as a result of revenues being lower under an alternate fee plan provided by the Company. In 2021, the Company's revenues rebounded and improved by 24% compared to 2020. The first quarter of 2022 continued to see an increase in revenues due to a higher REALTOR® count and continued strength in the Canadian Market.

Management's Discussion and Analysis of Results and Financial Condition

During the Quarter, the Canadian Market closed up 2%, at $115.9 billion, as compared to the Prior Year Quarter at $113.8 billion. The increase in transaction dollar volume was driven by a 16% increase in price partly offset by a 12% decrease in units sold.

During the Quarter, the GTA market closed down 6%, at $33.3 billion, as compared to the Prior Year Quarter. The decrease in transaction dollar volume was driven by a 23% decrease in units sold partly offset by a 23% increase in price.

During the Quarter, the GVA market closed down 4%, at $13.5 billion, as compared to the Prior Year Quarter, driven by a 16% decrease in units sold partly offset by a 14% increase in price.

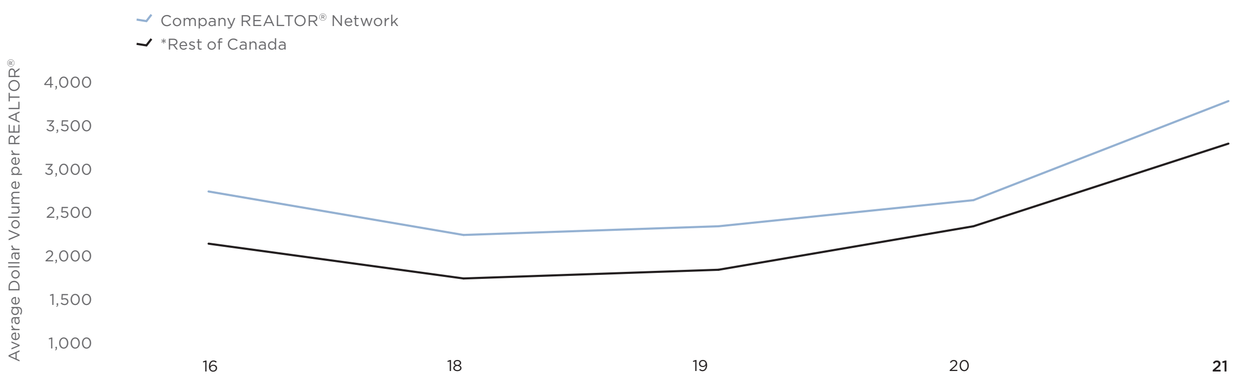
During the Quarter, the Greater Montreal Area market closed down 4%, at $7.4 billion, as compared to the Prior Year Quarter, driven by a 17% decrease in units sold partly offset by an 9% increase in price.

REALTOR® Productivity

The average REALTOR® in the Company Network generated approximately $3.7 million in transactional dollar volume for the twelve months ended December 31, 2021, compared to an estimated $3.2 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 PROVIDED TO REALTORS®

The Company provides a broad array of innovative products and services to Franchisees and 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.

Management's Discussion and Analysis of Results and Financial Condition

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 launched a new app designed for REALTORS® to complete and submit FINTRAC forms. The tool also improves compliance and allows for quicker processing. In addition, the Royal LePage brand launched a new brand campaign targeting first-time homebuyers.

During the Quarter Via Capitale launched two benefits programs to its network. Via Capitale REALTORS® have access to the brand's health and wellness program that provides primary care and mental health benefits. The second program provides quickly accessible legal advice for professional and personal matters.

The Canadian Residential Real Estate Market

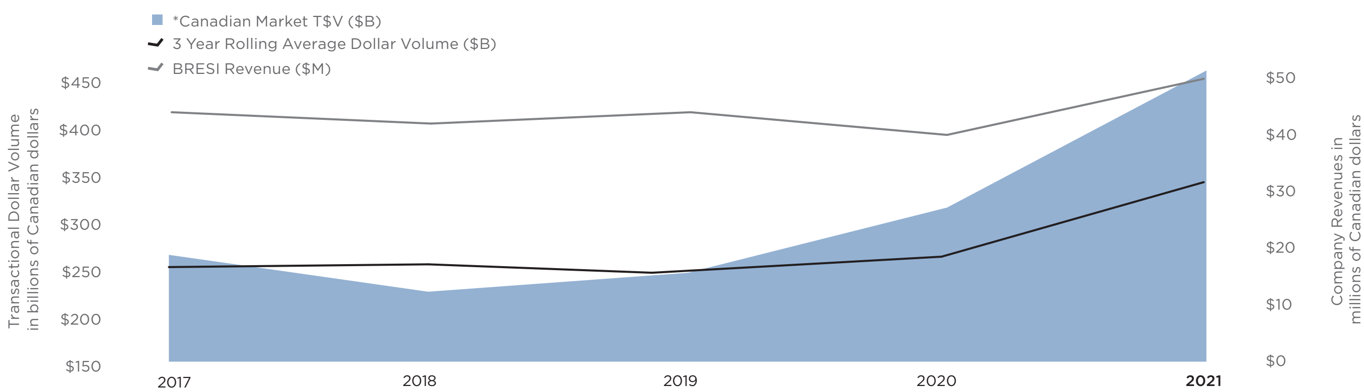
The strong market conditions that persisted in 2021, continued through the first quarter of 2022 before sales volumes slowed in the month of April. Buyer demand continued to outpace new inventory, putting upward pressure on home prices. The Canadian market ended the quarter up 2% year-over-year. A number of indicators are supportive of continued upward price pressure including the lowest unemployment rate on record since 1976 and the highest number of immigrants in Canada's history, surpassing the previous record set in 1913. As home prices rise across the country, home affordability has become a top priority for all levels of government with housing supply becoming a key focus. An improvement in housing supply is supportive of healthy real estate markets and Company profitability.

On April 7th, the federal government announced its 2022 budget that includes more than $10 billion to support housing affordability through programs aimed at increasing the pace of new home construction. In addition, there were new initiatives announced to help young people into home ownership, including the First Home Savings Account which combines tax incentive features found in current RRSP and TFSA programs. The federal government acknowledged that 3.5 million new homes are required by 2031 to keep up with demand.

On April 13, the Bank of Canada announcement of a 0.5% interest rate increase and indicated that it intends to continue to increase the overnight rate through 2023. An increase in the cost of borrowing may prove challenging for first-time home buyers. While homeowners who purchased after the implementation of the OSFI mortgage stress test in 2018 have proven their ability to carry mortgages at a higher rate of interest, higher interest rates are expected to contribute to lower transaction volumes in 2022 relative to 2021.

TRANSACTION DOLLAR VOLUME – CANADIAN RESIDENTIAL REAL ESTATE MARKET

(2017-2021)



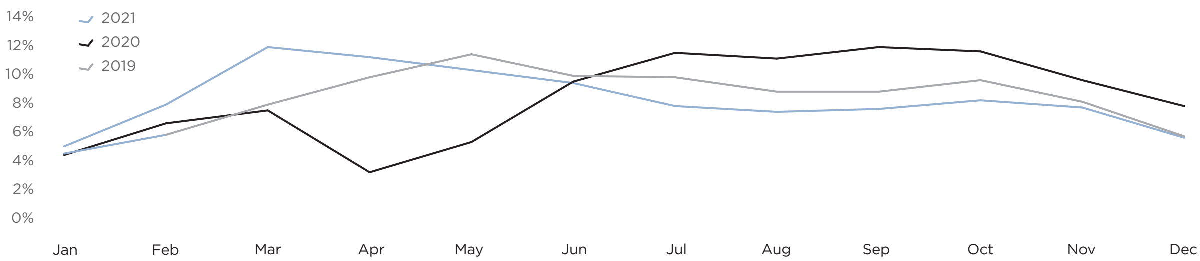
*Source: CREA

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 much of the Canadian Market experiencing all-time monthly highs during this period, as low interest rates, pent-up demand and changing work-from-home patterns emerged. The strength in the Canadian Market continued into 2021, when the Canadian Market saw unusually strong activity in the first quarter. Historical seasonality patterns emerged through the remainder of 2021 with second quarter results higher than the last half of the year.

