UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2023

Commission File Number: 001-40442

THE REAL BROKERAGE INC.
(Registrant)

133 Richmond Street West, Suite 302
Toronto, Ontario M5H 2L3 Canada
(Address of Principal Executive Offices)

Indicate by check mark whether the Registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☐ Form 40-F ☒

Indicate by check mark if the Registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the Registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	THE REAL BROKERAGE INC. (Registrant)
Date May 11, 2023	By */s/ Tamir Poleg* Tamir Poleg Chief Executive Officer

EXHIBIT INDEX

Exhibit	Description of Exhibit
99.1	Management's Discussion and Analysis For the period ended March 31, 2023
99.2	Unaudited Interim Condensed Consolidated Financial Statements for the period ended March 31, 2023
99.3	Certificate of Interim Filings CEO dated May 11, 2023
99.4	Certificate of Interim Filings CFO dated May 11, 2023
99.5	Press Release dated May 11, 2023 – The Real Brokerage Inc. Announces First Quarter 2023 Financial Results

Exhibit 99.1

THE REAL BROKERAGE INC.

Management's Discussion and Analysis
For the period ended March 31, 2023
May 11, 2023

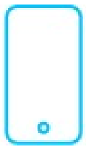
Symbol: REAX | Building your future, **together**

Building Your Future, Together

The Real Brokerage Inc. (the “**Company**” or “**Real**”) is a technology-powered real estate brokerage that uses its innovative approach to change the way people buy and sell homes. Real’s model focuses on creating value and financial opportunity for agents, enabling them to deliver a better experience to their clients.

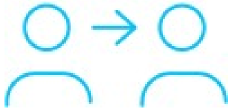
Real creates financial opportunities for agents in four key ways:

1. Keep more commission
Our unique compensation structure favors the agent, allowing them to keep 85%-100% of commissions.



2. 100% mobile brokerage services
We are 100% mobile – so agents have what they need to close the deal at their fingertips and aren’t paying for unused office space.

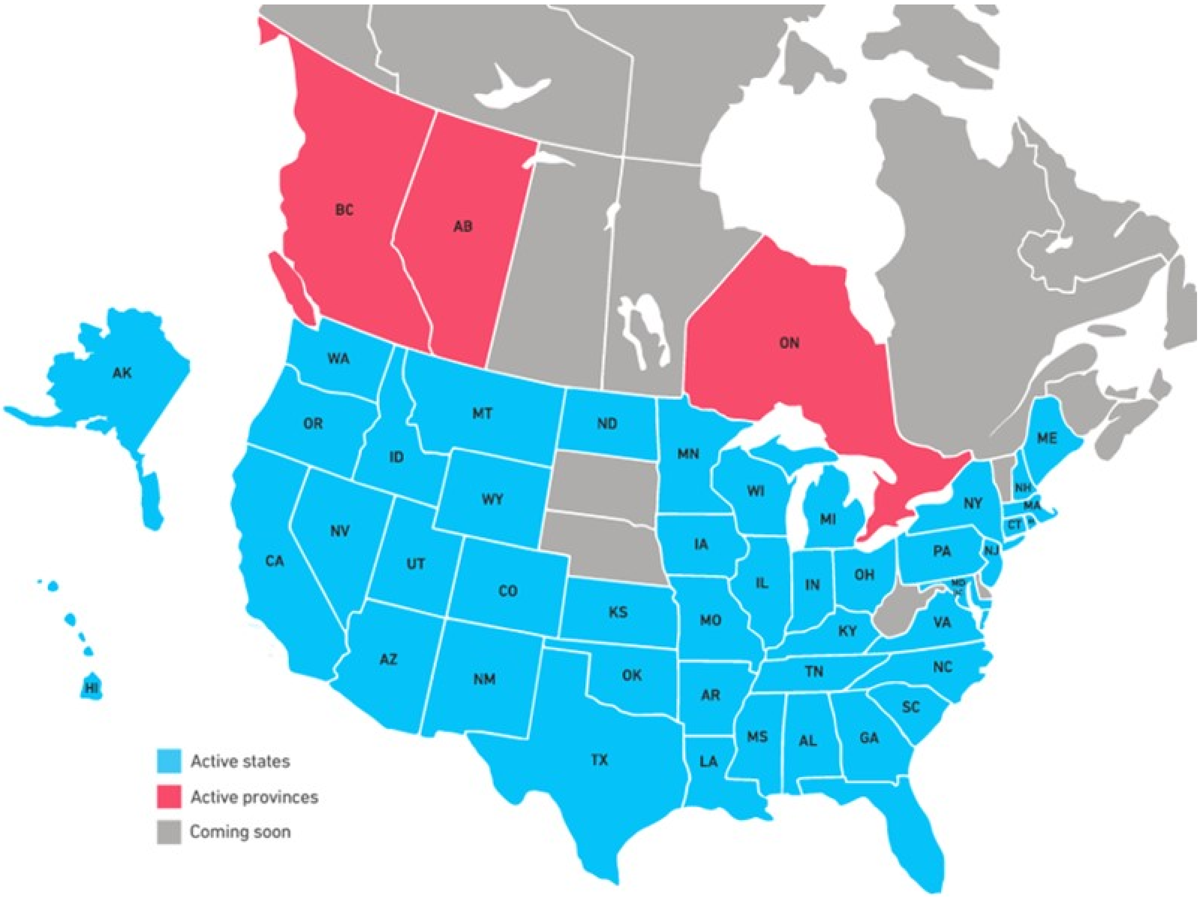
3. Build equity
Agents can earn equity through Real’s incentive program that allows them to share in the wealth as they help to build a more valuable company.



4. Earn more with revenue sharing
Agents can earn a share of revenue generated by agents referred to Real. Each referral earns 5% of a referred agents’ gross commission income up to an annual cap.

2023 Highlights

Real was founded in 2014 and is headquartered in Toronto and New York City. We provide brokerage services for the real estate market in the United States and Canada. On March 31, 2022, Real was licensed in 45 states and the District of Columbia in the United States and in Alberta, Ontario and British Columbia, Canada. Real's fast-growing network of agents allows for strong relationship building, access to a nationwide referral network and seamless expansion opportunities.



10,000 Agents, Q1 2023	**49** (45 states, D.C., and 3 provinces in Canada) Q1 2023	**$107.8M** Revenue, YTD Q1 2023	**$4.4B** Value of sold homes, YTD Q1 2023

MANGAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

INTRODUCTION

This Management's Discussion and Analysis (the "**MD&A**") is provided to enable a reader to assess the results of operations and financial condition of The Real Brokerage Inc. ("**Real**" or the "**Company**") for the period ended March 31, 2023, and 2022. This MD&A is dated May 11, 2023 and should be read in conjunction with unaudited interim condensed financial statements and related notes for the period ended March 31, 2023 and 2022 (the "**Financial Statements"**). Unless the context indicates otherwise, references to "Real", "the Company", "we", "us" and "our" in this MD&A refer to The Real Brokerage Inc. and its subsidiaries. All dollar amounts are in U.S. dollars unless otherwise stated.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain information included in this MD&A contains forward-looking information within the meaning of applicable Canadian securities laws. This information includes, but is not limited to, statements made in "Business Overview and Strategy", "Results from Operations", and other statements concerning Real's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance, or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events or the negative thereof. Such forward-looking information reflects management's current beliefs and is based on information currently available. All forward-looking information in this MD&A is qualified by the following cautionary statements.

Forward looking information necessarily involves known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections, or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond Real's control, affect the operations, performance and results of the Company and its subsidiaries, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results.

Although Real believes that the expectations reflected in such forward-looking information are reasonable and represent the Company's projections, expectations and beliefs at this time, such information involves known and unknown risks and uncertainties which may cause the Company's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. See "Risks and Uncertainties" for further information. The reader is cautioned to consider these factors, uncertainties, and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this MD&A is made as of the date of this MD&A and should not be relied upon as representing Real's views as of any date subsequent to the date of this MD&A. Management undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

MARKET CONDITIONS AND INDUSTRY TRENDS

Our quarterly results are dependent on the economic conditions of the markets in which we operate. The Company's revenue and income can experience considerable variations from quarter to quarter and year to year due to factors beyond the Company's control. The business is affected by the overall conditions of the real estate market, which is, among other factors, influenced by general economic conditions, interest rates, unemployment, home inventory levels, and mortgage rate volatility. The Company's revenue from a real estate transaction is recorded only when funds are placed in escrow ahead of the closing of a transaction. Consequently, the timing of revenue recognition can materially affect quarterly results.

Other events and conditions that may have an impact on our business include, but are not limited to, the impact of inflation, conditions in the capital, credit and financial markets, changes in laws, regulations or the regulatory environment affecting our business and the effects of public health issues such as a major epidemic or pandemic that could have a negative impact on the economy and on our business. Collectively, these factors may contribute to slowed consumer demand, which can impact home affordability and negatively impact home prices. The slowdown in the U.S. residential real estate market in the second half of 2022 had a negative impact on our business and financial results. The timing of any future slowdown in the U.S. residential real estate market is highly uncertain and difficult to predict and any slowdown could have a material adverse effect on our business and profitability.

Our business could be negatively impacted by higher mortgage rates or further increases in mortgage rates. As mortgage rates rise, the number of home sale transactions tend to decrease as potential home sellers choose to stay with their lower mortgage rate rather than sell their home and pay a higher mortgage rate with the purchase of another home. Similarly, in higher interest rate environments, potential home buyers may choose to rent rather than pay higher mortgage rates. Changes in the interest rate environment and mortgage market are beyond our control and are difficult to predict and, as such, could have a material adverse effect on our business and profitability.

The Federal Reserve Board increased the federal funds rate by an aggregate of 425 basis points in 2022 and an additional 50 basis points during the first quarter of 2023 to a range of 475 basis points to 500 basis points. Against this backdrop, mortgage rates were volatile during the first quarter of 2023, reflecting considerable uncertainty surrounding the path of interest rate policy in 2023. The average 30-year mortgage rate in the U.S briefly fell below 6.2% in February 2023, according to the Mortgage Bankers Association, after rising above 7% in October 2022. The average rate has oscillated around 6.5% within the first quarter of 2023. Note that rates remain high compared to the prior decade, which has contributed to a considerable slowdown in the residential real estate market beginning in the second half of 2022.

The decline in mortgage rates from peak levels in the fourth quarter should be weighed against the high absolute levels compared to the past decade and uncertainty around market conditions in the near term. According to the Fannie Mae housing market forecast published on March 20, 2023, existing home sales in the U.S., which consists of completed transactions that include single-family homes, townhomes, condominiums and co-ops, are expected to have declined 29% compared to the same period in 2022 but to have eased just 1% on a seasonally adjusted basis compared to the fourth quarter of 2022. Meanwhile, Canadian home sales are showing signs of stabilization and the prospect for improvement in 2023. According to the Canadian Real Estate Association National Statistics report released on March 15, 2023, Canadian national home sale volume rose 2.3% month-over-month in February on a seasonally adjusted basis but is still 40% below February 2022 levels.

Beginning in 2020 during the COVID-19 pandemic and continuing through the first half of 2022, housing prices soared as demand increased while supply remained historically low. A decline in sale prices began to occur in the third quarter of 2022 following the decline in housing demand spurred by higher mortgage rates, with the median U.S. existing home price peaking at $413,800 in June 2022 and declining to $361,200 as of January 2023 before improving to $375,700 in March 2023. However, average home prices remain well above levels experienced prior to the COVID-19 pandemic. Meanwhile, average Canadian housing prices peaked at CAD$816,600 in February 2022 and declined to CAD$612,300 as of January 2023, but experienced a notable uptick to CAD$686,400 as of March 2023.

We continue to monitor market trends closely and note that despite stagnating transaction volumes in the market, the overall impact on the Company has been offset by the significant growth demonstrated in the number of agents transacting on our platform.

BUSINESS OVERVIEW AND STRATEGY

Real is a growing technology-powered real estate brokerage in the United States and Canada. We focus on developing technology to enhance real estate agent performance while building a scalable, efficient brokerage operation that is not dependent on a cost-heavy brick and mortar presence in the markets in which we operate.

As a licensed real estate brokerage, our revenue is generated primarily by processing real estate transactions which entitle us to commissions. We pay a portion of our commission revenue to our agents and brokers. Our strength is our ability to offer real estate agents a higher value, through a proprietary technology stack which are a set of technologies, software and tools that are used in the development and deployment of digital products, at a lower cost, compared to other brokerages, while operating efficiently and scaling quickly with increased brokerage oversight.

Real has also identified a major opportunity in creating a seamless end-to-end home buying experience for consumers. We believe that the traditional home buying process is outdated, inefficient and unnecessarily complex for consumers. It is unclear to consumers where they are in the process, which requires interactions with multiple parties (lender, insurance, etc.) over multiple channels, and there is no certainty that the transaction will close according to the desired timeline. We also believe that trust is highly important in real estate transactions, as consumers are making the biggest financial decision of their lives, and our goal is to keep trusted in-person agents at the center of the transaction while layering on a direct-to-consumer, technology-enhanced experience.

A core component of our consumer strategy going forward will be adding the “building blocks” of ancillary services to develop a one-stop shop customer-facing portal. To this end, Real acquired a title company in January 2022 which has rebranded to Real Title. In addition, Real acquired LemonBrew Lending, a tech-enabled home loan platform in December 2022. Real is focused on building, buying, or partnering to deliver additional ancillary services within the medium-term as part of this holistic one-stop shop strategy. We are in development to deliver an end-to-end solution which will take the customer from pre-approval to title purchase to closing on the transaction. By pairing our best-in-class technology with the trusted guidance of an agent we seek to enhance the predictability, organization, and transparency for home buyers, resulting in a more seamless and customer-friendly transaction process.

Real believes it can revolutionize the way home buying is done, making it simpler and easier for consumers by making the experience more relaxed, efficient, and enjoyable. Embarking on this transformative mission will deliver value to shareholders by better monetizing ancillary services with historically high margins while seeking to create a technology-enhanced game-changing experience for consumers.

Growth in Market Share

Our non-brick and mortar-based model is becoming increasingly desirable, enabling agents to work from anywhere by leveraging our best-in-class technology, without being tied to a costly physical office. Following our public listing on the TSX Venture Exchange (the “**TSXV**”) and subsequent graduation to the Toronto Stock Exchange (the “**TSX**”), as well as the launch of our Agent Equity Program, we entered a period of growth, driven by an increase in the number of agents joining us on a monthly basis. This trend is reflected in our results, with agents on our platform growing 122% year-over-year in 2023 and an additional 22% in the first quarter of 2023 to just over 10,000 agents. We expect to continue to capture market share in 2023.

Focus on Technology

The real estate industry is generally considered to be very slow at adopting technology and as such, real estate transactions remain notoriously difficult to manage. We see an opportunity to produce agent focused software products that will create differentiation between Real and other brokerages. We also believe that margin expansion is closely tied to the improvement of internal operational efficiency through automation and the ability to scale rapidly.

We see a tremendous potential in improving the home buying and selling experience for consumers using technology, while keeping real estate agents in the center of the transaction. This approach will enable consumers to experience a faster, smoother, and more enjoyable digital based journey, while still benefiting from the guidance of a human real estate expert throughout this exciting and highly emotional transaction. We are currently allocating resources towards developing a customer-facing portal for homebuyers where they can access all the services needed to buy or sell a home.

