

# INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited) (In thousands of Canadian dollars)	Notes	September 30, 2025	December 31, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 9,550	\$ 9,088
Cash held in trust		38,262	35,467
Accounts receivable	3	6,267	5,692
Current portion of notes receivable		175	145
Current income taxes recoverable		261	155
Prepaid expenses and other current assets		2,976	3,326
		<b>57,491</b>	<b>53,873</b>
<b>Non-current assets</b>			
Notes receivable		195	210
Property and equipment, net		1,953	2,273
Right-of-use assets, net	4	18,033	19,500
Deferred income tax assets	6	9,906	9,823
Intangible assets, net	5	45,690	48,140
Goodwill		23,626	23,626
		<b>\$ 156,894</b>	<b>\$ 157,445</b>
<b>Liabilities and shareholders' deficit</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$ 15,336	\$ 16,837
Customer deposits		38,262	35,467
Lease liabilities	4	3,050	3,000
Interest payable to Exchangeable Unitholders	8	909	909
Dividends payable to shareholders	10	1,067	1,067
Exchangeable Units	8	93,166	93,916
		<b>151,790</b>	<b>151,196</b>
<b>Non-current liabilities</b>			
Debt facilities	7	78,040	66,904
Lease liabilities	4	16,267	17,251
Deferred income tax liabilities	6	1,784	2,339
		<b>247,881</b>	<b>237,690</b>
<b>Shareholders' deficit</b>			
Restricted voting shares	9	140,076	140,076
Deficit		(231,063)	(220,321)
		<b>(90,987)</b>	<b>(80,245)</b>
		<b>\$ 156,894</b>	<b>\$ 157,445</b>

See accompanying notes to the interim condensed consolidated financial statements.

Approved on behalf of the Board



**Gail Kilgour**  
Director



**Lorraine Bell**  
Director

# INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET AND COMPREHENSIVE EARNINGS (LOSS)

(Unaudited) (In thousands of Canadian dollars, except share and per share amounts)	Notes	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
<b>Revenues</b>					
Gross commission income		\$ 106,261	\$ 109,624	\$ 258,115	\$ 201,661
Franchise fees		11,607	11,523	35,397	34,528
Other revenues		5,032	5,665	15,373	12,983
		<b>122,900</b>	126,812	<b>308,885</b>	249,172
<b>Expenses</b>					
Commissions		102,188	104,444	244,886	191,496
Cost of other revenue		2,370	1,973	5,770	4,436
Compensation	12	7,080	6,642	21,968	13,641
General and administration	3,12	1,455	1,884	4,396	4,870
Software, hosting and licensing		1,340	1,225	4,003	2,475
Premises		709	778	2,213	1,621
Marketing and communications		881	746	3,342	1,466
Other operating		375	288	1,563	915
Management fees		-	-	-	4,742
Interest on debt	7	918	1,102	2,764	3,590
Interest on lease obligation	4	314	314	880	634
Share-based compensation	13	199	-	251	-
Impairment and write-off of intangible assets		107	53	147	1,775
Depreciation and amortization	4,5	2,933	3,422	8,777	8,590
		<b>120,869</b>	122,871	<b>300,960</b>	240,251
<b>Operating income</b>					
		<b>2,031</b>	3,941	<b>7,925</b>	8,921
Interest on Exchangeable Units	8	(2,726)	(2,726)	(8,177)	(6,903)
Gain (loss) on fair value of Exchangeable Units	8	-	(10,810)	750	(2,850)
Gain on settlement of deferred payments		-	-	-	1,224
Gain on settlement of contract transfer obligation		-	-	-	99
<b>Earnings (loss) before income tax</b>					
		<b>(695)</b>	(9,595)	<b>498</b>	491
Current income tax expense	6	148	1,246	2,276	2,315
Deferred income tax expense (recovery)	6	883	-	(638)	(1,131)
<b>Income tax expense</b>					
		<b>1,031</b>	1,246	<b>1,638</b>	1,184
<b>Net and comprehensive loss</b>					
		<b>\$ (1,726)</b>	\$ (10,841)	<b>\$ (1,140)</b>	\$ (693)
Basic loss per share	10	<b>\$ (0.18)</b>	\$ (1.14)	<b>\$ (0.12)</b>	\$ (0.07)
Weighted average number of shares outstanding used in computing basic loss per share		<b>9,483,850</b>	9,483,850	<b>9,483,850</b>	9,483,850
Diluted loss per share	10	<b>\$ (0.18)</b>	\$ (1.14)	<b>\$ (0.12)</b>	\$ (0.07)
Weighted average number of shares outstanding used in computing diluted loss per share		<b>9,483,850</b>	9,483,850	<b>9,483,850</b>	9,483,850

See accompanying notes to the interim condensed consolidated financial statements.

# INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

(Unaudited) For the nine months ended September 30, (In thousands of Canadian dollars)	Restricted Voting Shares	Deficit	Shareholders' Deficit
Balance, December 31, 2024	\$ 140,076	\$ (220,321)	\$ (80,245)
Net loss	-	(1,140)	(1,140)
Dividends paid	-	(9,602)	(9,602)
<b>Balance, September 30, 2025</b>	<b>\$ 140,076</b>	<b>\$ (231,063)</b>	<b>\$ (90,987)</b>

(Unaudited) For the nine months ended September 30, (In thousands of Canadian dollars)	Restricted Voting Shares	Deficit	Shareholders' Deficit
Balance, December 31, 2023	\$ 140,076	\$ (197,196)	\$ (57,120)
Net loss	-	(693)	(693)
Dividends paid	-	(9,602)	(9,602)
<b>Balance, September 30, 2024</b>	<b>\$ 140,076</b>	<b>\$ (207,491)</b>	<b>\$ (67,415)</b>

See accompanying notes to the interim condensed consolidated financial statements.

# INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited) (In thousands of Canadian dollars)	Notes	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
<b>Cash provided by (used in):</b>					
<b>Operating activities</b>					
Net loss		\$ (1,726)	\$ (10,841)	\$ (1,140)	\$ (693)
Adjusted for					
Loss (gain) on fair value of Exchangeable Units	8	-	10,810	(750)	2,850
Interest expense		3,958	4,125	11,821	11,126
Interest paid		(3,631)	(3,871)	(10,904)	(9,689)
Interest income		(312)	(521)	(927)	(1,148)
Interest received		312	521	927	1,148
Current income tax expense	6	148	1,246	2,276	2,315
Income taxes paid		(711)	(831)	(2,533)	(2,402)
Deferred income tax expense (recovery)	6	883	-	(638)	(1,131)
Impairment and write-off of intangible assets		107	53	147	1,775
Depreciation and amortization	4,5	3,082	3,652	9,180	9,198
Other non-cash		-	10	-	10
Gain on settlement of deferred payments		-	-	-	(1,224)
Gain on settlement of contract transfer obligation		-	-	-	(99)
Net changes in non-cash working capital		(835)	(1,680)	(1,872)	3,260
		1,275	2,673	5,867	15,296
<b>Investing activities</b>					
Additions to property and equipment and intangible assets		(3,018)	(319)	(3,764)	(1,065)
Cash acquired on acquisition	11	-	-	-	4,015
Repayment of contract transfer obligation		-	-	-	(4)
		(3,018)	(319)	(3,764)	2,946
<b>Financing activities</b>					
Repayments under debt facilities	7	(1,500)	-	(1,500)	-
Borrowings under debt facilities	7	5,600	-	12,600	-
Financing fees	7	-	-	-	(77)
Lease payments	4	(1,021)	(1,098)	(3,139)	(2,171)
Dividends paid to shareholders	10	(3,201)	(3,201)	(9,602)	(9,602)
		(122)	(4,299)	(1,641)	(11,850)
<b>Net increase (decrease) in cash and cash equivalents during the period</b>		<b>(1,865)</b>	<b>(1,945)</b>	<b>462</b>	<b>6,392</b>
<b>Cash and cash equivalents, beginning of the period</b>		<b>11,415</b>	<b>14,080</b>	<b>9,088</b>	<b>5,743</b>
<b>Cash and cash equivalents, end of the period</b>		<b>\$ 9,550</b>	<b>\$ 12,135</b>	<b>\$ 9,550</b>	<b>\$ 12,135</b>

See accompanying notes to the interim condensed consolidated financial statements.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2025 and 2024  
(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”. The registered and head office of the Company is located at 39 Wynford Drive, Suite 200, Toronto, Ontario, M3C 3K5. Through its ownership interest in Residential Income Fund L.P. (the “Partnership”), Bridgemarq owns certain real estate brokerage operations (“Brokerages”), franchise agreements (“Franchise Agreements”) and Trademark Rights (“Trademarks”) of residential and commercial real estate brands in Canada.

