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

FORM 40-F

☐ Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

☒ Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2022 Commission File Number 001-40442

The Real Brokerage Inc.
(Exact name of Registrant as specified in its charter)

N/A
(Translation of Registrant's name into English (if applicable))

British Columbia, Canada	**7370**	**N/A**
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

133 Richmond Street West
Suite 302
Toronto, Ontario M5H 2L3
(646) 469-7107
(Address and telephone number of Registrant's principal executive offices)

Cogency Global Inc.
122 East 42nd Street, 18th Floor
New York, NY 10168
1-800-221-0102
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, no par value	**REAX**	**NASDAQ Capital Market**
Common Shares, no par value	**REAX**	**Toronto Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual information form ☒ Audited annual financial statements

Indicate the number of outstanding shares of each of the registrant's classes of capital or common stock as of the close of the period covered by the annual report: 179,921,874 outstanding as of December 31, 2022.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

☒ Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

EXPLANATORY NOTE

The Real Brokerage Inc. is a “foreign private issuer” as defined in Rule 3b-4 under Securities Exchange Act of 1934, as amended (the “Exchange Act”), and is a Canadian issuer eligible to file its annual report (“Annual Report”) pursuant to Section 13 of the Exchange Act on Form 40-F pursuant to the multi-jurisdictional disclosure system (the “MJDS”) adopted by the United States Securities and Exchange Commission (the “SEC”). The Company’s common shares are listed in the United States on the Nasdaq Capital Market (“NASDAQ”) under the trading symbol “REAX,” in Canada and on the Toronto Stock Exchange (“TSX” or the “Exchange”) under the trading symbol “REAX.”

In this Annual Report, references to “we,” “our,” “us,” the “Registrant,” the “Company,” or “Real Brokerage,” mean The Real Brokerage Inc. unless the context suggests otherwise.

FORWARD LOOKING STATEMENTS

The Exhibits incorporated by reference into this Annual Report of the Registrant contains certain information, forecasts, projections, and/or disclosures about the Company that may constitute “forward-looking information” and “forward-looking statements” under applicable securities laws (collectively, “forward-looking statements”). All such statements, forecasts, projections and/or disclosures included in this Annual Report and the documents and information incorporated by reference, other than those of historical fact, that address activities, events or developments that the Company anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking statements. Forward-looking statements are based upon the Company’s current internal expectations, estimates, projections and assumptions about future events and financial trends that management believes may affect the Company’s financial condition, results of operations, business strategy and financial needs, as the case may be. The forward-looking statements are subject to significant known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as “expect”, “likely”, “may”, “will”, “should”, “intend”, “anticipate”, “potential”, “proposed”, “estimate”, “believe”, “plan”, “forecast” and other words of similar import, understanding and meaning, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. Actual results and developments may differ materially from those contemplated by these forward-looking statements.

Without limitation, this Annual Report may contain forward-looking statements pertaining to the following:

- the Company’s capital and organizational structure;
- the Company’s expected working capital;
- the Company’s business plans and strategies including targets for future growth;
- the development of the Company’s business;

- the real estate industry;
- expectations regarding the development and launch of new technologies;
- expectations with respect to future opportunities;
- capital expenditure programs and future capital requirements;
- the receipt of regulatory and Exchange approvals;
- supply and demand fundamentals for services of the Company;
- the Company's plans regarding and composition of principal security holders, directors, officers, promoters and management;
- the Company's plans and funding for planned development activities and the expected results of such activities;
- the Company's treatment under governmental and international regulatory regimes and intellectual property Laws;
- the Company's future general and administrative expenses;
- the Company's security based compensation plans;
- the Company's access to capital and overall strategy and development plans for all of the Company's assets;
- expectations on how the Company will manage production and marketing risks; and
- the business and strategic plans of the Company.

With respect to forward-looking statements and forward-looking information contained in this Annual Report, numerous assumptions have been made regarding, among other things:

- general business and economic conditions;
- current and future share prices;
- the real estate industry;
- the future operational and financial activities of the Company generally;
- fluctuations in foreign currency exchange rates, interest rates, business prospects and opportunities;
- the impact of inflation;
- the increased cost of mortgage financing for homebuyers;
- the regulatory framework governing intellectual property in the jurisdictions in which the Company will conduct its business and any other jurisdictions in which the Company may conduct its business in the future;
- trade secrets, know-how, contractual provisions and confidentiality procedures to protect its intellectual property rights;
- the Company's ability to comply with the regulatory bodies governing its activities;
- future capital expenditures to be made by the Company;
- current and future sources of funding for capital programs and the Company's ability to obtain financing on acceptable terms;
- the impact of competition on the Company;
- the impact of SARS-CoV-2, the COVID-19 pandemic and other future viruses;
- the conflict in Eastern Europe;
- political developments and/or instability;
- changes in Law; and
- anticipated and unanticipated costs.

Readers are cautioned that the above list of cautionary statements is not exhaustive.

These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements. Applicable risks and uncertainties include, but are not limited to, those identified under the heading "Risk Factors" on page 20 of the Annual Information Form for the year ended December 31, 2022, attached as Exhibit 99.1 to this Annual Report and incorporated herein by reference, and under the heading "Risks and Uncertainties" on page 25 of the Registrant's Management's Discussion & Analysis for the year ended December 31, 2022, attached as Exhibit 99.3 to this Annual Report and incorporated herein by reference, and in other filings that the Registrant has made and may make with applicable securities authorities in the future.

No assurance can be given that these expectations will prove to be correct and such forward-looking statements in the Exhibits incorporated by reference into this Annual Report should not be unduly relied upon. The Registrant's forward-looking statements contained in the Exhibits incorporated by reference into this Annual Report are made as of the respective dates set forth in such Exhibits. Such forward-looking statements are based on the beliefs, expectations, and opinions of management on the date the statements are made. In preparing this Annual Report, the Registrant has not updated such forward-looking statements to reflect any change in circumstances or in management's beliefs, expectations or opinions that may have occurred prior to the date hereof. Nor does the Registrant assume any obligation to update such forward-looking statements in the future. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

NOTICE TO UNITED STATES READERS - DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Registrant is permitted, under the MJDS, to prepare this Annual Report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Registrant has historically prepared its consolidated financial statements, which are filed as Exhibit 99.2 to this Annual Report on Form 40-F, in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), which are subject to Canadian auditing and auditor independence standards. Financial statements prepared in IFRS may differ from financial statements prepared in United States GAAP ("U.S. GAAP") and from practices prescribed by the SEC. Therefore, the Registrant's financial statements filed with this Annual Report may not be comparable to financial statements of United States companies prepared in accordance with U.S. GAAP.

Unless otherwise indicated, all dollar amounts in this Annual Report on Form 40-F are in United States dollars.

PRINCIPAL DOCUMENTS

The following documents have been filed as part of this Annual Report on Form 40-F:

A. Annual Information Form

The Registrant's Annual Information Form for the fiscal year ended December 31, 2022 is attached as Exhibit 99.1 to this Annual Report on Form 40-F, and is incorporated by reference herein.

B. Audited Annual Financial Statements

The Registrant's consolidated audited annual financial statements, including the reports of the independent registered public accounting firm with respect thereto, are attached as Exhibit 99.2 to this Annual Report on Form 40-F and is incorporated by reference herein.

C. Management's Discussion and Analysis

The Registrant's management's discussion and analysis of financial condition and results of operations for the twelve-month period ended December 31, 2022 is attached as Exhibit 99.3 to this Annual Report on Form 40-F and is incorporated by reference herein.

TAX MATTERS

Purchasing, holding or disposing of securities of the Registrant may have tax consequences under the laws of the United States and Canada that are not described in this Annual Report on Form 40-F.

DISCLOSURE CONTROLS AND PROCEDURES

The information provided in the section entitled Disclosure Controls and Procedures and Internal Control Over Financial Reporting in the 2023 Management's Discussion and Analysis filed as Exhibit 99.3 to this Annual Report on Form 40-F is incorporated by reference herein.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided in the section entitled Disclosure Controls and Procedures and Internal Control Over Financial Reporting in the 2023 Management's Discussion and Analysis filed as Exhibit 99.3 to this Annual Report on Form 40-F is incorporated by reference herein.

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

This Annual Report does not include an attestation report of the Registrant's registered public accounting firm due to a transition period established by rules of the SEC for newly public companies. Under Section 3 of the Exchange Act, as a result of enactment of the Jumpstart Our Business Startups Act (the "JOBS Act"), "emerging growth companies" are exempt from Section 404(b) of the Sarbanes-Oxley Act of 2002, which generally requires that a public company's registered public accounting firm provide an attestation report relating to management's assessment of internal control over financial reporting. The Registrant qualifies as an "emerging growth company" and therefore has not included in, or incorporated by reference into, this Annual Report such an attestation report as of the end of the period covered by this Annual Report.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Registrant's internal control over financial reporting during the fiscal year ended December 31, 2022, that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

None.

CODE OF ETHICS

The Registrant has adopted a written "code of ethics" (as defined by the rules and regulations of the SEC), entitled "Code of Conduct" (the "Code") that applies to all members of the board of directors, officers, employees, consultants, contractors and agents of the Company and its affiliates and subsidiaries worldwide. Adherence to this code is a condition of employment with or providing services to the Company.

The Code may be obtained upon request from The Real Brokerage Inc.'s head office at 133 Richmond Street West, Suite 302, Toronto, Ontario M5H 2L3, Canada, or by viewing the Registrant's web site at https://www.joinreal.com/.

All amendments to the Code, and all waivers of the Code with respect to any director, executive officer or principal financial and accounting officers, will be posted on the Registrant's web site within five business days following the date of the amendment or waiver and any amendment will be provided in print to any shareholder upon request.

AUDIT COMMITTEE

Our Board of Directors has established the Audit Committee in accordance with section 3(a)(58)(A) of the Exchange Act and Rule 5605(c) of the NASDAQ Marketplace Rules for the purpose of overseeing our accounting and financial reporting processes and the audits of our annual financial statements.

The Audit Committee is comprised of Larry Klane (Chair), Atul Malhotra, Jr., and Vikki Bartholomae. Our Board of Directors has determined that the Audit Committee meets the composition requirements set forth by Section 5605(c)(2) of the NASDAQ Marketplace Rules and are independent members of the Audit Committee as determined under Rule 10A-3 of the Exchange Act and Rule 5605(a)(2) of the NASDAQ Marketplace Rules.

All three members of the Audit Committee are financially literate, meaning they are able to read and understand the Registrant's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Registrant's financial statements.

Our Board of Directors has determined that Larry Klane qualifies as an “audit committee financial expert” (as defined in paragraph (8)(b) of General Instruction B to Form 40-F).

The SEC has indicated that the designation or identification of a person as an audit committee financial expert does not make such person an “expert” for any purpose, impose any duties, obligations or liability on such person that are greater than those imposed on members of the audit committee and the board of directors who do not carry this designation or identification, or affect the duties, obligations or liability of any other member of the audit committee or board of directors.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The required disclosure is included under the heading “Audit Committee Information - External Auditor Service Fees” in the Company’s Annual Information Form for the fiscal year ended December 31, 2022, filed as Exhibit 99.1 to this Annual Report on Form 40-F.

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee Charter sets out responsibilities regarding the provision of non-audit services by the Registrant’s external auditors and requires the Audit Committee to pre-approve all permitted non-audit services to be provided by the Registrant’s external auditors, in accordance with applicable law.