Recent developments

Normal Course Issuer Bid

On May 17, 2021, the TSX Venture Exchange (the “**TSXV**”) accepted the Company’s Notice of Intention to implement a normal course issuer bid (“**NCIB**”). On May 19, 2022, the Company announced that it renewed its NCIB to be transacted through the facilities of the NASDAQ Capital Market (“**NASDAQ**”) and other stock exchanges and/or alternative trading systems in the United States and/or Canada. Pursuant to the NCIB, Real may purchase up to 8.9 common shares of the Company (“**Common Shares**”), representing approximately 5% of the total 178.3 million Common Shares issued and outstanding as of May 19, 2022. Purchases will be made at prevailing market prices and will terminate no later than May 20, 2023.

The NCIB is being conducted to acquire Common Shares for the purposes of satisfying restricted share unit (each, an "**RSU**") obligations. The Company appointed CWB Trust Services (the "**Trustee**") as the trustee for the purposes of arranging the acquisition of Common Shares and to hold the Common Shares in trust for the purposes of satisfying RSU payments as well as deal with other administration matters. Through the Trustee, RBC Capital Markets was engaged to undertake purchases under the NCIB.

During the 3-month period ended March 31, 2023, the Company repurchased 462 thousand Common Shares in the amount of $601 thousand.

On July 26, 2022, the Company's Common Shares commenced trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "REAX". Concurrent to the graduation to the TSX, the Common Shares were voluntarily delisted from the TSXV. Trading of the Common Shares continues on the NASDAQ under the same symbol, "REAX".

Expetitle Acquisition

On January 20, 2022, the Company completed the acquisition of 100% of the issued and outstanding equity interests of Expetitle, Inc. ("**Expetitle**") pursuant to a stock purchase agreement (the "**Expetitle Transaction**"). The aggregate purchase price for 100% of the issued and outstanding equity interests of Expetitle was for aggregate cash consideration $8.2 million with $7.4 million payable in cash at the closing of the Expetitle Transaction and $800,000 in cash subject to escrow, that would be released after twelve (12) months upon the satisfaction or waiver of the following terms and conditions: (i) the key employees remain at their current position with the Company for at least twelve (12) months after the closing of the Expetitle Transaction and (ii) Expetitle will become licensed to operate in at least fifteen states, including then current states of operation, Florida, Georgia, and Texas. As of the reporting date, the contingent terms were met and the $800,000 that was in escrow was released on January 23, 2023. In connection with the Expetitle Transaction, Real also granted an aggregate of 700,000 incentive stock options ("**Options**") and an aggregate of 1.1 million RSUs to members of the Expetitle team. The Options will vest quarterly over 3 years and are exercisable for a period of 3 years at $3.60 per share. The RSUs vest quarterly over 3 years. Subsequent to the completion of the Expetitle Transaction, Expetitle Inc. was renamed The Real Title Inc.

Redline Acquisition

On November 3, 2022, the Company acquired, through a wholly owned subsidiary, all of the issued and outstanding common shares of Redline Real Estate Group (BC) Inc. ("**Redline BC**") pursuant to a share purchase agreement between the Company, Redline BC and Redline Realty Investments Inc. ("**Redline Realty**"). The acquisition, which includes Redline's real estate license to operate in British Columbia, fueled the Company's expansion into Canada's third largest province.

LemonBrew Acquisition

On December 9, 2022, the Company completed the acquisition of LemonBrew Lending Corp. ("**LemonBrew Lending**"), a tech-enabled home loan platform, pursuant to the terms of a share purchase agreement dated September 23, 2022 between the Company, LemonBrew Lending and LemonBrew Technologies Corp. ("**LemonBrew Technologies**"). The Company acquired 100% of the issued and outstanding equity interests of LemonBrew Lending from the Seller for an aggregate purchase price of $1,250,000 (the "**LemonBrew Transaction**"). The purchase price was satisfied by (i) cash in the amount of $800,000 and (ii) the issuance of 351,837 Common Shares (the "**Consideration Shares**") at a deemed issue price of $1.279 per share. The issued price of the Consideration Shares was equal to the product of $450,000 divided by the 5-day volume weighted average trading price of Real's Common Shares on the NASDAQ immediately prior to the closing of the LemonBrew Transaction.

In connection with the closing of the LemonBrew Transaction, the Company entered into certain agreements with management and key employees of Lemonbrew Lending (the "**LemonBrew Key Employee Agreements**"). The LemonBrew Key Employee Agreements provide for certain performance-based milestone payments of $2,500,000 payable over 36 months following closing of the LemonBrew Transaction, of which $2,000,000 will be payable in cash and $500,000 will be payable in RSUs. Subsequent to the completion of the LemonBrew Acquisition, LemonBrew Lending Corp. was renamed to One Real Mortgage.

Changes to Brokerage Fees and Additional Benefits

On January 24, 2023, the Company announced changes to U.S. fees and additional benefits as we seek to grow sustainably while still offering industry-beating incentives for our agents. These changes include:

- A co-sponsored revenue share program that allows new agents to select two sponsors that split 90% of the revenue share stream equally while paying the remaining 10% back to Real.
- A joint venture (JV) profit sharing program that gives agents an opportunity to invest in the Real Title business and earn profit sharing income as the business grows. There are two opportunities for investment: a $100 investment gives pre-cap agents an equal ownership stake in the JV, while post-cap agents can invest in tiers of increasing ownership ranging from $500 to $7,500.
- Expanded access to Real's share purchase program, giving agents the ability to buy shares of Real stock beyond the company-issued equity awards.
- A $30 fee on each transaction to cover broker review, E&O insurance and processing expenses.
- A $175 annual fee to participate in our revenue sharing program, and a 1.2% fee on all revenue share payments.
- A $100 increase of the joining fee to $249 and a $250 increase of the annual brokerage fee to $750.
- A $60 increase of the post-capping transaction fee to $285, and a $29 increase to the Elite Agent transaction fee to $129.

These changes went into effect in February 2023 for new agents and in April 2023 for existing agents.

<u>Business Model</u>

Revenue share model

We offer agents the opportunity to earn revenue-share, paid out of Real's portion of commissions, for new, productive agents that they personally refer and add to the Real platform. The program, which launched in November 2019, is having a major impact on our agent count and revenue growth. In February 2023, we expanded the program to allow new agents to select two sponsors that split 90% of the revenue share stream equally while paying the remaining 10% back to Real.

We are witnessing momentum in several markets, attributed to the enthusiasm generated locally by influential agents who continue to join Real and attract their colleagues to Real.

Agent's experience

We focus on creating an unparalleled agent experience through development of a unique and comprehensive mobile platform. At its core, our technology is an operating system that allows agents to build their business more rapidly, and assist them with their marketing, productivity, support, education, transaction management and more.

As part of those efforts, on August 8, 2021, we launched a new and improved agent mobile application leveraging Real's proprietary technology platform called reZEN that delivers our agents better visibility into their business, transactions, and financials. On October 20, 2022, reZEN was further enhanced and launched to all U.S. and Canada-based agents as we continue to develop new features for the benefit of our agents.

This software is the backbone of our transaction processing efficiency and is a key to unlocking operating leverage as we continue to scale. With this update, agents no longer need a third-party system for inputting new transactions, which gives us greater control over the transaction experience, increases our brokerage oversight, allows us to better integrate our own technology as we develop our full consumer app, and drives productivity and efficiency for agents. Further, by offering an open application programming interface, Real is giving agents the flexibility to integrate technology partners of their choosing and maintain more control over their data.

Focus on teams

Real estate teams have a unique structure and are typically formed by a high producing agent who attracts other agents to work with them and enjoy the lead and mentoring provided by the team leader. To attract teams, we enhanced our team offering to include the full benefits of revenue sharing and the equity program. These incentive programs allow agents and brokers a financial mechanism to build teams across geographical boundaries in any of the markets that we serve. Agents and brokers can build teams without incurring significant additional expense, oversight responsibility or liability, while at the same time preserving and enhancing their own personal brands. The growth in brokerage teams joining Real is having a positive impact, as reflected in this year's agent growth.

Consumer vision

Our focus for the future is based on our belief that the home buying experience is broken. It is an outdated process riddled with problems in need of enhanced technology to bring it into the 21st century. In particular, the current home buying and selling experience is too often:

- Unpredictable: From a buyer's perspective, unforeseen issues arise based on lack of awareness of potential outcomes;
- Chaotic: Requires interactions with multiple parties (lender, insurer, etc.) with communication through multiple channels; and
- Nontransparent: There is often no clear understanding in a seemingly complex and unintuitive process.

We are building a one-stop-shop platform to provide home buyers and sellers with more predictability, organization and transparency. We believe that building a technology enhanced, simplified, consumer platform combined with the help of a Real agent is the industry solution of the future.

OBJECTIVES

Real seeks to revolutionize the residential real estate industry by pairing best-in-class technology with the trusted guidance of a real estate agent. Real delivers a cloud-based platform to improve efficiencies and empower agents to provide a seamless end-to-end experience for home buyers and sellers. Using our proprietary technology, we look to provide agents with all the tools they need to successfully manage and market their business. Real plans to accomplish this through: (i) proprietary integration of technology and tools focused on facilitating and improving tasks performed by agents; (ii) offering attractive business terms to agents and the creation of multiple potential revenue streams for agents; (iii) providing excellent support and service to our agents; (iv) the creation of a nationwide collaborative community of agents; and (v) offering wealth building opportunities through equity grants.

Leveraging the engagement of real estate agents with home buyers and sellers, Real seeks to implement its holistic consumer vision, which will generate revenue through a variety of different channels.

PRESENTATION OF FINANCIAL INFORMATION AND NON-IFRS MEASURES

Presentation of financial information

Unless otherwise specified herein, financial results, including historical comparatives, contained in this MD&A are based on the Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and the interpretations of the IFRS Interpretations Committee.

Non-IFRS measures

In addition to the reported IFRS measures, industry practice is to evaluate entities giving consideration to certain non-IFRS performance measures, such as earnings before interest, taxes, depreciation and amortization ("**EBITDA**") or adjusted earnings before interest, taxes, depreciation and amortization ("**Adjusted EBITDA**").
Management believes that these measures are helpful to investors because they are measures that the Company uses to measure performance relative to other entities. In addition to IFRS results, these measures are also used internally to measure the operating performance of the Company.

These measures are not in accordance with IFRS and have no standardized definitions, and as such, our computations of these non-IFRS measures may not be comparable to measures by other reporting issuers. In addition, Real's method of calculating non-IFRS measures may differ from other reporting issuers, and accordingly, may not be comparable.

Earnings before Interest, Taxes, Depreciation and Amortization

EBITDA is used as an alternative to net income because it excludes major non-cash items such as interest, taxes, and amortization, which management considers non-operating in nature. It provides useful information about our core profit trends by eliminating our taxes, amortization, and interest which provides a more accurate comparison between our competitors. A reconciliation of EBITDA to IFRS net income is presented under the section "Results from Operations" in this MD&A.

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization

Management believes that Adjusted EBITDA provides useful information about our financial performance and allows for greater transparency with respect to a key metric used by the Company for financial and operational decision-making. We believe that Adjusted EBITDA helps identify underlying trends in our business that otherwise could be masked by the effect of the expenses that we exclude in Adjusted EBITDA. In particular, we believe the exclusion of stock and stock option expenses provides a useful supplemental measure in evaluating the performance of our operations and provides additional transparency into our results of operations.

Adjusted EBITDA is used as an addition to net income (loss) and comprehensive income (loss) because it excludes major non-cash items such as amortization, interest, stock-based compensation, current and deferred income tax expenses and other items management considers non-operating in nature. A reconciliation of Adjusted EBITDA to IFRS net income is presented under the section "Results from Operations" of this MD&A.

RESULTS FROM OPERATIONS

Select interim information *(in thousands)*

	For the Period Ended	
	March 31, 2023	**March 31, 2022**
Operating Results		
Total Revenues	107,845	61,649
Loss from Continuing Operations	(7,315)	(4,252)
Total Comprehensive Loss Attributable to Owners of the Parent	(7,155)	(4,386)
Per Share Basis		
Basic and diluted loss per share (ii)	(0.04)	(0.03)
EBITDA (i) (iii)	**(6,594)**	**(3,881)**
Adjusted EBITDA (i) (iii) (iv)	**(792)**	**(577)**

(i) Represents a non-IFRS measure. Real's method for calculating non-IFRS measures may differ from other reporting issuers' methods and accordingly may not be comparable. For definitions and basis of presentation of Real's non-IFRS measures, refer to the non-IFRS measures section.
(ii) Basic and diluted loss per share are calculated based on weighted average of Common Shares outstanding during the period.
(iii) EBITDA and Adjusted EBITDA are calculated on a trailing twelve-month basis. Refer to non-IFRS measures section of this MD&A for further details.
(iv) Adjusted EBITDA for March 31, 2022 has been restated to account for Stock-Based Compensation recognized in Cost of Goods Sold.

Earnings before interest, taxes, depreciation and amortization *(in thousands)*

	For the Period Ended	
	March 31, 2023	**March 31, 2022**
Total Comprehensive Loss Attributable to Owners of the Company	(7,155)	(4,386)
Add/(Deduct):		
Finance Expenses, net	305	502
Net Income Attributable to Noncontrolling Interest	80	-
Cumulative (Gain)/Loss on Investments in Debt Instruments Classified as at FVTOCI Reclassified to Profit or Loss	(93)	-
Depreciation	269	3
EBITDA	**(6,594)**	**(3,881)**

Adjusted earnings before interest, taxes, depreciation, and amortization *(in thousands)*

	For the Period Ended	
	March 31, 2023	**March 31, 2022**
Total Comprehensive Loss Attributable to Owners of the Company	(7,155)	(4,386)
Add/(Deduct):		
Finance Expenses, net	305	502
Net Income Attributable to Noncontrolling Interest	80	-
Cumulative (Gain)/Loss on Investments in Debt Instruments Classified as at FVTOCI Reclassified to Profit or Loss	(93)	-
Depreciation	269	3
Stock-Based Compensation	5,761	3,178
Restructuring Expense	41	-
Other Professional Expenses	-	126
Adjusted EBITDA[(i)]	**(792)**	**(577)**

(i) Adjusted EBITDA for March 31, 2022 has been restated to account for Stock-Based Compensation recognized in Cost of Goods Sold.

For the period ended March 31, 2023, total revenues amounted to $107.8 million compared to $61.6 million for the period ended March 31, 2022, thus demonstrating the effects of the Company's growth. The Company generates substantially all its revenue from commissions from the sale of real estate properties. Other sources of revenue include fee income from the brokerage-platform and other revenues relating to auxiliary services. The increase in revenues is attributable to an increase in productive agents on our platform, as well as expanding the number of states and provinces in which we operate. We are continually investing in our platform to provide agents with the tools they need to maximize their productivity, which we anticipate will further translate into a larger transaction volume closed by our agents. As we further widen our footprint within the United States and Canada, we expect this momentum to progress.

For the period ended March 31, 2023, total cost of sales amounted to $97.0 million compared to $55.8 million for the period ended March 31, 2022. Cost of sales represents real estate commission paid to Real agents, and in Canada this also includes commissions paid to outside brokerages, as part of the Canadian regulatory process, title fees, and mortgage expenses.

Adjusted EBITDA excludes stock-based compensation expense related to our agent incentive program, stock options, and RSU expense for full time employees and management personnel. Stock-based compensation expense is affected by awards granted and/or awards forfeited throughout the year as well as increases in fair value and is more fully disclosed in Note 9 of the Financial Statements, Share-based payment arrangements, of the Financial Statements.