## 2. MATERIAL ACCOUNTING POLICIES

### Basis of Presentation

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting 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 consolidated financial statements of the Company as of and for the year ended December 31, 2024.

These interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of Bridgemarq on November 13, 2025, and should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2024. Certain comparative balances and amounts related to 2024 operating results have been restated or reclassified, as appropriate, to conform with the audited results of the Company for the year ended December 31, 2024.

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

### Share-Based Compensation

The Company has established certain incentive programs that provide incentives to certain members of senior management (“Executives”) or directors of the Company. These share-based compensation plans are measured at fair value at the grant date and compensation expense recognized in the interim condensed consolidated statements of net and comprehensive earnings (loss) consistent with the vesting features of each plan. These incentive programs are administered by Bridgemarq’s Board of Directors and consist of the following share-based compensation plans:

- (i) A stock option plan (“SOP”) under which certain Executives may be provided with options to purchase restricted voting shares (“Shares”) of the Company (“Options”) at a set price (“Strike Price”). Once vested, the Executive can elect to exercise the Option by purchasing Shares at the Strike Price or to settle the Option for a cash payment equal to the amount by which the market price of the Shares on the date of exercise exceeds the Strike Price. The Options issued under the SOP represent a compound instrument and the Company separately measures the costs of the debt component and the equity component of the Options.

The Company uses the Black-Scholes option pricing model to measure the debt component of the options. The market price of the Shares (“Market Price”) is determined using the volume-weighted average price of the Shares traded on the TSX for the five days immediately prior to the measurement date. The expense associated with the grant of the Options is recognized as services are performed by the Executive over the vesting period of the Options. To the extent that the employee elects to settle the Option for cash, any payment in excess of the amount previously accrued would be recorded in profit and loss at the time of settlement. The liability associated with the Options is re-measured at each reporting date with any adjustment recorded in profit and loss.

- (ii) A restricted share unit plan (“RSU Plan”) under which restricted share units (“RSUs”) may be offered to Executives. The value of RSUs issued to each Executive is determined with reference to the number of RSUs issued and the Share price on the date of the grant. Settlement of RSUs occurs upon vesting by way of a cash payment for an amount equal to the Share price on the settlement date. The RSUs issued under the RSU Plan represent a liability award.

The expense associated with the issuance of RSUs is recognized as services are performed by the Executive over the vesting period. The liability associated with the RSUs is re-measured at each reporting date with any adjustment recorded in profit and loss.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2025 and 2024  
(Expressed in thousands of Canadian dollars, unless stated otherwise)

(iii) A performance share unit plan (“PSU Plan”) under which performance share units (“PSUs”) may be offered to certain Executives. The value of PSUs issued to each Executive is determined with reference to the underlying stock performance and free cash flow performance of the Company (“PSU Performance Goals”). Settlement of PSUs occurs upon vesting by way of a cash payment based on the accomplishment of the PSU Performance Goals over the performance period. The PSUs represent a liability award.

The expense associated with the issuance of PSUs is recognized as services are performed by the executive over the vesting period. The liability associated with the PSUs is re-measured at each reporting date with any adjustment recorded in profit and loss.

(iv) A deferred share unit plan (“DSU Plan”) under which directors can elect to receive deferred share units (DSUs”) in lieu of cash payments for directors’ fees that are otherwise payable for their service as Directors of the Company. The DSUs vest on the grant date and the number of DSUs issued is determined with reference to the Share price on the date of the grant. Settlement of the DSUs occurs after the director ceases to be a member of the Board of Directors by way of a cash payment for an amount equal to the Share price on the settlement date for each vested DSU.

The expense associated with DSUs is recognized when the DSUs are issued as they represent payments for services that have already been performed. The liability associated with the DSUs is re-measured at each reporting date with any adjustment recorded in profit and loss.

## 3. ACCOUNTS RECEIVABLE

As at September 30, 2025, the Company had accounts receivable of \$6,267 (December 31, 2024 - \$5,692) net of an allowance for expected credit losses of \$458 (December 31, 2024 - \$407). During the three and nine months ended September 30, 2025, general and administration expense included a bad debt expense of \$24 and \$109 respectively (2024 - \$39 and \$156).

