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# INVESTOR PRESENTATION

## Q3 2024



## FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking information and other "forward-looking statements". Words such as: "believes", "develop", "if", "increasing", "indication", "may not", "subject to", "targeted", 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: changes in the supply or demand of houses for sale in Canada or in any particular region within Canada, changes in the selling price for houses in Canada or any particular region within Canada, changes in the Company's cash flow, changes in the Company's strategy with respect to and/or ability to pay dividends, changes in the productivity of the Company's REALTORS® or the commissions they charge their customers, changes in government policy, laws or regulations which could reasonably affect the housing markets in Canada or the economy in general, changes to any products or services developed or offered by the Company, consumer response to any changes in the housing markets in Canada or any changes in government policy, laws or regulations, changes in general economic conditions (including interest rates, consumer confidence and other general economic factors or indicators), changes in global and regional economic growth, changes in the demand for and prices of natural resources on local and international markets, the level of residential real estate transactions, competition from other real estate brokers or from discount and/or Internet-based real estate alternatives, the closing of existing real estate brokerage offices, other developments in the residential real estate brokerage industry or the Company that reduce the number of REALTORS® in the Company's network or revenue from the Company's network of REALTORS®, our ability to maintain brand equity through the use of trademarks, the methods used by shareholders or analysts to evaluate the value of the Company and its publicly-traded securities, changes in tax laws or regulations, and other risks detailed in the Company's annual information form, which is filed with securities commissions and posted on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Forward-looking information is based on various material factors or assumptions, which are based on information currently available to management. Material factors or assumptions that were applied in drawing conclusions or making estimates set out in the forward-looking statements include, but are not limited to: anticipated economic conditions, anticipated impact of government policies, anticipated financial performance, anticipated market conditions, business prospects, the successful execution of the Company's business strategies and recent regulatory developments. The factors underlying current expectations are dynamic and subject to change. Although the forward-looking statements contained in this presentation are based upon what management believes are reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## NON-GAAP FINANCIAL MEASURES

The non-GAAP financial measures used in this presentation, including EBITDA, Free Cash Flow, Adjusted Net Earnings and Adjusted Net Earnings per Share, do not have any standardized meaning under International Financial Reporting Standards and, accordingly, may not be comparable to similar measures used by other companies. These non-GAAP measures are more fully defined and discussed in the Company's MD&A for the three and nine months ended September 30, 2024, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Please refer to the Appendix for a reconciliation of these non-GAAP measures to their most directly comparable financial measures included in the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2024.

This presentation should be read in conjunction with the Company's [Q3 2024 financial statement and MD&A](#).

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# ● Q3 2024 FINANCIAL HIGHLIGHTS

- Revenue in the third quarter amounted to \$126.8 million, compared to the \$12.8 million generated in Q3 of 2023, reflecting the acquisition completed on March 31, 2024.
- The Company generated a net loss of \$1.14 per fully diluted share, compared to net earnings of \$0.26 per diluted share in the same quarter last year, primarily driven by a loss of \$10.8 million on the fair valuation of the Exchangeable Units.
- Cash provided by operating activities amounted to \$2.7 million in Q3 2024, compared to \$4.5 million in Q3 2023, due to increased distributions to holders of Exchangeable Units issued to complete the acquisition, and increased working capital investment.
- Adjusted Net Earnings amounted to \$2.7 million in Q3 2024 compared to \$3.7 million during the same quarter last year, due to higher interest expenses and increased amortization of intangible assets, partly offset by the operating results of the acquired businesses.
- The Company generated free cash flow of \$5.3 million in the third quarter, compared to \$5.1 million generated in Q3 2023.
- The Board of Directors approved a dividend to shareholders of \$0.1125 per Restricted Voting Share payable on December 31, 2024, to shareholders of record on November 29, 2024.