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 CREA[1]: On March 15, 2022, CREA updated its forecast for 2022 home sales activity via the Multiple Listing Service® (MLS®) Systems of Canadian real estate boards and associations and extended its forecast into 2023.

Home sales have kicked off 2022 below 2021 levels, while price growth has continued to set records. This is consistent with strong demand meeting end-of-February inventory levels that are lower than they have ever been.

Along with the ongoing supply crisis, the other main factor expected to impact housing markets this year and next will be higher interest rates. While discounted five-year mortgage rates have already begun to rise – a jump in spring 2021 followed by a steady upward trend since last October – and are now back above pre-COVID-19 levels, the Bank of Canada has only just announced its first quarter point hike in early March.

Analysts surveyed by Bloomberg Economics see the overnight rate ranging from 1.75% to 2.75% by the end of 2023. That said, given markets are currently pricing in 1.75% by the end of 2022, it is more likely to be the latter. That would make for nine Bank of Canada quarter-point rate hikes by the end of next year.

Having said that, it's important to note Canadian borrowers must qualify for their mortgage loans at the stress test rate (currently set at 5.25%), which is currently somewhere in the range of 245 basis points above the typical discounted five-year rate. The original intent of the stress test was a buffer of around 200 basis points, which is likely why the Office of the Superintendent of Financial Institutions (OSFI) chose not to move the stress test rate following their December 2021 re-evaluation.

As such, recent higher market rates have not really made it any more difficult to qualify for a mortgage, and borrowers are still being stress tested at a very robust level.

Another wildcard are the housing policy changes announced in last year's federal election campaign. Which of these will become policy in 2022 and beyond and how will these affect housing markets across Canada? The answers should become clearer when the Federal Budget is published later this spring.

[1] Source: CREA Updates Resale Housing Market Forecast, March 15, 2022

Management's Discussion and Analysis of Results and Financial Condition

Finally, to quote the Bank of Canada from their most recent policy announcement: "The unprovoked invasion of Ukraine by Russia is a major new source of uncertainty. Prices for oil and other commodities have risen sharply. This will add to inflation around the world, and negative impacts on confidence and new supply disruptions could weigh on global growth. Financial market volatility has increased. The situation remains fluid and we are following events closely."

With all of that said, some 612,800 properties are forecast to trade hands via Canadian MLS® Systems in 2022 — a decline of 8.1% from 2021 but still the second-highest annual figure ever by a sizeable margin. This projection is basically the same as it was in the December 2021 forecast, though under the surface, downward revisions to British Columbia, Manitoba, Ontario, Quebec, New Brunswick and Nova Scotia offset a considerable upward revision to the sales forecast for Alberta, along with smaller upward revisions to Saskatchewan and Newfoundland & Labrador.

The national average home price is now forecast to rise by 14.3% on an annual basis to $786,000 in 2022. Not surprisingly, this is higher than the previous forecast, as prices have continued to set new records, reflecting the unprecedented imbalance of housing supply and demand. The number of months of inventory nationally was a record-low 1.6 in December 2021, and January and February 2022. The long-term average for that measure is a little over 5 months. It is quite possible the risk to this price forecast is still to the upside.

Home sales are forecast to remain historically strong in 2023 while continuing to move slowly back in the direction of the longer-term trend. Limited supply, higher prices and higher interest rates are expected to further tap the brakes on activity and price growth in 2023 compared to 2022, particularly in Canada's most expensive markets.

National home sales are forecast to edge back a further 2.7% to 596,150 units in 2023 – still the third-best year on record. This easing trend is expected to play out most notably in British Columbia, Ontario and Quebec. Alberta and Saskatchewan are forecast to buck the trend with moderate sales gains in 2023. Other provinces are forecast to see fairly little change in sales between 2022 and 2023 as economic growth, population growth, and supportive demographic trends under the surface are counterbalanced by supply and affordability challenges. The national average home price is forecast to rise by a modest 3.2% on an annual basis to just under $811,000 in 2023. While the $800,000 mark may seem an unlikely milestone to hit given where the market was just a couple of years ago, it should be noted that with the national average price having already surged (though likely only temporarily) to more than $816,000 in February 2022, this is a conservative forecast.

From TRREB[2]: The Greater Toronto Area (GTA) housing market continued its adjustment to higher borrowing costs, with the number of transactions down on a monthly and annual basis. As has been the case with previous rate tightening cycles, some home buyers have moved to the sidelines to determine how they will reposition themselves in the marketplace given the higher rate environment and related impact on affordability.

"Based on the trends observed in the April housing market, it certainly appears that the Bank of Canada is achieving its goal of slowing consumer spending as it fights high inflation. Negotiated mortgage rates rose sharply over the past four weeks, prompting some buyers to delay their purchase. Moving forward, it will be interesting to see the balance the Bank of Canada strikes between combatting inflation versus stunting economic growth and related government revenues as we continue to recover from and pay for pandemic-related programs," said TRREB President Kevin Crigger.

GTA REALTORS® reported 8,008 homes sold through TRREB's MLS® System in April 2022 – a 41.2 per cent decrease compared to April 2021 and a 27 per cent decrease compared to March 2022. On a year-over-year basis, the decline in sales was greater in the '905' area code regions surrounding Toronto, particularly for detached houses.

The MLS® Home Price Index Composite Benchmark was up by 30.6 per cent year-over-year in April 2022. The benchmark level in April was down in comparison to the March level. The average selling price, at $1,254,436, was up by 15 per cent compared to April 2021, but down compared to the average selling price of $1,300,082 in March 2022.

"Despite slower sales, market conditions remained tight enough to support higher selling prices compared to last year. However, in line with TRREB's forecast, there is evidence of buyers responding to increased choice in the marketplace, with the average and benchmark prices dipping month-over-month. It is anticipated that there will be enough competition between buyers to support continued price growth relative to 2021, but the annual pace of growth will moderate in the coming months," said TRREB Chief Market Analyst Jason Mercer.

"Policymakers should not assume that because home sales are off their record peak, we can ignore the lack of inventory in the market. Buyers who have moved to the sidelines will not remain there forever, and the population of our region will continue to grow on the back of immigration. In the absence of new supply, we will build a significant amount of pent-up demand that will need to be satisfied in the not-too-distant future. The ability to increase and diversify our housing supply needs to be a key area of debate in our upcoming provincial and municipal elections," said TRREB CEO John DiMichele.

[2] Source: Market Adjusts to Higher Borrowing Costs in April published May 4, 2022.

Management's Discussion and Analysis of Results and Financial Condition

From the BoC[3]: On April 13, 2022, the Bank of Canada increased its target for the overnight rate to 1%, with the Bank Rate at 1¼% and the deposit rate at 1%. The Bank also announced it is ending reinvestment and will begin quantitative tightening (QT), effective April 25. Maturing Government of Canada bonds on the Bank's balance sheet will no longer be replaced and, as a result, the size of the balance sheet will decline over time.

Russia's ongoing invasion of Ukraine is causing unimaginable human suffering and new economic uncertainty. Price spikes in oil, natural gas and other commodities are adding to inflation around the world. Supply disruptions resulting from the war are also exacerbating ongoing supply constraints and weighing on activity. These factors are the primary drivers of a substantial upward revision to the Bank's outlook for inflation in Canada.

The war in Ukraine is disrupting the global recovery, just as most economies are emerging from the impact of the Omicron variant of COVID-19. European countries are more directly impacted by confidence effects and supply dislocations caused by the war. China's economy is facing new COVID outbreaks and an ongoing correction in its property market. In the United States, domestic demand remains very strong and the US Federal Reserve has clearly indicated its resolve to use its monetary policy tools to control inflation. As policy stimulus is withdrawn, US growth is expected to moderate to a pace more in line with potential growth. Global financial conditions have tightened and volatility has increased. The Bank now forecasts global growth of about 3½% this year, 2½% in 2023 and 3¼% in 2024.

In Canada, growth is strong and the economy is moving into excess demand. Labour markets are tight, and wage growth is back to its pre-pandemic pace and rising. Businesses increasingly report they are having difficulty meeting demand and are able to pass on higher input costs by increasing prices. While the COVID-19 virus continues to mutate and circulate, high rates of vaccination have reduced its health and economic impacts. Growth looks to have been stronger in the first quarter than projected in January and is likely to pick up in the second quarter. Consumer spending is strengthening with the lifting of pandemic containment measures. Exports and business investment will continue to recover, supported by strong foreign demand and high commodity prices. Housing market activity, which has been exceptionally high, is expected to moderate.