Management reviews accounts receivable to determine whether an allowance for expected credit losses is required by assessing the collectability of receivables owing from each individual debtor. This assessment takes into consideration certain factors including the aging of outstanding balances, debtor 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 September 30, 2025 and December 31, 2024:

As at,	September 30, 2025	December 31, 2024
Current	\$ 4,758	\$ 3,872
30 days past due	614	718
60 days past due	476	505
90+ days past due	877	1,004
Subtotal	\$ 6,725	\$ 6,099
Allowance for expected credit losses	(458)	(407)
Accounts receivable	\$ 6,267	\$ 5,692

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

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2025 and 2024  
(Expressed in thousands of Canadian dollars, unless stated otherwise)

## 4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The table below summarizes the Right-of-Use Assets as at September 30, 2025 and December 31, 2024:

	Property	Equipment	Total
<b>Cost</b>			
At December 31, 2024	\$ 22,073	\$ 317	\$ 22,390
Additions	1,137	188	1,325
<b>At September 30, 2025</b>	<b>\$ 23,210</b>	<b>\$ 505</b>	<b>\$ 23,715</b>
<b>Accumulated amortization</b>			
At December 31, 2024	\$ (2,723)	\$ (167)	\$ (2,890)
Amortization expense	(2,633)	(159)	(2,792)
<b>At September 30, 2025</b>	<b>\$ (5,356)</b>	<b>\$ (326)</b>	<b>\$ (5,682)</b>
<b>Carrying value</b>			
At December 31, 2024	\$ 19,350	\$ 150	\$ 19,500
<b>At September 30, 2025</b>	<b>\$ 17,854</b>	<b>\$ 179</b>	<b>\$ 18,033</b>

The table below summarizes the lease liabilities as at September 30, 2025 and December 31, 2024:

As at,		<b>September 30, 2025</b>
Balance, at December 31, 2024		\$ 20,251
Additions		1,325
Interest on lease obligation		880
Payment of lease liabilities		(3,139)
<b>Balance, at September 30, 2025</b>		<b>\$ 19,317</b>
As at,	<b>September 30, 2025</b>	December 31, 2024
Current portion of lease liabilities	\$ 3,050	\$ 3,000
Long-term portion of lease liabilities	16,267	17,251
<b>Total lease liabilities</b>	<b>\$ 19,317</b>	<b>\$ 20,251</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2025 and 2024  
(Expressed in thousands of Canadian dollars, unless stated otherwise)

## 5. INTANGIBLE ASSETS

Franchise agreement expenses are recorded as additions to intangible assets, net of any recovery of previously paid franchise agreement expenses.

For the three months ended September 30, 2025, the Company identified five Franchise Agreements with a carrying amount in excess of their recoverable amount (2024 - four) resulting in a net impairment charge of \$107 (2024 - \$53).

For the nine months ended September 30, 2025, the Company identified eight Franchise Agreements with a carrying amount in excess of their recoverable amount (2024 - 24) resulting in an impairment charge of \$147 (2024 - \$1,775).

A summary of intangible assets as at September 30, 2025 and December 31, 2024 is provided in the tables below:

	Franchise Agreements & Ancillary Agreements	Trademarks	Agent Contracts & Reacquired Rights	Brands	Total
<b>Cost</b>					
At December 31, 2024	\$ 200,950	\$ 5,427	\$ 16,440	\$ 2,500	\$ 225,317
Additions	3,631	-	-	-	3,631
Impairment and write-off	(265)	-	-	-	(265)
<b>At September 30, 2025</b>	<b>\$ 204,316</b>	<b>\$ 5,427</b>	<b>\$ 16,440</b>	<b>\$ 2,500</b>	<b>\$ 228,683</b>
<b>Accumulated amortization</b>					
At December 31, 2024	\$ (170,151)	\$ (3,943)	\$ (3,083)	\$ -	\$ (177,177)
Amortization expense	(3,422)	(142)	(2,370)	-	(5,934)
Impairment and write-off	118	-	-	-	118
<b>At September 30, 2025</b>	<b>\$ (173,455)</b>	<b>\$ (4,085)</b>	<b>\$ (5,453)</b>	<b>\$ -</b>	<b>\$ (182,993)</b>
<b>Carrying value</b>					
At December 31, 2024	\$ 30,799	\$ 1,484	\$ 13,357	\$ 2,500	\$ 48,140
<b>At September 30, 2025</b>	<b>\$ 30,861</b>	<b>\$ 1,342</b>	<b>\$ 10,987</b>	<b>\$ 2,500</b>	<b>\$ 45,690</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2025 and 2024  
(Expressed in thousands of Canadian dollars, unless stated otherwise)