A further breakdown in revenues (in thousands) generated during the period is included below:

	For the Period Ended		
	March 31, 2023	**March 31, 2022**	***YoY Change***
Major Service Lines			
Commissions	105,606	60,506	*75%*
Title	598	402	*49%*
Mortgage Income	132	-	*-%*
Fee Income	943	446	*111%*
Other	566	295	*92%*
Total Revenue	**107,845**	**61,649**	***75%***
Timing of Revenue Recognition			
Products and Services Transferred at a Point in Time	107,845	61,649	*75%*
Revenue from Customers with Contracts	**107,845**	**61,649**	***75%***

A further breakdown in expenses (in thousands) during the period is included below:

	For the Period Ended		
	March 31, 2023	**March 31, 2022**	***YoY Change***
Commissions and other agent-related costs	**97,037**	**55,787**	***74%***
Operating Expenses			
General and Administration Expense	**8,638**	**5,374**	***61%***
Salaries and Benefits	4,478	2,165	*107%*
Stock-Based Compensation (G&A)	959	1,121	*(14)%*
Administrative Expenses	685	351	*95%*
Professional Fees	1,647	1,419	*16%*
Depreciation	269	3	*8,867%*
Other General and Administrative Expenses	600	315	*90%*
Marketing Expenses	**7,684**	**3,716**	***107%***
Salaries and Benefits	107	112	*(4)%*
Stock-Based Compensation (Marketing - FTE)	11	11	*-%*
Stock-Based Compensation (Marketing - Agents)	1,541	582	*165%*
Revenue Share	5,434	2,703	*101%*
Other Marketing and Advertising Cost	591	308	*92%*
Research and Development Expenses	**1,524**	**1,039**	***47%***
Salaries and Benefits	658	392	*68%*
Stock-Based Compensation (Research & Development)	49	73	*(33)%*
Other Research and Development	817	574	*42%*
Total Cost of Sales and Operating Expenses	**114,883**	**65,916**	***74%***

We believe that growth can and should be balanced with profits and therefore plan and monitor spend responsibly to ensure we decrease our losses and work towards being Adjusted EBITDA positive. Our loss as a percentage of total revenue was 6.8% for the period ended March 31, 2023 and 6.9% for the period ended March 31, 2022. More detailed explanations for movements in expenses represented above can be found in the paragraphs below.

	For the Period Ended	
	March 31, 2023	**March 31, 2022**
Revenues	107,845	61,649
Cost of Sales	97,037	55,787
Cost of Sales as a Percentage of Revenues	**90%**	**90%**

The total cost of sales for the period ended March 31, 2023, was $97.0 million in comparison to $55.8 million for the period ended March 31, 2022. We typically pay our agents 85% of the gross commission earned on every real estate transaction with 15% of said commissions being paid to the Company. Agents pay the Company 15% of commissions until the commission paid to the Company totals their respective "cap" amount (the "**Cap**"). Each agent Cap cycle resets on an annual basis on an agent's anniversary date. As the total revenue increases, the total commission to agents' expense increases respectively. Our margins are affected by the increase in the number of agents who achieve their Cap (which is affected by an increase in transaction volume and increases in home prices), resulting in a downward pressure as we continue to attract high producing agents. We expect to offset this pressure and increase margins through the growth of title services offered by Real Title and mortgage services offered by One Real Mortgage, and by adding additional ancillary services that will be integrated into a consumer-facing platform.

Our salaries and benefits expenses for the period ended March 31, 2023 was $5.2 million in comparison to $2.7 million for the period ended March 31, 2022. The increase in salaries and benefits expenses were mainly due to an increase in number of full-time employees from 101 on March 31, 2022 to 128 on March 31, 2023. The increase is attributable to Real's commitment to serve its agents and to the growth with excellence and expansion of the Company. These investments in key management and employee personnel allow us to offer best-in-class service to our agents. As the Company continues in this period of growth, it is necessary to scale operations in order to support that growth. Increases in headcount, as well as the investments Real is making in its technology infrastructure, allow us to scale at an accelerated pace and serve as key contributors to our growth. With revenue growth at 74% in comparison to the year prior, we believe we have proven our ability to do so in a highly efficient manner and with minimal impact on our operational costs. Real's full-time employee ("**FTEs**") excluding Real Title and One Real Mortgage employees to Agent ratio as of March 31, 2023 is 1:114 compared to 1:55 as of March 31, 2022.

Our stock-based compensation expense for the period ended March 31, 2023 was $2.6 million in comparison to $1.8 million for the period ended March 31, 2022. The increase in stock-based compensation expense is primarily due to an increase in agent base resulting in higher number of awards granted as part of our agent incentive program. For the period ended March 31, 2023 and March 31, 2022, stock-based compensation expense related to FTEs within marketing and research and development are included in the marketing and research and development expense categories.

The following table is presented in thousands:

	For the Period Ended					
	March 31, 2023			**March 31, 2022**		
	Options Expense	**RSU Expense**	**Total**	**Options Expense**	**RSU Expense**	**Total**
Marketing Expenses – Agent Stock-Based Compensation	349	1,192	**1,541**	280	302	**582**
Marketing Expenses – FTE Stock-Based Compensation	2	9	**11**	9	2	**11**
Research and Development – FTE Stock-Based Compensation	28	21	**49**	64	9	**73**
General and Administrative – FTE Stock-Based Compensation	638	321	**959**	584	535	**1,119**
Total Stock-Based Compensation Expense (i)	**1,017**	**1,543**	**2,560**	**937**	**848**	**1,785**

(i) Stock-Based Compensation Expense under Adjusted EBITDA includes Stock-Based compensation recognized under Cost of Goods Sold.

Our professional fees for the period ended March 31, 2023 were $1.6 million in comparison to $1.4 million for the period ended March 31, 2022. The increase in professional fees was largely due to an increase in our broker and recruiter consulting fees as a result of our expanding geographic footprint.

Our marketing expenses for the period ended March 31, 2023 were $7.7 million compared to $3.7 million for the period ended March 31, 2022, primarily due to our efforts to attract agents. This increase is primarily comprised of $2.7 million increase in revenue share paid to agents as part of our revenue share model and an increase in agent related stock-based compensation expense of $1.0 million. Agents earn revenue share for new agents that they personally refer to Real and are eligible for the equity incentive program based on certain attracting and performance criteria. Real works to limit its marketing expenses paid using traditional marketing channels and focuses primarily on marketing through its agents as the main cost of acquisition. Therefore, as agent counts increase so does our expense related to the revenue share and equity incentive programs.

Our Research and Development expenses for the period ended March 31, 2023 were $1.5 million compared to $1.0 million for the period ended March 31, 2022. The increase is primarily due to increase in headcount and increase in costs related to upgrades and enhancements made to reZEN, our internal-use cloud-based residential real-estate transaction system.

Financial Instruments

Financial assets and financial liabilities are recognized on the Company's consolidated statements of financial position when Real becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification and subsequent measurement

Financial assets – Policy

On initial recognition, a financial asset is classified as measured at: fair value; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through profit and loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions as is not designated as FVTPL:

– it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

– it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Company assesses the objective of the business model in which a financial asset is held at a portfolio level, because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows;

– how the performance of the portfolio is evaluated and reported to the Company's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and the expectations of future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses recognized in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and their net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows or the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented on the consolidated statements of financial position, only when the Company has a legally enforceable right to offset the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

A breakdown of financial instruments (in thousands) for the period ended March 31, 2023 is included below:

	For the Period Ended March 31, 2023					
	Carrying Amount			**Fair Value**		
	Financial Assets Not Measured at FV	Other Financial Liabilities	Total	Level 1	Level 2	Total
Financial Assets Measured at Fair Value (FV)						
Short Term Investments	-	-	-	8,491	-	8,491
Total Financial Assets Measured at Fair Value (FV)	**-**	**-**	**-**	**8,491**	**-**	**8,491**
Financial Liabilities Measured at Fair Value (FV)						
Warrants	-	-	-	-	200	200
Total Financial Liabilities Measured at Fair Value (FV)	**-**	**-**	**-**	**-**	**200**	**200**
Financial Assets Not Measured at Fair Value (FV)						
Cash and Cash Equivalents	10,975	-	10,975	-	-	-
Restricted Cash	15,436	-	15,436	-	-	-
Trade Receivables	1,399	-	1,399	-	-	-
Other Receivables	75	-	75	-	-	-
Total Financial Assets Not Measured at Fair Value (FV)	**27,885**	-	**27,885**	-		-
Financial Liabilities Not Measured at Fair Value (FV)						
Accounts Payable	-	370	370	-	-	-
Accrued Liabilities	-	14,947	14,947	-	-	-
Customer Deposits	-	15,436	15,436	-	-	-
Other Payables	-	713	713	-	-	-
Total Financial Liabilities Not Measured at Fair Value (FV)	-	**31,466**	**31,466**	-	-	-

SUMMARY OF QUARTERLY INFORMATION

The following table provides selected quarterly financial information (in thousands, except per share data) for the eight most recently completed financial quarters ended March 31, 2023. This information reflects all adjustments of a recurring nature that are, in the opinion of management, necessary to present a fair statement of the results of operations for the periods presented. Quarter-to-quarter comparisons of financial results are not necessarily meaningful and should not be relied upon as an indication of future performance. The general increase in revenue and expense quarter over quarter is due to growth and expansion of the Company.

	2023	2022				2021		
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Revenue	107,845	96,118	111,633	112,356	61,649	50,479	38,798	23,095
Cost of Sales	97,037	87,898	103,057	103,064	55,787	46,371	35,477	20,667
Gross Profit	**10,808**	**8,220**	**8,576**	**9,292**	**5,862**	**4,108**	**3,321**	**2,428**
Administrative Expenses	8,638	7,121	5,544	6,116	5,374	3,378	2,043	2,847
Marketing Expenses	7,684	7,061	6,197	5,700	3,716	3,790	2,154	1,214
Research and Development Expenses	1,524	1,002	1,146	1,680	1,039	682	145	1,157
Other Income (Loss)	(28)	(62)	(231)	(257)	(179)	(249)	-	-
Operating Income (Loss)	**(7,010)**	**(6,902)**	**(4,080)**	**(3,947)**	**(4,088)**	**(3,493)**	**(1,021)**	**(2,790)**
Listing Expenses	-	16	135	-	-	-	-	-
Finance Expenses, net	305	(159)	954	208	164	352	44	201
Income (Loss) Before Tax	**(7,315)**	**(6,759)**	**(5,169)**	**(4,155)**	**(4,252)**	**(3,845)**	**(1,065)**	**(2,991)**
Non-controlling interest	(80)	(50)	(78)	(53)	(61)	-	-	-
Income (Loss) Attributable to the Owners of the Parent	**(7,395)**	**(6,809)**	**(5,247)**	**(4,208)**	**(4,313)**	**(3,845)**	**(1,065)**	**(2,991)**
Other Comprehensive Incomes (loss):								
Unrealized Gains (Losses) on Available for Sale Investment Portfolio	93	128	(142)	(116)	(277)	(352)	-	-
Foreign Currency Translation Adjustment	147	(58)	(51)	190	204	4	(1)	(43)
Comprehensive Income (Loss)	**(7,155)**	**(6,739)**	**(5,440)**	**(4,134)**	**(4,386)**	**(4,193)**	**(1,064)**	**(2,948)**
Non-Operating Expenses:								
Finance Costs	292	(237)	1,174	377	502	699	43	158
Depreciation	269	108	87	135	3	83	44	44
Stock-Based Compensation	5,761	6,132	4,506	2,884	3,178	494	(80)	2,045
Listing Expenses	-	16	135	-	-	(99)	310	145
Restructuring Expense	41	160	62	-	-	54	3	60
Other Expenses	-	456	25	155	126	-	-	-
Adjusted EBITDA[(i)]	**(792)**	**(104)**	**549**	**(583)**	**(577)**	**(2,962)**	**(744)**	**(496)**
Earnings per Share								
Basic and Diluted Loss per Share	**(0.041)**	**(0.038)**	**(0.029)**	**(0.023)**	**(0.025)**	**(0.021)**	**(0.006)**	**(0.053)**

(i) Adjusted EBITDA for 2022 has been restated to account for Stock-Based Compensation recognized in Cost of Goods Sold.

LIQUIDITY AND CAPITAL RESOURCES

The Company has a capital structure comprised of Common Shares, contributed capital, retained deficit, and accumulated other comprehensive loss. Our primary sources of liquidity are cash and cash flows from operations as well as cash raised from investors in exchange for issuance of Common Shares. The Company expects to meet all of its obligations and other commitments as they become due. The Company has various financing sources to fund operations and will continue to fund working capital needs through these sources along with cash flows generated from operating activities.

Balance Sheet overview *(in thousands)*

	March 31, 2023	December 31, 2022
ASSETS		
Current Assets	37,129	28,369
Non-Current Assets	15,119	15,393
TOTAL ASSETS	**52,248**	**43,762**
LIABILITIES		
Current Liabilities	31,482	21,105
Non-Current Liabilities	200	242
TOTAL LIABILITIES	**31,682**	**21,347**
TOTAL EQUITY	**20,566**	**22,415**
TOTAL LIABILITIES AND EQUITY	**52,248**	**43,762**

For the period ended March 31, 2023, cash and cash equivalents and investments totaled $19.5 million, compared to $18.7 million at December 31, 2022. Cash is comprised of cash held in our banking and investment accounts.

For the period ended March 31, 2023, financing activities used cash of $615 thousand. Cash flow used in financing activities primarily related to the repurchases of the Common Shares for satisfying RSU obligations pursuant to the NCIB totaling $601 thousand. Cash flows from investing activities used cash of $646 thousand due to the investment in debt instruments and purchase of property and equipment. Cash flows generated in operations was $9.3 million for the period ended March 31, 2023 in comparison to $10.6 million for the period ended March 31, 2022. The decrease in operating cash flows was primarily due to the decrease in customer deposits.

We believe that our existing balances of cash and cash equivalents and cash flows expected to be generated from our operations will be sufficient to satisfy our immediate and ongoing operating requirements.

Our future capital requirements will depend on many factors, including our level of investment in technology, our rate of growth into new markets, and potential mergers and acquisitions. Our capital requirements may be affected by factors that we cannot control such as the residential real estate market, interest rates, and other monetary and fiscal policy changes to the manner in which we currently operate. To support and achieve our future growth plans, however, we may need or seek to obtain additional funding through equity or debt financing.

The following table presents liquidity (in thousands):

	For the Period Ended	
	March 31, 2023	**December 31, 2022**
Cash and Cash Equivalents	10,975	10,846
Other Receivables	75	74
Investment in Financial Assets[iii]	8,491	7,892
Total Capital [i],[ii]	**19,541**	**18,812**

[i] – Total Capital is not a standard financial measure under IFRS and may not be comparable to similar measures reported by other entities.

[ii] – Represents a non-IFRS measure. Real's method for calculating non-IFRS measures may differ from other reporting issuers' methods and accordingly may not be comparable.

[iii] – Investment securities are presented in the table below.

The following table presents Investments in Available for Sale Securities at Fair Value (in thousands):

Description	**Estimated Fair Value December 31, 2022**	**Deposits / (Withdrawals)**	**Gross Unrealized Gains / (Losses)**	**Estimated Fair Value March 31, 2023**
Fixed Income	6,997	506	90	7,593
Alternatives	840	-	3	843
Investment Certificate	55	-	-	55
Short Term Investments	**7,892**	**506**	**93**	**8,491**

The Company holds no debt obligations.