The Bank forecasts that Canada's economy will grow by 4¼% this year before slowing to 3¼% in 2023 and 2¼% in 2024. Robust business investment, labour productivity growth and higher immigration will add to the economy's productive capacity, while higher interest rates should moderate growth in domestic demand.

CPI inflation in Canada is 5.7%, above the Bank's forecast in its January *Monetary Policy Report (MPR).* Inflation is being driven by rising energy and food prices and supply disruptions, in combination with strong global and domestic demand. Core measures of inflation have all moved higher as price pressures broaden. CPI inflation is now expected to average almost 6% in the first half of 2022 and remain well above the control range throughout this year. It is then expected to ease to about 2½% in the second half of 2023 and return to the 2% target in 2024. There is an increasing risk that expectations of elevated inflation could become entrenched. The Bank will use its monetary policy tools to return inflation to target and keep inflation expectations well-anchored.

With the economy moving into excess demand and inflation persisting well above target, the Governing Council judges that interest rates will need to rise further. The policy interest rate is the Bank's primary monetary policy instrument, and quantitative tightening will complement increases in the policy rate. The timing and pace of further increases in the policy rate will be guided by the Bank's ongoing assessment of the economy and its commitment to achieving the 2% inflation target.

[3] Source: Bank of Canada increases policy interest rate by 50 basis points, begins quantitative tightening, April 13, 2022

Management's Discussion and Analysis of Results and Financial Condition

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,	2022	2021
Revenues		
Fixed franchise fees	$ 7,995	$ 7,584
Variable franchise fees	4,152	3,745
Other revenue	1,279	1,770
	13,426	13,099
Less:		
Cost of other revenue	251	273
Administration expense	268	52
Management fees	5,216	5,177
Interest expense	714	740
	$ 6,977	$ 6,857
Amortization of intangible assets	(1,819)	(1,951)
Interest on Exchangeable Units	(1,452)	(1,452)
Gain (loss) on fair value of Exchangeable Units	1,265	(5,358)
Gain on interest rate swap	1,136	565
Earnings (loss) before income taxes	$ 6,107	$ (1,339)
Current income tax expense	1,147	1,108
Deferred income tax expense	241	89
Net and comprehensive earnings (loss)	$ 4,719	$ (2,536)
Basic earnings (loss) per Restricted Voting Share	$0.50	$ (0.27)
Diluted earnings (loss) per Share	$ 0.38	$ (0.27)
Number of REALTORS®	20,321	19,316

Cash Flow Information (in 000's)		
Cash provided by (used for):		
Operating activities	$ 3,507	$ 3,220
Investing activities	(66)	(110)
Financing activities	(3,201)	(3,201)

FIRST QUARTER OPERATING RESULTS AND CASH FLOWS

During the Quarter, the Company generated net earnings of $4.7 million compared to a net loss of $2.5 million in the Prior Year Quarter.

Revenues for the Quarter totaled $13.4 million, compared to $13.1 million for the Prior Year Quarter. Fixed franchise fees represented 60% of revenues for the Quarter (Prior Year Quarter – 58%). Variable franchise fees represented 30% of revenues for the Quarter (Prior Year Quarter – 29%). Revenues increased due to an increase in the number of REALTORS® in the Company Network and continued strength in the Canadian Market.

Fixed franchise fees for the Quarter increased by 5% as compared to the Prior Year Quarter, due to an increase in the number of REALTORS® in the Company Network over the past twelve months.

Variable franchise fees for the Quarter increased by 11%, due to continued strength in the Canadian Market and an increase in the number of REALTORS® in the Company Network.

Management's Discussion and Analysis of Results and Financial Condition

Other Revenues for the Quarter decreased by 28% driven primarily by a decrease in mortgage referrals in Quebec and a decline in lead referral volumes due to lower housing activity during the Quarter.

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

Administration expenses of $0.3 million for the Quarter increased by $0.2 million compared to the Prior Year Quarter due to a bad debt expense recovery of $0.2 million recorded in the Prior Year Quarter.

Management fee expense of $5.2 million for the Quarter increased due to the increase in revenues compared to Prior Year Quarter.

Interest expense of $0.7 million was consistent with the Prior Year Quarter due to the interest accretion on deferred payments and an increase interest rates being substantially offset by debt repayments over the past twelve months.

Amortization of Intangible Assets for the Quarter totaled $1.8 million compared to $2.0 million in the Prior Year. The lower charge is due to a number of intangible assets becoming fully amortized during 2021.

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 (loss) 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, 2022, the Company's Restricted Voting Shares were valued at $15.93 per share compared to $16.31 at December 31, 2021, resulting in a gain of $1.3 million for the Quarter. This gain represents a decrease in the obligation associated with the conversion features of the Exchangeable Units. For the Prior Year Quarter, the price of the Company's Restricted Voting Shares increased from $14.80 at December 31, 2020 to $16.41 at March 31, 2021 resulting in a loss of $5.4 million.

Gain on interest rate swap of $1.1 million is a non-cash item which represents the change in fair value of the Company's interest rate swaps. The Company has entered into an interest rate swap agreement to swap the variable interest rate obligation on $55.0 million of the Company's outstanding debt facilities to a fixed rate obligation of 3.94% through maturity of the debt facilities on December 31, 2023.

Income tax expense the effective income tax rate paid by the Company for the Quarter was 22% (Prior Year Quarter – greater than 100%). 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 gains or 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, among other things, payments associated with the contract transfer obligation and franchise agreement expenses).

Cash provided by operating activities increased by $0.3 million compared to the Prior Year Quarter, primarily due to the increase in revenues and lower increases in non-cash working capital, partly offset by greater income tax payments in the Quarter.

Cash used in investing activities of $0.1 million was consistent compared to the Prior Year Quarter.

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

For three months ended,	2022	2021				2020		
(in 000's) except per Share amounts and number of REALTORS®;	**Mar. 31**	Dec. 31	Sept. 30	June 30	Mar. 31	Dec. 31	Sept. 30	June 30
Revenues								
Fixed franchise fees	**$ 7,995**	$ 7,931	$ 7,836	$ 7,665	$ 7,584	$ 1,191	$ 1,239	$ 1,276
Variable franchise fees	**4,152**	1,716	3,483	4,806	3,745	4,776	8,038	8,467
Other revenue	**1,279**	1,070	1,115	1,481	1,770	1,119	1,460	1,651
	13,426	10,717	12,434	13,952	13,099	7,086	10,737	11,394
Less:								
Cost of other revenue	**251**	253	215	294	273	235	197	165
Administration expenses (recovery)	**268**	240	264	90	52	(171)	(50)	174
Management fees	**5,216**	4,631	4,986	5,364	5,177	4,185	4,411	4,203
Interest expense	**714**	735	740	745	740	758	761	732
	6,977	4,858	6,229	7,459	6,857	2,079	5,418	6,120
Impairment and write-off of intangible assets, net	**–**	–	–	–	–	(9)	(76)	(113)
Amortization of intangible assets	**(1,819)**	(1,862)	(1,905)	(1,913)	(1,951)	(2,017)	(2,041)	(2,198)
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	**1,265**	1,132	1,730	(2,529)	(5,358)	(6,622)	(3,527)	(11,048)
Gain (loss) on interest rate swap	**1,136**	688	254	380	565	205	133	(211)
Gain on deferred payments	**–**	–	–	–	–	–	310	881
Earnings (loss) before income tax	**6,107**	3,365	4,856	1,945	(1,339)	(7,815)	(1,235)	(8,021)
Current income tax expense	**1,147**	715	987	1,008	1,108	82	722	556
Deferred income tax expense	**241**	132	4	23	89	80	250	599
Net and comprehensive earnings (loss)	**$ 4,719**	$ 2,518	$ 3,865	$ 914	$ (2,536)	$ (7,977)	$ (2,207)	$ (9,176)
Basic earnings (loss) per Restricted Voting Share	**$ 0.50**	$ 0.27	$ 0.41	$ 0.10	$ (0.27)	$ (0.84)	$ (0.23)	$ (0.97)
Diluted earnings (loss) per Share	**$ 0.38**	$ 0.22	$ 0.28	$ 0.10	$ (0.27)	$ (0.84)	$ (0.23)	$ (0.97)
Number of REALTORS®	**20,321**	20,159	19,934	19,588	19,316	19,046	18,930	18,921

Management's Discussion and Analysis of Results and Financial Condition

DISTRIBUTABLE CASH FLOW

Distributable Cash Flow represents operating income, before deducting amortization and net impairment of intangible assets, minus current 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 and other investment requirements.