## 6. 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 tax expense is as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Earnings (loss) before income tax:	\$ (695)	\$ (9,595)	\$ 498	\$ 491
Expected income tax expense (recovery) at statutory rate of 26.5% (2024 – 26.5%)	(184)	(2,543)	132	130
Increase (decrease) in income tax expense due to the following:				
Non-deductible amortization	70	192	192	410
Non-deductible loss (non-taxable gain) on fair value of Exchangeable Units	–	2,865	(199)	755
Non-deductible interest on Exchangeable Units	722	722	2,167	1,829
Income allocated to Exchangeable Unitholders	(99)	(421)	(955)	(1,134)
Adjustments for prior years and other	522	431	301	(806)
Total income tax expense	\$ 1,031	\$ 1,246	\$ 1,638	\$ 1,184

The major components of income tax expense include the following:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Current income tax expense	\$ 148	\$ 1,246	\$ 2,276	\$ 2,315
Deferred income tax expense (recovery)	883	–	(638)	(1,131)
Total income tax expense	\$ 1,031	\$ 1,246	\$ 1,638	\$ 1,184

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2025 and 2024  
(Expressed in thousands of Canadian dollars, unless stated otherwise)

## 7. DEBT FACILITIES

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

As at,	September 30, 2025	December 31, 2024
Term Facility	\$ 55,000	\$ 55,000
Acquisition Facility	17,100	12,000
Operating Facility	6,000	-
	\$ 78,100	\$ 67,000
Debt facility amendment adjustments and financing fees	(60)	(96)
<b>Debt facilities</b>	<b>\$ 78,040</b>	<b>\$ 66,904</b>

The Company has \$95,000 in financing arrangements under a borrowing agreement with a Canadian chartered bank which matures on December 31, 2026 ("Maturity").

The debt facilities under this agreement are comprised of the following;

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

A \$30,000 revolving acquisition facility (the "Acquisition Facility") is available to support acquisitions pursued by the Company. A standby fee of 0.15% applies on undrawn amounts under the Acquisition Facility. Repayment of principal outstanding is due on Maturity.

A \$10,000 revolving operating facility (the "Operating Facility") is available to meet the Company's day-to-day operating requirements.

Borrowings under each of these arrangements are collateralized by a first ranking security interest in substantially all assets of the Company and bear interest at a variable rate of Banker's Acceptances ("BA"s) +2.00% or Prime + 0.8% 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 operating income before deducting interest on debt, interest on lease obligation, impairment and write-off of intangible assets and depreciation and amortization. Senior Indebtedness is defined as borrowings on the Company's debt facilities. At September 30, 2025 and December 31, 2024, the Company has complied with all covenants under the debt facilities.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2025 and 2024  
(Expressed in thousands of Canadian dollars, unless stated otherwise)

## 8. EXCHANGEABLE UNITS

On March 31, 2024, the Company issued 2,920,877 Exchangeable Units to Brookfield BBP (Canada) Holdings L.P. (“BBP”) pursuant to the acquisition of certain assets from BBP (the “Acquisition”) and the settlement of certain deferred payments owing to BBP bringing the total number of Exchangeable Units outstanding to 6,248,544 (see Note 11 – Acquisition of Brokerage Operations and Bridgemarq Real Estate Services Manager Limited (“BRESML”).

The Exchangeable Units are exchangeable on a one-for-one basis for restricted voting shares of Bridgemarq at the option of the holder. If a takeover bid is made for 25% or more of the outstanding restricted voting shares of Bridgemarq and a contemporaneous identical offer is not made for the Exchangeable Units, the holder can exchange the Exchangeable Units at a ratio of 1.1 restricted voting shares per Exchangeable Unit subject to adjustment in certain cases. Under no circumstance can the holder exchange the Exchangeable Units for any asset other than restricted voting shares.

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 September 30, 2025, the Company used the closing market price of Bridgemarq’s shares of \$14.91 (December 31, 2024 – \$15.03). During the three and nine months ended September 30, 2025, the Company recorded \$0 and a gain of \$750, respectively related to the fair value of the Exchangeable Units (2024 – losses of \$10,810 and \$2,850).

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 and nine months ended September 30, 2025, the Board of Directors of RIFGP declared distributions payable to the Exchangeable Unitholders of \$2,726 and \$8,177 respectively (2024 – \$2,726 and \$6,903).

## 9. 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 and nine months ended September 30, 2025 or the year ended December 31, 2024.

No preferred shares were issued or outstanding as at September 30, 2025 or December 31, 2024.

