

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 – Name and Address of Company

Bridgemarq Real Estate Services Inc. (the “**Company**”)
39 Wynford Drive, Suite 200
Toronto, Ontario M3C 3K5

Item 2 – Date of Material Change

December 14, 2023.

Item 3 – News Release

A news release was issued and disseminated on December 14, 2023 through Cision and has been filed on SEDAR. See Schedule “A” attached hereto for a copy of the news release.

Item 4 – Summary of Material Change

On December 14, 2023, the Company announced it had entered into a definitive agreement with an affiliate of Brookfield Business Partners (“**Brookfield**”) to indirectly acquire, through Residential Income Fund L.P. (the “**Partnership**”), the following (the “**Transaction**”):

- A portfolio of residential real estate brokerages operating across Canada (“**Brokerages**”), including 25 Royal LePage and Johnston & Daniel brokerage locations, 3 Via Capitale brokerage locations and Proprio Direct Inc. (“**Proprio Direct**”); and
- Bridgemarq Real Estate Services Manager Limited (the “**Manager**”), resulting in the internalization of the Company’s existing management services arrangements and the termination of management fee payments to Brookfield.

Item 5 – Full Description of Material Change

Related Party Matters

Description of the Transaction and its Material Terms

As Brookfield currently holds 315,000 restricted voting shares of the Company (the “**Restricted Voting Shares**”) and 3,327,667 Class B limited partnership units of the Partnership (the “**Exchangeable Units**”), representing approximately 28.4% of the Restricted Voting Shares on a fully-diluted basis (assuming the exchange of all Exchangeable Units on a one-for-one basis into Restricted Voting Shares), and the Manager, a subsidiary of Brookfield, is responsible for the management and general administration of the affairs of the Company pursuant to the Company’s existing management services arrangements, the Transaction constitutes a “related party transaction” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

Pursuant to the definitive agreement for the Transaction (the “**Definitive Agreement**”), the Partnership will issue approximately 2,902,854 Exchangeable Units, subject to certain customary purchase price adjustments, to (1) acquire all of the issued and outstanding shares of the Brokerages and the Manager, and (2) settle certain management fees and distributions owing by the Partnership to Brookfield totaling approximately \$6.6 million, the payment of which was deferred by the Partnership in 2020, at a discount to face value by converting the amount owing to Exchangeable Units at a premium above the share price on the date the Definitive Agreement was signed.

At a 5-day volume-weighted average price of \$11.74 per Restricted Voting Share as of December 13, 2023, the total consideration for the Transaction is valued at approximately \$34.0 million. As a result of the Transaction, Brookfield’s ownership interest in the Company is expected to increase from approximately 28.4% to approximately 41.7% (on a fully-diluted basis), subject to customary purchase price adjustments.

Under applicable Toronto Stock Exchange (“**TSX**”) rules, the Transaction will be subject to approval by the Company’s shareholders, as the number of Exchangeable Units to be issued to Brookfield, an insider of the Company, exceeds 10.0% of the total number of outstanding Restricted Voting Shares. In accordance with the TSX rules, Brookfield and its associates and affiliates (representing approximately 28.4% of the Restricted Voting Shares of the Company on a fully-diluted basis) will be excluded for the purposes of such shareholder approval. Senior officers and directors of the Company (representing approximately 0.7% of the Restricted Voting Shares on a fully-diluted basis) have entered into voting and support agreements pursuant to which they have agreed to, among other things, vote their Restricted Voting Shares in favour of the Transaction.

In addition to shareholder approval, the completion of the Transaction is subject to, among other things, applicable regulatory approvals, including TSX approval, and the satisfaction or waiver of certain other closing conditions customary in transactions of this nature. Subject to the satisfaction of such conditions, the Transaction is expected to close by April 2024.

Purpose and Business Reasons for the Transaction

The following are among the business reasons for the Transaction:

- The Transaction is expected to meaningfully enhance the scale of the Company and deleverage its business;
- With the acquisition of the Brokerages, the Company adds the capability to capture future growth across a broader spectrum of the real estate industry through both organic growth and future acquisition opportunities;
- The Transaction will result in a more traditional and simplified organizational model, allowing for increased efficiency of operations and focused, dedicated management as well as eliminating external management fees;
- The simplified organizational structure creates a stronger alignment of interests among management, the Company’s Board of Directors (the “**Board**”), and shareholders;

- By combining owned brokerages with the Royal LePage and Via Capitale franchise networks, it empowers the Company's management team to respond to market dynamics more efficiently through its enhanced service offerings; and
- With the expansion of business lines to include direct brokerage operations, the Company is expected to be in a better position to grow its industry-leading national network of REALTORS[®] and brokers in addition to diversifying its revenue streams.