The calculation of Distributable Cash Flow for the Quarter is presented in the table below with comparative amounts for 2021.

(Unaudited) ($ 000's) For three months ended March 31,	**2022**	2021
Revenues	**13,426**	13,099
Less:		
Cost of other revenue	**251**	273
Administration expenses	**268**	52
Management fees	**5,216**	5,177
Interest expense	**714**	740
Current income tax expense	**1,147**	1,108
Cash used for investing activities	**66**	110
Distributable Cash Flow	**$ 5,764**	$ 5,639
Distributable Cash Flow per Share	**$ 0.45**	$ 0.44

Distributable Cash Flow per Share is calculated by dividing Distributable Cash Flow by the number of outstanding Restricted Voting Shares on a diluted basis. Distributable Cash Flow per Share is used by the Company to measure the amount of cash per Share generated from operations, which is available for distribution to the Company's shareholders on a diluted basis, subject to working capital and other investment requirements.

Distributable Cash Flow for the Quarter totaled $5.8 million, an increase of $0.2 million from the $5.6 million generated in the Prior Year Quarter primarily due to an increase in revenues partly offset by higher administration expenses, higher management fees and higher current income tax expense.

The calculation of Distributable Cash Flow for the trailing twelve-month period ended March 31, 2022 is presented in the table below with comparative amounts for 2021.

For twelve months ended, (in 000's) except per Share amounts	**Mar. 31, 2022**	Mar. 31, 2021
Revenues	**$ 50,529**	$ 42,316
Less:		
Cost of other revenue	**1,013**	870
Administration expenses	**862**	5
Management fees	**20,197**	17,976
Interest expense	**2,934**	2,991
Current income tax expense	**3,857**	2,468
Cash used for investing activities	**231**	2,307
Distributable Cash Flow	**$ 21,435**	$ 15,699
Distributable Cash Flow per Share	**$ 1.67**	$ 1.23

Management's Discussion and Analysis of Results and Financial Condition

For the twelve month period ending March 31, 2022, the Company generated Distributable Cash Flow of $21.4 million or $1.67 per Share, as compared to $15.7 million or $1.23 per Share generated for the twelve month period ended March 31, 2021. The increase of $5.7 million in Distributable Cash is primarily driven by an increase in revenues partly offset by an increase in management fees, increased administration expenses and higher current income tax expense.

Distributable Cash Flow and Distributable Cash Flow per Share are non-GAAP financial 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 and other investment 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 tables below present reconciliations of cash flow from operating activities, as presented in the consolidated statements of cash flows, to Distributable Cash Flow for the Quarter and on a trailing twelve-month basis. Distributable Cash Flow is a measure used by the Company to assess the resources available to the Company for distribution to holders of Restricted Voting Share and holders of Exchangeable Units subject to other uses for the cash.

(Unaudited)
($ 000's)

For three months ended March 31,	2022	2021
Cash flow from operating activities	$ 3,507	$ 3,220
Add (deduct):		
Interest on Exchangeable Units	1,452	1,452
Current Income tax expense	(1,147)	(1,108)
Income taxes paid	1,350	750
Changes in non-cash working capital	710	1,500
Interest expense	(2,129)	(2,147)
Interest paid	2,087	2,082
Interest income	–	(35)
Interest received	–	35
Cash used for investing activities	(66)	(110)
Distributable Cash Flow	$ 5,764	$ 5,639

(Unaudited)

For twelve months ended, ($ 000's)	Mar. 31, 2022	Mar. 31, 2021
Cash flow from operating activities	15,427	20,197
Add (deduct):		
Interest on Exchangeable Units	5,806	5,806
Current Income tax expense	(3,857)	(2,468)
Income taxes paid	4,950	3,000
Net changes in non-cash working capital	(433)	(1,648)
Interest expense	(8,584)	(8,604)
Interest paid	8,358	8,339
Interest income	7	67
Interest received	(8)	(68)
Deferred payments	–	(5,425)
Gain on deferred payments	–	(1,190)
Cash used for investing activities	(231)	(2,307)
Distributable Cash Flow	$ 21,435	$ 15,699

Management's Discussion and Analysis of Results and Financial Condition

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, 2022 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, 2022, the Company has drawn $55.0 million on the Term Facility, $13.5 million on the Acquisition Facility and nil on the Operating Facility.

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 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, 2022 the Company determined that the fair value of the interest rate swap represents an asset of $0.3 million (December 31, 2021 – a liability of $0.8 million). For the Quarter, the Company recognized a fair value gain of $1.1 million (Prior Year Quarter – $0.6 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 revenues and 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 for the Company to pursue growth opportunities. The Company meets regularly with the Manager during the year to determine the Manager's progress in identifying potential new Franchise Agreements.

Management's Discussion and Analysis of Results and Financial Condition

During the Quarter, the Company generated Distributable Cash Flow of $5.8 million, compared to $5.6 million in the Prior Year Quarter. The increase is due to an increase in revenues partly offset by higher administration expenses, higher management fees and higher current income tax expense.

The Company paid dividends to shareholders and interest to holders of Exchangeable Units totaling $4.7 million for the Quarter, unchanged from the Prior Year Quarter.

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 $1.2 million during the Quarter to $8.1 million as at March 31, 2022. The increase in working capital resulted primarily from:

- A $1.1 million increase in accounts receivable due to higher revenues in the Quarter relative to the fourth quarter of 2021;
- A $0.2 million increase in cash;
- A $0.2 million increase in income tax receivable; partly offset by
- A $0.4 million increase in accounts payable and accrued liabilities;

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

($ 000's) As at	**Mar. 31, 2022**	Dec. 31, 2021	Sept. 30, 2021	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020	Change in Quarter	Change in Year
Current assets										
Cash	**$ 6,457**	$ 6,217	$ 9,666	$ 8,608	$ 9,065	$ 9,156	$10,648	$ 9,418	$ 240	$(2,608)
Accounts receivable and current portion of notes receivable	**4,593**	3,458	3,918	4,436	4,260	2,376	4,132	5,139	$ 1,135	$ 333
Prepaid expenses	**154**	139	139	120	131	143	130	124	$ 15	$ 23
Current income tax receivable	**523**	320	–	35	294	652	145	147	$ 203	$ 229
	$ 11,727	$ 10,134	$ 13,273	$ 13,199	$ 13,750	$ 12,327	$ 15,055	$ 14,828	$ 1,593	$ (2,023)
Current liabilities										
Accounts payable and accrued liabilities	**$ 1,516**	$ 1,107	$ 1,377	$ 1,778	$ 1,650	$ 1,283	$ 1,342	$ 2,197	$ 409	$ (134)
Contract transfer obligation	**580**	573	566	559	552	549	604	842	$ 7	$ 28
Current income tax liability	–	–	315	–	–	–	–	–	$ –	$ –
Interest payable to Exchangeable Unitholders	**484**	484	484	484	484	484	484	968	$ –	$ –
Dividends payable to Restricted Voting shareholders	**1,067**	1,067	1,067	1,067	1,067	1,067	1,067	1,067	$ –	$ –
	3,647	3,231	3,809	3,888	3,753	3,383	3,497	5,074	416	(106)
Net working capital	**$ 8,080**	$ 6,903	$ 9,914	$ 9,311	$ 9,997	$ 8,944	$ 11,558	$ 9,754	$ 1,177	$ (1,917)

Management's Discussion and Analysis of Results and Financial Condition

Cash and Capital Resources

A summary of cash and capital resources available to the Company as at March 31, 2022 and December 31, 2021 is presented below:

(in 000's) As at	March 31, 2022	December 31, 2021
Cash	$ 6,457	$ 6,217
Acquisition Facility	6,500	6,500
Operating Facility	5,000	5,000
Net borrowing capacity	$ 11,500	$ 11,500
Available resources	$ 17,957	$ 17,717

As at March 31, 2022, $13.5 million of the Acquisition Facility has been drawn by the Company, leaving $11.5 million net borrowing capacity under the debt facilities.