Contractual obligations

As of March 31, 2023, the Company had no guarantees, leases or off-balance sheet arrangements other than those noted in our consolidated financial statement. We have a lease for our New York office that expires on June 30, 2023. The monthly rent expense per the lease for the period ended March 31, 2023 was $7 thousand per month. The following is a schedule of Company's future lease payments under lease obligations (in thousands):

	For the Period Ended	
	March 31, 2023	**December 31, 2022**
Maturity analysis – contractual undiscounted cash flows		
Less than one year	16	96
One year to five years	-	-
More than five years	-	-
Total undiscounted lease liabilities	**16**	**96**
Lease liabilities included in the balance sheet	**16**	**96**
Current	16	96
Non-current	-	-

Capital management framework

Real defines capital as its equity. It is comprised of Common Shares, contributed capital, retained deficit and accumulated other comprehensive loss. The Company's capital management framework is designed to maintain a level of capital that funds the operations and business strategies and builds long-term shareholder value.

The Company's objective is to manage its capital structure in such a way as to diversify its funding sources, while minimizing its funding costs and risks. The Company sets the amount of capital in proportion to the risk and adjusts considering changes in economic conditions and the characteristic risk of underlying assets. To maintain or adjust the capital structure, the Company may repurchase shares, return capital to shareholders, issue new shares or sell assets to reduce debt.

Real's objective is met by retaining adequate liquidity to provide the possibility that cash flows from its assets will not be sufficient to meet operational, investing and financing requirements. There have been no changes to the Company's capital management policies during the periods ended March 31, 2023 and 2022.

INVESTMENT IN AVAILABLE FOR SALE SECURITIES AT FAIR VALUE

The Company invested surplus funds from the financing activities with Insight Partners into a managed investment portfolio. Securities are purchased on behalf of the Company and are actively managed through multiple investment accounts. The Company follows a conservative investment approach with limited risk for investment activities and has allocated the funds in Level 1 assets to reduce market risk exposure.

The Company's investment securities portfolio consists primarily of cash investments, debt securities issued by U.S government agencies, local municipalities, and certain corporate entities. For the period ended March 31, 2023, the total investment in securities available for sale at fair value was $8.5 million and is more fully disclosed in Note 11 of the Financial Statements, Investment Securities Available for Sale Securities at Fair Value, of the Financial Statements.

OTHER METRICS

Year-over-year quarterly revenue growth *(in thousands)*

	2022				**2021**			
	2023	**2022**				**2021**		
	Q1	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Revenue								
Commissions	105,606	94,490	110,259	110,999	60,506	50,158	38,613	22,927
Commissions – YoY QTR	*75%*	*88%*	*186%*	*384%*	*553%*	*612%*	*886%*	*779%*
Title Revenue	598	477	484	506	402	-	-	-
Title Revenue – YoY QTR	*49%*	*-%*	*-%*	*-%*	*-%*	*-%*	*-%*	*-%*
Mortgage Income	132	19	-	-	-	-	-	-
Mortgage Income – YoY QTR	*-%*	*-%*	*-%*	*-%*	*-%*	*-%*	*-%*	*-%*
Fee Income / Other Revenue	1,509	1,132	890	851	741	321	185	168
Fee Income / Other Revenue – YoY QTR	*104%*	*253%*	*381%*	*407%*	*1,382%*	*613%*	*671%*	*282%*
Total Revenue	**107,845**	**96,118**	**111,633**	**112,356**	**61,649**	**50,479**	**38,798**	**23,095**
***Total Revenue** – YoY QTR*	***75%***	***90%***	***188%***	***386%***	***562%***	***612%***	***885%***	***790%***

SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

The preparation of the Financial Statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosures as of the date of the Financial Statements. Actual results may differ from estimates under different assumptions and conditions.

Significant judgments include measure of share-based payment arrangements. Our significant judgments have been reviewed and approved by the Audit Committee for completeness of disclosure on what management believes would be relevant and useful to investors in interpreting the amounts and disclosures in the Financial Statements.

ACCOUNTING POLICY DEVELOPMENT

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. Amendments to IFRS 3 Reference to the Conceptual Framework. The Company has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 Property, Plant and Equipment-Proceeds before Intended Use

The Company has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Standards, interpretations, and amendments to standards not yet effective and not yet applied

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2024, with early application permitted. At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

In February 2021, the International Accounting Standards Board issued narrow-scope amendments to IAS 1, Presentation of Financial Statements, IFRS Practice Statement 2, Making Materiality Judgements and IAS 8, Accounting Polices, Changes in Accounting Estimates and Errors. The amendments are effective for annual periods beginning on or after January 1, 2023, although earlier application is permitted. The amendments will require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarifies how to distinguish changes in accounting policies from changes in accounting estimates. We are currently assessing the impacts of the amended standards, but do not expect that our financial disclosure will be materially affected by the application of the amendments.

In May 2021, the International Accounting Standards Board issued targeted amendments to IAS 12, Income Taxes. The amendments are effective for annual periods beginning on or after January 1, 2023, although earlier application is permitted. With a view to reducing diversity in reporting, the amendments will clarify that companies are required to recognize deferred taxes on transactions where both assets and liabilities are recognized, such as with leases and asset retirement (decommissioning) obligations. Based upon our current facts and circumstances, we do not expect our financial performance or disclosure to be materially affected by the application of the amended standard.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure controls and procedures

The Company's Chief Executive Officer ("**CEO"**) and Chief Financial Officer ("**CFO"**) have designed controls to provide reasonable cash assurance that: (i) material information relating to the Company is made known to management by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual and interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time frame specified in the securities legislation.

Based on the evaluations, the CEO and CFO have concluded that the Company's disclosure controls and procedures were adequate and effective as of March 31, 2023.

Internal control over financial reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Canada by *National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings*, and in the United States by Rule 13a-15(e) under *the Securities Exchange Act of 1934*. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, with the participation of our CEO and CFO, evaluated the effectiveness of our internal control over financial reporting as of March 31, 2023, based on the criteria described in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the results of its evaluation, management concluded that our internal control over financial reporting was effective as of March 31, 2023.

Inherent limitations

It should be noted that in a control system, no matter how well conceived and operated, provide only reasonable, not absolute, assurance that the objectives of the control system are met. Given the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; (ii) the impact of any undetected errors; and (iii) controls may be circumvented by unauthorized acts of individuals, by collusion of two or more people, or by management override.

Changes in Internal Control over Financial Reporting

There were no changes in Internal Control over Financial Reporting during the period ended March 31, 2023 that have materially affected or are reasonably likely to materially affect the adequacy and effectiveness of the Company's Internal Control over Financial Reporting.

Related party transactions

The Company's key management personnel are comprised of its CEO, CFO, Chief Operating Officer, Chief Technology Officer, the Chief Marketing Officer, and other members of its executive team. The remuneration of key management personnel and directors of the Company who are part of related parties is set out below (in thousands):

	For the Period Ended	
	March 31, 2023	**March 31, 2022**
Salaries and Benefits	553	600
Stock-Based Compensation	802	497
Compensation Expenses for Related Parties	**1,355**	**1,097**

RISKS AND UNCERTAINTIES

There are a number of risk factors that could cause future results to differ materially from those described herein. The risks and uncertainties described herein are not the only ones the Company faces. Additional risks and uncertainties, including those that the Company does not know about as of the date of this MD&A, or that it currently deems immaterial, may also adversely affect the Company's business. If any of the following risks occur, the Company's business may be harmed, and its financial condition and the results of operation may suffer significantly.

Limited operating history

Our limited operating history makes it difficult for potential investors to evaluate our business or prospective operations. As a young company, we are subject to all the risks inherent in a developing organization, financing, expenditures, complications and delays inherent in a new business. Investors should evaluate an investment in us in light of the uncertainties encountered by developing companies in a competitive and evolving environment. Our business is dependent upon the implementation of our business plan. We may not be successful in implementing such plan and cannot guarantee that, if implemented, we will ultimately be able to attain profitability.

Managing agent growth

Real may not be able to scale its business quickly enough to meet the growing needs of its affiliated real estate professionals and if Real is not able to grow efficiently, its operating results could be harmed. As Real adds new real estate professionals, Real will need to devote additional financial and human resources to improving its internal systems, integrating with third-party systems, and maintaining infrastructure performance. In addition, Real will need to appropriately scale its internal business systems and our services organization, including support of our affiliated real estate professionals as its demographics expand over time. Any failure of or delay in these efforts could cause impaired system performance and reduced real estate professional satisfaction.

These issues could reduce the attractiveness of Real to existing real estate professionals who might leave Real and result in decreased attraction of new real estate professionals and reduced revenue and financial results.

Additional financing

From time to time, Real may need additional financing to operate or grow its business. Real's ability to obtain additional financing, if and when required, will depend on investor and lender willingness, its operating performance, the condition of the capital markets and other facts, and Real cannot assure anyone that additional financing will be available to it on favorable terms when required, or at all. If Real raises additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of its Common Shares, and its existing shareholders may experience dilution. If Real is unable to obtain adequate financing or financing on terms satisfactory to it when it requires it, its ability to continue to support the operation or growth of its business could be significantly impaired and its operating results may be harmed.

Reliance on North American real estate market

Real's financial performance is closely tied to the strength of the residential real estate market in the United States, which is cyclical in nature and typically is affected by changes in conditions that are beyond Real's control. Macroeconomic conditions that could adversely impact the growth of the real estate market and have a material adverse effect on our business include, but are not limited to, economic slowdown or recession, increased unemployment, increased energy costs, reductions in the availability of credit or higher interest rates, increased costs of obtaining mortgages, an increase in foreclosure activity, inflation, disruptions in capital markets, declines in the stock market, adverse tax policies or changes in other regulations, lower consumer confidence, lower wage and salary levels, or the public perception that any of these events may occur. Unfavorable general economic conditions in the United States, Canada, or other markets Real enters and operates within could negatively affect the affordability of, and consumer demand for, our services which could have a material adverse effect on our business and profitability. In addition, federal and state governments, agencies, and government-sponsored entities could take actions that result in unforeseen consequences to the real estate market or that otherwise could negatively impact Real's business.

Regulation of United States real estate market

Real operates in the real estate industry which is a heavily regulated industry subject to complex, federal, state, provincial and local laws and regulations and third-party organizations' regulations, policies and bylaws. Generally, the laws, rules and regulations that apply to Real's business practices include, without limitation, the Real Estate Settlement Procedures Act ("**RESPA**"), the Fair Housing Act, the Dodd-Frank Act, and federal advertising and other laws, as well as comparable state statutes; rules of trade organizations such as the National Association of Realtors, local Multiple Listing Services, and state and local Associations of Realtors, licensing requirements and related obligations that could arise from our business practices relating to the provision of services other than real estate brokerage services; privacy regulations relating to our use of personal information collected from the registered users of our websites; laws relating to the use and publication of information through the Internet; and state real estate brokerage licensing requirements, as well as statutory due diligence, disclosure, record keeping and standard-of-care obligations relating to these licenses.

Additionally, the Dodd-Frank Act contains the Mortgage Reform and Anti-Predatory Lending Act (the "**Mortgage Act**"), which imposes a number of additional requirements on lenders and servicers of residential mortgage loans, by amending certain existing provisions and adding new sections to RESPA and other federal laws.

It also broadly prohibits unfair, deceptive, or abusive acts or practices, and knowingly or recklessly providing substantial assistance to a covered person in violation of that prohibition. The penalties for noncompliance with these laws are also significantly increased by the Mortgage Act, which could lead to an increase in lawsuits against mortgage lenders and servicers.

Maintaining legal compliance is challenging and increases business costs due to resources required to continually monitor business practices for compliance with applicable laws, rules and regulations, and to monitor changes in the applicable laws themselves.

Real may not become aware of all the laws, rules and regulations that govern its business, or be able to comply with all of them, given the rate of regulatory changes, ambiguities in regulations, contradictions in regulations between jurisdictions, and the difficulties in achieving both company-wide and region-specific knowledge and compliance.

Regulation of Canadian real estate market

Real operates in the Canadian real estate industry which is a heavily regulated industry subject to complex, federal, provincial and municipal laws, regulations and third-party organizations' regulations, policies and bylaws. Generally, the laws, rules and regulations that apply to Real's business practices include, without limitation, Real Estate and Business Brokers Act (Ontario), the Real Estate Act (Alberta), the Real Estate Services Act (British Columbia), and advertising and other laws, as well as comparable and associated statutes and regulations; rules of regulatory bodies, trade organizations and associations such as the Canadian Real Estate Association, the Real Estate Council of Ontario, the Real Estate Council of Alberta, and the Real Estate Council of British Columbia, including licensing and compliance requirements and related obligations that could arise from our business practices relating to the provision of services other than real estate brokerage services; privacy regulations relating to our use of personal information collected from the registered users of our websites; laws relating to the use and publication of information through the Internet; and provincial real estate brokerage licensing requirements, as well as statutory and common law due diligence, disclosure, record keeping and standard-of-care obligations relating to these licenses and the provision of real estate brokerage services.

Maintaining legal compliance is challenging and increases business costs due to resources required to continually monitor business practices for compliance with applicable laws, rules and regulations, and to monitor changes in the applicable laws themselves.

Real may not become aware of all the laws, rules and regulations that govern its business, or be able to comply with all of them, given the rate of regulatory changes, ambiguities in regulations, contradictions in regulations between jurisdictions, and the difficulties in achieving both company-wide and region-specific knowledge and compliance.

Success of the platform

Our business strategy is dependent on our ability to develop platforms and features to attract new businesses and users, while retaining existing ones. Staffing changes, changes in user behavior, changes in agent growth rate or development of competing platforms may cause users to switch to alternative platforms or decrease their use of our platform. There is no guarantee that agents will use these features and we may fail to generate revenue. Additionally, any of the following events may cause decreased use of our platform:

- emergence of competing platforms and applications with novel technologies;
- inability to convince potential agents to join our platform;
- technical issues or delays in releasing, updating or integrating certain platforms or in the cross-compatibility of multiple platforms;
- security breaches with respect to our data;
- a rise in safety or privacy concerns; and
- an increase in the level of spam or undesired content on the network.

Management team

We are highly dependent on our management team, specifically our CEO. If we lose key employees, our business may suffer. Furthermore, our future success will also depend in part on the continued service of our key management personnel and our ability to identify, hire, and retain additional personnel. We do not carry "key-man" life insurance on the lives of our executive officers, employees, or advisors. We experience intense competition for qualified personnel and may be unable to attract and retain the personnel necessary for the development of our business. Because of this competition, our compensation costs may increase significantly.

Monetization of platform

There is no guarantee that our efforts to monetize the Real platform will be successful. Furthermore, our competitors may introduce more advanced technologies that deliver a greater value proposition to realtors in the future. These factors individually or collectively may preclude us from effectively monetizing our business which would have a material adverse effect on our financial condition and results of operation.

Seasonality of operations

Seasons and weather traditionally impact the real estate industry in the jurisdictions where Real operates. Continuous poor weather or natural disasters negatively impact listings and sales. Spring and summer seasons historically reflect greater sales periods in comparison to fall and winter seasons. Real has historically experienced lower revenues during the fall and winter seasons, as well as during periods of unseasonable weather, which reduces Real’s operating income, net income, operating margins and cash flow.

Real estate listings precede sales, and a period of poor listings activity will negatively impact revenue. Past performance in similar seasons or during similar weather events can provide no assurance of future or current performance, and macroeconomic shifts in the markets Real serves can conceal the impact of poor weather or seasonality.