OFF-BALANCE SHEET ARRANGEMENTS

The Registrant currently has no off-balance sheet arrangements.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table lists, as of December 31, 2022, information with respect to the Registrant's known contractual obligations (in thousands):

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-Term Debt Obligations	$	$	$	$	$
Capital (Finance) Lease Obligations	$	$	$	$	$
Operating Lease Obligations	$ 96	$ 96	$	$	$
Purchase Obligations	$	$	$	$	$
Other Long-Term Liabilities Reflected on Balance Sheet	$	$	$	$	$
Total	**$ 96**	**$ 96**	**$**	$	$

NASDAQ CORPORATE GOVERNANCE

The Registrant is a foreign private issuer and its common shares are listed on the NASDAQ.

NASDAQ Rule 5615(a)(3) permits a foreign private issuer to follow its home country practice in lieu of the requirements of the Rule 5600 Series, the requirement to distribute annual and interim reports set forth in Rule 5250(d), and the Direct Registration Program requirement set forth in Rules 5210(c) and 5255; provided, however, that such a company shall comply with the Notification of Material Noncompliance requirement (Rule 5625), the Voting Rights requirement (Rule 5640), have an audit committee that satisfies Rule 5605(c)(3), and ensure that such audit committee's members meet the independence requirement in Rule 5605(c)(2)(A)(ii).

The Registrant has reviewed the NASDAQ corporate governance requirements and confirms that except as described below, the Registrant is in compliance with the NASDAQ corporate governance standards in all significant respects:

The Registrant does not follow Rule 5605(b)(1), which requires companies' board of directors to be comprised of a majority of independent directors. In lieu of following Rule 5605(b)(1), the Registrant follows the rules of the TSX.

The Registrant does not follow Rule 5605(b)(2), which requires the company to have regularly scheduled meetings at which only independent directors present ("executive sessions"). In lieu of following Rule 5605(b)(2), the Registrant follows the rules of the TSX.

The Registrant does not follow Rule 5605(c)(1), which requires companies to adopt a formal written Audit Committee charter specifying the items enumerated in Rule 5605(c)(1) and have the Audit Committee review and reassess the Charter on an annual basis. In lieu of following Rule 5605(c)(1), the Registrant follows the rules of the TSX.

The Registrant does not follow Rule 5605(d)(1), which requires companies to adopt a formal written compensation committee charter and have a compensation committee review and reassess the adequacy of the charter on an annual basis. In lieu of following Rule 5605(d)(1), the Registrant follows the rules of the TSX.

The Registrant does not follow Rule 5605(d)(2), which requires companies to have a compensation committee comprised of at least two members, with each member being Independent Director as defined under Rule 5605(a)(2). In lieu of following Rule 5605(d)(2), the Registrant follows the rules of the TSX.

The Registrant does not follow Rule 5605(e)(1), which requires independent director involvement in the selection of director nominees, by having a Nominations Committee comprised solely of independent directors. In lieu of following Rule 5605(e)(1), the Registrant follows the rules of the TSX.

The Registrant does not follow Rule 5605(e)(2), which requires companies to adopt a formal written charter or board resolution, as applicable, addressing the director nomination process and such related matters as may be required under the federal securities laws. In lieu of following Rule 5605(e)(2), the Registrant follows the rules of the TSX.

The Registrant does not follow Rule 5620(c), under which the Nasdaq minimum quorum requirement for a shareholder meeting is 33-1/3% of the outstanding shares of common stock. In addition, a registrant listed on Nasdaq is required to state its quorum requirement in its by-laws. The Registrant's quorum requirement is set forth in its articles. A quorum for a meeting of shareholders of the Registrant is two shareholders or proxyholders that hold or represent, as applicable, not less than 5% of the issued and outstanding shares entitled to be voted at the meeting. In lieu of following Rule 5620(c) (shareholder quorum), the Registrant follows the rules of the TSX.

The Registrant does not follow Rule 5255, which requires companies' securities to be eligible for a Direct Registration Program operated by a clearing agency registered under Section 17A of the Exchange Act. In lieu of following Rule 5255, the Registrant follows the rules of the TSX.

The foregoing is consistent with the laws, customs, and practices in the province of British Columbia and Canada.

Further information about the Registrant's governance practices is included on the Registrant's website.

MINE SAFETY DISCLOSURE

Not applicable.

BOARD DIVERSITY MATRIX

The table below reports self-identified diversity statistics for the Board of Directors of the Registrant as required by NASDAQ Rule 5606.

Board Diversity Matrix for The Real Brokerage Inc.

As of 8/2/2022

To be completed by Foreign Issuers (with principal executive offices outside of the U.S.) and Foreign Private Issuers

Country of Principal Executive Offices	Canada
Foreign Private Issuer	Yes
Disclosure Prohibited Under Home Country Law	No
Total Number of Directors	6

	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	1	5		
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction		2		
LGBTQ+		0		
Did Not Disclose Demographic Background		0		

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Registrant has previously filed with the SEC a written consent to service of process on Form F-X. Any change to the name or address of the Registrant's agent for service shall be communicated promptly to the SEC by amendment to the Form F-X referencing the file number of the Registrant.

ADDITIONAL INFORMATION

Additional information relating to the Registrant may be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and on the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system at www.sec.gov.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE REAL BROKERAGE INC.

By:	*/s/ Tamir Poleg*
Name:	Tamir Poleg
Title:	Chief Executive Officer

Date: March 16, 2023

EXHIBIT INDEX

EXHIBIT	DESCRIPTION OF EXHIBIT
99.1	The Registrant's Annual Information Form for the fiscal year ended December 31, 2022
99.2	Audited Consolidated Financial Statements for the fiscal year ended December 31, 2022
99.3	Management's Discussion and Analysis for the year ended December 31, 2022
99.4	Certification by the Chief Executive Officer of the Registrant pursuant to Rule 13a-14(a) or 15d-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.5	Certification by the Chief Financial Officer of the Registrant pursuant to Rule 13a-14(a) or 15d-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.6	Certification by the Chief Executive Officer of the Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certification by the Chief Financial Officer of the Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of Brightman Almagor Zohar & Co.
101	Inline XBRL Document
104	Cover Page Interactive Data File

EXHIBIT 99.1

THE REAL BROKERAGE INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2022

March 16, 2023

Item 1. ABOUT THIS ANNUAL INFORMATION FORM

In this annual information form ("**AIF**" or "**Annual Information Form**"), unless the context otherwise requires, the "**Company**", "**Real**", "**we**", "**us**" and "**our**" refers to The Real Brokerage Inc. together with its wholly-owned and majority-owned subsidiaries, as defined and set out below under *Item 3.2 – Intercorporate Relationships.*

All financial information in this Annual Information Form is prepared in Canadian dollars, except where otherwise indicated, and using IFRS as issued by the International Accounting Standards Board.

In this AIF, all references to "C$" refer to Canadian dollars, all references to "US$" refer to U.S. dollars. The daily exchange rate as reported by the Bank of Canada was US$1.00 = C$1.3544 on December 31, 2022.

This AIF applies to the business activities and operations of the Company for the fiscal year ended December 31, 2022, with certain information updated to reflect changes occurring subsequent to December 31, 2022, up to the date of this AIF. Unless otherwise indicated, the information in this AIF is given as of March 16, 2023.

This Annual Information Form contains company names, product names, trade names, trademarks and service marks of the Company and other organizations, all of which are the property of their respective owners.

The information contained in this AIF, including news releases and other disclosure items of the Company, is available under the Company's profile on SEDAR at www.sedar.com. The Common Shares are traded on the TSXV under the symbol "REAX" and on the Nasdaq under the symbol "REAX".

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This AIF, including information and documents incorporated by reference, contains certain information, forecasts, projections, and/or disclosures about the Company that may constitute "forward-looking information" and "forward-looking statements" under applicable securities laws (collectively, "**forward-looking statements**"). All such statements, forecasts, projections and/or disclosures included in this AIF and the documents and information incorporated by reference, other than those of historical fact, that address activities, events or developments that the Company anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking statements. Forward-looking statements are based upon the Company's current internal expectations, estimates, projections and assumptions about future events and financial trends that management believes may affect the Company's financial condition, results of operations, business strategy and financial needs, as the case may be. The forward-looking statements are subject to significant known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company. In some cases, forward-looking statements can be identified by the use of forward-looking terminology such as "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate", "believe", "plan", "forecast" and other words of similar import, understanding and meaning, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Actual results and developments may differ materially from those contemplated by these forward-looking statements.

Without limitation, this AIF may contain forward-looking statements pertaining to the following:

- the Company's capital and organizational structure;
- the Company's expected working capital;

- the Company's business plans and strategies including targets for future growth;
- the development of the Company's business;
- the real estate industry;
- expectations regarding the development and launch of new technologies;
- expectations with respect to future opportunities;
- capital expenditure programs and future capital requirements;
- the receipt of regulatory and Exchange approvals;
- supply and demand fundamentals for services of the Company;
- the Company's plans regarding and composition of principal security holders, directors, officers, Promoters and management;
- the Company's plans and funding for planned development activities and the expected results of such activities;
- the Company's treatment under governmental and international regulatory regimes and intellectual property Laws;
- the Company's future general and administrative expenses;
- the Company's security based compensation plans;
- the Company's access to capital and overall strategy and development plans for all of the Company's assets;
- expectations on how the Company will manage production and marketing risks; and
- the business and strategic plans of the Company.

With respect to forward-looking statements and forward-looking information contained in this Annual Information Form, numerous assumptions have been made regarding, among other things:

- general business and economic conditions;
- current and future share prices;
- the real estate industry;
- the future operational and financial activities of the Company generally;
- fluctuations in foreign currency exchange rates, interest rates, business prospects and opportunities;
- the impact of inflation;
- the increased cost of mortgage financing for homebuyers;
- the regulatory framework governing intellectual property in the jurisdictions in which the Company will conduct its business and any other jurisdictions in which the Company may conduct its business in the future;
- trade secrets, know-how, contractual provisions and confidentiality procedures to protect its intellectual property rights;
- the Company's ability to comply with the regulatory bodies governing its activities;
- future capital expenditures to be made by the Company;
- current and future sources of funding for capital programs and the Company's ability to obtain financing on acceptable terms;
- the impact of competition on the Company;
- the impact of SARS-CoV-2, the COVID-19 pandemic and other future viruses;
- the conflict in Eastern Europe;
- political developments and/or instability;
- changes in Law; and
- anticipated and unanticipated costs.

The foregoing list of assumptions is not exhaustive. Actual results could differ materially from those anticipated in forward-looking statements as a result of various events and circumstances, including, among other things, the risk factors set forth under the heading "*5.2 – Risk Factors*".

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this AIF. These factors should be carefully considered and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this AIF. All subsequent forward-looking information of the Company herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. The Company does not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this AIF or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

MARKET AND INDUSTRY DATA

This AIF may contain market and industry data and forecasts obtained from third-party sources, industry publications and publicly available information. The Company believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although management believes it to be reliable, the Company has not independently verified any of the data from third-party sources referred to in this AIF, or analyzed or verified the underlying information relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Annual Information Form. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"**ADL**" means ADL Ventures Inc., a capital pool company and the predecessor of the Company prior to the Qualifying Transaction.

"**ADL Private Placement**" has the meaning ascribed to it in *Item 4.1 – Three Year History*.

"**ADL Subscription Receipts**" has the meaning ascribed to it in *Item 4.1 – Three Year History*.

"**Affiliate**" means a corporation that is affiliated with another corporation as follows: (A) a corporation is an "Affiliate" of another corporation if: (i) one of them is the subsidiary of the other; or (ii) each of them is controlled by the same Person; (B) a corporation is "controlled" by a Person if: (i) voting securities of the corporation are held, other than by way of security only, by or for the benefit of that Person; and (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the corporation; or (C) a Person beneficially owns securities that are beneficially owned by: (i) a corporation controlled by that Person; or (ii) an Affiliate of that Person or an Affiliate of any corporation controlled by that Person.