In addition to the cash and 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, subject to working capital and other investment requirements.

Commitments

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

As at March 31,	2022	2023	2024	2025	2026	Beyond 2026	Total
Accounts payable and accrued liabilities	$ 1,516	$ –	$ –	$ –	$ –	$ –	$ 1,516
Current contract transfer obligation	580	–	–	–	–	–	$ 580
Interest payable to Exchangeable Unitholders	484	–	–	–	–	–	$ 484
Dividends payable to shareholders	1,067	–	–	–	–	–	$ 1,067
Interest on long-term debt	2,024	2,699	–	–	–	–	$ 4,723
Interest on contract transfer obligation	105	114	90	72	53	44	$ 478
Long term contract transfer obligation	–	602	356	374	393	703	$ 2,428
Debt facilities	–	68,500	–	–	–	–	$ 68,500
Deferred payments	–	–	–	6,616	–	–	$ 6,616
Exchangeable Units	–	–	–	–	–	53,009	$ 53,009
Total	$ 5,776	$ 71,915	$ 446	$ 7,062	$ 446	$ 53,756	$ 139,401

The Company has been named as a defendant in a claim filed against numerous real estate companies and other real estate entities, including CREA and TRREB, alleging anti-competitive behaviour. The Company is preparing a response to those allegations, and believes them to be entirely without merit. The claim is in its very early stages, however management believes that the likelihood of any negative impact on the Company is remote.

Management's Discussion and Analysis of Results and Financial Condition

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 25 corporately owned Royal LePage residential Brokerage locations. These locations are serviced by more than 1,700 REALTORS® with 1,259 REALTORS® operating out of 15 locations in the GTA market, 431 REALTORS® operating from 8 locations in the GVA market and 22 REALTORS® operating from two locations in Quebec.

All of the corporately owned operations operate under Franchise Agreements with standard fixed and variable franchise fees. The Franchise Agreements for GTA based locations are up for renewal in 2023, while the Franchise Agreements for the GVA 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.

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 is allocated toward reducing the Company's contract transfer obligation and associated interest expense, with the remainder charged to the Company's consolidated 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 consolidated financial statements.

Management’s Discussion and Analysis of Results and Financial Condition

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 Company’s accounts receivable are regularly monitored to determine their collectability.

The preparation of financial statements requires management to select appropriate accounting policies and to make judgements, 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 consolidated financial statements require the determination of cash generating units, 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 swap 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 as required. These estimates have been applied in a manner consistent with prior periods. The impact of the risks and impacts resulting from the ongoing pandemic that may affect the Company’s future earnings, cash flows and financial condition are uncertain and include the nature, severity and duration of any economic curtailment and the short to medium-term effect on Canadian real estate markets and the Canadian economy in general. Accordingly, estimates used in the preparation of our financial statements including those associated with evaluations of intangible assets and collectability of accounts receivable may be subject to significant adjustments in future periods. The estimates are impacted by, among other things, movements in interest rates, which are highly uncertain. The interrelated nature of these factors prevents the Company from quantifying the overall impact of these movements on the Company’s 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 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The following are the critical judgements that have been made in applying the Company’s accounting policies and that have the most significant impact on the amounts recorded in the consolidated 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 the potential 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 or reversed.

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 or a reversal of impairment exist on individual Franchise Agreements, other contracts or Trademarks. Determining whether the value of an intangible asset or the portfolio of intangible assets is impaired or has increased requires considerable judgement. When reviewing indicators of impairment for Franchise Agreements or other contracts or recovery of previously impaired intangible assets, the Company considers certain factors including, financial performance of the business, franchise fees earned, term to maturity, historical REALTOR® count, collectability of receivables, estimated future revenues expected 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 cash flows and other forward-looking information requires significant judgement and is highly uncertain, particularly 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, interest rate swap asset or liability, accounts payable and accrued liabilities, contract transfer obligation, interest payable to Exchangeable Unitholders, dividends payable to holders of Restricted Voting Shares, debt facilities 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, 2022, the Company has drawn $13.5 million on the Acquisition Facility, and nil on the Operating Facility.

Management’s Discussion and Analysis of Results and Financial Condition

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, 2022. 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 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, 2022. The design of ICFR is undertaken in accordance with the 2013 COSO framework.

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 11, 2022, 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.

Management's Discussion and Analysis of Results and Financial Condition

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 "all", "appears", "attempts", "attracting", "are", "believes", "can", "caters", "continue(s)", "continued", "exceed(s)", "expected", "generates", "growth", "has", "have", "include(s)", "may", "monitors", "offers", "operate(s)", "owns", "participate", "prompting", "provide(s)", "putting", "reflects", "remain(s)", "represent(s)", "resulting", "retaining", "rise", "see(s)", "seek(s)", "should", "strives", "structures", "supplies", "through", "typical(ly)", "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.

Management's Discussion and Analysis of Results and Financial Condition

Supplemental Information

HISTORY OF DIVIDENDS DECLARED

(per Restricted Voting Share*)

Month Declared	2022	2021	2020	2019	2018
January	**$ 0.1125**	$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
February	**$ 0.1125**	$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
March	**$ 0.1125**	$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
April		$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
May		$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
June		$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
July		$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
August		$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
September		$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
October		$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
November		$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
December		$ 0.1125	$ 0.1125	$ 0.1125	$ 0.1125
	$ 0.3375	$ 1.3500	$ 1.3500	$ 1.3500	$ 1.3500

SHARE PERFORMANCE

(in Canadian dollars) except shares outstanding and average daily volume For three months ended,	**Mar. 31, 2022**	Dec. 31, 2021	Sep. 30, 2021	June 30, 2021	Mar. 31, 2021	Dec. 31, 2020	Sept. 30, 2020	June 30, 2020
Trading price range of units (TSX: "BRE")								
Close	**$ 15.93**	$ 16.31	$ 16.65	$ 17.17	$ 16.41	$ 14.80	$ 12.81	$ 11.75
High	**$ 17.13**	$ 17.44	$ 17.46	$ 18.00	$ 17.00	$ 14.88	$ 14.19	$ 11.99
Low	**$ 14.99**	$ 16.19	$ 16.07	$ 15.80	$ 14.33	$ 14.75	$ 11.14	$ 6.59
Average daily volume	**10,490**	7,651	8,578	11,397	14,371	10,677	11,576	17,592
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
Market capitalization ($000's)	**$ 204,087**	$208,956	$ 213,312	$ 219,974	$ 210,237	$ 189,610	$ 164,116	$ 150,535