Anticipated Effect of the Transaction on the Company's Business and Affairs

The Transaction is expected to broaden the Company's business through the acquisition of several best-in-class brokerages. The Company expects that including direct brokerage operations in its business will enable it to capture more revenues and add new capabilities with which to expand its market share across Canada.

If consummated, the Transaction will also result in the internalization of the Company's existing management services arrangements, including the retention of the employees of the Manager that have been responsible for managing the Company and the Brokerages for the past two decades, and the termination of management fee payments to Brookfield.

In addition to simplifying the organizational structure of the Company, the Transaction is also expected to reduce the Company's financial leverage by fully settling the outstanding deferred management fees and distributions owed by the Partnership to Brookfield.

If consummated, upon closing of the Transaction, the Company intends to effect several key changes to the Board and management team that are anticipated to further increase the operational effectiveness of the business while maintaining continuity of operations:

- Lorraine Bell, who has been a member of the Board since 2003, will succeed Spencer Enright as the independent chair of the Board;
- Spencer Enright, who for the past decade has been the Chief Executive Officer of the Manager, responsible for overall leadership and oversight over operations of the Brokerages, will become Chief Executive Officer of the Company and continue as a director on the Board; and
- Phil Soper will continue his role in managing all agent and franchise relationships as the President of the Company.

Anticipated Effect of the Transaction on Brookfield

Immediately following the consummation of the Transaction, after taking into account the additional approximately 2,902,854 Exchangeable Units to be issued by the Partnership in consideration for the Transaction (representing approximately 22.7% of the Restricted Voting Shares on a fully-diluted basis), Brookfield will, together with the persons and entities which are directly or indirectly controlled by it, beneficially own or exercise control or direction over, 315,000 Restricted Voting Shares (representing approximately 3.3% of the Restricted Voting Shares on a non-diluted basis and 2.0% of the Restricted Voting Shares on a fully-diluted basis)

and approximately 6,230,521 Exchangeable Units (representing approximately 39.7% of the Restricted Voting Shares on a fully-diluted basis). Such securities, in the aggregate, would represent approximately 41.7% of the Restricted Voting Shares on a fully-diluted basis.

Board Approval and Special Committee Recommendation

A special committee (the “**Special Committee**”) of the Board, comprised solely of independent directors, was appointed to review, consider, negotiate, evaluate and recommend the approval by the Board of the terms and conditions of the Transaction. The Special Committee retained an independent financial advisor and independent legal counsel to assist in the discharge of its mandate.

The Board, acting on the unanimous recommendation of the Special Committee, unanimously approved the Transaction and recommends that holders of Restricted Voting Shares vote in favour of the Transaction at the special meeting of shareholders to be called to approve the Transaction (the “**Shareholder Meeting**”). In making its recommendation, the Board considered a number of factors, including among others, the Special Committee’s receipt of a fairness opinion from Blair Franklin Capital Partners Inc. (“**Blair Franklin**”), which concluded that in Blair Franklin’s opinion, as of the date of the opinion and based upon and subject to the assumptions, limitations, and qualifications set forth therein, the Exchangeable Units to be offered pursuant to the Transaction, is fair from a financial point of view to the Company.

A copy of the fairness opinion, and the factors considered by the Special Committee as well as other relevant background information with respect to the Transaction will be included in an information circular (the “**Circular**”) that will be filed with applicable regulatory authorities and mailed to shareholders in accordance with applicable securities laws in advance of the Shareholder Meeting. The Company expects to mail the Circular in March 2024, and to hold the Shareholder Meeting in April 2024. The Circular will be made available on SEDAR+ (www.sedarplus.ca) under the Company’s issuer profile.