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,	September 30, 2025	December 31, 2024
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 and nine months ended September 30, 2025 and 2024  
(Expressed in thousands of Canadian dollars, unless stated otherwise)

## 10. EARNINGS (LOSS) PER SHARE

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

(In thousands of Canadian dollars, except share and per share amounts)	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Net loss available to restricted voting shareholders - basic	\$ (1,726)	\$ (10,841)	\$ (1,140)	\$ (693)
Interest on Exchangeable Units	2,726	2,726	8,177	6,903
Loss (gain) on fair value of Exchangeable Units	-	10,810	(750)	2,850
Net earnings available to restricted voting shareholders - diluted	\$ 1,000	\$ 2,695	\$ 6,287	\$ 9,060
Weighted average number of shares outstanding used in computing basic loss per share	9,483,850	9,483,850	9,483,850	9,483,850
Weighted average number of shares outstanding used in computing diluted loss per share	9,483,850	9,483,850	9,483,850	9,483,850
Basic loss per share	\$ (0.18)	\$ (1.14)	\$ (0.12)	\$ (0.07)
Diluted loss per share	\$ (0.18)	\$ (1.14)	\$ (0.12)	\$ (0.07)
Dividends paid to shareholders	\$ 3,201	\$ 3,201	\$ 9,602	\$ 9,602
Restricted voting shares	9,483,850	9,483,850	9,483,850	9,483,850
Dividends per restricted voting share	\$ 0.34	\$ 0.34	\$ 1.01	\$ 1.01

## 11. ACQUISITION OF BROKERAGE OPERATIONS AND BRESML

On March 31, 2024, the Company completed the Acquisition and settled certain deferred payments owing to BBP. Under the terms of the Acquisition, the Partnership acquired the outstanding shares of BRESML and Proprio Direct from BBP resulting in the Company diversifying into the real estate brokerage business and simplifying its management structure.

Consideration to acquire these assets consisted of 2,856,792 Exchangeable Units, with a value of \$39,909 based on the closing price of Bridgemarq's restricted voting shares on March 28, 2024 and a cash payment of \$131. The settlement of the deferred payments to BBP was completed by way of the issuance of 64,085 Exchangeable Units on March 31, 2024 with a value of \$895.

The Company accounted for the Acquisition using the acquisition method in accordance with IFRS 3, Business Combinations and the results of the acquired businesses are consolidated with those of the Company from April 1, 2024.

The valuation of the net assets acquired as a result of the Acquisition was based on the Company's assessment of their fair values. The Company completed its valuation of the fair value of net assets as of March 31, 2025. As a result, 2024 comparative information has been adjusted retrospectively to reflect final fair value adjustments.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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## 12. RELATED PARTY TRANSACTIONS

BBP provided certain administrative support and other services to the Company totalling \$35 and \$77 respectively, during the three and nine months ended September 30, 2025 (2024 - \$32 and \$74). Prior to the date of the Acquisition in 2024, the Company earned \$1,089 in revenues from the Brokerage Operations and paid management fees to BRESML of \$4,766.

During the three and nine months ended September 30, 2025, the remuneration paid to key management personnel included short-term compensation and benefits totalling \$765 and \$2,667 respectively (2024 - three and six months ended September 30, 2024 - \$548 and \$1,083). In addition, during the three and nine months ended September 30, 2025, remuneration to key management personnel included entitlements under share-based compensation plans of \$137 and \$183. Prior to March 31, 2024, the Company had no employees.

Certain members of the Company's Board of Directors are compensated for their services. During the three and nine months ended September 30, 2025, the Company incurred \$84 and \$395 in directors' fees and DSUs of \$62 and \$68 respectively (2024 - \$126 and \$333 and no DSUs). Directors' fees are included in general and administration expense.

## 13. SHARE-BASED COMPENSATION

In June 2025, various share-based incentive awards were granted to Executives and directors of the Company. During the three and nine months ended September 30, 2025, the Company recorded expenses associated with its share-based compensation plans totalling \$199 and \$251 (2024 - nil). Included in accounts payable and accrued liabilities are obligations totalling \$251 related to these share-based compensation plans (December 31, 2024 - nil). Prior to June 2, 2025, the Company had no share-based compensation plans.

### A) Stock Option Plan:

As of September 30, 2025, there were 398,295 options outstanding. The following table summarizes the stock option award activities:

	Number of Options	Weighted Average Exercise Price
<b>Balance as at December 31, 2024</b>	-	-
Stock options granted	<b>398,295</b>	\$ 14.78
Stock options exercised	-	-
Stock options forfeited	-	-
<b>Balance as at September 30, 2025</b>	<b>398,295</b>	\$ 14.78

During the three and nine months ended September 2025, the Company recorded expenses related to stock options totaling \$51 and \$69.