Agent engagement

Our business model involves attracting real estate agents to our platform. There is no guarantee that growth strategies will bring new agents to our network. Changes in relationships with our partners, contractors, and businesses we retain to grow our network may result in significant increases in the cost to acquire new agents. In addition, new agents may fail to engage with our network to the same extent current agents are engaging with our network resulting in decreased use of our network.

Decreases in the size of our agent base and/or decreased engagement on our network may impair our ability to generate revenue.

Managing growth of operations

Successful implementation of our business strategy requires us to manage our growth. Growth could place an increasing strain on our management and financial resources. To manage growth effectively, we need to continuously: (i) evaluate definitive business strategies, goals and objectives; (ii) maintain a system of management controls; and (iii) attract and retain qualified personnel, as well as develop, train and manage management-level and other employees. If we fail to manage our growth effectively, our business, financial condition or operating results could be materially harmed.

Competition

We compete with both start-up and established technology companies and brokerages. Our competitors may have substantially greater financial, marketing, and other resources than we do, may have been in business longer than we have, may have greater name recognition than we do, and may be more established in the technological or real estate markets than we are. If we are unable to compete successfully with other businesses in our existing market, we may not achieve our projected revenue and/or agent targets which may have a material adverse effect on our financial condition.

Volatility

The market price of our Common Shares could fluctuate significantly in response to various factors and events, including, but not limited to: our ability to execute our business plan; operating results below expectations; announcements regarding regulatory developments with respect to the real estate industry; our issuance of additional securities, including debt or equity or a combination thereof, necessary to fund our operating expenses; announcements of technological innovations or new products by us or our competitors; and period-to-period fluctuations in our financial results. In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our Common Shares.

An investment in our securities is speculative and involves a high degree of risk. Potential investors should be aware that the value of an investment in the Company may go down as well as up. In addition, there can be no certainty that the market value of an investment in the Company will fully reflect its underlying value. Investors could lose their entire investment. Because we can issue additional Common Shares, purchasers of our Common Shares may incur immediate dilution and experience further dilution.

As of the date of this MD&A, we are authorized to issue an unlimited number of Common Shares. Our board of directors (the “**Board**”) has the authority to cause us to issue additional Common Shares without consent of any of shareholders. Consequently, our shareholders may experience further dilution in their ownership of our stock in the future, which could have an adverse effect on the trading market for our Common Shares.

Furthermore, our articles give the Board the right to create one or more new classes or series of shares. As a result, the Board may, without shareholder approval, issue shares of a new class or series with voting, dividend, conversion, liquidation, or other rights that could adversely affect the voting power and equity interests of the holders of our Common Shares, as well as the price of our Common Shares.

Cyber security threats

A cyber incident is an intentional or unintentional event that could threatens the integrity, confidentiality or availability of the Company's information resources. These events include, but are not limited to, unauthorized access to information systems, a disruption to our information systems, or loss of confidential information. Real's primary risks that could result directly from the occurrence of a cyber incident include operational interruption, damage to our public image and reputation, and/or potentially impact the relationships with our customers.

We have implemented processes, procedures, and controls to mitigate these risks, including, but not limited to, firewalls and antivirus programs and training and awareness programs on the risks of cyber incidents. These procedures and controls do not guarantee that the financial results may not be negatively impacted by such an incident.

COVID-19 impact

The COVID-19 pandemic (including variants), which began in early 2020, had a significant impact on the global economy and the financial markets. This unprecedented situation created considerable risks and uncertainties for the U.S. real estate services industry by disrupting supply chain channels leading to lower housing inventory and making the existing home prices rise significantly.

We did not see adverse impacts of the COVID-19 pandemic on our financial results for the period ended March 31, 2023. However, the extent of the future impact of COVID-19 or other public health issue such as a major epidemic or pandemic on our financial results will depend largely on future developments, including the severity and transmission rates, the duration and extent of the spread, the timing, availability and effectiveness of vaccines and vaccination rates, and the prevalence of local, regional and national restrictions and regulatory orders in response to the public health issue, all of which are highly uncertain and difficult to predict.

OUTSTANDING SHARE DATA

As of May 11, 2023, the Company had 180 million Common Shares issued and outstanding.

In addition, as of May 11, 2023, there are 23.5 million Options issued and outstanding with exercise prices ranging from $0.03 to $3.40 per share and expiry dates ranging from January 2025 to March 2023. Each Option is exercisable for one Common Share. As of May 11, 2023, a total of 21 million RSUs are issued and outstanding. Once vested, each RSU will settle for a Common Share or cash equal to the value of a Common Share.

SUBSEQUENT EVENTS

On April 25, 2023, Andrew Kazeniac had a separation from service as Chief Operating Officer of the Company.

ADDITIONAL INFORMATION

These documents, as well as additional information regarding Real, have been filed electronically on Real's website at www.onereal.com and under the Company's profile at www.sedar.com

Exhibit 99.2

THE REAL BROKERAGE INC.

Interim Condensed Consolidated Financial Statements

For the period ended March 31, 2023

(Unaudited)

Symbol: REAX | Building your future, **together**

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THE REAL BROKERAGE INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITIONS
(Expressed in thousands of U.S. dollars)
UNAUDITED

	Unaudited	*Audited*
	March 31, 2023	**December 31, 2022**
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 10,975	$ 10,846
Restricted cash	15,436	7,481
Investments in financial assets	8,491	7,892
Trade receivables	1,399	1,547
Other receivables	75	74
Prepaid expenses and deposits	753	529
TOTAL CURRENT ASSETS	**37,129**	**28,369**
NON-CURRENT ASSETS		
Intangible assets	3,511	3,708
Goodwill	10,175	10,262
Property and equipment	1,419	1,350
Right-of-use assets	14	73
TOTAL NON-CURRENT ASSETS	**15,119**	**15,393**
TOTAL ASSETS	**52,248**	**43,762**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	370	474
Accrued liabilities	14,947	11,866
Customer deposits	15,436	7,481
Other payables	713	1,188
Lease liabilities	16	96
TOTAL CURRENT LIABILITIES	**31,482**	**21,105**
NON-CURRENT LIABILITIES		
Warrants outstanding	200	242
TOTAL NON-CURRENT LIABILITIES	**200**	**242**
TOTAL LIABILITIES	**31,682**	**21,347**
EQUITY		
EQUITY ATTRIBUTABLE TO OWNERS		
Share premium	60,649	63,204
Stock-based compensation reserves	29,305	25,083
Deficit	(58,099)	(50,704)
Other reserves	(229)	(469)
Treasury stock, at cost	(11,403)	(14,962)
EQUITY ATTRIBUTABLE TO OWNERS	**20,223**	**22,152**
Non-controlling interests	343	263
TOTAL EQUITY	**20,566**	**22,415**
TOTAL LIABILITIES AND EQUITY	**52,248**	**43,762**

The accompanying notes form an integral part of the consolidated financial statements**.**

THE REAL BROKERAGE INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in thousands of U.S. dollars, except for per share amounts)
UNAUDITED

	For the Period Ended	
	March 31, 2023	**March 31, 2022**
Revenues	$ 107,845	$ 61,649
Commissions and other agent-related costs	97,037	55,787
Gross Profit	**10,808**	**5,862**
General and administrative expenses	8,638	5,374
Marketing expenses	7,684	3,716
Research and development expenses	1,524	1,039
Operating Loss	**(7,038)**	**(4,267)**
Other Income	28	179
Finance expenses, net	(305)	(164)
Net Loss	**(7,315)**	**(4,252)**
Net Income Attributable to Noncontrolling Interests	80	61
Net Loss Attributable to Owners of the Company	**(7,395)**	**(4,313)**
Other comprehensive income/(loss):		
Cumulative (Gain)/Loss on Investments in Debt Instruments Classified as at FVTOCI Reclassified to Profit or Loss	93	(277)
Foreign currency translation adjustment	147	204
Total Comprehensive Loss Attributable to Owners of the Company	**(7,155)**	**(4,386)**
Total Comprehensive Income Attributable to NCI	80	61
Total Comprehensive Loss	**(7,075)**	**(4,325)**
Loss per share		
Basic and diluted loss per share	(0.04)	(0.03)
Weighted-average shares, basic and diluted	**178,629**	**174,746**

The accompanying notes form an integral part of the consolidated financial statements.

THE REAL BROKERAGE INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(U.S. dollar in thousands)
UNAUDITED

	Share Premium	Stock-Based Compensation Reserve	Foreign Exchange Translation Reserve	Investments Revaluations Reserve	Deficit	Treasury Stock	Non-Controlling Interests	Total Equity (Deficit)
Balance at, January 1, 2022	**63,397**	**6,725**	**5**	**(352)**	**(30,127)**	**(12,644)**	**-**	**27,004**
Total loss	-	-	-	-	(4,313)	-	61	(4,252)
Total other comprehensive loss	-	-	204	(277)	-	-	-	(73)
Acquisitions of commons shares for Restricted Share Unit (RSU) plan	-	-	-	-	-	(4,512)	-	(4,512)
Release of vested common shares from employee benefit trusts	284	-	-	-	-	277	-	561
Adjustment arising from change in non-controlling interest	-	-	-	-	-	-	23	23
Exercise of stock options	23	-	-	-	-	-	-	23
Equity-settled share-based payment	-	5,133	-	-	-	-	-	5,133
Balance at, March 31, 2022	**63,704**	**11,858**	**209**	**(629)**	**(34,440)**	**(16,879)**	**84**	**23,907**
Balance at, January 1, 2023	**63,204**	**25,083**	**290**	**(759)**	**(50,704)**	**(14,962)**	**263**	**22,415**
Total loss and income	-	-	-	-	(7,395)	-	80	(7,315)
Total other comprehensive loss	-	-	147	93	-	-	-	240
Acquisitions of common shares for Restricted Share Unit (RSU) plan	-	-	-	-	-	(601)	-	(601)
Release of treasury shares	(4,160)	-	-	-	-	4,160	-	-
Issuance of Restricted Share Units	1,504	(1,504)	-	-	-	-	-	-
Exercise of stock options	101	(35)	-	-	-	-	-	66
Equity-settled share-based payments	-	5,761	-	-	-	-	-	5,761
Balance at, March 31, 2023	**60,649**	**29,305**	**437**	**(666)**	**(58,099)**	**(11,403)**	**343**	**20,566**

The accompanying notes form an integral part of the consolidated financial statements.

THE REAL BROKERAGE INC.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(U.S. dollar in thousands)
UNAUDITED

	For the Period Ended	
	March 31, 2023	**March 31, 2022**
OPERATING ACTIVITIES		
Net Loss	$ (7,315)	$ (4,252)
Adjustments for:		
Depreciation	269	3
Equity-settled share-based payments	5,761	937
Finance costs	183	109
Loss on short term investments	-	205
Changes in operating asset and liabilities:		
Trade receivables	148	(97)
Other receivables	(1)	(64)
Prepaid expenses and deposits	(224)	(1,000)
Accounts payable	(104)	48
Accrued liabilities	3,081	1,401
Customer deposits	7,955	12,871
Other payables	(475)	464
NET CASH PROVIDED BY OPERATING ACTIVITIES	**9,278**	**10,625**
INVESTING ACTIVITIES		
Purchase of property and equipment	(140)	(376)
Acquisition of subsidiaries *(Note 3)*	-	(7,445)
Investment in Debt Instruments designated at FVTOCI	(506)	-
NET CASH USED IN INVESTING ACTIVITIES	**(646)**	**(7,821)**
FINANCING ACTIVITIES		
Purchase of common shares for Restricted Share Unit (RSU) Plan	(601)	(4,512)
Stock Compensation Payable (RSU)	-	1,570
Proceeds from exercise of stock options	66	23
Payment of lease liabilities	(80)	(23)
NET CASH USED IN FINANCING ACTIVITIES	**(615)**	**(2,942)**
Net change in cash, cash equivalents and restricted cash	8,017	(138)
Cash, cash equivalents and restricted cash, beginning of year	18,327	29,129
Fluctuations in foreign currency	67	(3)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH BALANCE, ENDING BALANCE	**$ 26,411**	**$ 28,988**
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:		
Share-based compensation as part of Expetitle consideration	-	4,325
Increase in non-controlling interest	80	-

The accompanying notes form an integral part of the consolidated financial statements.

1. GENERAL INFORMATION

The Real Brokerage Inc. ("**Real**" or the "**Company**") is a technology-powered real estate brokerage firm, licensed in 45 U.S. states, the District of Columbia, and 3 provinces in Canada. Real offers agents a mobile focused tech-platform to run their business.

The consolidated operations of Real include the wholly-owned subsidiaries of the Real Brokerage Inc., including those wholly-owned subsidiaries involved in the brokerage, title and mortgage business operations. The Company also has investments in Joint Ventures which are accounted for using the equity method.

On May 17, 2021, the TSX Venture Exchange (the "**TSXV**") accepted the Company's Notice of Intention to implement a normal course issuer bid ("**NCIB**"). On May 19, 2022, the Company announced that it renewed its NCIB to be transacted through the facilities of the NASDAQ Capital Market ("**NASDAQ**") and other stock exchanges and/or alternative trading systems in the United States and/or Canada. Pursuant to the NCIB, Real may purchase up to 8.9 common shares of the Company ("**Common Shares**"), representing approximately 5% of the total 178.3 million Common Shares issued and outstanding as of May 19, 2022. Purchases will be made at prevailing market prices and will terminate no later than May 20, 2023.

The NCIB is being conducted to acquire Common Shares for the purposes of satisfying restricted share unit (each, an "**RSU**") obligations. The Company appointed CWB Trust Services (the "**Trustee**") as the trustee for the purposes of arranging the acquisition of Common Shares and to hold the Common Shares in trust for the purposes of satisfying RSU payments as well as deal with other administration matters. Through the Trustee, RBC Capital Markets was engaged to undertake purchases under the NCIB.

During the 3-month period ended March 31, 2023, the Company repurchased 462 thousand Common Shares in the amount of $601 thousand.

On July 26, 2022, the Company's Common Shares commenced trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "REAX". Concurrent to the graduation to the TSX, the Common Shares were voluntarily delisted from the TSXV. Trading of the Common Shares continues on the NASDAQ under the same symbol, "REAX".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2022.

A. Basis of preparation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board (IASB). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company's annual audited consolidated financial statements for the period ended December 31, 2022. These unaudited interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on May 8, 2022.

All dollar amounts are in U.S. dollars unless otherwise stated.

B. Significant judgments, estimates and assumptions

The preparation of Real's unaudited interim condensed consolidated financial statements require management to make judgments, estimates and assumptions that affect the amounts reported. In the process of applying Real's accounting policies, management was required to apply judgment in certain areas. Estimates and assumptions made by management are based on events and circumstances that existed at the unaudited interim condensed consolidated balance sheet date. Accordingly, actual results may differ from these estimates.

The significant judgments, estimates and assumptions in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2022.