Prior Valuations

There are no “prior valuations” (as defined in MI 61-101) in respect of the Company that relate to the subject matter of or are otherwise relevant to the Transaction that have been made in the 24 months before the date of this material change report and the existence of which is known, after reasonably inquiry, to the Company or to any director or senior officer of the Company.

Agreements with Brookfield

The Company and Brookfield are each parties to the Definitive Agreement, which sets forth the terms of the Transaction and includes representations, warranties, covenants and conditions typical of a transaction of this nature. The Special Committee, with the assistance of independent legal counsel, reviewed, considered and negotiated the terms of the Definitive Agreement on behalf of the Company. A copy of the Definitive Agreement is available on SEDAR+ (www.sedarplus.ca) under the Company’s issuer profile.

Formal Valuation and Minority Approval Exemptions

MI 61-101 provides a number of circumstances in which a transaction between an issuer and a related party may be subject to formal valuation and minority approval requirements under MI 61-101. An exemption from such requirements is available when the fair market value of the transaction does not exceed 25% of the market capitalization of the issuer. The Company has received exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and formal valuation requirements for transactions that would have a value of less than 25% of the Company's market capitalization, if the Exchangeable Units held by Brookfield are included in the calculation of the Company's market capitalization. As a result, the 25% threshold, above which the minority approval and formal valuation requirements would apply, is increased to include the approximately 25% indirect exchangeable equity interest in the Company held by Brookfield in the form of Exchangeable Units.

As the fair market value of the Transaction is less than 25% of the Company's market capitalization on a fully-diluted basis (assuming the exchange of all Exchangeable Units on a one-for-one basis into Restricted Voting Shares), the Transaction is not subject to the formal valuation and minority approval requirements of MI 61-101.

Item 6 – Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 – Omitted Information

None.

Item 8 – Executive Officer

The name and business telephone number of the officer who is knowledgeable about the material change and this report is:

Name: Glen McMillan
Position: Chief Financial Officer
Tel: (416) 417-3870

Item 9 – Date of Report

December 22, 2023.

Forward-Looking Statements

This material change report contains forward-looking information and other “forward-looking statements”, including, without limitation, statements with respect to the Transaction, including the anticipated benefits of the Transaction; the economic and strategic impact of the Transaction; the expected timeline for mailing the Circular and holding the Shareholder Meeting; the satisfaction of the conditions to closing the Transaction and the timing thereof; and the intended changes to the Company's Board and management team. Words such as “continues”, “appear”, “until”, “may”, “expect”, “could”, “will”, “intend” 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: any resurgence of COVID-19 (including any impact of COVID-19 on the economy and the Company's business), changes in the supply or demand of houses for sale in Canada or in any particular region within Canada, changes in the selling price for houses in Canada or any particular region within Canada, changes in the Company's cash 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, the Company's 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. There are also risks that are inherent in the nature of the Transaction, including the diversion of management time caused by the Transaction, the failure to satisfy the conditions to the completion of the Transaction, the failure to obtain any required approvals (or to do so in a timely manner) and the failure to realize the anticipated benefits of the Transaction. 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, anticipated benefits from the Transaction, business prospects, the successful execution of the Company's business strategies and recent regulatory developments, including as the foregoing relate to COVID-19. The factors underlying current expectations are dynamic and subject to change. Certain information in this material change report may be considered as "financial outlook" within the meaning of applicable securities legislation. The purpose of this financial outlook is to provide readers with disclosure regarding the Company's reasonable expectations with respect to the Transaction. Readers are cautioned that the financial outlook may not be appropriate for other purposes. Although the forward-looking statements contained in this material change report 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.

SCHEDULE “A”

Bridgemarq Real Estate Services® Announces Strategic Transaction to Acquire High-Quality Real Estate Brokerage Assets and Become Independently Managed

(TORONTO, ON) December 14, 2023 – Bridgemarq Real Estate Services Inc. (“**Bridgemarq**” or the “**Company**”) (TSX: BRE) today announced it has entered into a definitive agreement with an affiliate of Brookfield Business Partners (“**Brookfield**”) to complete a transaction that is intended to position the Company for future growth (the “**Transaction**”).