Using the Black-Scholes model (Level 2 hierarchy), the fair value of options was measured to be \$0.81 per option as at September 30, 2025 using the following assumptions:

#### Assumptions

Expected dividend yield	<b>9%</b>
Expected share price volatility	<b>22.4%</b>
Risk-free interest rate	<b>2.88%</b>
Expected life of options (years)	<b>6.67</b>
Weighted Average Exercise Price	<b>\$14.78</b>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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## B) Other Incentive Plans:

The following table summarizes the number of units outstanding:

	Restricted Share Units (RSUs)	Performance Share Units (PSUs)	Deferred Share Units (DSUs)
<b>Balance as at December 31, 2024</b>	-	-	-
Granted during the year	12,126	23,682	4,473
Exercised during the year	-	-	-
Forfeited during the year	-	-	-
<b>Balance as at September 30, 2025</b>	<b>12,126</b>	<b>23,682</b>	<b>4,473</b>

- i. The amount of compensation expense associated with the DSUs in the three and nine months ended September 30, 2025 totalled \$62 and \$68.
- ii. The amount of compensation expense associated with the RSUs in the three and nine months ended September 30, 2025 totalled \$50 and \$66.
- iii. The amount of compensation expense associated with the PSUs in the three and nine months ended September 30, 2025 totalled \$36 and \$48.

## 14. FINANCIAL INSTRUMENTS

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

### A) Credit Risk

Credit risk arises from the possibility that debtors 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.

All real estate transactions at the Brokerage Operations require the purchaser to pay a deposit, which reduces the likelihood that a buyer will not complete the transaction. Credit risk also arises from the possibility that sales representatives may not pay amounts owing to the Brokerage Operations. Credit risk is mitigated by the fact that the Brokerage Operations has the ability to deduct any amounts owing from sales agents from the commission income they earn on their transactions with customers.

The Company 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 September 30, 2025, the Company has recorded an allowance for expected credit losses related to accounts receivable and notes receivable of \$458 (December 31, 2024 - \$407).

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2025 and 2024  
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## B) Liquidity Risk

The Company is exposed to liquidity risk in its ability to finance its working capital requirements and meet its cash flow needs, including paying dividends to shareholders of restricted voting shares and interest to Exchangeable Unitholders. The Company manages liquidity risk by maintaining conservative debt levels compared with those required by the covenants associated with the debt facilities. The Company has a \$30,000 Acquisition Facility, of which \$17,100 has been drawn, and a \$10,000 Operating Facility, of which \$6,000 has been drawn, each of which matures on December 31, 2026. Subsequent to September 30, 2025, BBP has established a credit facility for the Company.

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

As at September 30,	2025	2026	2027	2028	2029	Beyond 2029	Total
Accounts payable and accrued liabilities	\$ 15,336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,336
Customer deposits	38,262	-	-	-	-	-	\$ 38,262
Leases	3,050	2,579	2,507	2,216	1,835	7,130	\$ 19,317
Interest payable to Exchangeable Unitholders	909	-	-	-	-	-	\$ 909
Dividends payable to shareholders	1,067	-	-	-	-	-	\$ 1,067
Interest on debt	982	3,926	-	-	-	-	\$ 4,908
Debt facilities	-	78,100	-	-	-	-	\$ 78,100
<b>Total</b>	<b>\$ 59,606</b>	<b>\$ 84,605</b>	<b>\$ 2,507</b>	<b>\$ 2,216</b>	<b>\$ 1,835</b>	<b>\$ 7,130</b>	<b>\$ 157,899</b>

## 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 debt facilities bear interest at a variable rate of BAs + 2.00% or Prime + 0.8%. Management has elected to pay interest at variable interest rates on its outstanding debt facilities 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 on the debt facilities of approximately \$781.

## D) Market Risk

The Company operates real estate brokerage offices in a number of markets across the country. The Brokerage Operations generate revenue from its offices in the greater Toronto area, the Greater Vancouver area and throughout the Province of Quebec. Real estate markets are cyclical and unpredictable which may contribute to volatility in the Company's cash flows. This market volatility is somewhat mitigated by the lower volatility associated with franchise fee revenues earned by the Franchise Operations and the geographic diversification of the Brokerage Operations.