3. EXPETITLE ACQUISITION

On January 20, 2022, the Company completed the acquisition of 100% of the issued and outstanding equity interests of Expetitle, Inc. ("**Expetitle**") pursuant to a stock purchase agreement (the "**Expetitle Transaction**"). Expetitle had developed technology that simplifies the paper-intensive and time-intensive title and eEscrow process, reducing errors and saving time. Agents and homebuyers can navigate the entire closing experience in a few clicks using Expetitle's mobile app. As part of the Expetitle Transaction, the Company also acquired 51% ownership of five subsidiaries of Expetitle Inc. The noncontrolling ownership interest in these five subsidiaries of Expetitle recognized at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to $21 thousand. The aggregate purchase price for 100% of the issued and outstanding equity interests of Expetitle was comprised of cash consideration of $7.4 million payable at the closing of the Expetitle Transaction and contingent consideration of $800 thousand in cash subject to escrow, that would be released after twelve (12) months upon the satisfaction or waiver of the following terms and conditions: (i) the key employees remain at their current position with the Company for at least twelve (12) months after the closing of the Expetitle Transaction and (ii) Expetitle will become licenced to operate in at least fifteen states, including the then current states of operation, Florida, Georgia, and Texas. The contingent terms were met and the $800,000 that was in escrow was released on January 23, 2023.

As part of the Expetitle Transaction, Real granted an aggregate of 700 thousand incentive stock options ("**Options**") and an aggregate of 1.1 million RSUs to shareholders and members of the Expetitle team. The fair value of those Options was $4.8 million from which $4.3 million was determined to be part of the consideration and $451 thousand that was recorded immediately to the statement of loss and comprehensive loss as post transaction employee compensation which vests immediately. The Options are exercisable for a period of 3 years at $3.60 per Common Share. In addition, and as part of the transaction, the Company provided cash grants to the Expetitle employees in the amount of $168 thousand.

We have completed the valuation of the acquired assets and assumed liabilities and have assigned $3.4 million as the fair value of the Company's developed technology and $8.4 million as the residual goodwill. Goodwill represents expected synergies, future income and growth potential, and other intangibles that do not qualify for separate recognition. None of the goodwill arising from this acquisition is expected to be deductible for tax purposes.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed, total consideration, and cash flow related to the Expetitle Transaction (in thousands):

	Balance at January 21, 2022
Recognized amounts of assets acquired and liabilities assumed	
Cash	80
Other Current Assets	42
In Trust Cash	960
Goodwill	8,393
Intangible Assets	3,364
Accounts Payables and Accrued Liabilities	(103)
Held in Trust Funds	(960)
Other Payables	(19)
Net Assets Acquired	11,757
Cash Flow	
Total Consideration	(11,757)
Acquired Cash	80
Equity-settled share-based payment	4,325
Cash from Investing Activities	(7,352)

4. REDLINE REAL ESTATE GROUP ACQUISITION

On November 3, 2022, the Company acquired, through a wholly owned subsidiary, all of the issued and outstanding common shares of Redline Real Estate Group (BC) Inc. (“**Redline BC**”) pursuant to a share purchase agreement between the Company, Redline BC and Redline Realty Investments Inc. (“**Redline Realty**”). The acquisition, which includes Redline’s real estate license to operate in British Columbia, fueled the Company’s expansion into Canada’s third largest province. The transaction was settled in nominal cash consideration for an aggregate purchase price of one Canadian dollar. The Company has determined that the Redline Transaction meets the definition of business combinations within the scope of IFRS 3, Business Combination and has 12 months from the date of purchase to determine the purchase price allocation among the assets purchased and any amounts attributable to goodwill.

The following table summarizes the fair value of the acquired assets and assumed liabilities, with reference to the acquisition as of the acquisition date (in thousands):

	Balance at November 3, 2022
Recognized amounts of assets acquired and liabilities assumed	
Cash & Cash in Trust	30
Amount Held in Trust	(30)
Net Assets Acquired	-
Consideration	-

5. LEMONBREW LENDING ACQUISITION

On December 9, 2022, pursuant to the terms of a share purchase agreement dated September 23, 2022 between the Company, LemonBrew Lending Corp. (“**LemonBrew Lending**”) and LemonBrew Technologies Corp. (“**LemonBrew Technologies**”), the Company acquired 100% of the issued and outstanding equity interests of LemonBrew Lending from the seller for an aggregate purchase price of $1.25 million (the “**LemonBrew Transaction**”). The purchase price was satisfied by (i) cash in the amount of $800 thousand and (ii) the issuance of 351,837 Common Shares (the “**Consideration Shares**”) at a deemed issued price of $1.279 per share. The issued price of the Consideration Shares is equal to the product of $450,000 divided by the 5-day volume weighted average trading price of the Common Shares on the NASDAQ immediately prior to the closing of the LemonBrew Transaction.

In connection with the closing of the LemonBrew Transaction, the Company entered into agreements with management and key employees of LemonBrew Lending (the "**LemonBrew Key Employee Agreements**"). The LemonBrew Key Employment Agreements provide for performance-based milestone payments of $2.5 million payable over 36 months following closing of the LemonBrew Transaction, of which $2 million with be payable in cash and $500 thousand will be payable in restricted share units of the Company. The performance-based milestones are:

- LemonBrew achieving at least $500 thousand in EBITDA for the first 12-month period following closing, $1 million in EBITDA for the second 12-month period following closing, and $2 million in EBITDA for the third 12-month period following closing

- Certain employees remaining in their roles to be established with Real during the transaction

These payments are considered separate from the aggregate purchase price. Management believes that there is no likelihood of achieving the performance-based milestones and has not recognized any expenses related to the performance-based milestone payment.

The Company has determined that the LemonBrew Transaction meets the definition of business combinations within the scope of IFRS 3, Business Combination and has 12 months from the date of purchase to determine the purchase price allocation among the assets purchased and any amounts attributable to goodwill.

The following table summarizes the recognized amounts of assets acquired and liabilities assumed, total consideration, and cash flow related to the LemonBrew Transaction (in thousands). The following amounts are provisional and will be adjusted during the measurement period, and additional assets or liabilities may be recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date:

	Balance at December 9, 2022
Recognized amounts of assets acquired and liabilities assumed	
Current Assets	27
Other Assets	119
Goodwill	1,179
Accounts Payables and Accrued Liabilities	(11)
Other Payables	(64)
Net Assets Acquired	1,250
Consideration	
Consideration Paid	800
Equity-settled shared-based consideration	450
Total Consideration	1,250
Cash Flow	
Total Consideration	(1,250)
Equity-settled share-based payment	450
Cash From Investing Activities	(800)

6. REVENUE

In the following table, revenue (in thousands) from contracts with customers is disaggregated by major service lines as well as timing of revenue recognition.

	For the Period Ended	
	March 31, 2023	**March 31, 2022**
Main revenue streams		
Commissions	105,606	60,506
Title	598	402
Mortgage Income	132	-
Fee Income	943	446
Other	566	295
Total Revenue	**107,845**	**61,649**
Timing of Revenue Recognition		
Products transferred at a point in time	107,845	61,649
Revenue from Contracts with Customers	**107,845**	**61,649**

7. EXPENSES BY NATURE

In the following table, cost of sales represents real estate commission paid to Company's agents as well as to outside brokerages in Canada and Title Fee Expenses (in thousands).

	For the Period Ended	
	March 31, 2023	**March 31, 2022**
Commissions and other agent-related costs	**97,037**	**55,787**
Operating Expenses		
General and Administration Expense	**8,638**	**5,374**
Salaries and Benefits	4,478	2,165
Stock Based Compensation for Employees	959	1,121
Administrative Expenses	685	351
Professional Fees	1,647	1,419
Depreciation Expense	269	3
Other General and Administrative Expenses	600	315
Marketing Expenses	**7,684**	**3,716**
Salaries and Benefits	107	112
Stock Based Compensation for Employees	11	11
Stock Based Compensation for Agents	1,541	582
Revenue Share	5,434	2,703
Other Marketing and Advertising Cost	591	308
Research and Development Expenses	**1,524**	**1,039**
Salaries and Benefits	658	392
Stock Based Compensation for employees	49	73
Other Research and Development	817	574
Total Cost of Sales and Operating Expenses	**114,883**	**65,916**

Finance Expenses

The following table summarizes details behind Finance costs (in thousands) as reported in the unaudited interim condensed consolidated Statement of Income (Loss):

	For the Three Month Period Ended	
Description	**March 31, 2023**	**March 31, 2022**
Unrealized Losses (Gains)	(42)	(253)
Realized Losses (Gains)	8	55
Bank Fees	122	52
Finance Cost	217	309
Other	-	1
Finance Expenses, net	**305**	**164**

8. LOSS PER SHARE

BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is computed by dividing the loss for the period by the weighted average number of Common Shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income (loss) less any preferred dividends for the period by the weighted average number of Common Shares outstanding plus, any potentially dilutive Common Shares outstanding during the period. The Company does not pay dividends or have participating shares outstanding.

The following table outlines the number of Common Shares (in thousands) and basis and diluted loss per share:

	For the Period Ended	
(in thousands of shares)	**March 31, 2023**	**March 31, 2022**
Issued Common Shares at the beginning of the period	178,201	170,483
Effect of Warrant Exercise	-	4,263
Effect of Treasury Issuance	89	-
Effect of Share Options Exercised	339	-
Weighted-average numbers of Common Shares	**178,629**	**174,746**
Loss per share		
Basic and diluted loss per share	**(0.04)**	**(0.03)**

9. SHARE-BASED PAYMENT ARRANGEMENTS

A. Description of share-based payment arrangements

Stock option plan (equity-settled)

On January 20, 2016, the Company established (the "**Stock Option Plan**") that entitles key management personnel and employees to purchase shares in the Company. Under the Stock Option Plan, holders of vested Options are entitled to purchase Common Shares for the exercise price as determined at the grant date.

On February 26, 2022, the Company established an omnibus incentive plan providing for up to 20% of the issued and outstanding Common Shares as of the date thereof (being 35.6 million Common Shares, less RSUs and Options outstanding under other equity inventive plans) to be issued as RSUs or Options to directors, officers, employees, and consultants of the Company (the "**Omnibus Incentive Plan**"). The Omnibus Incentive was approved by shareholders of the Company on June 13, 2022.

In connection with the graduation to the TSX, the Company amended its Omnibus Incentive Plan (the "**A&R Plan**") on July 13, 2022. Pursuant to the A&R Plan, the maximum number of Common Shares issuable pursuant to outstanding Options at anytime shall be limited to 15% of the aggregate number of issued and outstanding Common Shares as of the applicable award date less the number of Common Shares issuable pursuant to Options under the A&R Plan or any other security based compensation arrangement of the Company. In addition, the Company is authorized to grant up to 70,000,000 RSUs pursuant to the A&R Plan. The RSU limit is separate and distinct from the maximum number of Common Shares reserved for issuance pursuant to Options under the A&R Plan.

The following table depicts the number of Common Shares granted apart from the Company's various acquisitions (in thousands):

Grant Date	Number of Options	Vesting Conditions	Contractual Life of Options
Balance January 1, 2022	**22,287**		
On March, 2022	240	3 years quarterly vest	10 years
On May, 2022	320	3 years quarterly vest	10 years
On August, 2022	4,000	25% on first anniversary, then quarterly vesting	10 years
On August, 2022	145	3 years quarterly vest	10 years
On November, 2022	55	3 years quarterly vest	10 years
On December, 2022	10	3 years quarterly vest	10 years
Balance December 31, 2022	**27,057**		
Balance January 1, 2023	**27,057**		
On March, 2023	1,500	16.7% on first anniversary, then quarterly vesting	10 years
On March, 2023	15	3 years quarterly vest	10 years
Balance March 31, 2023	**28,572**		

B. Measurement of fair value

The fair value of the Options has been measured using the Black-Scholes formula which was also used to determine the Company's share value. Service and non-market performance conditions attached to the arrangements were not considered in measuring fair value. The inputs used in the measurement of the fair value at the grant and measurement date were as follows:

	March 31, 2023	December 31, 2022
Share price	$ 1.21	$ 1.05
Exercise price	$ 1.25	$1.35 to $2.45
Expected volatility (weighted-average)	108.0%	108.0%
Expected life (weighted-average)	10 years	10 years
Expected dividends	**-%**	**-%**
Risk-free interest rate (based on US government bonds)	3.65%	1.95 – 2.89%

Expected volatility has been based on an evaluation of historical volatility of the company's share price.

C. Reconciliation of outstanding stock-options

The following table outlines the number of Options (in thousands) and weighted-average exercise price:

	March 31, 2023		December 31, 2022	
	Number of Options	**Weighted-Average Exercise Price**	**Number of Options**	**Weighted-Average Exercise Price**
Outstanding at beginning of year	20,313	$ 0.90	20,815	$ 0.71
Reinstated	1,480	0.20	-	-
Granted	1,515	1.25	4,770	1.61
Forfeited/Expired	(143)	(1.73)	(3,883)	(1.47)
Exercised	(128)	(0.31)	(1,389)	(0.23)
Outstanding at end of period	**23,037**	**$ 0.89**	**20,313**	**$ 0.90**
Exercisable as at end of period	**13,095**		**11,046**	

The Options outstanding as of March 31, 2023 had a weighted average exercise price of $0.89 (December 31, 2022: $0.90) and a weighted-average contractual life of 10 years (December 31, 2022: 10 years).

D. Restricted share unit plan

Restricted share unit plan

Under the Company's agent performance grant program, the Company issues RSUs to agents based on an agent meeting certain performance metrics, and successfully attracting other performing agents to the Company. Each RSU entitles the holder to one Common Share or cash payment in lieu of a Common Share. The RSUs have a three-year vesting term and are subject to forfeiture in certain circumstances. The Company recognizes expense from the issuance of these RSUs during the applicable vesting period based upon the best available estimate of the number RSUs expected to vest with a corresponding increase in stock-based compensation reserve. The expense recognized from the issuance of RSU awards for the quarter ended March 31, 2023 was $1.5 million, and was classified as marketing expense.

Under the Company's agent stock purchase program, agents purchase RSUs, which vest after a year, using a percentage of the agent's commission that is withheld by the Company. Each RSU entitles the holder to one Common Share or cash payment in lieu of a Common Share. The RSUs are expensed in the period in which they are issued with a corresponding increase in equity. Each agent pays the Company 15% of commissions until the commission paid to the Company totals that agent's cap (the "**Cap**"). As an incentive to participate in the program, the Company issues additional RSUs ("**Bonus RSUs**") with a value of (i) 15% of the commission withheld (the percentage was 30% prior to June 16, 2022) if an agent has not met the Cap and (ii) 30% of the commission withheld (the percentage was 50% prior to June 16, 2022) if an agent has met the Cap. The Bonus RSUs have a one-year vesting term and are subject to forfeiture in certain circumstances. The RSUs purchased under the program and the Bonus RSUs are expensed when they are issued with a corresponding increase in stock-based compensation reserve.

Stock compensation awards granted to full time employees ("**FTEs**") are classified as a General and Administrative, R&D, or Marketing expense based on the appropriate department within the interim Condensed Consolidated Statements of Loss and Other Comprehensive Loss.

The following table illustrates the Company's stock activity (in thousands of units) for the restricted share unit plan.

	Units
Balance at, December 31, 2021	**3,965**
Granted	16,053
Vested and Issued	(2,504)
Forfeited	(606)
Balance at, December 31, 2022	**16,908**
Granted	4,468
Vested and Issued	(1,137)
Forfeited	(603)
Balance at, March 31, 2023	**19,636**

Stock Based Compensation Expense

The following table provides a detailed breakdown of the stock-based compensation expense (in thousands) as reported in the Consolidated Statement of Loss and Comprehensive Loss.