"**Amended and Restated Omnibus Incentive Plan**" means the securities-based incentive compensation plan of the Company adopted by Board on July 15, 2022 providing for the grant of Options and RSUs to eligible directors, officers, employees and consultants.

"**Arbor Oaks Apartments**" has the meaning ascribed to it in *Item 10.2 - Cease Trade Orders, Bankruptcies, Penalties or Sanctions.*

"**Audit Committee**" means the audit committee of the Board.

"**Auditor**" has the meaning ascribed to it in *Item 15.1 – Interests of Experts*.

"**Award**" means an Option or RSU granted pursuant to a Securities Based Compensation Arrangement.

"**Award Date**" means the date or dates on which an Award is granted pursuant to a Securities Based Compensation Arrangement.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended from time to time.

"**Board**" means the board of directors of the Company.

"**CARES Act**" has the meaning ascribed to it in *Item 5.2 – Risk Factors*.

"**Common Shares**" means common shares in the authorized share structure of the Company.

"**Compensation Committee**" means the compensation committee of the Board.

"**CPC Policy**" means Exchange Policy 2.4 – *Capital Pool Companies* of the TSXV Corporate Finance Manual.

"**Dodd-Frank Act**" means *The Dodd-Frank Wall Street Reform and Consumer Protection Act*

"**Escrowed Funds**" has the meaning ascribed to it in *Item 4.1 – Three Year History.*

"**Exchange Requirements**" means and includes the articles, by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), the *Securities Act* (Ontario) and rules and regulations thereunder as amended, and any policies, rules, orders, rulings, forms or regulations from time to time enacted by the Ontario Securities Commission and all applicable provisions of the securities laws of any other jurisdiction.

"**Expetitle**" means Real Title, Inc. (formerly, Expetitle, Inc.), a company existing under the Laws of the state of Delaware.

"**Expetitle Transaction**" has the meaning ascribed to it in *Item 4.2 – Significant Acquisitions – Post Qualifying Transaction Developments – Expetitle Transaction*.

"**Filing Statement**" means the Company's Filing Statement dated May 26, 2020, together with all schedules thereof.

"**Forced Exchange Event**" has the meaning ascribed to it in *Item 4.2 – Significant Acquisitions – Post Qualifying Transaction Developments - Insight Partners Investment.*

"**Guarantors**" has the meaning ascribed to it in *Item 10.2 - Cease Trade Orders, Bankruptcies, Penalties or Sanctions.*

"**IFRS**" means International Financial Reporting Standards, as issued by the International Accounting Standards Board.

"**Indemnity and Guarantee**" has the meaning ascribed to it in *Item 10.2 - Cease Trade Orders, Bankruptcies, Penalties or Sanctions.*

“**Insight Investment**” has the meaning ascribed to it in *Item 4.2 – Significant Acquisitions – Post Qualifying Transaction Developments - Insight Partners Investment.*

“**Insight Partners**” means certain funds affiliated with Insight Holdings Group, LLC, in particular Insight Partners XI, L.P.; Insight Partners (Cayman) XI, L.P.; Insight Partners XI (Co-Investors), L.P.; Insight Partners XI (Co-Investors) (B), L.P.; Insight Partners (Delaware) XI, L.P.; and Insight Partners (EU) XI, S.C.Sp.

“**Investor Rights Agreement**” has the meaning ascribed to it in *Item 4.2 – Significant Acquisitions – Post Qualifying Transaction Developments - Insight Partners Investment.*

“**Law**” or “**Laws**” means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any governmental entity or self-regulatory authority (including the Exchange).

“**LemonBrew Key Employee Agreements**” has the meaning ascribed to it in *Item 4.2 – Significant Acquisitions – Post Qualifying Transaction Developments – LemonBrew Transaction.*

“**LemonBrew Lending**” means Lemonbrew Lending Corp., a corporation existing under the Laws of the State of New Jersey, United States of America.

“**LemonBrew Transaction**” has the meaning ascribed to it in *Item 4.2 – Significant Acquisitions – Post Qualifying Transaction Developments – LemonBrew Transaction.*

“**Mortgage Act**” has the meaning ascribed to it in *Item 5.2 – Risk Factors*.

“**Nasdaq**” means the Nasdaq Capital Market.

“**Nasdaq Listing**” has the meaning ascribed to it in *Item 4.2 – Significant Acquisitions — Post Qualifying Transaction Developments* - *Nasdaq Listing.*

“**NCIB**” has the meaning ascribed to it in *Item 4.2 – Significant Acquisitions – Post Qualifying Transaction Developments* - *Normal Course Issuer Bid.*

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**Non-Employee Director**” means a member of the Board who is not otherwise an employee or executive officer of the Company.

“**Optimum**” has the meaning ascribed to it in *Item 10.2 - Cease Trade Orders, Bankruptcies, Penalties or Sanctions.*

“**Option Price**” means the price per Common Share to be payable upon the exercise of each such Option.

“**Options**” means the options exercisable into Common Shares pursuant to a Securities Based Compensation Arrangement.

“**Order**” has the meaning ascribed to it in *Item 10.2 - Cease Trade Orders, Bankruptcies, Penalties or Sanctions.*

"**Person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.

"**Predecessor Omnibus Incentive Plan**" means the securities-based incentive compensation plan of the Company as approved by the Shareholders at the Company's annual general meeting of Shareholders held on June 13, 2022.

"**Predecessor RSU Plan**" means the Restricted Share Unit plan of the Company as approved by the Shareholders at the Company's annual general meeting of Shareholders held on August 20, 2020.

"**Predecessor Stock Option Plan**" means the stock option plan of the Company as approved by the Shareholders at the Company's annual general meeting of Shareholders held on August 20, 2020.

"**Preferred Units**" means preferred units of Real PIPE.

"**Promoter**" means (A) a Person or company that, acting alone or in conjunction with one or more other persons, companies or a combination of them, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer; or (B) a Person or company that, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property or both services and property, 10% or more of the issued securities of a class of securities of the issuer or 10% or more of the proceeds from the sale of a class of securities of a particular issue, but a Person or company who receives the securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be considered a Promoter within the meaning of this definition where that Person or company does not otherwise take part in founding, organizing or substantially reorganizing the business.

"**QT Agreement**" means the securities exchange agreement made as of March 5, 2020 by and among Real PrivateCo, the Real PrivateCo Shareholders and ADL in respect of the Qualifying Transaction.

"**Qualifying Transaction**" means the acquisition by ADL of all of the issued and outstanding Real PrivateCo Common Shares (including Real PrivateCo Common Shares to be issued upon the conversion of Real PrivateCo Preferred Shares on a one-for-one basis immediately prior to the closing of the Qualifying Transaction), upon the terms and conditions set forth in the QT Agreement.

"**Real**" or the "**Company**" means The Real Brokerage Inc. (formerly ADL Ventures Inc.), a company incorporated under the Laws of British Columbia.

"**Real PIPE**" means Real PIPE, LLC, a company existing under the Laws of the State of Delaware.

"**Real PrivateCo**" means Real Technology Broker Ltd., a private corporation incorporated under the Laws of Israel.

"**Real PrivateCo Common Shares**" means the ordinary shares in the capital of Real PrivateCo.

"**Real PrivateCo Preferred Shares**" means the Series A Preferred Shares of Real PrivateCo.

"**Real PrivateCo Shareholders**" means the holders of Real PrivateCo Common Shares.

"**RealtyCrunch**" means RealtyCrunch Inc., a company existing under the Laws of the State of Delaware.

"**RealtyCrunch Transaction**" has the meaning ascribed to it in *Item 4.2 – Significant Acquisitions – RealtyCrunch Transaction.*

"**RESPA**" means *The Real Estate Settlement Procedures Act of 1974*, as amended.

“**Restricted Share Unit**” or “**RSU**” means a restricted share unit granted pursuant to a Securities Based Compensation Arrangement.

“**SEC**” means the United States Securities and Exchange Commission.

“**Security Based Compensation Arrangements”** means the Amended and Restated Omnibus Incentive Plan, the Predecessor Omnibus Incentive Plan, the Predecessor Stock Option Plan and Predecessor RSU Plan.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**Shareholders**” means the holders of the Common Shares.

“**Stock Exchange**” means the TSX or Nasdaq or if the Common Shares are not listed or posted for trading on any of such stock exchanges at a particular date, any other stock exchange on which the majority of the trading volume and value of the Common Shares are listed or posted for trading.

“**Subscription Receipt Agent**” has the meaning ascribed to it in *Item 4.1 – Three Year History*.

“**Trading Day**” means a day when trading occurs through the facilities of the TSX.

“**TSX**” or “**Exchange**” means the Toronto Stock Exchange.

“**TSXV**” means the TSX Venture Exchange.

“**U.S. Tax Act**” has the meaning ascribed to it in *Item 5.2 – Risk Factors*.

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“**VWAP**” means the volume weighted average trading price of the Company’s Shares on the TSX calculated by dividing the total value by the total volume of such securities traded for the five Trading Days immediately preceding thereof.

“**Warrants**” means Common Share purchase warrants of the Company.

Item 2. TABLE OF CONTENTS

Item 3. CORPORATE STRUCTURE

3.1 Name, Address and Incorporation

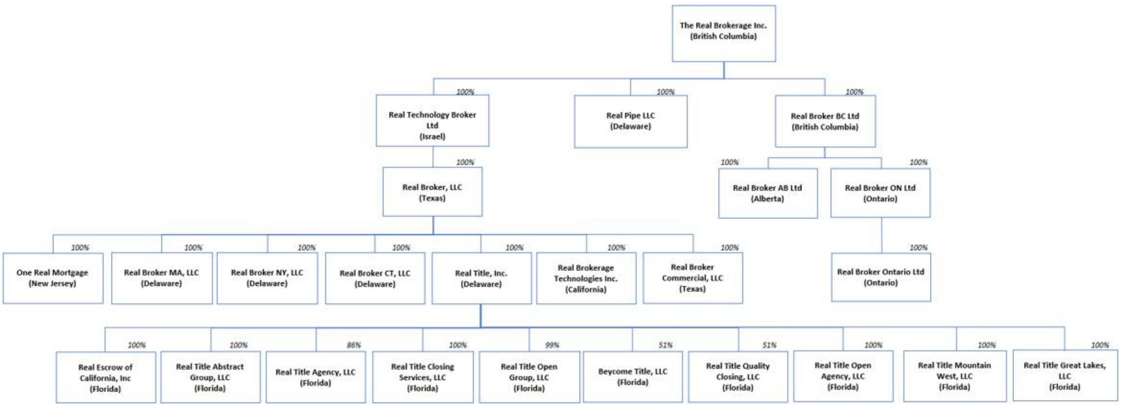
The full corporate name of the Company is The Real Brokerage Inc. (formerly ADL Ventures Inc.), which was incorporated under the Laws of the BCBCA on February 27, 2018. The Company's head office is located at 133 Richmond Street West, Suite 302, Toronto, Ontario, M5H 2L3, Canada and its registered office is located at 550 Burrard Street, Suite 2300, Bentall 5, Vancouver, British Columbia, V6C 2B5, Canada.

On June 5, 2020, the Company changed its name to "The Real Brokerage Inc." in connection with the closing of the Qualifying Transaction.

The Company was listed as a capital pool company on the TSXV. Prior to the Qualifying Transaction, the Common Shares were listed for trading on the TSXV on June 28, 2018 under the symbol "AVI.P". In accordance with CPC Policy, the Company's principal business had been to identify and evaluate assets or businesses with a view to consummating a "qualifying transaction" subject to acceptance by the Exchange.

3.2 Intercorporate Relationships

The Company has 24 subsidiaries. The following diagram illustrates the current corporate structure of the Company and its material subsidiaries including jurisdictions of incorporation and the percentage of voting securities beneficially owned, directly or indirectly, by the Company as of the date of this AIF.