# COMPANY FINANCIAL HIGHLIGHTS

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

	Q3 2024 For three months ended September 30	Q3 2023 For three months ended September 30	Q3 2024 For nine months ended September 30	Q3 2023 For nine months ended September 30
Total Revenue	\$126,811	\$12,797	\$249,172	\$37,629
Net Earnings (Loss)	(\$10,788)	\$8,601	(\$2,179)	\$5,036
Adjusted Net Earnings	\$2,748	\$3,718	\$6,251	\$10,197
Free Cash Flow	\$5,307	\$5,138	\$14,984	\$14,457
Dividends	\$3,201	\$3,201	\$9,602	\$9,602
Diluted Earnings (Loss) per Share	(\$1.14)	\$0.26	(\$0.23)	\$0.53
Dividends per Share	\$0.34	\$0.34	\$1.01	\$1.01

# COMPANY OPERATING RESULTS

Unaudited in \$000's

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
<b>Segment Revenue</b>				
Brokerage Operations	\$ 113,365	\$ -	\$ 209,574	\$ -
Franchise Operations	14,433	12,797	41,688	37,629
Eliminations	(987)	-	(2,090)	-
<b>Total Revenue</b>	<b>\$ 126,811</b>	<b>\$ 12,797</b>	<b>\$ 249,172</b>	<b>\$ 37,629</b>
<b>Segment EBITDA</b>				
Brokerage Operations	\$ 2,467	\$ -	\$ 4,476	\$ -
Franchise Operations	7,145	7,024	20,559	20,230
Unallocated EBITDA	(781)	-	(1,525)	-
<b>Total EBITDA</b>	<b>\$ 8,831</b>	<b>\$ 7,024</b>	<b>\$ 23,510</b>	<b>\$ 20,230</b>

# COMPANY OPERATING RESULTS

Unaudited in \$000's

As at,	September 30, 2024	December 31, 2023
<b>Segment Assets</b>		
Brokerage Operations	\$ 87,762	\$ -
Franchise Operations	75,618	64,892
<b>Total Assets</b>	<b>\$ 163,380</b>	<b>\$ 64,892</b>

As at,	September 30, 2024	December 31, 2023
REALTORS® at company-owned brokerages	2,724	N/A
REALTORS® in the franchise network	20,430*	20,529

\*includes 2,010 at company-owned brokerages

# COMPANY OPERATIONAL HIGHLIGHTS

- During the third quarter, the Company launched RLP **InvestorsEdge™** - which is targeted at training and generating leads for our REALTORS® who work with individuals interested in owning real estate for investment purposes. A new national bilingual brand campaign “Royal LePage®. The Results People®” was also launched.
- Year to date, more than 100 real estate professionals have joined Royal LePage® Commercial™, which has the largest number of REALTORS® under any commercial real estate brand in Canada.
- Proprio Direct® focused on increasing the brand’s industry presence and reimagined its recruiting strategy, resulting in a greater number of established professionals joining the Quebec-based company.
- To help develop the next generation of industry professionals, Via Capitale® launched a partnership with a real estate training academy in Montreal.
- We continued to prioritize the expansion of more efficient and modern marketing tactics for members of the GTA-based Johnston & Daniel® luxury real estate brand, with new tailored shareable economic and industry-related content to support agents’ thought leadership and digital marketing initiatives.

# THE MARKET: Q3 2024 OVER Q3 2023



CANADA



GREATER VANCOUVER



GREATER TORONTO



PROVINCE OF QUEBEC

Average Price

**+1%**

**-1%**

**-1%**

**+5%**

Unit Sales

**+4%**

**-8%**

**+1%**

**+12%**



The word "APPENDIX" in a large, white, sans-serif font, preceded by a white double-dot icon (two small circles stacked vertically). The background is a low-angle, upward-looking view of several modern skyscrapers against a blue sky with light clouds, all tinted with a blue color grade.

● APPENDIX

## EBITDA Reconciled to Operating Income

The Company evaluates the results of its operating segments using EBITDA, among other measures. EBITDA is defined as operating income before deducting interest on debt, interest on lease obligation, impairment and write-off of intangible assets, and depreciation and amortization. The Company uses EBITDA to evaluate its segment operating results because it believes that it is a useful supplemental measure of performance as it provides an indication of the amount of cash earnings generated by those segments which is available to the Company to meet its investing, financing and other operating cash requirements. The Company's determination and presentation of EBITDA may not be comparable to similar measures used by other companies.

Unaudited in \$000's	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Operating Income	\$ 4,064	\$ 4,559	\$ 9,166	\$ 12,614
Add: Interest on debt	1,102	746	3,590	2,229
Interest on lease obligation	314	-	634	-
Impairment and write-off and of intangible assets	53	8	1,775	201
Depreciation and amortization	3,298	1,711	8,345	5,186
<b>EBITDA</b>	<b>\$ 8,831</b>	<b>\$ 7,024</b>	<b>\$ 23,510</b>	<b>\$ 20,230</b>

The table above reconciles operating income as presented in the consolidated statement of net and comprehensive earnings (loss) to EBITDA used by management to evaluate the business segments of the Company.