The Transaction involves the acquisition by Residential Income Fund L.P. (the “**Partnership**”), a wholly-owned subsidiary of the Company, of the following:

- A significant portfolio of high-quality residential real estate brokerages operating across Canada (“**Brokerages**”), including 25 Royal LePage and Johnston & Daniel brokerages, 3 Via Capitale brokerages and Proprio Direct Inc. (“**Proprio Direct**”), one of the leading and fastest growing virtual brokerages based in Québec; and
- Bridgemarq Real Estate Services Manager Limited (the “**Manager**”), resulting in the internalization of the Company’s existing management services arrangements, including the retention of the employees of the Manager that have been responsible for managing Bridgemarq and the Brokerages for the past two decades, and the termination of management fee payments to Brookfield.

A special committee (the “**Special Committee**”) of Bridgemarq’s Board of Directors (the “**Board**”), comprised solely of independent directors, was appointed to review, consider, negotiate, evaluate and recommend the approval of the terms and conditions of the Transaction. The Special Committee retained an independent financial advisor and independent legal counsel to assist in the discharge of its mandate.

Pursuant to the definitive agreement for the Transaction (the “**Definitive Agreement**”), the Partnership will issue approximately 2.9 million Class B limited partnership units (the “**Exchangeable Units**”), subject to certain customary purchase price adjustments, to (1) acquire all of the issued and outstanding shares of the Brokerages and the Manager, and (2) settle certain management fees and distributions owing by the Partnership to Brookfield totaling approximately \$6.6 million, at a discount to face value by converting the amount owing to Exchangeable Units at a premium above the current share price. The Exchangeable Units are exchangeable on a one-for-one basis into an equivalent number of restricted voting shares of the Company (the “**Restricted Voting Shares**”).

At a 5-day VWAP of \$11.74 as of December 13, the total consideration for the Transaction is valued at approximately \$34 million. As a result of the Transaction, Brookfield’s ownership interest in the Company is expected to increase from approximately 28.4% to approximately 41.7%.

In addition to simplifying the organizational structure of the Company, the Transaction will reduce the Company’s financial leverage by increasing earnings and fully settling the outstanding deferred payments owed to Brookfield.

“We are pleased to announce the internalization of management and acquisition of several best-in-class brokerages, including one of the largest real estate brokerages in the country, operating in three provinces under our flagship Royal LePage brand. We are also acquiring the innovative Proprio Direct business, which operates an industry-leading high-efficiency brokerage model from one location servicing the entire province of Québec. The Special Committee believes the

Transaction is in the best interests of the Company and is fair from a financial point of view,” said Colum Bastable, Independent Director and Special Committee Chair.

“The broadening of our business to include direct brokerage operations enables us to capture more revenues and adds new capabilities with which to expand our market share across Canada. We are also excited by the addition of the established Proprio Direct brand to our portfolio of industry-leading real estate brands, which will improve our ability to provide diverse, innovative brokerage solutions for REALTORS®¹,” Spencer Enright, Chairman of the Board and CEO of the Manager added. “We expect the Transaction to deliver value for all shareholders over the long term as we add additional growth levers to capitalize on our market leading brands. In addition, the settlement of the deferred payments owed to Brookfield meaningfully deleverages the business.”

“These are exciting developments for our business which will build on our 100 years’ experience in the Canadian real estate industry,” said Phil Soper, President and CEO of Bridgemaq. “Our iconic leading brands, strong nationwide networks of REALTORS® and franchises, proprietary technology solutions and commitment to providing reliable and attractive shareholder distributions remain intact and will benefit greatly from the internalization of our experienced management team and the addition of new brokerage operating capabilities.”

BENEFITS OF THE TRANSACTION

The Transaction provides a number of meaningful benefits to shareholders, including the following:

- **Compelling Pro Forma Financial Metrics.** The Transaction is expected to meaningfully enhance the scale of Bridgemaq and deleverage the business. Given the expected liquidity of the pro forma entity, the Company anticipates maintaining existing levels of cash dividends per share, subject to the discretion of the Board.
- **Expanded Growth Opportunities.** With the acquisition of the Brokerages, including the innovative Proprio Direct virtual brokerage model operating only in Québec, Bridgemaq adds the capability to capture future growth across a broader spectrum of the real estate industry through both organic growth and future acquisition opportunities.
- **Simplified Organizational Structure.** The Transaction will result in a more traditional and simplified organizational model, allowing for increased efficiency of operations and focused, dedicated management as well as eliminating external management fees.
- **Stronger Alignment of Interests.** The simplified organizational structure creates a stronger alignment of interests among management, the Board, and shareholders. By combining owned brokerages with the Royal LePage and Via Capitale franchise networks, it also empowers the management team to respond to market dynamics more efficiently through its enhanced service offerings.
- **Strengthened Franchise Network.** With the expansion of business lines to include direct brokerage operations, Bridgemaq is expected to be in a better position to grow its industry-leading national network of REALTORS® and brokers in addition to diversifying its revenue streams.