Management's Discussion and Analysis of Results and Financial Condition

CANADIAN RESIDENTIAL REAL ESTATE MARKET

For Three months ended	Mar. 31 2022	Dec. 31 2021	Sep. 30 2021	Jun. 30 2021	Mar. 31 2021	Dec. 31 2020	Sep. 30 2020	Jun. 30 2020
Canada								
Transaction dollar volume[1]	**$ 115,894**	$ 98,999	$ 104,328	$ 141,746	$ 113,813	$ 90,071	$ 109,085	$ 55,949
Average selling price	**$ 792,176**	$ 716,728	$680,485	$ 685,108	$ 682,552	$607,280	$ 604,211	$ 538,831
Number of units sold	**146,298**	138,126	155,849	206,274	166,746	148,814	185,561	108,087
Number of REALTORS® at period end[2]	**151,087**	147,556	144,058	140,331	136,605	134,803	133,120	133,476
Housing starts	**44,983**	61,761	61,380	66,498	54,502	57,457	58,971	47,525
Greater Toronto Area								
Transaction dollar volume[1]	**$ 33,324**	$ 28,620	$ 29,275	$ 40,139	$ 35,298	$ 25,161	$ 31,244	$ 14,401
Average selling price	**$ 1,299,591**	$1,158,686	$1,079,381	$1,075,636	$1,053,585	$ 929,699	$ 920,168	$ 891,167
Number of units sold	**25,642**	24,700	26,879	36,630	33,503	26,358	32,821	16,152
Housing starts	**9,921**	11,813	11,872	8,588	9,625	8,502	12,155	11,090
Greater Vancouver Area								
Transaction dollar volume[1]	**$ 13,540**	$ 12,070	$ 11,414	$ 15,786	$ 14,084	$ 10,986	$ 10,839	$ 5,343
Average selling price	**$ 1,325,262**	$1,234,888	$1,175,834	$ 1,179,171	$ 1,159,167	$1,079,033	$1,103,099	$1,049,475
Number of units sold	**10,217**	9,774	9,779	13,181	12,150	10,075	10,065	5,122
Housing starts	**4,308**	5,527	5,192	7,972	7,322	6,192	6,415	5,384
Greater Montreal Area								
Transaction dollar volume[1]	**$ 7,380**	$ 7,028	$ 5,898	$ 8,837	$ 7,719	$ 7,717	$ 7,291	$ 4,329
Average selling price	**$ 579,785**	$ 566,879	$ 556,034	$ 551,624	$ 534,155	$ 501,339	$ 499,339	$465,748
Number of units sold	**12,728**	12,397	10,842	16,254	15,425	15,679	15,381	10,156
Housing starts	**5,057**	7,362	7,660	9,241	8,080	7,981	8,017	6,268

[1] (in millions Canadian dollars)
[2] CREA Membership data as of Mar 31, 2022 not available as of MDA date
Source: CREA, CMHC, TREB

For Twelve months ended	Mar. 31 2021	Dec. 31 2021	Sep. 30 2021	Jun. 30 2021	Mar. 31 2021	Dec. 31 2020	Sep. 30 2020	June. 30 2020
Canada								
Transaction dollar volume[1]	**$ 460,967**	$ 458,886	$ 449,958	$ 454,715	$ 368,917	$ 313,025	$ 280,278	$ 238,014
Average selling price	**$ 712,968**	$ 687,990	$ 663,965	$ 642,802	$ 605,569	$ 567,699	$ 547,462	$ 517,728
Number of units sold	**646,547**	666,995	677,683	707,395	609,208	551,392	511,959	459,729
Housing starts	**234,622**	244,141	239,837	237,428	218,455	202,123	194,620	190,727
Greater Toronto Area								
Transaction dollar volume[1]	**$ 131,358**	$ 133,332	$ 129,874	$ 131,842	$ 106,104	$ 88,462	$ 80,104	$ 68,385
Average selling price	**$ 1,153,774**	$1,095,475	$ 1,052,716	$ 1,019,568	$ 974,916	$ 929,699	$ 903,484	$ 856,453
Number of units sold	**113,851**	121,712	123,370	129,312	108,834	95,151	88,661	79,847
Housing starts	**42,194**	41,898	38,587	38,870	41,372	38,587	36,598	33,094
Greater Vancouver Area								
Transaction dollar volume[1]	**$ 52,810**	$ 53,353	$ 52,270	$ 51,695	$ 41,252	$ 33,704	$ 30,180	$ 26,327
Average selling price	**$ 1,229,531**	$ 1,188,693	$ 1,156,789	$ 1,136,872	$ 1,102,638	$ 1,066,198	$1,039,979	$1,006,457
Number of units sold	**42,951**	44,884	45,185	45,471	37,412	31,611	29,020	26,158
Housing starts	**22,999**	26,013	26,678	27,901	25,313	22,371	22,091	22,182
Greater Montreal Area								
Transaction dollar volume[1]	**$ 29,142**	$ 29,481	$ 30,171	$ 31,564	$ 27,056	$ 25,341	$ 22,586	$ 19,681
Average selling price	**$ 558,042**	$ 536,826	$ 518,395	$ 503,100	$ 477,680	$ 453,505	$ 434,135	$ 415,008
Number of units sold	**52,221**	54,918	58,200	62,739	56,641	55,877	52,026	47,422
Housing starts	**29,320**	32,343	32,962	33,319	30,346	27,274	25,290	23,052

[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, 2022		Year ended Dec. 31, 2021		Year ended Dec. 31, 2020		Year ended Dec. 31, 2019		Year ended Dec. 31, 2018
Fixed franchise fees	$	7,995	$	31,016	$	11,247	$	29,285	$	28,326
Variable franchise fees	$	4,152		13,750		23,900		10,638		10,737
Other revenue	$	1,279		5,436		5,192		4,426		–
Premium franchise fees		–		–		–		–		2,964
Revenues		13,426		50,202		40,339		44,349		42,027
Less:										
Cost of other revenue		251		1,035		716		524		–
Administration expenses		268		646		608		1,196		1,259
Management fees		5,216		20,158		16,875		15,478		7,616
Interest Expense		714		2,960		3,001		3,031		2,686
Current income tax expense		1,147		3,818		2,090		2,989		5,183
Cash used for investing activities		66		275		3,109		3,934		10,849
Distributable Cash Flow	$	5,764	$	21,310	$	13,940	$	17,197	$	14,434
Less:										
Dividends to shareholders		3,201		12,803		12,803		12,803		12,803
Interest to Exchangeable Unitholders		1,452		5,806		5,806		5,806		5,806
Total distributions	$	4,653	$	18,609	$	18,609	$	18,609	$	18,609
Total distributions as a percentage of Distributable Cash Flow[1]		81%		87%		133%		108%		129%

[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.

Management's Discussion and Analysis of Results and Financial Condition

CASH FLOW FROM OPERATING ACTIVITIES RECONCILED TO DISTRIBUTABLE CASH FLOW

($ 000's)	**Three months ended Mar. 31, 2022**	Year ended Dec. 31, 2021	Year ended Dec. 31, 2020	Year ended Dec. 31, 2019	Year ended Dec. 31, 2018
Cash Flow from Operating activities	**$ 3,507**	$ 15,139	$ 19,866	$ 15,600	$ 18,971
Add (deduct):					
Changes in non-cash working capital items	**710**	358	(2,585)	(924)	(229)
Interest on Exchangeable Units	**1,452**	5,806	5,806	5,806	5,806
Change in accrued income taxes	**203**	532	790	698	758
Change in accrued interest expense	**(42)**	(249)	(209)	(49)	(23)
Change in accrued interest income	**–**	(1)	(3)	–	–
Deferral of payments	**–**	–	(6,616)	–	–
Cash used in investing activities	**(66)**	(275)	(3,109)	(3,934)	(10,849)
Distributable Cash Flow	**$ 5,764**	$ 21,310	$ 13,940	$ 17,197	$1 4,434

SELECTED OPERATING INFORMATION

As at	**Mar. 31, 2022**	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Number of REALTORS®	**20,321**	20,159	19,046	19,111	18,725
Number of locations	**723**	723	662	678	673
Number of franchise agreements	**282**	281	289	301	291

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 and holders of Exchangeable Units, subject to working capital and other investment requirements. Distributable Cash Flow is a non-GAAP financial measure and does not have any standard meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies.

"Distributable Cash Flow per Share" means Distributable Cash Flow divided by the number of outstanding Restricted Voting Shares 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 those Units into Restricted Voting Shares. Distributable Cash Flow per Share is a non-GAAP financial ratio and 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 Bridgemarq 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 Bridgemarq.

"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 Bridgemarq.

"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 Bridgemarq issued to the holder of the Exchangeable Units to represent voting rights in Bridgemarq 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 Bridgemarq'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 Bridgemarq.