Item 4. GENERAL DEVELOPMENT OF THE BUSINESS

4.1 Three Year History

The Company

The Company was listed as a capital pool company on the TSXV. The Common Shares were listed for trading on the TSXV on June 28, 2018 under the symbol "AVI.P". In accordance with CPC Policy, the Company's principal business had been to identify and evaluate assets or businesses with a view to consummating a "qualifying transaction" subject to acceptance by the TSXV.

In connection with the Qualifying Transaction, the Company completed a private placement (the "**ADL Private Placement**") of 20,758,170 subscription receipts ("**ADL Subscription Receipts**") at an issue price of US$0.0765 per ADL Subscription Receipt for aggregate gross proceeds of up to US$1,600,000. Each ADL Subscription Receipt was automatically exercisable, for no additional consideration, into one Common Share upon satisfaction of the Escrow Release Conditions (as defined in the Filing Statement).

The gross proceeds of the ADL Private Placement were deposited into an interest-bearing escrow account (the "**Escrowed Funds**") through an escrow agent (the "**Subscription Receipt Agent**"). The Escrowed Funds were released from escrow to the Company upon satisfaction of customary closing conditions, including the closing of the Qualifying Transaction and listing on the Exchange.

On June 5, 2020, the Company completed the Qualifying Transaction resulting in the change of business of the Company from a capital pool company to an international, technology-powered residential real estate brokerage. For further information regarding the Qualifying Transaction, please see "*Item 4.2 – General Development of the Business – Three Year History – Significant Acquisitions*". Additionally, readers are encouraged to refer to the QT Agreement, a copy of which has been filed by the Company with the Canadian securities regulatory authorities and is available under the Company's profile on SEDAR at www.sedar.com.

On July 26, 2022, the Company graduated to the TSX. In connection with the TSX Listing, the Common Shares were concurrently delisted from the TSXV.

The Company is a reporting issuer in all the provinces and territories of Canada. The Common Shares are listed for trading on the TSX under the symbol "REAX". The Common Shares are also listed for trading on the Nasdaq under the symbol "REAX".

4.2 Significant Acquisitions

Qualifying Transaction

On August 13, 2019, the Company entered into a letter of intent with Real PrivateCo, which provided for the acquisition by the Company of all of the issued and outstanding securities of Real PrivateCo in exchange for: (a) the issuance to Real PrivateCo Shareholders of Common Shares on the basis of 1.0083 Common Share for each Real PrivateCo Common Share (including Real PrivateCo Common Shares to be issued upon the conversion of Real PrivateCo Preferred Shares on a one-for-one basis immediately prior to the closing of the Qualifying Transaction); and (b) convertible securities of the Company in exchange for outstanding convertible securities of Real PrivateCo, with appropriate adjustments.

On March 5, 2020, the Company, Real PrivateCo and the Real PrivateCo Shareholders entered into the QT Agreement. The QT Agreement incorporated the principal terms for the Qualifying Transaction and provided the basis upon which the parties effected the Qualifying Transaction in compliance with the TSXV requirements.

On June 5, 2020, in connection with the closing of the Qualifying Transaction, the Company completed a name change to "The Real Brokerage Inc." in accordance with the terms of the QT Agreement. The Qualifying Transaction was effected by way of a securities exchange agreement involving the Company, Real PrivateCo and Real PrivateCo Shareholders. The former Real PrivateCo Shareholders held approximately 92% of the issued and outstanding Common Shares immediately following the closing of the Qualifying Transaction and previous Shareholders owned approximately 8% of the issued and outstanding Common Shares on a non-diluted basis not including Common Shares issuable pursuant to the ADL Private Placement.

On June 12, 2020, the Company resumed trading on the TSXV under the symbol "REAX" following the completion of the Qualifying Transaction. Concurrently, the Board was reconstituted to be comprised of Tamir Poleg, Guy Gamzu, Larry Klane and Laurence Rose. Tamir Poleg was also appointed as Chairman and Chief Executive Officer of the Company and Gus Patel was appointed as Chief Financial Officer and Corporate Secretary of the Company. For additional information on the directors and officers of the Company, please see *Item 10 – Directors and Officers*.

For more information on the outstanding capital of the Company, please see *Item 7 – Description of Capital Structure* and *Item 8 – Market for Securities*.

Post Qualifying Transaction Developments

(a) Insight Partners Investment

On December 2, 2020, the Company completed a US$20 million equity investment by Insight Partners through the purchase of Preferred Units issued by a wholly owned subsidiary of the Company, Real PIPE (the "**Insight Investment**"). Pursuant to the terms of the Insight Investment, Real PIPE issued to Insight Partners a total of 17,286,842 Preferred Units at a price of C$1.52 per Preferred Unit. The Preferred Units were exchangeable, at any time at Insight Partners' option, and at the option of the Company on the earlier of: (i) the listing the Common Shares on a nationally recognized stock exchange in the United States; (ii) the Company's market capitalization equaling or exceeding US$500 million for a 30-consecutive trading day period; or (iii) immediately prior to a transaction which the Company is acquired by a third party on an arms' length basis (each, a "**Forced Exchange Event**"), into Common Shares on a one-for-one basis (as may be adjusted from time to time in accordance with the terms of the limited liability company agreement of Real PIPE).

On closing of the Insight Investment, in addition to the Preferred Units, the Company issued to Insight Partners an aggregate of 17,286,842 Warrants. Each Warrant was exercisable by the Insight Partners into one Common Share at a price of C$1.90, exercisable for a period of five (5) years. The Warrants had an expiry date on the date that is five (5) years from the closing of the Insight Investment, subject to acceleration of the expiry date to the date of a Forced Exchange Event.

The Company and Real PIPE also entered into an investor rights agreement with Insight Partners providing for, among other things, participation rights, certain standstill and transfer restrictions and certain director nomination rights (the "**Investor Rights Agreement**"). The Company also entered into a registration rights agreement with the Insight Partners providing for, among other things, customary registration rights. The Company guaranteed, absolutely and unconditionally, Real PIPE's obligations with respect to the Preferred Units (but postponed and subordinated in right of payment to the prior payment of senior indebtedness) pursuant to the terms of a subordinated guarantee agreement entered into with the Insight Partners.

In connection with Insight Investment and in accordance with the Investor Rights Agreement, the Company appointed AJ Malhotra, a Vice President of Insight Partners, to the Board.

(b) Nasdaq Listing

On April 22, 2021, the Company announced that it applied to list the Common Shares on the Nasdaq (the "**Nasdaq Listing**"). In advance of the Nasdaq Listing, the Company filed a Form 40F Registration Statement with the SEC. On June 15, 2021, the Common Shares commenced trading on the Nasdaq under the trading symbol "REAX".

Immediately following the Nasdaq Listing, the Company delivered an "Acceleration Notice" to Insight Partners providing for the acceleration of the expiry date to 5:00 p.m. (Eastern Time) on June 30, 2021 for all of the issued and outstanding Warrants issued to Insight Partners on December 2, 2020.

In addition, Real PIPE delivered to Insight Partners, a "Forced Exchange Notice" to convert all of the issued and outstanding Preferred Units held by Insight Partners into Common Shares on August 3, 2021.

(c) Warrant Conversion and Forced Exchange Event

On June 28, 2021, the Insight Partners exercised all of their issued and outstanding Warrants received in connection with the Insight Investment. The Warrants were exercised for aggregate proceeds of C$32,845,011.20.

On August 3, 2021, the Company issued an aggregate of 17,286,848 Common Shares to Insight Partners in exchange for all of the issued and outstanding Preferred Units and in accordance with the Forced Exchange Notice. Immediately following the Forced Exchange Event, Insight Partners had ownership and control of (i) 34,573,696 Common Shares and (ii) 100,000 Options exercisable for 100,000 Common Shares, representing approximately 17.7% of the issued and outstanding Common Shares on a partially-diluted basis assuming the exercise of all of the Options owned or controlled by Insight Partners.

As of the date of this AIF, Insight Partners has ownership and control of (i) 34,573,696 Common Shares (ii) 100,000 Options exercisable for 100,000 Common Shares and 32,751 RSUs, representing approximately 19.46% of the issued and outstanding Common Shares on a partially-diluted basis assuming the exercise of all of the Options and conversion of all RSUs owned or controlled by Insight Partners.

(d) RealtyCrunch Transaction

On January 11, 2021, the Company completed the acquisition of the business assets and intellectual property of RealtyCrunch (the "**RealtyCrunch Transaction**"). The purchase of assets and intellectual property acquired in the RealtyCrunch Transaction was satisfied in cash for an aggregate purchase price of US$1.1 million plus the issuance 184,275 Warrants to the selling securityholders of RealtyCrunch. Each whole Warrant is exercisable into one Common Share at a price of C$1.36 until January 11, 2026.

In connection with the closing of the RealtyCrunch Transaction, Pritesh Damani joined the Company as Chief Technology Officer. Damani, the founder and CEO of RealtyCrunch, was granted 2,130,773 Options pursuant to the Predecessor Stock Option Plan at a price of C$1.11. Each Option is exercisable until January 11, 2031 and are subject to a four year vesting period.

(e) Normal Course Issuer Bid

On May 17, 2021, 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 and other stock exchanges and/or alternative trading systems in the United State and/or Canada. Pursuant to the NCIB, Real may purchase up to 8,915,466 Common Shares representing approximately 5% of the total 178,309,321 issued and outstanding Common Shares as at May 19, 2022. Purchases will be made at prevailing market prices commencing and will terminate no later than May 20, 2023.

The NCIB is being conducted to acquire the Common Shares for the purposes of satisfying RSU obligations. The Company appointed CWB Trust Services as the trustee for the purposes of arranging for the acquisition of Common Shares and to hold the shares in trust for the purposes of satisfying RSU payments as well as deal with other administration matters. Through the trustee, RBC Capital Markets has been engaged to undertake purchases under the NCIB.

The Common Shares acquired will be held by CWB Trust Services until the same are sold in the market with the proceeds to be transferred to designated participants under the terms of the Security Based Compensation Arrangements to satisfy the Company's obligations in respect of redemptions of vested RSUs held by such designated participants.

(f) Expetitle Transaction

Real acquired of 100% of the issued and outstanding equity interests of Expetitle pursuant to a stock purchase agreement dated January 20, 2022 (the "**Expetitle Transaction**"). The aggregate purchase price for the Expetitle Transaction was aggregate cash consideration of US$8.232 million, with US$7.432 million payable in cash at the closing of the Expetitle Transaction and US$0.8 million that was released from escrow on January 23, 2023 upon the satisfaction of certain terms and conditions of the Expetitle Transaction.

In connection with the Expetitle Transaction, Real also granted an aggregate of 700,000 Options and an aggregate of 1,100,000 RSUs to Expetitle employees and consultants pursuant to the Predecessor Stock Option Plan and Predecessor RSU Plan. The Options will vest quarterly over three years and are exercisable for a period of three years at $3.60 per share. The RSUs will vest quarterly over three years.

(g) TSX Listing

On July 14, 2022, the Company announced that it had received conditional approval to list the Common Shares on the TSX (the "**TSX Listing**"). On July 22, 2022, the Company announced that it ha received final approval for the graduation of its Common Shares to the TSX. On June 26, 2022, the Common Shares commenced trading on the TSX under the trading symbol "REAX".

(h) LemonBrew Transaction

On December 9, 2022, the Company acquired of 100% of the issued and outstanding equity interests of LemonBrew Lending pursuant to a share purchase agreement dated September 23, 2022 (the "**LemonBrew Transaction**"). The aggregate purchase price for the LemonBrew Transaction was aggregate cash consideration of US$1.25 million, which was satisfied by (i) cash in the amount of US$800,000 and (ii) the issuance of 351,837 Common Shares at a deemed issue price of $1.279 per share. The issue price of the Common Shares was 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 LemonBrew Transaction, Real 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 US$2,500,000 payable over 36 months following closing of the LemonBrew Transaction of which US$2,000,000 will be payable in cash and $500,000 will be payable in RSUs.