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

ORGANIZATIONAL UPDATE

If consummated, upon closing of the Transaction, the Company intends to effect several key changes to the Board and management team that are anticipated to further increase the operational effectiveness of the business while maintaining continuity of operations:

- Lorraine Bell, who has been a valuable member of the Board since 2003, will succeed Spencer Enright as the independent chair of the Board.
- Spencer Enright, who for the past decade has been the Chief Executive Officer of the Manager, responsible for overall leadership and oversight over operations of the Brokerages, will become Chief Executive Officer of Bridgemaq and continue as a director on the Board.
- Phil Soper will continue his role in managing all agent and franchise relationships as the President of Bridgemaq.

BOARD AND SPECIAL COMMITTEE RECOMMENDATION

The Board, acting on the unanimous recommendation of the Special Committee, has unanimously approved the Transaction and recommends that holders of Restricted Voting Shares vote in favour of the Transaction at the special meeting of shareholders to be called to approve the Transaction (the “**Shareholder Meeting**”). In making its recommendation, the Board considered a number of factors, including among others, the Special Committee’s receipt of a fairness opinion from Blair Franklin Capital Partners Inc. (“**Blair Franklin**”), which concluded that in Blair Franklin’s opinion, and based upon and subject to the assumptions, limitations, and qualifications set forth therein, the issuance of the Exchangeable Units to Brookfield pursuant to the Transaction is fair, from a financial point of view, to the Company.

TRANSACTION APPROVALS

The Transaction constitutes a “related party transaction” for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), however the Company expects to receive exemptive relief from the minority approval and formal valuation requirements of MI 61-101 in accordance with sections 5.5(a) and 5.7(a), respectively, by virtue of the fact that the value of the Transaction is less than 25.0% of the Company’s market capitalization.

Under applicable Toronto Stock Exchange (“**TSX**”) rules, the Transaction will be subject to approval by Bridgemaq’s shareholders, as the number of Exchangeable Units to be issued to Brookfield, an insider of the Company, exceeds 10.0% of the total number of outstanding Restricted Voting Shares. In accordance with the TSX rules, Brookfield and its associates and affiliates (representing approximately 28.4% of the Restricted Voting Shares of Bridgemaq on a fully-diluted basis) will be excluded for the purposes of such shareholder approval. Senior officers and directors of the Company (representing approximately 0.7% of the Restricted Voting Shares on a fully-diluted basis) have entered into voting and support agreements pursuant to which they have agreed to, among other things, vote their Restricted Voting Shares in favour of the Transaction.

In addition to shareholder approval, the completion of the Transaction is subject to, among other things, applicable regulatory approvals, including TSX approval, and the satisfaction or waiver of certain other closing conditions customary in transactions of this nature. Subject to the satisfaction of such conditions, the Transaction is expected to close by April 2024.

A copy of the fairness opinion, and the factors considered by the Special Committee as well as other relevant background information with respect to the Transaction will be included in an information circular (the “**Circular**”) that will be filed with applicable regulatory authorities and mailed to shareholders in accordance with applicable securities laws in advance of the Shareholder Meeting. Bridgemarq expects to mail the Circular in March 2024, and to hold the Shareholder Meeting in April 2024. The Circular will be made available on SEDAR+ (www.sedarplus.ca) under the Company’s issuer profile.

ADVISORS

Blair Franklin is acting as independent financial advisor and Stikeman Elliott LLP is acting as independent legal counsel to the Special Committee in connection with the Transaction. Goodmans LLP is advising Brookfield on the Transaction.

ABOUT BRIDGEMARQ REAL ESTATE SERVICES

Bridgemarq is a leading provider of services to residential real estate brokers and a network of approximately 21,000 REALTORS®. We operate in Canada under the Royal LePage, Via Capitale and Johnston & Daniel brands. For more information, go to bridgemarq.com.