## Free Cash Flow Reconciled to Cash Flow from Operating Activities

Free Cash Flow represents operating income before deducting interest on leases, depreciation and amortization and net impairment and write-off of intangible assets, minus current income tax expense, minus additions to property and equipment and intangible assets, minus repayment of contract transfer obligations, minus lease payments. The Company believes that Free Cash Flow is a useful supplemental measure of performance as it provides investors with an indication of the amount of cash flow generated by the Company which is available to holders of Restricted Voting Shares and Exchangeable Unitholders, subject to working capital and other investment requirements and principal debt repayments, if any.

Unaudited in \$000's	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Cash flow from operating activities	\$ 2,673	\$ 4,503	\$ 15,296	\$ 11,396
Add (deduct):				
Interest on Exchangeable Units	2,726	1,452	6,903	4,355
Interest on Lease Obligation	314	-	634	-
Current income tax expense	(1,246)	(990)	(2,315)	(2,754)
Income taxed paid	831	900	2,402	2,700
Changes in non-cash working capital	1,697	(433)	(3,258)	40
Interest expense	(4,142)	(2,294)	(11,127)	(6,845)
Interest paid	3,871	2,273	9,689	6,772
Interest income	521	111	1,148	290
Interest received	(521)	(111)	(1,148)	(290)
Lease payments	(1,098)	-	(2,171)	-
Additions to property and equipment and intangible assets	319	(122)	(1,065)	(757)
Repayment of contract transfer obligation	-	(152)	(4)	(449)
<b>Free Cash Flow</b>	<b>\$ 5,307</b>	<b>\$ 5,138</b>	<b>\$ 14,984</b>	<b>\$ 14,457</b>

The table above presents reconciliations of cash flow from operating activities, as presented in the consolidated statements of cash flows, to Free Cash Flow for the Quarter and the twelve-month period ending September 30, 2024. Free Cash Flow is a measure used by the Company to assess the resources available to the Company for distribution to holders of Restricted Voting Shares and holders of Exchangeable Units subject to other uses for cash.

## Adjusted Net Earnings Reconciled to Net and Comprehensive Earnings (Loss)

Adjusted Net Earnings represents operating income minus income tax expense. Adjusted Net Earnings per Share is calculated by dividing Adjusted Net Earnings by the total number of Restricted Voting Shares outstanding, on a diluted basis. Management believes that Adjusted Net Earnings and Adjusted Net Earnings per Share are useful supplemental measures as they provide investors with an indication of the operating results of the Company on a fully-diluted basis (excluding certain non-cash or non-recurring items that do not directly impact the ongoing operations of the Company) as if all Exchangeable Units had been converted into Restricted Voting Shares at the beginning of the period presented. Non-cash and non-recurring items excluded from the calculation of Adjusted Net Earnings are comprised of gains or losses on interest rate swaps, gains on settlement of liabilities and losses on amendment of the Company's debt facilities.

Unaudited in \$000's (except per Share amounts, which are calculated on a fully diluted basis)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net and comprehensive earnings (loss)	\$ (10,788)	\$ 8,601	\$ (2,179)	\$ 5,036
Add (deduct):				
Interest on Exchangeable Units	2,726	1,452	6,903	4,355
Gain (loss) on fair valuation of Exchangeable Units	10,810	(6,755)	2,850	(266)
Gain on settlement of deferred payments	-	-	(1,224)	-
Gain on settlement of contract transfer obligation	-	-	(99)	-
Loss on interest rate swap	-	420	-	950
Loss on debt facility amendment	-	-	-	122
<b>Adjusted Net Earnings</b>	<b>\$ 2,748</b>	<b>\$ 3,718</b>	<b>\$ 6,251</b>	<b>\$ 10,197</b>
<b>Adjusted Net Earnings per Share</b>	<b>\$ 0.17</b>	<b>\$ 0.29</b>	<b>\$ 0.42</b>	<b>\$ 0.80</b>

The table above presents reconciliations of net and comprehensive earnings (loss), as presented in the consolidated statement of net and comprehensive earnings (loss) to Adjusted Net Earnings. Adjusted Net Earnings and Adjusted Net Earnings per Share are measures used by the Company to assess the operating results of the Company excluding certain non-cash, non-recurring items that do not directly impact the operations of the Company.