Interim Condensed Consolidated Balance Sheets

(In thousands of Canadian dollars)	Note	March 31, 2022	December 31, 2021
Assets			
Current assets			
Cash		$ 6,457	$ 6,217
Accounts receivable	4,13	4,560	3,425
Current portion of notes receivable	5	33	33
Current income tax receivable		523	320
Prepaid expenses		154	139
		11,727	10,134
Non-current assets			
Notes receivable	5	68	74
Interest rate swap asset	8	319	–
Deferred income tax asset	7	5,909	6,150
Intangible assets	6	60,344	62,238
		$ 78,367	$ 78,596
Liabilities and shareholders' deficit			
Current liabilities			
Accounts payable and accrued liabilities		$ 1,516	$ 1,107
Contract transfer obligation	3,13	580	573
Interest payable to Exchangeable Unitholders	10,13	484	484
Dividends payable to shareholders	12	1,067	1,067
		3,647	3,231
Non-current liabilities			
Debt facilities	8	68,429	68,419
Deferred payments	9,13	5,816	5,759
Contract transfer obligation	3,13	2,428	2,576
Interest rate swap liability	8	–	817
Exchangeable Units	10	53,009	54,274
		133,329	135,076
Shareholders' deficit			
Restricted voting shares	11	140,076	140,076
Deficit		(195,038)	(196,556)
		(54,962)	(56,480)
		$ 78,367	$ 78,596

See accompanying notes to the 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 share and per share amounts)	Note	2022	2021
Revenues			
Fixed franchise fees		$ 7,995	$ 7,584
Variable franchise fees		4,152	3,745
Other revenue		1,279	1,770
		13,426	13,099
Expenses			
Cost of other revenue		251	273
Administration expenses	4,13	268	52
Management fees	3,13	5,216	5,177
Interest expense	3,8,9	714	740
Amortization of intangible assets	6	1,819	1,951
		8,268	8,193
Operating income		5,158	4,906
Interest on Exchangeable Units	10,13	(1,452)	(1,452)
Gain (loss) on fair value of Exchangeable Units	10	1,265	(5,358)
Gain on interest rate swap	8	1,136	565
Earnings (loss) before income tax		6,107	(1,339)
Current income tax expense		1,147	1,108
Deferred income tax expense		241	89
Income tax expense	7	1,388	1,197
Net and comprehensive earnings (loss)		$ 4,719	$ (2,536)
Basic earnings (loss) per share	12	$ 0.50	$ (0.27)
Weighted average number of shares outstanding used in computing basic earning per share		9,483,850	9,483,850
Diluted earnings (loss) per share	12	$ 0.38	$ (0.27)
Weighted average number of shares outstanding used in computing diluted earnings per share		12,811,517	12,811,517

See accompanying notes to the 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, 2021	$ 140,076	$ (196,556)	$ (56,480)
Net earnings	–	4,719	4,719
Dividends paid	–	(3,201)	(3,201)
Balance, Mach 31, 2022	**$ 140,076**	**$ (195,038)**	**$ (54,962)**

(In thousands of Canadian dollars)	Restricted Voting Shares	Deficit	Shareholders' Deficit
Balance, December 31, 2020	$ 140,076	$ (188,515)	$ (48,439)
Net earnings	–	(2,536)	(2,536)
Dividends paid	–	(3,201)	(3,201)
Balance, March 31, 2021	**$ 140,076**	**$ (194,252)**	**$ (54,176)**

See accompanying notes to the consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited) For the three months ended March 31, (In thousands of Canadian dollars)	Note	2022	2021
Cash provided by:			
Operating activities			
Net earnings for the period		$ 4,719	$ (2,536)
Adjusted for			
Loss (gain) on fair value of Exchangeable Units	10	(1,265)	5,358
Gain on interest rate swap	8	(1,136)	(565)
Interest expense	3,8,9,10	2,129	2,147
Interest paid		(2,087)	(2,082)
Interest income		-	35
Interest received		-	(35)
Current income tax expense	7	1,147	1,108
Income taxes paid		(1,350)	(750)
Deferred income tax expense	7	241	89
Amortization of intangible assets	6	1,819	1,951
Net changes in non-cash working capital		(710)	(1,500)
		3,507	3,220
Investing activities			
Payment of contract transfer obligation	3,13	(141)	(137)
Recovery of franchise agreement expenses, net	6	75	27
Interest expense on contract transfer obligation	3,13	38	45
Interest expense paid on contract transfer obligation	3,13	(38)	(45)
		(66)	(110)
Financing activities			
Dividends paid to shareholders	12	(3,201)	(3,201)
		(3,201)	(3,201)
Increase (decrease) in cash during the period		240	(91)
Cash, beginning of the period		6,217	9,156
Cash, end of the period		$ 6,457	$ 9,065

See accompanying notes to the consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021
(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 100% of 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). The Partnership and VCLP 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 would 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, 2022, the Company derived approximately 90% of its revenues from franchise fees it receives under the Franchise Agreements (2021 – 86%).

2. Significant Accounting Policies

BASIS OF PRESENTATION

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standard 34, *Interim Financial Reporting,* 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, 2021.

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of the Company on May 11, 2022 and should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2021.

The interim condensed consolidated 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 lives.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021
(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. Certain of these franchise agreement expenses may be repayable by franchisees if specific conditions aren't met. The Company may also provide certain fee rebates to franchisees under certain circumstances. These costs and rebates (net of any amounts recovered from franchisees) 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. The amortization charge for these fee rebates and any franchise agreement expenses represented by cash payments or rebates 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,estimated future revenues expected to be earned and underlying market conditions. When reviewing indicators of 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. Cash flows that are not allocable to individual Franchise Agreements, Trademarks or Ancillary Agreements are considered on an aggregate basis for purposes of evaluating impairment on the Company's portfolio of intangible assets.

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 trademarks 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 REALTORS®'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.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021
(Expressed in thousands of Canadian dollars, unless stated otherwise)

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. 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 .

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, when the performance obligation has been satisfied, which is when a lead is assigned to the REALTOR® or the franchisee.

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 2021 as a world wide pandemic impacted the Canadian real estate market and the home buying and selling behaviour of consumers throughout 2020 and 2021. There can be no certainty that this historical seasonality pattern will recur in any future year.

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, 2022, the Company incurred management fees of $5,395 (2021 – $5,359) for these services, $5,216 of which was charged to the interim condensed consolidated statements of net and comprehensive earnings (2021 – $5,177) and $179 was used to reduce the contract transfer obligation owing to the Manager plus related interest (2021 – $182).

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021
(Expressed in thousands of Canadian dollars, unless stated otherwise)

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, 2022, the Company had accounts receivable of $4,560 (December 31, 2021 – $3,425) net of an allowance for doubtful accounts of $147 (December 31, 2021 – $140). During three months ended March 31, 2022, administration expense included a bad debt expense of $7 (2021 – recovery of $151).

Management reviews accounts receivable to determine whether an allowance for doubtful accounts is required by assessing the collectability of receivables owing from each individual franchisee. This assessment takes into consideration certain factors including the aging of outstanding balances, 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, 2022 and December 31, 2021.

As at,	March 31, 2021	December 31, 2022
Current	$ 4,035	$ 3,025
30 days past due	406	311
60 days past due	98	65
90+ days past due	168	164
Subtotal	$ 4,707	$ 3,565
Allowance for doubtful acccounts	(147)	(140)
Accounts receivable	$ 4,560	$ 3,425

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 entered into a formalized payment plan through December 2026 in respect of franchise fees due to the Company which were in arrears. Amounts under this payment plan which are due greater than one year from the financial statement date have been classified as non-current.

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 previously capitalized franchise agreement expenses. For the three months ended March 31, 2022, the Company recorded a net reduction of intangible assets of $75 (2021 – $27). Net reductions of intangible assets reflect amortization of those franchise agreement expenses and rebates of $113 (2021 – $147) recorded as a reduction of revenues.

For the three months ended March 31, 2022 and March 31, 2021, the Company identified no Franchise Agreements with a carrying amount in excess of their recoverable amount and did not recognize any impairment charge or reversal of impairment charges related to Franchise Agreements.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021
(Expressed in thousands of Canadian dollars, unless stated otherwise)

A summary of intangible assets as at March 31, 2022 and December 31, 2021 is provided in the charts below.