For more information, please contact:

Anne-Elise Cugliari Allegritti
 Director of Investor Relations
 Bridgemarq Real Estate Services
info@bridgemarq.com
 Tel: 647-229-6626

CONFERENCE CALL

The Company will host a conference call on Monday, December 18, 2023, at 10 a.m. Eastern Daylight Time to discuss the Transaction.

To access the call by telephone, please dial 1-888-664-6383 or 416-764-8650.

To access the call online, please visit <https://app.webinar.net/ov52aAQaRBq>.

Please connect approximately ten minutes prior to the beginning of the call to ensure participation.

A recording of the conference call will be available in the Investor Centre section of the Company’s website by Wednesday, December 20, 2023, where you can also find a copy of the management presentation discussed on the call (the “**Presentation**”).

PRO FORMA FINANCIAL INFORMATION

The Transaction is expected to improve the Company’s leverage profile and contribute to higher EBITDA.

(\$CAD millions)	2022 Actual	2022 Pro Forma	Sept. 2023 – LTM Actual	Sept. 2023 – LTM Pro Forma
Debt: EBITDA Ratio	2.4	1.9	2.6	2.3
EBITDA : Interest Ratio	9.3	12.6	8.5	9.6
EBITDA	27.7	35.4	25.6	28.8

The pro forma financial information referred to in this press release, which gives effect to the Transaction as if it had closed on January 1, 2022 and October 1, 2022, respectively, was prepared utilizing accounting policies that are consistent with those disclosed in the audited consolidated financial statements of the Company for the year ended December 31, 2022 and the unaudited condensed consolidated financial statements of the Company as at and for the three and nine months ended September 30, 2023.

The pro forma financial information has been derived from, and should be read in conjunction with: (i) the audited consolidated financial statements of the Company for the year ended December 31, 2022, and (ii) the unaudited condensed consolidated financial statements of the Company as at and for the three and nine months ended September 30, 2023, each of which is available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile, as well as (iii) the audited combined consolidated financial statements of the Manager and Proprio Direct for the year ended December 31, 2022, and (iv) the unaudited interim condensed combined consolidated financial statements of the Manager and Proprio Direct for the three and nine months ended September 30, 2023, each of which will be included in the Circular and will be available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile. Certain adjustments and assumptions were made when preparing the pro forma financial information to give effect to the Transaction. The information upon which such adjustments and assumptions were made was preliminary and adjustments and assumptions of this nature are difficult to make with complete accuracy. Additionally, the pro forma financial information may not reflect, among other things, all of the costs that are expected to be incurred by the Company in connection with the Transaction. The Company has not independently verified the financial statements of the Manager and Proprio Direct that were used to prepare certain of the pro forma financial information included in this press release and such pro forma financial information is not intended to be indicative of the financial condition, results of operations or cash flows that would actually have occurred, or which are expected in future periods, had the Transaction occurred on the dates indicated. The pro forma financial information contained in this press release is included for informational purposes only, as of their respective dates, and undue reliance should not be placed on such pro forma financial information. See "Forward- Looking Statements".

NON-GAAP MEASURE

This news release makes reference to EBITDA, which is a non-GAAP financial measure and does not have any standardized meaning under International Financial Reporting Standards and, accordingly, may not be comparable to similar measures used by other companies. EBITDA is defined as operating income before deducting write-off of intangible assets, depreciation and amortization and interest expense and is a useful supplemental measure of performance as it provides investors an indication of the amount of cash flow generated by the Company (or the Brokerages or the Manager) before considering financing costs, income taxes and other investment and working capital requirements. Please see below for a reconciliation of EBITDA to its most directly comparable financial measure:

(\$CAD millions)	2022 Actual	2022 Pro Forma	Sept. 2023 – LTM Actual	Sept. 2023 – LTM Pro Forma
Operating Earnings	17.4	18.5	15.5	12.3
Depreciation and Amortization	7.2	13.1	6.9	12.4
Write-Off of Intangible Assets	0.1	0.2	0.2	0.2
Interest Expense	3.0	3.6	3.0	3.9
EBITDA	27.7	35.4	25.6	28.8