Item 5. DESCRIPTION OF THE BUSINESS

5.1 General

(a) Summary

Real is a growing technology-powered real estate brokerage in the United States and Canada. Real launched its operations in the middle of 2014 in Texas. Real grew its presence to additional states, adding more agents and ended the fiscal year 2022 with a team of over 8,000 real estate professionals, operating in 45 U.S. states (and the District of Columbia) and in three Canadian provinces.

As of the date of this AIF, Real operates with a team of over 9,300 real estate professionals, operating in 45 U.S. states (and the District of Columbia) of the United States and in the provinces of Alberta. British Columbia and Ontario, Canada. All of Real's real estate professionals are independent contractors.

Business Model

Real uses its proprietary mobile app, as well as other technology platforms to distribute its services. Real's main website is www.onereal.com and its secondary website, used to recruit agents and teams is www.joinreal.com. Real does not maintain physical locations (unless required by local Laws). The Company is focused on delivering 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 that we operate in. 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, at a lower cost, compared to other brokerages, while operating efficiently and scaling quickly with increased brokerage oversite.

Real has also identified a major opportunity in creating a seamless end-to-end home buying experience for consumers, and as such, a core component of our consumer vision strategy going forward will be adding ancillary services to develop a one-stop shop customer-facing portal. The goal is to pair our best-in-class technology with the trusted guidance of the agent-led experience to enhance the predictability, organization, and transparency for homebuyers, resulting in a more seamless and customer-friendly transaction process. To this end, Real acquired a title company in January 2022, which has rebranded to Real Title, and LemonBrew Lending in December 2022, a tech-enabled home loan platform.

Marketing and Growth

Real's market growth strategy is built on a proven affiliate model based revenue sharing system as well as cost-effective digital agent acquisition:

Real's primary agent acquisition method is through revenue-sharing incentivized referrals. Agents who have their license with Real can earn a share of Real's portion of commission revenue for agents they refer into the Company. This program had a major impact on our agent count and revenue growth in 2022 and accounted for over 113% of agent growth in 2022. Real believes there is opportunity to rapidly scale and grow its revenue sharing referral acquisitions with new programs in 2023.

A second and growing source of agent growth is through digital channels, including search engine marketing and search engine optimization.

Real's third largest acquisition channel is organic social media and content partnerships that drive agent traffic to Real's website. These channels are low cost but labour intensive in terms of providing social media content and developing partnerships and will not likely scale significantly in the short term.

(b) Production and Services

Real has developed, integrated and adopted various mobile and desktop focused technologies to create a comprehensive offering to its agents and to assist Real with its brokerage operations. The implementation and utilization of technology enables Real to operate multi-jurisdiction operations, quickly expand to additional markets and serve its agents more efficiently. These factors seek to disrupt the market and minimize the need for traditional brick-and-mortar locations. Real's technology product offering is focused on the following segments and includes the following features:

- Productivity - customer relationship management (CRM) platform, broker support, technical support, interactive training, education platform (www.real.academy), transaction management platform, transaction support, documents library, contract templates, paperless file sharing, virtual signature tools, business dashboard and weekly educational webinars and conference calls.

- Marketing - Each agent joining Real receives a personal branded mobile app, personal branded website, access to Real's print portal enabling ordering of business cards, yard signs, marketing materials, designer assistance, access to marketing webinars focused on lead generation and personal marketing. Real also offers its agents buyer and seller leads through a cooperation with Opcity.

- Community - Real's agents have access to Real's app and desktop-based community which enhances the sense of agent belonging, creates synergy and collaboration in local markets and propels information sharing. Real's community is designed as topic groups and feeds and contains posts from agents across the country and Real's employees. Real's agents use the community to socialize, celebrate success, ask questions, cooperate, market properties, exchange leads, transact business with colleagues, share information and learn about Company announcements.

- Brokerage Operations - A key component in building a sustainable brokerage is the ability to operate extremely efficiently to ensure a competitive advantage. Over the years, Real has invested substantial resources in building proprietary software and implementing automation and technology that assists it in serving agents, processing transactions, overseeing agents' activity, measuring Real's performance, facilitating contract reviews, providing fast payments to agents, streamlining communications and eliminating redundant staffing costs.

(c) Specialized Skill and Knowledge

The Company believes that its success is largely dependent on the performance of its management and key employees, many of whom have specialized experience relating to our industry, services, regulatory environment, customers and business. The assembled management team and the Board has experience in the management and growth of successful emerging enterprises.

See also "*Item 5.2 – Risk Factors*".

(d) Competitive Conditions

As a licensed real estate brokerage, Real competes with other local, regional and nationwide brokerages over agents, teams of agents, brokers and consumers. Real believes that its offering is superior to its competition and that its vast technology and software usage enables it to operate in a more efficient way, thus improving its competitive advantage.

Industry Overview

The real estate brokerage industry is closely aligned with the health of the residential real estate market, which is among other factors influenced by economic growth, interest rates, unemployment, inventory, and mortgage rate volatility. 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.

In 2022, macroeconomic conditions in North America contributed to a slowdown in the residential real estate market, impacting our business and financial results. In particular, as a result of a persistently high inflation rate in the U.S., the Federal Reserve Board increased the federal funds rate by an aggregate of 425 basis points in 2022. In connection with the rise in the federal funds rates, mortgage rates also increased sharply, with average 30-year rates ending the year at 6.4% from 3.1% at the end of 2021, according to Freddie Mac data. As a result, total existing-home sales in the U.S., which consists of completed transactions that include single-family homes, townhomes, condominiums and co-ops, contracted 17.8% to 5.0 million in 2022 compared to 2021, according to data reported by the National Association of Realtors. With the exception of January 2022, on a seasonally-adjusted basis volumes declined in each month of 2022. The impact on sales prices began to occur in the third quarter of 2022, with the median U.S. existing home price peaking at $413,800 in June 2022 and declining to $366,500 as of December 2022. However, average home prices remain well above levels experienced prior to the COVID-19 pandemic, and home price appreciation was still slightly positive on a year-over-year basis. With the exception of 2022, prices and transaction volumes in recent years have been strong, boosted by low mortgage rates and a strong labour market, thereby heightening demand for real estate brokerage and other ancillary services required during the transaction lifecycle.

New business models and competition, extensive use of technology and changing consumer expectations are reworking the industry. Real believes the most nimble real estate brokerages will win ultimately be the most successful.

Among the new brokerages are national brick-and-mortar brokerages that use investment dollars to offer agents expensive signing packages to gain market share and brokerages that generate leads hire in-house agents as staff rather than as commissioned contractors, enabling them to increase per agent transaction volumes. Real does not believe either of these models serve the long-term interests of consumers or investors. Instead of purchasing market share or squeezing agent revenue, Real seeks to compete for market share based on providing a higher value and lower cost offering to agents.

Another industry dynamic is the emergence of “instant buyers” (iBuyers) such as Zillow Offers and Opendoor. iBuyers use industry data to make instant offers on listings in some markets and then seek to resell or “flip” the homes they buy for a profit. iBuyers provide sellers speed and certainty in exchange for a sales price that are lower on average than the market rate. iBuyers use agents to close the original transaction and the resale transaction and the Company does anticipate the iBuyer trend substantially affecting the demand for real estate brokerage services.

Real's Opportunity

Traditional brick-and-mortar based real estate brokerages dominate over 90% of the market. However, this traditional business model has not dramatically changed for decades as brokerages were reluctant to implement changes and strived to maintain the status quo. While consumers are impacted by innovation in various industries, real estate has been slow to adopt new technologies. Consumer demand for better service, increasing competition over agents and the high overhead costs of the traditional brokerage operational model, make traditional brokerage companies vulnerable and creates an opportunity for brokerages that are able to leverage technology. Real is positioned to offer an alternative to traditional real estate brokerages.

Real believes the following trends are impacting the real estate brokerage industry which position Real to continue to grow its business:

- Democratization and availability of information - Traditionally, real estate brokerages relied heavily on brick-and-mortar locations to attract clients with listing information that was difficult to obtain otherwise. The internet and database technology made listing information publicly available through well-known listing search sites, thereby eliminating a consumer's need to visit street-front brokerages to discover homes for sale.

- Mobile technology - Traditional brick-and-mortar real estate brokerages also provided dedicated physical offices where agents and clients met and signed purchase agreements, closing documents and related paperwork. Mobile technology has since enabled consumers and agents to communicate directly and sign documents from anywhere, thereby eliminating the need for a physical brokerage office.

- Desire for freedom and flexibility - Although agents are mainly independent contractors, traditional brokerages often require that agents perform unpaid "floor time" at the office and attend in-office meetings. So-called "desk fees" are also common. As the need for physical space diminishes, agents with their own book of business increasingly desired the flexibility to work their own hours, wherever suits them best, yet traditional brokerages often do not have the culture or the tools needed to fully support remote work.

- Consumer pressure on real estate commissions - In the United States, sellers traditionally paid a 6% commission which was divided between the buyer's and the seller's managing broker and then further split among the agents involved in the sale. Buyers, who increasingly research and find their homes online, still want an agent to help them make introductions, write contracts and connect them to resources and the community. Likewise, sellers still want agents to prepare and price listings, attract buyers, write contracts, and coordinate a transaction to its closing. However, service commissions are dropping across industries and sellers increasingly expect to pay less than the traditional 6% commission. To support lower costs for consumers while keeping agents net pay sustainable, brokers need to reduce their portion of the split without dropping service levels.

- Younger generations of agents - According to the Pew Research Center, millennials have now surpassed baby boomers as the largest living generational group in the United States.[1] Millennials already comprise the largest segment of home buyers in the United States. Millennials entering their real estate market expect their brokerage to provide and use effective mobile technology and to allow the agents the freedom to express their personal brand in social media.

[1] https://www.pewresearch.org/fact-tank/2020/04/28/millennials-overtake-baby-boomers-as-americas-largest-generation/

(e) Intangible Properties

Real's material owned intellectual property consists of unpatented proprietary technology, processes, trade secrets and know-how. The Company also has inherent copyright of authorship in the source code developed by Real and unregistered trademarks. Real does not have any material licensed intellectual property. While Real's commercial success generally depends on its ability to maintain the confidentiality of its proprietary technology, processes, trade secrets, and know-how, the Company is not substantially dependent on any specific and identifiable intellectual property.

To protect its intellectual property, Real relies on a combination of trade secret, copyright, trademark, passing-off Laws and other statutory and common Law protections in Israel, the United States and international markets. Real also protects its intellectual property through the use of non-disclosure agreements and other contracts, disclosure and invention assignment agreements, confidentiality procedures and technical measures.

The Company Real does not have any registrations in respect of its material owned intellectual property.

"Join Real" is one of Real's registered trademarks in the United States. The Company also owns the rights to several domain names used in conjunction with its business.

If necessary, Real will aggressively assert its rights under trade secret, unfair competition, trademark and copyright Laws to protect its intellectual property, including product design, product research and concepts and registered trademarks. These rights are protected through the acquisition of patents and trademark registrations, the maintenance of trade secrets, the development of trade dress, and, where appropriate, litigation against those who are, in Real's opinion, infringing these rights.

While there can be no assurance that registered trademarks will protect our proprietary information, Real intends to assert its intellectual property rights against any infringement. Although any assertion of Real's rights could result in a substantial cost and diversion of management effort, Real believes the protection and defense against infringement of our intellectual property rights are essential to its business.

For additional information on intellectual property risks, see "*Item 5.2 – Risk Factors*".