	For the Period Ended					
	March 31, 2023			**March 31, 2022**		
	Options Expense	*RSU Expense*	***Total***	*Options Expense*	*RSU Expense*	***Total***
Marketing Expenses – Agent Stock Based Compensation	349	1,192	1,541	280	302	582
Marketing Expenses – FTE Stock Based Compensation	2	9	11	9	2	11
Research and Development – FTE Stock Based Compensation	28	21	49	64	9	73
General and Administrative – FTE Stock Based Compensation	638	321	959	584	535	1,119
Total Stock Based Compensation	**1,017**	**1,543**	**2,560**	**937**	**848**	**1,785**

On May 20, 2021, the Company began transacting under the NCIB to purchase up to 7,170 of its Common Shares representing approximately 5% of the total 143,404 Common Shares issued and outstanding as of April 30, 2021. On May 19, 2022, the Company announced that it renewed the NCIB. Pursuant to the renewed NCIB, Real may purchase up to 8.9 million Common Shares, representing approximately 5% of the total 178.3 million Common Shares issued and outstanding as of May 19, 2022. The purpose of the purchase of Common Shares under the NCIB is to enable the Company to acquire shares to satisfy its RSU grants for shares. The NCIB shall terminate on the earlier of May 20, 2023 and the date on which the maximum number of Common Shares purchasable under the NCIB is acquired by the Company. Between May 20, 2021 and March 31, 2023, there were 9.1 million Common Shares purchased in the amount of $21.3 million .

The Company appointed the Trustee for the purposes of arranging for the acquisition of the Common Shares and to hold the Common Shares in trust for the purposes of satisfying restricted share unit payments as well as deal with other administration matters. Through the Trustee, RBC Capital Markets was engaged to undertake purchases under the NCIB for the purposes of the RSU Plan, the Omnibus Incentive Plan, and the A&R Plan.

10. CASH AND CASH EQUIVALENTS

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank balances for which use by the Company is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Restricted cash consists of cash held in escrow by the Company's brokers and agents on behalf of real estate buyers. The Company recognizes a corresponding customer deposit liability until the funds are released. Once the cash is transferred from escrow, the Company reduces the respective customers' deposit liability.

11. INVESTMENTS IN AVAILABLE FOR SALE SECURITIES AT FAIR VALUE

The following table provides a detailed breakdown of short term investments (in thousands) as reported in the Consolidated Statements of Financial Positions:

Description	Estimated Fair Value December 31, 2022	Deposit / (Withdraw)	Gross Unrealized Losses	Estimated Fair Value March 31, 2023
Fixed Income	6,997	506	90	7,593
Fixed Income – Mutual Funds	840	-	3	843
Investment Certificate	55	-	-	55
Short Term Investments	**7,892**	**506**	**93**	**8,491**

Investment securities are recorded at fair value. The Company's investment securities portfolio consists primarily of cash investments, debt securities issued by U.S. government agencies, local municipalities and certain corporate entities. The products in the Company's investment portfolio have maturity dates ranging from less than one year to over 20 years.

The fair value of investment securities is impacted by interest rates, credit spreads, market volatility, and liquidity conditions. Net unrealized gains and losses in the portfolio are included in Other Comprehensive Income (Loss). An unrealized loss exists when the current fair value of an individual security is less than the amortized cost basis.

12. PROPERTY AND EQUIPMENT

Reconciliation of Carrying Amounts *(in thousands)*

	Computer Equipment	Software	Furniture and Equipment	Total
Cost				
Balance at December 31, 2021	205	-	69	274
Additions	413	995	164	1,572
Balance at December 31, 2022	618	995	233	1,846
Additions	19	121	-	140
Balance at March 31, 2023	**637**	**1,116**	**233**	**1,986**
Accumulated Depreciation				
Balance at December 31, 2021	39	-	65	104
Acquired Depreciation	92	26	137	255
Depreciation	79	57	1	137
Balance at December 31, 2022	210	83	203	496
Depreciation	30	40	1	71
Balance at March 31, 2023	**240**	**123**	**204**	**567**
Carrying Amounts				
Balance at December 31, 2022	408	912	30	1,350
Balance at March 31, 2023	**397**	**993**	**29**	**1,419**

13. INTANGIBLE ASSETS AND GOODWILL

We record goodwill associated with acquisitions of businesses when the purchase price of the business exceeds the fair value of the net tangible and identifiable assets acquired. We review goodwill for impairment on an annual basis in the fiscal fourth quarter or on an interim basis if an event occurs or circumstances change that indicate goodwill may be impaired. For the periods ended March 31, 2023, and December 31, 2022, we performed an assessment of goodwill which did not result in an impairment charge for either of the years.

Reconciliation of Carrying Amounts *(in thousands)*

	Intangible Assets	Goodwill	Total
Cost			
Balance at December 31, 2021	563	602	1,165
Additions	3,370	9,660	13,030
Balance at December 31, 2022	3,933	10,262	14,195
Additions (Adjustment)	-	(87)	(87)
Balance at March 31, 2023	**3,933**	**10,175**	**14,108**
Accumulated Depreciation			
Balance at December 31, 2021	113	-	113
Depreciation	112	-	112
Balance at December 31, 2022	225	-	225
Depreciation	197	-	197
Balance at March 31, 2023	**422**	**-**	**422**
Carrying Amounts			
Balance at December 31, 2022	3,708	10,262	13,970
Balance at March 31, 2023	**3,511**	**10,175**	**13,686**

14. CAPITAL AND RESERVES

Share capital and share premium

All Common Shares rank equally with regards to the Company's residual assets. Preference shareholders participate only to the extent of the face value of the shares. The following table is presented in thousands:

	Share Premium		Non-controlling Interests		*Non-redeemable Preference Shares*	
	March 31, 2023	**December 31, 2022**	**March 31, 2023**	**December 31, 2022**	**March 31, 2023**	**December 31, 2022**
In issue at beginning of year	48,242	50,753	263	-	-	-
Issued for cash	-	-	-	-	-	-
Conversion	-	-	-	-	-	-
Exercise of stock options	101	663	-	-	-	-
Common shares acquired	(601)	(8,060)	-	-	-	-
Release of vested common shares from employee benefit trusts	1,504	4,886	-	-	-	-
Non-controlling interest	-	-	80	263	-	-
In issue at end of year – fully paid	**49,246**	48,242	**343**	263	-	-
Authorized shares	Unlimited	Unlimited	Unlimited	Unlimited	66,000	66,000

15. CAPITAL MANAGEMENT

Real defines capital as its equity. It is comprised of Common Shares, contributed capital, retained deficit and accumulated other comprehensive loss. The Company's capital management framework is designed to maintain a level of capital that funds the operations and business strategies and builds long-term shareholder value.

The Company's objective is to manage its capital structure in such a way as to diversify its funding sources, while minimizing its funding costs and risks. The Company sets the amount of capital in proportion to the risk and adjusts considering changes in economic conditions and the characteristic risk of underlying assets. To maintain or adjust the capital structure, the Company may repurchase shares, return capital to shareholders, issue new shares or sell assets to reduce debt.

Real's objective is met by retaining adequate liquidity to provide the possibility that cash flows from its assets will not be sufficient to meet operational, investing and financing requirements. There have been no changes to the Company's capital management policies during the periods ended March 31, 2023, and December 31, 2022.

The following table presents the Company's liquidity (in thousands):

	For the Period Ended	
	March 31, 2023	**December 31, 2022**
Cash	10,975	10,846
Other Receivables	75	74
Short Term Investments	8,491	7,892
Total	**19,541**	**18,812**

16. LEASE LIABILITY AND RIGHT OF USE ASSET

The Company leases a corporate office in New York, NY under a lease agreement dated December 1, 2017, which expires on June 30, 2023. A summary of the changes in the right-of-use asset (in thousands) for the periods ended March 31, 2023, and December 31, 2022 is as follows:

	Right-of-Use Asset
Cost	
Balance at December 31, 2021	502
Additions	107
Balance at December 31, 2022	609
Acquired Additions (Adjustment)	(69)
Balance at March 31, 2023	**540**
Accumulated Depreciation	
Balance at December 31, 2021	393
Acquired Depreciation	59
Depreciation	84
Balance at December 31, 2022	536
Acquired Depreciation (Adjustment)	(11)
Depreciation	1
Balance at March 31, 2023	**526**
Carrying Amounts	
Balance at December 31, 2022	73
Balance at March 31, 2023	**14**

The lease liability resulted from the lease agreement is $131 thousand (undiscounted value of $135 thousand, discount rate 4%). This liability represents the monthly lease payment from January 1, 2022 to June 30, 2023. A summary of the changes in the lease liability (in thousands) during the periods ended March 31, 2023, and December 31, 2022 is as follows:

	March 31, 2023	December 31, 2022
Maturity analysis – contractual undiscounted cash flows		
Less than one year	16	96
One year to five years	-	-
More than five years	-	-
Total undiscounted lease liabilities	**16**	**96**
Lease liabilities included in the balance sheet	**16**	**96**
Current	16	96
Non-current	-	-

17. OTHER PAYABLES

The other payables primarily consist of Bonus Payable. The Contingent Consideration recognized in 2022 as part of the closing of the Expetitle Transaction was released on January 23, 2023 upon the satisfaction of the following terms and conditions: (i) the key employees from Expetitle remained at their current position with the Company for at least twelve (12) months after the closing date of the Expetitle Transaction and (ii) Expetitle became licenced to operate in at least fifteen states, including the then current states of operation, Florida, Georgia, and Texas.

	March 31, 2023	December 31, 2022
Contingent Consideration	-	600
Bonus Payables	548	203
Other Payables	165	385
Total Other Payables	**713**	**1,188**

18. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

Accounting classifications and fair value *(in thousands)*

	For the Year Ended December 31, 2022					
	Carrying Amount			**Fair Value**		
	Financial Assets Not Measured at FV	Other Financial Liabilities	Total	Level 1	Level 2	Total
Financial Assets Measured at Fair Value (FV)						
Investments in Financial Assets	-	-	-	7,892	-	7,892
Total Financial Assets Measured at Fair Value (FV)	**-**	**-**	**-**	**7,892**	**-**	**7,892**
Financial Liabilities Measured at Fair Value (FV)						
Warrants	-	-	-	-	242	242
Total Financial Liabilities Measured at Fair Value (FV)	-	-	-	**-**	**242**	**242**
Financial Assets Not Measured at Fair Value (FV)						
Cash and Cash Equivalents	10,846	-	10,846	-	-	-
Restricted Cash	7,481	-	7,481	-	-	-
Trade Receivables	1,547	-	1,547	-	-	-
Other Receivables	74	-	74	-	-	-
Total Financial Assets Not Measured at Fair Value (FV)	**19,948**	**-**	**19,948**	**-**	**-**	**-**
Financial Liabilities Not Measured at Fair Value (FV)						
Accounts Payable	-	474	474	-	-	-
Accrued Liabilities	-	11,866	11,866	-	-	-
Customer Deposits	-	7,481	7,481	-	-	-
Other Payables	-	1,188	1,188	-	-	-
Total Financial Liabilities Not Measured at Fair Value (FV)	**-**	**21,009**	**21,009**	**-**	**-**	**-**

	For the Period Ended March 31, 2023					
	Carrying Amount			**Fair Value**		
	Financial Assets Not Measured at FV	Other Financial Liabilities	Total	Level 1	Level 2	Total
Financial Assets Measured at Fair Value (FV)						
Investments in Financial Assets	-	-	-	8,491	-	8,491
Total Financial Assets Measured at Fair Value (FV)	**-**	**-**	**-**	**8,491**	**-**	**8,491**
Financial Liabilities Measured at Fair Value (FV)						
Warrants	-	-	-	-	200	200
Total Financial Liabilities Measured at Fair Value (FV)	-	-	-	-	**200**	**200**
Financial Assets Not Measured at Fair Value (FV)						
Cash and Cash Equivalents	10,975	-	10,975	-	-	-
Restricted Cash	15,436	-	15,436	-	-	-
Trade Receivables	1,399	-	1,399	-	-	-
Other Receivables	75	-	75	-	-	-
Total Financial Assets Not Measured at Fair Value (FV)	**27,885**	**-**	**27,885**	**-**	**-**	**-**
Financial Liabilities Not Measured at Fair Value (FV)						
Accounts Payable	-	370	370	-	-	-
Accrued Liabilities	-	14,947	14,947	-	-	-
Customer Deposits	-	15,436	15,436	-	-	-
Other Payables	-	713	713	-	-	-
Total Financial Liabilities Not Measured at Fair Value (FV)	**-**	**31,466**	**31,466**	**-**	**-**	**-**

A. Transfers between levels

During the periods ended March 31, 2023, and December 31, 2022, there have been no transfers between Level 1, Level 2 and Level 3.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

– credit risk (see (ii));

– liquidity risk (see (iii));

– market risk (see (iv)); and

– investment risk (see (v)).

i. Risk management framework

The Company's activity exposes it to a variety of financial risks, including credit risk, liquidity risk, market risk and investment risk. These financial risks are managed by the Company under policies approved by the Board of Directors. The principal financial risks are actively managed by the Company's finance department, within the policies and guidelines.

On an ongoing basis, the finance department actively monitors the market conditions, with a view of minimizing exposure of the Company to changing market factors, while at the same time limiting the funding costs of the Company.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The receivables are processed through an intermediary trustee, as part of the structure of every deal, which ensures collection on the close of a successful transaction. In order to mitigate the residual risk, the Company contracts exclusively with reputable and credit-worthy partners.

The carrying amount of financial assets and contract assets represents the maximum credit exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers other factors may influence the credit risk of the customer base, including the default risk associated with the industry and the country in which the customers operate.

The Company does not require collateral in respect to trade and other receivables. The Company does not have trade receivable and contract assets for which no loss allowance is recognized because of collateral.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different CGUs based on the following common credit risk characteristics – geographic region, credit information about the customer and the type of home purchased.

Loss rates are based on actual credit loss experience. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, compared to current conditions of the Company's view of economic conditions over the expected lives of the receivables.

As of March 31, 2023, the exposure to credit risk for trade receivables and contract asset (in thousands) by geographic region was as follows:

	March 31, 2023	December 31, 2022
US	1,245	1,105
Other Regions	154	442
Trade Receivables	**1,399**	**1,547**

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to maintaining liquidity is to ensure, as far as possible, that it will have sufficient cash and cash equivalents and other liquid assets to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

iv. Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Company is exposed to transactional foreign currency risk to the extent there is a mismatch between currencies in which purchases and receivables are denominated and the respective functional currencies of the Company. The currencies in which transactions are primarily denominated are US dollars, Israeli shekel and Canadian dollar.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the U.S. dollar (USD), Israeli shekel (ILS), or Canadian Dollar (CAD) against all other currencies in which the Company operates as of March 31, 2023 and December 31, 2022 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. The following table is presented in thousands:

	Average Rate		*Period-end Spot Rate*	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
Balance at, March 31, 2023				
CAD (-5% movement)	103	(103)	140	(140)
ILS (-5% movement)	1	(1)	2	(2)
Balance at, December 31, 2022				
CAD (-5% movement)	355	(355)	456	(456)
ILS (-5% movement)	2	(2)	6	(6)

Foreign Currency Risk Management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (in thousands) at the reporting date are as follows:

	Liabilities		*Assets*	
	March 31, 2023	**December 31,2022**	**March 31, 2023**	**December 31, 2022**
CAD	(13,884)	(7,058)	9,270	3,474
ILS	(24)	(82)	7,660	7,724
Total Exposure	**(13,908)**	**(7,140)**	**16,930**	**11,198**

v. Investment risk

The Company invested funds from the Insight Partners financing transaction into a managed investment portfolio, exposing it to risk of losses based on market fluctuations. Securities are purchased on behalf of the Company and are actively managed through multiple investment accounts. Funds apportioned for investment are allocated accordingly to the investment guidelines set forth by Management. Investments are made in U.S. currency.