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking information and other "forward-looking statements", including, without limitation, statements with respect to the Transaction, including the anticipated

benefits of the Transaction; the economic and strategic impact of the Transaction; the expected timeline for mailing the Circular and holding the Shareholder Meeting; the satisfaction of the conditions to closing the Transaction and the timing thereof; and the intended changes to the Company's Board and management team. Words such as "continues", "appear", "until", "may", "expect", "could", "will", "intend" 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: any resurgence of COVID-19 (including any impact of COVID-19 on the economy and the Company's business), changes in the supply or demand of houses for sale in Canada or in any particular region within Canada, changes in the selling price for houses in Canada or any particular region within Canada, changes in the Company's cash 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, the Company's 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. There are also risks that are inherent in the nature of the Transaction, including the diversion of management time caused by the Transaction, the failure to satisfy the conditions to the completion of the Transaction, the failure to obtain any required approvals (or to do so in a timely manner) and the failure to realize the anticipated benefits of the Transaction. 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, anticipated benefits from the Transaction, business prospects, the successful execution of the Company's business strategies and recent regulatory developments, including as the foregoing relate to COVID-19. The factors underlying current expectations are dynamic and subject to change. Certain information in this press release may be considered as "financial outlook" within the meaning of applicable securities legislation. The purpose of this financial outlook is to provide readers with disclosure regarding the Company's reasonable expectations with respect to the Transaction. Readers are cautioned that the financial outlook may not be appropriate for other purposes. Although the forward-looking statements contained in this press release are based upon what management believes are reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

CERTAIN EARLY WARNING REPORT DISCLOSURES

Brookfield, together with the persons and entities which are directly or indirectly controlled by it, beneficially owns or exercises control or direction over 315,000 Restricted Voting Shares (representing approximately 3.3% of the Restricted Voting Shares on a non-diluted basis and 2.5% of the Restricted Voting Shares on a fully-diluted basis, assuming the exchange of all outstanding Exchangeable Units) and 3,327,667 Exchangeable Units (representing approximately 26.0% of the Restricted Voting Shares on a fully-diluted basis, assuming the exchange of all Exchangeable Units). Such securities, in the aggregate represent approximately 28.4% of the Restricted Voting Shares on a fully-diluted basis, assuming the exchange of all Exchangeable Units.

After taking into account the additional approximately 2,902,854 Exchangeable Units to be issued by the Partnership in consideration for the Transaction (representing approximately 22.7% of the Restricted Voting Shares on a fully-diluted basis, assuming the exchange of all Exchangeable Units), Brookfield will, together with the persons and entities which are directly or indirectly controlled by it, beneficially own or exercise control or direction over, 315,000 Restricted Voting Shares (representing approximately 3.3% of the Restricted Voting Shares on a non-diluted basis and 2.0% of the Restricted Voting Shares on a fully-diluted basis, assuming the exchange of all outstanding Exchangeable Units) and approximately 6,230,521 Exchangeable Units (representing approximately 39.7% of the Restricted Voting Shares on a fully-diluted basis, assuming the exchange of all Exchangeable Units). Such securities, in the aggregate would represent approximately 41.7% of the Restricted Voting Shares on a fully-diluted basis, assuming the exchange of all Exchangeable Units.

The above calculations are based on 9,483,850 Restricted Voting Shares and 3,327,667 Exchangeable Units being issued and outstanding (calculated on a non-diluted basis) immediately prior to the Transaction and 9,483,850 Restricted Voting Shares and 6,230,521 Exchangeable Units being issued and outstanding (calculated on a non-diluted basis) following the Transaction.

Brookfield's direct and indirect holdings of Restricted Voting Shares and Exchangeable Units are being held for investment purposes and such holdings may be increased or decreased as considered appropriate in light of investment criteria, market conditions and other factors and in accordance with the provisions of applicable securities legislation.

This news release is being issued under the early warning provisions of Canadian securities legislation. A copy of the Early Warning Report to be filed by Brookfield in connection with the transactions described above will be available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile.

The head office of the Company is located at 39 Wynford Drive, Suite 200, Toronto, Ontario, Canada M3C 3K5. Brookfield's address is 181 Bay Street, Unit 100, Toronto, Ontario, M5J 2T3.

To obtain a copy of the Early Warning Report filed under National Instrument 62-103, please contact:

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