(f) Cycles

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.

(g) **Regulatory Environment**

Our principal business is residential real estate brokerage in the United States. We also offer, through joint ventures in which our wholly owned subsidiary, The Real Title, Inc. is a managing member and majority owner, title insurance, and closing services for residential and/or commercial transactions in Florida, Texas, Georgia, and Utah. In addition, through our acquisition of LemonBrew Lending, we have entered the business of brokering residential mortgage financing for borrowers (or consumers), and we are considering entering the correspondent residential mortgage space, as well. Both of residential real estate brokerage and mortgage brokerage are subject to a number of US federal, state and local laws and regulations.

Residential Real Estate Brokerage

Federal

Real estate brokers are subject to the Federal Fair Housing Act, which make it unlawful to discriminate against protected classes of individuals in housing or in brokerage services. Our brokerage activities are also affected by the Telephone Consumer Protection Act and other federal and state laws pertaining to privacy, which affect our ability to solicit new clients.

State and Local

In every jurisdiction, there are state or local laws affecting real estate brokerages. While these laws vary across jurisdictions, they virtually all require that anyone who receives compensation for arranging real estate transactions be licensed as a broker or a salesperson. Licensed activities include (but are not limited to) advertising or helping to arrange the sale or purchase of real estate or managing or leasing residential properties for a fee or commission. An agent, sales associate or sales person generally must be associated with a licensed broker. We are a licensed broker in 45 states, the District of Columbia & 3 Canadian provinces. In other states, the brokers who use our platform are individually licensed or are associated with licensed brokers.

Real estate licensees, whether they are brokers, agents, sales associates or salespersons, must follow the local real estate licensing laws and regulations. These laws and regulations generally specify minimum duties and obligations of licensees to their clients and the public, as well as standards for the conduct of business, including requirements for contract disclosures, record keeping, local offices, escrow trust fund management, agency representation, advertising and fair housing.

In each of the jurisdictions where Real has operations, Real assigns appropriately licensed personnel to manage and comply with applicable laws and regulations.

Industry Organizations

Beyond federal, state and local governmental regulations, the real estate brokerage industry is subject to rules established by private real estate groups or trade organizations, including, but not limited to, state and local Associations of REALTORS®[2], the National Association of Realtors® and local Multiple Listing Services. Generally, licensed brokers, salespersons, individuals, agents and brokerage entities join these groups and organizations, which causes them to be subject to the organizations' rules. The Company assigns appropriate personnel to manage compliance with organizations' rules.

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[2] "REALTOR" and "REALTORS" are registered trademarks of the National Association of REALTORS®.

Mortgage Finance and Title

Our mortgage and title subsidiaries must comply with applicable real estate, brokerage and insurance laws and regulations. The subsidiaries are licensed in the states in which they do business and must comply with laws and regulations in those states.

Our LemonBrew Lending mortgage subsidiary must comply with any and all U.S. federal laws affecting residential mortgage brokerage and with state laws in jurisdictions where it is licensed as a mortgage broker. It currently is licensed as a mortgage broker or lender in twenty states. If, as we expect, LemonBrew Lending begins to fund residential mortgage loans in the states licensed, it will have to comply with a variety of U.S. federal and state laws that apply to residential mortgage lenders.

(h) Employees

As at the date of this AIF, Real and its subsidiaries has 118 full-time employees, 30 independent contractors, 51 contracted state brokers and over 9,300 agents and brokers whom Real also classifies as independent contractors.

(i) Foreign Operations

As of the date of this AIF, Real has brokerage operations in the United States and Canada.

See "*Item 5.2 – Risk Factors*".

(j) Bankruptcy and Similar Procedures

There have been no bankruptcy or receivership proceedings against the Company or any of its subsidiaries within the three most recently completed financial years or the current financial year.

(k) Reorganizations

See "*Item 4.2– General Development of the Business – Three Year History – Significant Acquisitions*".

5.2 Risk Factors

The following are certain risk factors relating to the Company's business which prospective investors should carefully consider before deciding whether to purchase Common Shares. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. These risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of the Company's operations could be materially adversely affected.

Risk Related to the Company

The Company is dependent on the residential real estate market.

The Company's financial performance is closely connected to the strength of the residential real estate market, which is subject to a number of general business and macroeconomic conditions beyond the Company's control.

Macroeconomic conditions that could adversely impact the growth of the real estate market and have a material adverse effect on the Company's 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, war or terrorist attacks, natural disasters or adverse weather events, or the public perception that any of these events may occur. Unfavorable general economic conditions, such as a recession or economic slowdown, in the United States, Canada or other markets the Company enters and operates within could negatively affect the affordability of, and consumer demand for, its services which could have a material adverse effect on its 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 the Company's business.

The real estate market is substantially reliant on the monetary policies of the federal government and its agencies and is particularly affected by the policies of the United States' Federal Reserve Board, which regulates the supply of money and credit in the U.S., which in turn impacts interest rates. The Company's business could be negatively impacted by any rising interest rate environment. As mortgage rates rise, the number of home sale transactions may 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 the Company's control, are difficult to predict and could have a material adverse effect on its business and profitability.

The Company may be unable to maintain its agent growth rate, which would adversely affect its revenue growth and results of operations.

The Company has experienced rapid and accelerating growth in our real estate broker and agent base. Because the Company derives revenue from real estate transactions in which its brokers and agents receive commissions, increases in the Company's agent and broker base correlate to increases in revenues and the rate of growth of its revenue correlates to the rate of growth of the Company's agent and broker base. The rate of growth of the Company's agent and broker base cannot be predicted and is subject to many factors outside of the Company's control, including actions taken by the Company's competitors and macroeconomic factors affecting the real estate industry generally. There is no assurance that the Company will be able to maintain its recent agent growth rate or that the Company's agent and broker base will continue to expand in future periods. A slowdown in the Company's agent growth rate would have a material adverse effect on revenue growth and could adversely affect the Company's business, financial condition or results of operations.

The Company may be unable to effectively manage rapid growth in its business.

The Company may not be able to scale its business quickly enough to meet the growing needs of its affiliated real estate professionals and if the Company is not able to grow efficiently, its operating results could be harmed. As the Company adds new real estate professionals, the Company 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, the Company will need to appropriately scale its internal business systems and its services organization, including support of its 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 the Company to existing real estate professionals who might leave the Company, as well as result in decreased attraction of new real estate professionals. Even if the Company is able to upgrade its systems and expand its staff, such expansion may be expensive, complex, and place increasing demands on its management. The Company could also face inefficiencies or operational failures as a result of its efforts to scale its infrastructure and the Company may not be successful in maintaining adequate financial and operating systems and controls as it expands. Moreover, there are inherent risks associated with upgrading, improving and expanding its information technology systems. The Company cannot be sure that the expansion and improvements to its infrastructure and systems will be fully or effectively implemented on a timely basis, if at all. These efforts may reduce the Company's revenue and margins and adversely impact its financial results.

The Company faces significant risk to its brand and revenue if it fails to maintain compliance with the Law and regulations of federal, state, county and foreign governmental authorities, or private associations and governing boards.

The Company 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.

In general, the Laws, rules and regulations that apply to the Company's business practices include, without limitation, RESPA, the federal Fair Housing Act, the Dodd-Frank Act, and federal advertising Laws, as well as comparable state statutes; rules of trade organizations such as the National Association of Realtors, local MLSs, and state and local AORs; licensing requirements and related obligations that could arise from its business practices relating to the provision of services other than real estate brokerage services; privacy regulations relating to its use of personal information collected from the registered users of its 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 ("**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.

The Company 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.

If the Company fails, or is alleged to have failed, to comply with any existing or future applicable Laws, rules and regulations, the Company could be subject to lawsuits and administrative complaints and proceedings, as well as criminal proceedings. Non-compliance could result in significant defense costs, settlement costs, damages and penalties.

The Company's business licenses could be suspended or revoked, business practices enjoined, or it could be required to modify its business practices, which could materially impair, or even prevent, the Company's ability to conduct all or any portion of its business. Any such events could also damage the Company's reputation and impair the Company's ability to attract and service home buyers, home sellers and agents, as well its ability to attract brokerages, brokers, teams of agents and agents to the Company, without increasing its costs.

Further, if the Company loses its ability to obtain and maintain all of the regulatory approvals and licenses necessary to conduct business as we currently operate, the Company's ability to conduct its business may be harmed. Lastly, any lobbying or related activities the Company undertakes in response to mitigate liability of current or new regulations could substantially increase the Company's operating expenses.

The Company could be subject to changes in tax laws and regulations that may have a material adverse effect in its business.

The Company operates and is subject to taxes in the United States, and other jurisdictions throughout the world. Changes to federal, state, local or international tax laws on income, sale, use, indirect, or other tax laws, statutes, rules or regulations may adversely affect its effective tax rate, operating results or cash flows.

The Company's effective tax rate could increase due to several factors, including: changes in the relative amounts of income before taxes in the various jurisdictions in which it operates that have differing statutory tax rates; changes in tax laws, tax treaties, and regulations or the interpretation of them, including the Tax Cuts and Jobs Act of 2017 ("**US Tax Act**"), changes to the Company's assessment about its ability to realize its deferred tax assets that are based on estimates of its future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which the Company does business; the outcome of current and future tax audits, examinations or administrative appeals; and limitations or adverse findings regarding the Company's ability to do business in some jurisdictions.

In particular, new income, sales and use or other tax laws or regulations could be enacted at any time, which could adversely affect the Company's business operations and financial performance. Further, existing tax laws, regulations could be interpreted, modified or applied adversely to the Company. For example, the U.S. Tax Act enacted many significant changes to the U.S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to the U.S. Tax Act may affect the Company, and certain aspects of the U.S. Tax Act could be repealed or modified in future legislation. For example, the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the "**CARES Act**") modified certain provisions of the Tax Act. In addition, it is uncertain if and to what extent various states will conform to the U.S. Tax Act, the CARES Act, or any newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net operating losses, and other deferred tax assets relating to the Company's operations, the taxation of foreign earnings, and the deductibility of expenses under the U.S. Tax Act or future reform legislation could have a material impact on the value of the Company's tax assets and could increase the Company's future U.S. tax expense.

The Company may suffer financial harm and loss of reputation if it does not or cannot comply with applicable laws, rules and regulations concerning the classification and compensation practices for the agents.

Except for employed state brokers, all real estate professionals in the Company's brokerage operations have been retained as independent contractors, either directly or indirectly through third-party entities formed by these independent contractors for their business purposes. With respect to these independent contractors, like most brokerage firms, the Company is subject to the Internal Revenue Service regulations and applicable state Law guidelines regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation and it might be determined that the independent contractor classification is inapplicable to any of the Company's affiliated real estate professionals. Further, if legal standards for classification of real estate professionals as independent contractors change or appear to be changing, it may be necessary to modify the Company's compensation and benefits structure for its affiliated real estate professionals in some or all of its markets, including by paying additional compensation or reimbursing expenses.

In the future, the Company could incur substantial costs, penalties and damages, including back pay, unpaid benefits, taxes, expense reimbursement and legal fees, in defending future challenges by its affiliated real estate professionals to our employment classification or compensation practices.

Unanticipated delays or problems associated with the Company's products and improvements may cause customer dissatisfaction.

The Company's future success is dependent on its ability to continue to develop and expand its products and technologies and to address the needs of its customers. There may be delays in releasing the Company's new products or technologies in the future – any material delays may cause customers to forego purchases of the Company's products to purchase competitors' offerings instead. Further, if the Company's systems and technologies lack capacity or quality sufficient to service agents and their clients, then the number of agents who wish to use its products could decrease, the level of client service and transaction volume afforded by the Company's systems could suffer, and its costs could increase.