The Company follows a conservative investment approach with limited risk for investment activities and has allocated the funds in Level 1 assets to reduce market risk exposure.

Information about the Company's investment activity is included in *Note 11*.

19. COMMITMENTS AND CONTINGENCIES

The Company may have various other contractual obligations in the normal course of operations. The Company is not materially contingently liable with respect to litigation, claims and environmental matters, including those that could result in material mandatory damages or other relief. Any expected settlement of claims in excess of amounts recorded will be charged to profit or loss as and when such determination is made.

20. RELATED PARTY TRANSACTIONS

Balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The Company's key management personnel are comprised of its Chief Executive Officer, Chief Financial Officer, the Chief Technology Officer, and Chief Marketing Officer, and other members of the executive team. Executive officers participate in the A&R Plan (see Note 9.A). Directors and officers of the Company control approximately 37.60% of the voting shares of the Company. The remuneration of key management personnel and directors of the Company who are part of related parties is set out below (in thousands):

	For the Period Ended	
	March 31, 2023	**March 31, 2022**
Salaries and Benefits	553	600
Stock-Based Compensation	802	497
Compensation Expenses for Related Parties	**1,355**	**1,097**

21. SUBSEQUENT EVENTS

On April 25, 2023, Andrew Kazeniac had a separation from service as Chief Operating Officer of the Company.

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Tamir Poleg**, **the Chief Executive Officer of The Real Brokerage Inc**. certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "**interim filings**") of **THE REAL BROKERAGE INC**. (the "**issuer**") for the interim period ended March 31, 2023**.**

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is Internal Control – Integrated Framework (COSO Framework 2013) published by The Committee of Sponsoring Organization of the Treadway Commission (COSO).

5.2 N/A

5.3 N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2023 and ended on March 31, 2023 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 11, 2023

"Tamir Poleg"

Tamir Poleg
Chief Executive Officer

FORM 52-109F2

CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Michelle Ressler**, **the Chief Financial Officer of The Real Brokerage Inc**. certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "**interim filings**") of **THE REAL BROKERAGE INC**. (the "**issuer**") for the interim period ended March 31, 2023**.**

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is Internal Control – Integrated Framework (COSO Framework 2013) published by The Committee of Sponsoring Organization of the Treadway Commission (COSO).

5.2 N/A

5.3 N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2023 and ended on March 31, 2023 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 11, 2023

"Michelle Ressler"

Michelle Ressler
Chief Financial Officer

Exhibit 99.5

The Real Brokerage Inc. Announces First Quarter 2023 Financial Results

TORONTO and NEW YORK – The Real Brokerage Inc. (TSX: REAX) (NASDAQ: REAX), the fastest-growing publicly traded real estate brokerage, announced results for its first quarter ended March 31, 2023.

“Real continues to deliver industry-leading growth in a challenging market with the largest quarterly net agent addition in our company’s history,” said Tamir Poleg, Chairman and Chief Executive Officer. “Our open transaction volume is at an all-time high. And with a number of transformative technology innovations to be released over the next several quarters, including a new GPT-powered AI virtual assistant and the pilot version of our comprehensive consumer experience, we are incredibly excited at the trajectory of the business going forward.”

Q1 2023 Financial Highlights

- Revenue increased 75% year-over-year to $107.8 million.
- Gross profit increased 84% year-over-year to $10.8 million.
- Net loss attributable to owners of the Company of $7.4 million, compared to a $4.3 million loss in Q1 2022.
- Loss per share of $0.04, compared to a loss per share of $0.03 in Q1 2022.
- Adjusted EBITDA loss of $792 thousand, compared to a $577 thousand loss in Q1 2022.
- As of March 31, 2023 the Company held $11.0 million in cash, not including $15.4 million of restricted cash associated with customer deposits, and an additional $8.5 million held in investments in financial assets.
- The Company repurchased 462 thousand common shares for $601 thousand pursuant to its normal course issuer bid.

Q1 2023 Operational Highlights

- Surpassed 10,000 agents at the end of the first quarter, a 120% year-over-year increase. During the quarter nearly 1,800 agents joined our platform on a net basis, the largest single-quarter addition in company history.
- The number of transactions executed in Q1 2023 grew 75% year-over-year to 10,963, and the total value of completed real estate transactions grew 66% year-over-year to $4.0 billion.
- Commission revenue per productive agent was $26,000, a slight decrease from $29,400 in Q1 2022. These agents on average closed 2.7 transactions during the quarter, compared to 3.0 in Q1 2022.
- Operating expenses per transaction, excluding revenue share, declined 5% year-over-year to $1,132.
- As of March 31, 2023, Real’s headcount efficiency ratio, defined as full-time brokerage employees excluding Real Title and LemonBrew Lending employees, divided by the number of agents on our platform, improved 1 to 114 from 1 to 98 as of Q4 2022 and 1 to 55 as of Q1 2022.

- Implemented the changes to our U.S. fees and additional benefits announced in January, which went into effect for new agents on February 1 and for existing Real agents on April 1. These changes collectively are expected to generate additional net profit of over $5 million in 2023 with an even more significant full-year effect in 2024.

Subsequent to the end of the quarter, on April 4 we announced Sentry Residential merged its military-focused national brokerage into Real, adding to Real's existing 500-plus military-focused agents. Real plans to leverage our growing presence to launch a Real Military Division, the first of several planned divisions of practice.

On May 3 Real announced it is leveraging GPT to launch Leo, an artificial intelligence-powered assistant that will be integrated with its proprietary transaction management platform to act as a 24/7 concierge to its agents and brokers throughout the U.S. and Canada. A beta version of the technology will be released by the end of Q2 2023.

On May 4 Real announced its expansion into Manitoba, giving the company a presence in four Canadian provinces and 46 states throughout the United States.

Additionally, today we are announcing the launch of Real Signature, a proprietary electronic signature tool built fully inside reZEN that allows agents to create reusable document templates and manage digital signatures throughout the transaction process. This feature will benefit agents by allowing them to save time by templatizing documents for future transactions and save money by avoiding third-party subscription fees. Further, by developing this tool in-house, we will also own all of the data associated with the transaction experience which we can leverage to better automate the transaction process and create better user experiences over the long term.

The Company will discuss the results on a conference call and live webcast today at 11:00 a.m. ET.

Conference Call Details:

Date:	Thursday, May 11, 2023
Time:	11:00 a.m. ET
Dial-in Number:	North American Toll Free: 877-545-0523
	International: 973-528-0016
Access Code:	957192
Webcast:	https://www.webcaster4.com/Webcast/Page/2699/48269
Replay Number:	North American Toll Free: 877-481-4010
	International: 919-882-2331
Passcode:	48269
Replay Link:	https://www.webcaster4.com/Webcast/Page/2699/48269

Additional information concerning Real's audited consolidated financial statements and related management's discussion and analysis for the three months ended March 31, 2023 can be found on the Company's profile at www.sedar.com.

Non-IFRS Measures

This news release includes reference to "Adjusted EBITDA", which is a non-International Financial Reporting Standards ("**IFRS**") financial measure. Non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Adjusted EBITDA is used as an alternative to net income by removing major non-cash items such as amortization, interest, stock-based compensation, current and deferred income tax expenses and other items management considers non-operating in nature. Adjusted EBITDA has no direct comparable IFRS financial measures. The Company has used or included these non-IFRS measures solely to provide investors with added insight into Real's financial performance. Readers are cautioned that such non-IFRS measures may not be appropriate for any other purpose. Non-IFRS measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Our Adjusted EBITDA for the three months ended March 31, 2023 and 2022 is presented in the table below labeled Reconciliation of Total Comprehensive Loss Attributable to Owners of the Company to Adjusted EBITDA.

THE REAL BROKERAGE INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in thousands of U.S. dollars)
(unaudited)

	Unaudited	*Audited*
	March 31, 2023	**December 31, 2022**
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 10,975	$ 10,846
Restricted cash	15,436	7,481
Investments in financial assets	8,491	7,892
Trade receivables	1,399	1,547
Other receivables	75	74
Prepaid expenses and deposits	753	529
TOTAL CURRENT ASSETS	**37,129**	**28,369**
NON-CURRENT ASSETS		
Intangible assets	3,511	3,708
Goodwill	10,175	10,262
Property and equipment	1,419	1,350
Right-of-use assets	14	73
TOTAL NON-CURRENT ASSETS	**15,119**	**15,393**
TOTAL ASSETS	**52,248**	**43,762**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	370	474
Accrued liabilities	14,947	11,866
Customer deposits	15,436	7,481
Other payables	713	1,188
Lease liabilities	16	96
TOTAL CURRENT LIABILITIES	**31,482**	**21,105**
NON-CURRENT LIABILITIES		
Warrants outstanding	200	242
TOTAL NON-CURRENT LIABILITIES	**200**	**242**
TOTAL LIABILITIES	**31,682**	**21,347**
EQUITY		
EQUITY ATTRIBUTABLE TO OWNERS		
Share premium	60,649	63,204
Stock-based compensation reserves	29,305	25,083
Deficit	(58,099)	(50,704)
Other reserves	(229)	(469)
Treasury stock, at cost	(11,403)	(14,962)
EQUITY ATTRIBUTABLE TO OWNERS	**20,223**	**22,152**
Non-controlling interests	343	263
TOTAL EQUITY	**20,566**	**22,415**
TOTAL LIABILITIES AND EQUITY	**$ 52,248**	**$ 43,762**

THE REAL BROKERAGE INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS
(Expressed in thousands of U.S. dollars, except for per share amounts)
(unaudited)

	Period Ended March 31,	
	2023	**2022**
Revenues	$ 107,845	$ 61,649
Commissions and other agent-related costs	97,037	55,787
Gross Profit	**10,808**	**5,862**
General & administrative expenses	8,638	5,374
Marketing expenses	7,684	3,716
Research and development expenses	1,524	1,039
Operating Loss	**(7,038)**	**(4,267)**
Other income	28	179
Finance expenses, net	(305)	(164)
Net Loss	**(7,315)**	**(4,252)**
Net Income Attributable to Noncontrolling Interests	80	61
Net Loss Attributable to Owners of the Company	**(7,395)**	**(4,313)**
Other comprehensive income/(loss):		
Cumulative (Gain)/Loss on Investments in Debt Instruments Classified as at FVTOCI Reclassified to Profit or Loss	93	(277)
Foreign currency translation adjustment	147	204
Total Comprehensive Loss Attributable to Owners of the Company	**(7,155)**	**(4,386)**
Total Comprehensive Income Attributable to NCI	80	61
Total Comprehensive Loss	**(7,075)**	**(4,325)**
Loss per share		
Basic and diluted loss per share	$ (0.04)	$ (0.03)
Weighted-average shares, basic and diluted	**178,629**	**174,746**

THE REAL BROKERAGE INC.
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Expressed in thousands of U.S. dollars)
(unaudited)

	For Period Ended	
	March 31, 2023	**March 31, 2022**
OPERATING ACTIVITIES		
Net Loss	$ (7,315)	$ (4,252)
Adjustments for:		
Depreciation	269	3
Equity-settled share-based payments	5,761	937
Finance costs	183	109
Loss on short term investments	-	205
Changes in operating assets and liabilities:		
Trade receivables	148	(97)
Other receivables	(1)	(64)
Prepaid expenses and deposits	(224)	(1,000)
Accounts payable	(104)	48
Accrued liabilities	3,081	1,401
Customer deposits	7,955	12,871
Other payables	(475)	464
NET CASH PROVIDED BY OPERATING ACTIVITIES	**9,278**	**10,625**
INVESTING ACTIVITIES		
Purchase of property and equipment	(140)	(376)
Acquisition of subsidiaries	-	(7,445)
Investment in Debt Instruments designated at FVTOCI	(506)	-
NET CASH USED IN INVESTING ACTIVITIES	**(646)**	**(7,821)**
FINANCING ACTIVITIES		
Purchase of common shares for Restricted Share Unit (RSU) Plan	(601)	(4,512)
Stock Compensation Payable (RSU)	-	1,570
Proceeds from exercise of stock options	66	23
Payment of lease liabilities	(80)	(23)
NET CASH USED IN FINANCING ACTIVITIES	**(615)**	**(2,942)**
Net change in cash, cash equivalents and restricted cash	8,017	(138)
Cash, cash equivalents and restricted cash, beginning of year	18,327	29,129
Fluctuations in foreign currency	67	(3)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH BALANCE, ENDING BALANCE	**$ 26,411**	**$ 28,988**
	0	
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:		
Share-based compensation as part of Expetitle consideration	-	4,325
Increase in non-controlling interest	80	-

THE REAL BROKERAGE INC.

RECONCILIATION OF TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY TO ADJUSTED EBITDA

(Expressed in thousands of U.S. dollars, except for per share amounts)

(unaudited)

	March 31, 2023	**March 31, 2022**
Total Comprehensive Loss Attributable to Owners of the Company	(7,155)	(4,386)
Add/(Deduct):		
Finance Expenses, net	305	502
Net Income Attributable to Noncontrolling Interest	80	-
Cumulative (Gain)/Loss on Investments in Debt Instruments Classified as at FVTOCI Reclassified to Profit or Loss	(93)	-
Depreciation	269	3
Stock Based Compensation	5,761	3,178
Listing Expenses	-	-
Restructing Expense	41	-
Other Professional Expenses	-	126
Adjusted EBITDA	**(792)**	**(577)**

Forward-Looking Information

This press release contains forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "likely" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof. Forward-looking information in this press release includes, without limiting the foregoing, expectations regarding Real's growth and the business and strategic plans of the Company.

Forward-looking information is based on assumptions that may prove to be incorrect, including but not limited to assumptions regarding Real's business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Real considers these assumptions to be reasonable in the circumstances. However, forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking information. Important factors that could cause such differences include, but are not limited to, slowdowns in real estate markets; the impact of increased interest rates; economic and industry downturns; the Company's ability to continuously innovate, and the dependability of the Company's platform; the Company's ability to successfully launch new technologies, including its GPT-powered AI virtual assistant and consumer experience platform; the Company's ability to attract new agents and retain current agents; the Company's ability to generate anticipated benefits from the changes to its agent fee structure; the Company's ability to expand its brokerage and adjacent services businesses; the Company's ability to carefully manage its expense structure and continue to grow; the Company's ability to compete successfully in the markets in which it operates; the impact of cybersecurity incidents and the potential loss of critical and confidential information; compliance with the laws to which the Company is subject and the Company's ability to protect its intellectual property rights. These factors should be carefully considered and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, Real cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and Real assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

About Real

The Real Brokerage Inc. is revolutionizing the residential real estate industry by pairing best-in-class technology with the trusted guidance of the agent-led experience. Real delivers a cloud-based platform to improve efficiencies and empower agents to provide a seamless end-to-end experience for home buyers and sellers. The company was founded in 2014 and serves 46 states, D.C., and four Canadian provinces with over 10,000 agents. Additional information can be found on its website at www.onereal.com.

Contact Information

For additional information, please contact:

Jason Lee
Vice President, Capital Markets & Investor Relations
investors@therealbrokerage.com
908.280.2515

For media inquiries, please contact:

Elisabeth Warrick
Director, Communications
elisabeth@therealbrokerage.com
201.564.4221