## E) Share Price Risk

The Company is exposed to share price risk as a result of the issuance of share-based compensation. Share-based compensation liabilities are recorded at their fair value based on market trading prices and negatively impact operating income when the share price rises and positively impacts operating income when the share price declines.

## F) Fair Value

The fair values of certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, notes receivable, accounts payable and accrued liabilities, share-based compensation, 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 the Company's outstanding borrowings of \$78,100 approximate their carrying value of \$78,040 as a result of their floating rate terms.

## G) Fair Value Hierarchy

The Exchangeable Units are valued using Level 1 valuation techniques. See Note 8 for related disclosures. The share-based compensation is valued using Level 2 valuation techniques. See Note 2 and Note 13 for related disclosures.

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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## 15. SEGMENT INFORMATION

The Company reports its operations in two business segments, the Brokerage Operations and the Franchise Operations. These segments are determined based on the nature of their operations, the products and services they provide and the nature of the customers they service.

The Company excludes certain corporate oversight expenses in the determination of each operating segment's performance. Unallocated costs include costs related to those activities and operations which are common to the other operating segments of the Company and include the elimination of transactions between the segments.

Management evaluates the operating results of each segment based upon revenue and EBITDA. EBITDA is defined as operating income before deducting interest on debt, interest on lease obligations, share-based compensation, impairment and write-off of intangible assets, and depreciation and amortization. The Company's determination and presentation of EBITDA may not be comparable to similar measures used by other companies.

For the three-month period ended March 31, 2024, 100% of the operating results are attributable to the Franchise Operations. The operating results of the Brokerage Operations are included in the interim condensed consolidated statements of net and comprehensive earnings (loss) from April 1, 2024.

The franchise fees received from the Brokerage Operations were treated as third party revenue prior to April 1, 2024. Following the completion of the Acquisition, franchise fees and other revenues received from the Brokerage Operations are now eliminated in the consolidated accounts of the Company. Franchise fees and other revenues earned from these businesses, totalling \$1,089, were recorded by the Company under what is now the Franchise Operations segment during the first quarter of 2024.

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

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
<b>Operating income</b>	<b>\$ 2,031</b>	\$ 3,941	<b>\$ 7,925</b>	\$ 8,921
Add: Interest on debt	918	1,102	2,764	3,590
Interest on lease obligation	314	314	880	634
Share-based compensation	199	-	251	-
Impairment and write-off of intangible assets	107	53	147	1,775
Depreciation and amortization	2,933	3,422	8,777	8,590
<b>EBITDA</b>	<b>\$ 6,502</b>	\$ 8,832	<b>\$ 20,744</b>	\$ 23,510

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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The tables below provide selected segment disclosure for certain financial statement balances.

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Segment EBITDA				
Brokerage Operations	\$ 1,493	\$ 2,467	\$ 4,050	\$ 4,784
Franchise Operations	5,926	7,145	20,398	20,409
Unallocated EBITDA	(917)	(780)	(3,704)	(1,683)
<b>Total EBITDA</b>	<b>\$ 6,502</b>	<b>\$ 8,832</b>	<b>\$ 20,744</b>	<b>\$ 23,510</b>

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Segment Revenue				
Brokerage Operations	\$ 109,755	\$ 113,508	\$ 269,224	\$ 209,799
Franchise Operations	14,195	14,434	43,020	41,688
Eliminations	(1,050)	(1,130)	(3,359)	(2,315)
<b>Total Revenue</b>	<b>\$ 122,900</b>	<b>\$ 126,812</b>	<b>\$ 308,885</b>	<b>\$ 249,172</b>

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Segment Depreciation and Amortization				
Brokerage Operations	\$ 1,837	\$ 2,137	\$ 5,495	\$ 4,293
Franchise Operations	1,096	1,285	3,282	4,297
<b>Total depreciation and amortization</b>	<b>\$ 2,933</b>	<b>\$ 3,422</b>	<b>\$ 8,777</b>	<b>\$ 8,590</b>

## 16. SUBSEQUENT EVENT

Subsequent to September 30, 2025, the Company entered into an agreement with BBP whereby the Company may defer the payment of distributions on the exchangeable units of Residential Income Fund L.P. (a subsidiary of the Company) to BBP for a twelve-month period beginning October 2025. BBP has also established a credit facility for the Company. The Company can elect to pay the deferred distributions on the exchangeable units and any outstanding balance on the credit facility in cash or by issuing additional exchangeable units to BBP in certain circumstances (subject to applicable legal and stock exchange requirements).