The Company may need to develop new products and services and rapid technological change could render its systems obsolete.

The industry in which the Company operates is characterized by rapid technological change, frequent new product and service introductions and enhancements, uncertain product life cycles, changes in customer requirements and evolving industry standards. The introduction of new products and new technologies, the emergence of new industry standards, or improvements to existing technologies could render the Company's platform obsolete or relatively less competitive.

The Company's commercial and financial success depends on market acceptance, and if not achieved will result in the Company not being able to generate revenue to support its operations.

The commercial success of the Company depends, among other things, on market acceptance. The success of the Company's products and any new products and services that it may launch is dependent upon its ability to attract and retain a critical mass of merchants in potentially diverse geographic locations. Competitive pricing and market acceptance also depends on the future pricing and availability of competing products and the perceived comparative efficacy of its products. If the Company cannot reach this market, or cannot offer competitive pricing packages, its operating results and revenues will be adversely affected.

If the Company fails to grow in the various local markets that they serve or are unsuccessful in identifying and pursuing new business opportunities the Company's long-term prospects and profitability will be harmed.

To capture and retain market share in the various local markets that the Company serves, it must compete successfully against other brokerages for agents and brokers and for the consumer relationships that it brings. The Company's competitors could lower the fees that it charges to agents and brokers or could raise the compensation structure for those agents. The Company's competitors may have access to greater financial resources than it, allowing them to undertake expensive local advertising or marketing efforts. In addition, the Company's competitors may be able to leverage local relationships, referral sources and strong local brand and name recognition that it has not established. The Company's competitors could, as a result, have greater leverage in attracting new and established agents in the market and in generating business among local consumers. The Company's ability to grow in the local markets that it serves will depend on its ability to compete with these local brokerages.

The Company may implement changes to its business model and operations to improve revenues that cause a disproportionate increase in its expenses or reduce profit margins. For example, the Company may allocate resources to acquiring lower margin brokerage models and may invest in the development of a mortgage servicing division, a commercial real estate division, a title and escrow company and/or a continuing education division. Expanding its service offerings could involve significant up-front costs that may only be recovered after lengthy periods of time. In addition, expansion into new markets, including internationally, could expose the Company to additional compliance obligations and regulatory risks. If the Company fails to continue to grow in the local markets it serves or if it fails to successfully identify and pursue new business opportunities, its long-term prospects, financial condition, and results of operations may be harmed, and its stock price may decline.

If agents and brokers do not understand the Company's value proposition the Company may not be able to attract, retain and incentivize agents.

Participation in the Company's Amended and Restated Omnibus Incentive Plan and Securities Based Compensation Arrangements represents a key component of the Company's agent and broker value proposition. Agents and brokers may not understand or appreciate the value of these incentive programs. In addition, agents may not appreciate other components of the Company's value proposition including the technology platform, the mobility it affords, the systems and tools that it provides to agents and brokers, among other benefits. If agents and brokers do not understand the elements of the Company's service offering, or do not perceive it to be more valuable than the models used by most competitors, the Company may not be able to attract, retain and incentivize new and existing agents and brokers to grow its revenues.

The Company's operating results are subject to seasonality and vary significantly among quarters during each calendar year, making meaningful comparisons of successive quarters difficult.

Seasons and weather traditionally impact the real estate industry in the jurisdictions where the Company 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. The Company has historically experienced lower revenues during the fall and winter seasons, as well as during periods of unseasonable weather, which reduces the Company'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 the Company serves can conceal the impact of poor weather or seasonality.

Home sales in successive quarters can fluctuate widely due to a wide variety of factors, including holidays, national or international emergencies, the school year calendar's impact on timing of family relocations, interest rate changes, speculation of pending interest rate changes and the overall macroeconomic market. The Company's revenue and operating margins each quarter will remain subject to seasonal fluctuations, poor weather and natural disasters and macroeconomic market changes that may make it difficult to compare or analyze the Company's financial performance effectively across successive quarters.

The Company may require additional capital to support its operations or the growth of its business, and it cannot be certain that this capital will be available on reasonable terms when required, or at all.

From time to time, the Company may need additional financing to operate or grow its business. The ability to continue as a going concern, may be dependent upon raising additional capital from time-to-time to fund operations. The Company'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 the Company cannot assure anyone that additional financing will be available to it on favorable terms when required, or at all. If the Company 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 current stock, and its existing stockholders may experience dilution. If the Company 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.

The Company's growth strategy may not achieve the anticipated results.

The Company's future success will depend on its ability to grow its business, including through commercialization of its products. Growth and innovation strategies require significant commitments of management resources and capital investments and the Company may not grow its revenues at the rate it expects or at all. As a result, the Company may not be able to recover the costs incurred in developing new projects and initiatives or to realize their intended or projected benefits, which could materially adversely affect its business, financial condition or results of operations.

The Company faces substantial competition in the future and may not be able to keep pace with the rapid technological changes which may result from others discovering, developing or commercializing products before or more successfully than the Company. The activities of competing companies, or others, may limit the Company's revenues.

In general, the development and commercialization of new Software as a Service (SaaS) products is highly competitive and is characterized by extensive research and development and rapid technological change. Market share can shift as a result of technological innovation and other business factors. Commercial opportunities for the Company's products may be reduced if the Company's competitors develop or market products or novel technologies that are more effective, are better tolerated, are more accepted by the market, have better distribution channels, or are less costly than that offered by the Company. If those products gain market acceptance, the Company's revenue and financial results could be adversely affected. If the Company fails to develop new products or enhance existing products, its leadership in the current markets served could erode and its business, financial condition and results of operations may be adversely affected.

While the Company's products and technologies are unique and novel, there are a number of indirect competitors in the market. Such competitors include large and small companies that may have significant access to capital resources, competitive product pipelines, substantial research and development staffs and facilities and substantial experience in the market. The Company recognizes the need to invest in research and development to continue to add high-value, differentiated capabilities to expand both the depth and breadth of the Company's product offering. Management also recognizes the need to ensure customer satisfaction through all phases of the sales cycle and intends to invest in competitive intelligence and analysis as it relates to the dynamics of the market, as well as in trends in technology and in products as they are introduced into the market. However, the Company may not be able to compete with competitors that are more established in the market.

The Company depends on highly skilled personnel to grow and operate its business. If the Company is not able to hire, retain, and motivate its key personnel, its business may be adversely affected.

The Company's success depends in part upon a number of key employees, including members of senior management who have extensive experience in the industry. Competition for talented senior management is intense and the Company's ability to successfully develop and maintain a competitive market position will depend in part on its ability to attract and retain highly qualified and experienced management. The loss of the services of key personnel could have a materially adverse effect on the Company's business. Many key employees consider the value of the Options and RSUs received in connection with their employment. If the trading price of the Common Shares declines or experiences volatility, the Company's ability to attract and retain key employees may be adversely affected. If the Company fails to attract new personnel or fails to retain and motivate current personnel, its growth prospects could be severely harmed.

If the Company fails to develop widespread brand awareness cost-effectively, its business may suffer.

The Company believes that developing and maintaining widespread awareness of its brand in a cost-effective manner is critical to achieving widespread acceptance of its products. The Company's marketing efforts are directed at growing brand awareness. Brand promotion activities, although they have been successful in the past, may not generate customer awareness or increase revenues, and even if they do, any increase in revenues may not offset the expenses incurred in brand building. If the Company fails to successfully promote and maintain its brand, or incur substantial expenses in doing so, the Company may fail to attract or retain customers necessary to realize a sufficient return on its brand building efforts, or to achieve the widespread brand awareness that is critical for broad adoption of its products.

Possible failure to realize anticipated benefits of future acquisitions could impact the Company's business.

In the future, the Company may complete acquisitions to strengthen its position in the point-of sale industry and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own. The integration of acquired businesses requires the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect the Company's ability to achieve the anticipated benefits of these and future acquisitions.

Acquisitions and joint ventures are inherently risky, and any that the Company completes may not be successful. Any acquisitions and joint ventures that the Company pursues would involve numerous risks, including the following: (i) difficulties in integrating and managing the operations and technologies of the companies the Company acquires, including higher than expected integration costs and longer integration periods; (ii) diversion of the Company's management's attention from normal daily operations of its business; (iii) the Company's inability to maintain the customers, key employees, key business relationships and reputations of the businesses it acquire; (iv) the Company's inability to generate sufficient revenue or business efficiencies from acquisitions or joint ventures to offset its increased expenses associated with acquisitions or joint ventures; (v) the Company's responsibility for the liabilities of the businesses it acquires or gains ownership in through joint ventures, including, without limitation, liabilities arising out of its failure to maintain effective data security, data integrity, disaster recovery and privacy controls prior to the acquisition, or its infringement or alleged infringement of third party intellectual property, contract or data access rights prior to the acquisition; (vi) difficulties in complying with new markets or regulatory standards to which the Company was not previously subject; (vii) delays in the Company's ability to implement internal standards, controls, procedures and policies in the businesses it acquires or gains ownership in through joint ventures and increased risk that its internal controls will be ineffective; (viii) operations in a nascent state depend directly on utilization by the Company's agents and brokers; (ix) adverse effects of acquisition and joint venture activity on the key performance indicators the Company uses to monitor its performance as a business; and (x) inability to fully realize intangible assets recognized through acquisitions or joint ventures and related non-cash impairment charges that may result if the Company is required to revalue such intangible assets.

The Company's failure to address these risks or any other challenges it encounters with its future acquisitions, joint ventures, and investments could cause it to not realize all or any of the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities, and harm the Company's business, which could negatively impact its operating results, financial condition, and cash flows.

There is intense competition in the Software as a Service and real estate brokerage industry.

The SaaS industry is highly competitive and rapidly changing. The Company may be significantly affected by new product introductions and geographic expansion by existing competition and expects that competition will intensify in the future. Specific factors upon which the Company competes include, but are not limited to, functionality of its applications, ease of use, timing for implementation, quality of support and services, and price. The Company's potential competitors include other companies selling SaaS services and technology in the search engine marketing and advertising space. Many of these potential competitors have significantly greater financial, technical, marketing and other resources than the Company has. Many of them also have longer operating histories, greater name recognition and stronger relationships with merchants and consumers who use or might use a low-value-payment service. The Company may not be able to successfully compete with these competitors.

The Company has a limited operating history which makes it difficult to evaluate its future prospects for success

The Company had a limited history of operations prior to the Qualifying Transaction and consequently, the Company's current operations inherited from Real PrivateCo are subject to all of the business risks and uncertainties associated with any early-stage enterprise, including possible under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and a lack of significant revenue. The limited operating history may also make it difficult for investors to evaluate the Company's prospects for success.

There is inherent technology and development risk in the Company's business and industry.

The Company's approach utilizes technology principally architected and developed by the Company. There can be no assurances that the Company will meet its targeted development or integration timelines such that it will be able to offer solutions at competitive pricing, or that the Company can continue to enhance and improve the responsiveness, functionality and features of its technology and enable the solutions to scale at a reasonable cost. In addition, there is a risk that third parties may have applied for or been granted patents for certain processes or technology which the Company has already deployed or intends to deploy, in which case the Company may incur additional costs or be prohibited from using or implementing certain product features or processes in one or more countries. The Company's solutions incorporate complex technology and software. Accordingly, they may contain errors, or "bugs", that could be detected at any point. Such errors could materially and adversely affect the Company's reputation, resulting in claims and/or significant costs to the Company, and/or cause consumers, merchants, licensees and other parties to abandon the Company's solutions and impair the Company's ability to market and sell solutions and services in the future. The costs incurred in correcting any errors and satisfying any such claims may be substantial and could adversely affect the Company's operating margins. While the Company plans to continually test its solutions for errors and work with customers and merchants through its maintenance support services to identify and correct bugs, errors may be found in the future.