	Franchise Agreements & Ancillary Agreements	Trademarks	Total
Cost			
At December 31, 2021	$ 244,196	$ 5,427	$ 249,623
Franchise agreement expenses and rebates, net	(75)	–	(75)
At March 31, 2022	**$ 244,121**	**$ 5,427**	**$ 249,548**
Accumulated amortization			
At December 31, 2020	$ (183,998)	$ (3,387)	$ (187,385)
Amortization expense	(1,773)	(46)	(1,819)
At March 31, 2022	**$ (185,771)**	**$ (3,433)**	**$ (189,204)**
Carrying value			
At December 31, 2021	$ 60,198	$ 2,040	$ 62,238
At March 31, 2022	**$ 58,350**	**$ 1,994**	**$ 60,344**

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,	2022	2021
Earnings before income tax for the period:	**$ 6,107**	$ (1,399)
Expected income tax expense at statutory rate of 26.5% (2020 – 26.5%)	**1,618**	(355)
Increase (decrease) in income tax expense due to the following:		
Non-deductible amortization	**121**	122
Non-deductible loss (non-taxable gain) on fair value of Exchangeable Units	**(335)**	1,420
Non-deductible interest on Exchangeable Units	**385**	385
Income allocated to Exchangeable Unitholders	**(401)**	(375)
Total income tax expense	**$ 1,388**	$ 1,197

The major components of income tax expense include the following:

For the three months ended March 31,	2022	2021
Current income tax expense	**$ 1,147**	$ 1,108
Deferred income tax expense	**241**	89
Total income tax expense	**$ 1,388**	$ 1,197

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021
(Expressed in thousands of Canadian dollars, unless stated otherwise)

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

	Intangible Assets	Contract transfer obligation	Other	Total
Deferred income tax assets (liabilities):				
At December 31, 2021	$ 5,327	$ 834	$ (11)	$ 6,150
Deferred income tax recovery (expense)	83	(37)	(287)	(241)
At March 31, 2022	**$ 5,410**	**$ 797**	**$ (298)**	**$ 5,909**

	Intangible Assets	Contract transfer obligation	Other	Total
Deferred income tax assets (liabilities):				
At December 31, 2020	$ 4,988	$ 980	$ 430	$ 6,398
Deferred income tax recovery (expense)	339	(146)	(441)	(248)
At December 31, 2021	**$ 5,327**	**$ 834**	**$ (11)**	**$ 6,150**

8. Debt Facilities

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

As at	March 31, 2022	December 31, 2021
Term facility	**$ 55,000**	$ 55,000
Acquisition facility	**13,500**	13,500
	$ 68,500	$ 68,500
Financing fees	**(71)**	(81)
Debt facilities	**$ 68,429**	$ 68,419

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 any 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, 2022.

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 maintaining 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, 2022 and December 31, 2021, the Company complied with all covenants under the debt facilities.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021
(Expressed in thousands of Canadian dollars, unless stated otherwise)

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 the fair value recorded as a gain or loss in the Company's interim condensed 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, 2022, the Company determined that the fair value of the interest rate swaps represents an asset of $319 (December 31, 2021 – a liability of $817). For the three months ended March 31, 2022, the Company recognized a fair value gain of $1,136 (2021 – $565).

9. Deferred Payments

The Company deferred payment in 2020 of certain management fees owing to the Manager and interest on Exchangeable Units owing to BBP totalling $6,616 pursuant to an agreement with BBP and the Manager. These deferred payments 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. On initial recognition, the Company recorded these deferred payments at their fair value using an income approach to determine fair value. For the three months ended March 31, 2022, the Company recorded interest expense of $57 (2021 – $55) 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, 2022, the Company used the closing market price of Bridgemarq's shares of $15.93 (December 31, 2021 – $16.31). During the three months ended March 31, 2022, the Company recorded a gain $1,265 related to the fair value of the Exchangeable Units (2021 – a loss of $5,358).

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, 2022 the Board of Directors of RIFGP declared distributions payable to the Exchangeable Unitholders of $1,452 (2021 – $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. No additional restricted voting shares were issued during the three months ended March 31, 2022 or the year ended December 31, 2021.

No preferred shares were issued or outstanding as at March 31, 2022 or December 31, 2021.

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.

The following table summarizes the outstanding shares of Bridgemarq:

As at,	**March 31, 2022**	December 31, 2021
Restricted voting shares	**9,483,850**	9,483,850
Special voting share	**1**	1

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021
(Expressed in thousands of Canadian dollars, unless stated otherwise)

12. Earnings Per Share

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

(In thousands of Canadian dollars, except share and per share amounts)	2022	2021
Net earnings available to restricted voting shareholders - basic	**$ 4,719**	$ (2,536)
Interest on Exchangeable Units	**1,452**	1,452
Loss on fair value of Exchangeable Units	**(1,265)**	5,358
Net earnings available to restricted voting shareholders - diluted	**$ 4,906**	$ 4,274
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	**$ 0.50**	$ (0.27)
Diluted earnings (loss) per share	**$ 0.38**	$ (0.27)
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, 2022 and March 31, 2021. These transactions have been recorded at the exchange amount as agreed between the parties.

Year ended December 31,	2022	2021
a) Revenues		
Fixed franchise fees	**$ 673**	$ 663
Variable franchise fees	**$ 381**	$ 369
Other revenue, net	**$ 36**	$ 60
b) Expenses		
Management fees	**$ 5,216**	$ 5,177
Insurance premiums and other	**$ 8**	$ 6
Interest on contract transfer obligation	**$ 38**	$ 45
c) Interest		
Interest to Exchangeable Unitholders	**$ 1,452**	$ 1,452

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021
(Expressed in thousands of Canadian dollars, unless stated otherwise)

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

As at,	**March 31, 2022**	December 31, 2021
d) Accounts receivable Franchise fees receivable and other	**$ 290**	$ 290
e) Management fees and Interest on contract transfer obligation	**$ 1,002**	$ 818
f) Contract transfer obligation	**$ 3,008**	$ 3,149
g) Interest payable to Exchangeable Unitholders	**$ 484**	$ 484
h) Deferred payments	**$ 5,816**	$ 5,759

Certain members of the Company's board of directors are compensated for their services. During the three months ended March 31, 2022, the Company incurred $75 in directors' fees (2021 - $62). Directors' fees are included in administration expense.

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, 2022, the Company has recorded an allowance for doubtful accounts related to accounts receivable and notes receivable of $147 (December 31, 2021 – $140).

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 $13,500 has been drawn, and a $5,000 undrawn Operating Facility.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021
(Expressed in thousands of Canadian dollars, unless stated otherwise)

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

As at March 31,	2022	2023	2024	2025	2026	Beyond 2026	Total
Accounts payable and accrued liabilities	$ 1,516	$ –	$ –	$ –	$ –	$ –	$ 1,516
Current contract transfer obligation	580	–	–	–	–	–	$ 580
Interest payable to Exchangeable Unitholders	484	–	–	–	–	–	$ 484
Dividends payable to shareholders	1,067	–	–	–	–	–	$ 1,067
Interest on long-term debt	2,024	2,699	–	–	–	–	$ 4,723
Interest on contract transfer obligation	105	114	90	72	53	44	$ 478
Long term contract transfer obligation	–	602	356	374	393	703	$ 2,428
Debt facilities	–	68,500	–	–	–	–	$ 68,500
Deferred payments	–	–	–	6,616	–	–	$ 6,616
Exchangeable Units	–	–	–	–	–	53,009	$ 53,009
Total	$ 5,776	$ 71,915	$ 446	$ 7,062	$ 446	$ 53,756	$ 139,401

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.

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 $135.

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 $5,816 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 $68,500 approximate their carrying value of $68,429 and the fair value of the Company's outstanding contract transfer obligation approximates the carrying value of $3,008 as a result of their floating rate terms.

Notes to the Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021
(Expressed in thousands of Canadian dollars, unless stated otherwise)

E) FAIR VALUE HIERARCHY

The following table summarizes the financial instruments measured at fair value in the interim condensed consolidated balance sheets as at March 31, 2022 and December 31, 2021, classified using the fair value hierarchy.

As at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities (assets):				
Exchangeable Units	53,009	–	–	53,009
Interest rate swap asset	–	(319)	–	(319)
Total	$ 53,009	(319)	$ –	$ 52,690

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Exchangeable Units	54,274	–	–	54,274
Interest rate swap liability	–	817	–	817
Total	$ 54,274	$ 817	$ –	$ 55,091

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.

As at March 31, 2022 and December 31, 2021, 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 brokerages 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, 2022, 95% (2021 – 95%) are generated from services provided under the Royal LePage and Johnston and Daniel brands and 5% (2021 – 5%) are generated from services provided under the Via Capitale brand.

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