The Company maintains data on cloud storage servers, which could be the target of a security breach.

The Company's business faces certain security risks. The Company's products and services involve storage using cloud-based hosting services and also physical storage. Although data is stored in specialized security groups and are externally encrypted, storage hardware and networking infrastructure is provided by a third party, and security breaches and cyberattacks expose this information to a risk of loss, litigation and potential liability. If an actual or perceived breach of security and/or cyberattack occurs, the market perception of the effectiveness of the Company's security measures could be harmed, and the Company could lose users and may incur significant legal and financial exposure, including legal claims and regulatory fines and penalties. Computer viruses, break-ins, cyberattacks or other security problems could lead to misappropriation of proprietary information and interruptions, delays, or cessation in service to clients. Any failure to adequately address these risks could have an adverse effect on the Company's business and reputation.

There could be interruptions or delays from cloud servers that could affect the Company's products or services.

The Company's products and services involve storage using a third-party cloud-based hosting service. Any damage to, or failure of, the hosting service's systems generally could result in interruptions in the use of the Company's products or services. Such interruptions may reduce the Company's revenue, cause customers to terminate their subscriptions and adversely affect the Company's ability to attract new customers. The Company's business will also be harmed if its customers and potential customers believe its products or services are unreliable.

Risk Related to World Wide Economic Conditions

Currency exchange rates fluctuations could adversely affect the Company's operating results.

The Company is exposed to the effects of fluctuations in currency exchange rates. Since the Company conducts some of its business in currencies other than U.S. dollars but reports its operating results in U.S. dollars, it faces exposure to fluctuations in currency exchange rates. Consequently, exchange rate fluctuations between the U.S. dollar and other currencies could have a material impact on the Company's operating results.

Downturns in general economic and market conditions may reduce demand for the Company's products and could negatively affect the Company's revenue, operating results and cash flow.

Recent events in the financial markets have demonstrated that businesses and industries throughout the world are very tightly connected to each other. Thus, financial developments seemingly unrelated to the Company or to the real estate industry could materially adversely affect the Company over the course of time. Volatility in the market could hurt the Company's ability to raise capital. Potential price inflation caused by an excess of liquidity in countries where the Company conducts business may increase the costs incurred to sell the Company's products and may reduce the Company's profit margins. As a result of downturns in general economic and market conditions, potential customers may not be interested in purchasing the Company's products. Any of these events, or other events caused by turmoil in world financial markets may have a material adverse effect on the Company's business, operating results and financial conditions.

Catastrophic events and economic, political and market conditions may impact the Company's business.

The Company maintains servers at its facility in Oregon, United States. Any of its existing and future facilities may be harmed or rendered inoperable by attack or security intrusion by a computer hacker, natural or man-made disasters, including earthquakes, tornadoes, hurricanes, wildfires, floods, nuclear disasters, war, acts of terrorism or other criminal activities, infectious disease outbreaks (including COVID-19) and power outages, any of which may render it difficult or impossible for the Company to operate its business for some period of time. If the Company were to lose the data stored in its Oregon facility, it could take days or weeks to recover data from multiple sources, and such delay could result in significant negative impact on its business operations, and potential damage to its advertiser and advertising agency relationships. Any disruptions in the Company's operations could negatively impact its business, its results of operations and harm its reputation. In addition, the Company may not carry sufficient business interruption insurance to compensate for the losses that may occur. Any such losses or damages could have a material adverse effect on the Company's business, financial condition and results of operations.

Infectious disease outbreaks (including COVID-19, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, BSE, avian influenza, or other material outbreaks of disease) could result in restrictions adversely affecting the Company's business operations. These restrictions could include prohibitions by Realtor and MLS on home showings and open houses, limiting face-to-face meetings, and general transportation or isolation orders from government authorities. Such outbreaks may negatively impact the general economy and job markets. The economy and job markets directly affect demand for housing and therefore the Company could suffer harm to its business, including, but not limited to, significant revenue decreases, should there be a sustained negative impact on economic conditions as a result of disease outbreak.

The COVID-19 pandemic has had, and may continue to have, an adverse impact on the volume of residential real estate transactions, which has affected, and may continue to affect, our business and financial results. The governmental restrictions that were implemented to combat COVID-19, included, among other actions, recommending or requiring the avoidance of gatherings of people or significantly or entirely curtailing activities categorized as non-essential. This unprecedented scenario has created considerable risks and uncertainties in the real estate industry and for the Company in particular, relating to adverse effects on the economy and risks related to employees, independent agents and consumers. The extent of the pandemic on the Company's business and financial results will largely depend on future developments, including the extent and duration of the spread of the outbreak, the extent of governmental regulations, the impact on capital and financial markets and the related impact on consumer confidence and spending and the magnitude of the financial and operational consequences to the Company's agents and brokers, all of which are highly uncertain and cannot be predicted.

Conflict and Political Instability in Eastern Europe

The current year has been marked by significant market volatility and uncertainty. We believe that continued economic growth will be dependent on a number of factors, including, but not limited to, the impact of the COVID-19 pandemic, a moderation of the pace of inflation and supply chain issues, and the nature, magnitude, and duration of hostilities stemming from Russia's invasion of Ukraine, including the effects of sanctions and retaliatory cyber attacks on the world economy and markets. Beginning in November 2021, Russia began to amass troops along the Ukrainian border, heightening military tensions in Eastern Europe. In February 2022, Russia sent troops into pro-Russian separatist regions in Ukraine. The U.S. and/or other countries, including Canada, may impose sanctions or other restrictive actions against governmental or other entities in Russia. The long-term impacts of the conflict between these nations remains uncertain.

Widespread concern or doubts in the market about the pace or ability of normal economic activity to resume, the potential for prolonged conflict in Ukraine or the broader outbreak of armed conflict in Eastern Europe, the pace, impact, or effectiveness of the actions by governments and centrals banks intended to manage the rate of inflation through interest rate increases and the termination of the quantitative easing program, or the efficacy or adequacy of government measures enacted to support the domestic and global economy, could erode the outlook for macroeconomic conditions, economic growth, and business confidence, which could negatively impact the Company.

The current levels of volatility in global markets due to market participants' reactions to, and uncertainty surrounding, the magnitude and timing of government and central bank action to be taken in response to heightened inflation, as well as Russia's invasion of Ukraine. This volatility has resulted in a decline in the level of activity in the financial markets. Continued market volatility or uncertainty related to actions taken or to be taken by central banks, a decline in the global macroeconomic outlook, including as a result of Russia's invasion of Ukraine and the threat, or outbreak of more widespread armed conflict in Eastern Europe would cause financial market activity to continue to decrease, which could negatively affect the Company's revenues. In addition, global macroeconomic conditions and Canadian and U.S. financial markets remain vulnerable to the potential risks posed by exogenous shocks, which could include, among other things, political or social unrest or financial uncertainty in the United States and the European Union, complications involving terrorism and armed conflicts around the world, or other challenges to global trade or travel.

Risk Related to Intellectual Property

The Company's intellectual property rights are valuable, and any failure or inability to protect them could adversely affect its business.

The Company's success depends substantially upon the intellectual property that forms the basis of its products, primarily consisting of unpatented proprietary technology, processes, trade secrets, and know-how, as well as inherent copyright of authorship in the source code developed by the Company, and unregistered trademarks. To protect its intellectual property rights, the Company relies upon trade secret, copyright, trademark, passing-off Laws and other statutory and common Law protections in the United States, and international markets. The Company also protects its intellectual property through the use of non-disclosure agreements and other contracts, disclosure and invention assignment agreements, confidentiality procedures, and technical measures. There can be no assurance that these measures will be successful in any given case, particularly in those countries where the Laws do not afford the Company protection for its intellectual property rights as robust as those available under Canadian and United States Laws. The Company may be unable to prevent the misappropriation, infringement or violation of its intellectual property rights, breaching any contractual obligations, or independently developing intellectual property that is similar to its own, any of which could reduce or eliminate Real's competitive advantages, adversely affect the Company's revenues, or otherwise harm its business.

Assertions by third parties of infringement or other violations of the Company's intellectual property rights could result in significant costs and substantially harm the Company's business and operating results.

Third parties may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against the Company. Any such claim against the Company, even those without merit could cause the Company to incur substantial costs defending against the claim and could distract its management. An adverse outcome of a dispute may require the Company to pay substantial damages, cease making, licensing or using solutions that are alleged to infringe or misappropriate the intellectual property of others, expend additional development resources to attempt to redesign its services or otherwise develop non-infringing technology, which may not be successful, or enter into potentially unfavourable royalty or license agreements in order to obtain the right to use technologies or intellectual property rights.

Intellectual property claims are expensive and time consuming to defend and if resolved adversely, could have a significant impact on the Company's business, financial condition, and operating results.

The Company is actively engaged in enforcement and other activities to protect its intellectual property rights. If it became necessary to resort to litigation to protect these rights, any proceedings could be burdensome, costly and divert the attention of management and the Company may not prevail. Any repeal or weakening of intellectual property Laws or diminishment of procedures available for the enforcement of intellectual property rights Canada, the United States, or internationally could make it more difficult for the Company to adequately protect its intellectual property rights, negatively impacting their value and increasing the cost of enforcing its rights.

If the Company is unable to protect the confidentiality of its proprietary information and know-how, the value of its technology and products could be adversely affected.

The Company relies upon unpatented proprietary technology, processes, trade secrets and know-how. Any disclosure to or misappropriation by third-parties of its confidential or proprietary information could enable the Company's competitors to duplicate or surpass the Company's technological achievements, potentially eroding its competitive position in the market and negatively impacting the Company's business and operating results.

The Company protects its confidential and proprietary information in part through non-disclosure agreements and other contracts, disclosure and invention assignment agreements, with all employees, consultants, advisors and any third-parties, who have access to its confidential and proprietary information, and employs confidentiality procedures and technical measures, there can be no certainty that these measures or procedures will be sufficient to prevent improper disclosure of such confidential and proprietary information, or to prevent it from falling into the hands of the Company's competitors and other third parties. There can be no certainty that parties to contracts used by the Company to protect its confidential and proprietary information will not be terminated or breached, and the Company may not have adequate remedies for any such termination or breach. Legal remedies may be insufficient or ineffective to meaningfully protect the Company's confidential and proprietary information or compensate the Company for losses that may occur in the event of unauthorized use or disclosure.

If the Company fails to protect the privacy and personal information of its customers, agents or employees, the Company may be subject to legal claims, government action and damage to its reputation.

Consumers, independent contractors and employees have shared personal information with the Company during the normal course of its business processing real estate transactions. This includes, but is not limited to, social security numbers, annual income amounts and sources, consumer names, addresses, telephone and cell phone numbers and email addresses. For the Company to run its business, it is essential to store and transmit this sensitive information in its systems and networks. At the same time, the Company is subject to numerous Laws, regulations, and other requirements that require businesses like theirs to protect the security of personal information, notify customers and other individuals about our privacy practices, and limit the use, disclosure, or transfer of personal data across country borders. Regulators in the U.S. and abroad continue to enact comprehensive new Laws or legislative reforms imposing significant privacy and cybersecurity restrictions. The result is that the Company is subject to increased regulatory scrutiny, additional contractual requirements from corporate customers, and heightened compliance costs. These ongoing changes to privacy and cybersecurity Laws also may make it more difficult for the Company to operate our business and may have a material adverse effect on our operations. For example, in the U.S., California enacted the *California Consumer Privacy Act*, which went into full effect in 2020, imposing new and comprehensive requirements on organizations that collect and disclose personal information about California residents. In March 2017, the New York Department of Financial Services' cybersecurity regulation went into effect, requiring regulated financial institutions to establish a detailed cybersecurity program. Program requirements include corporate governance, incident planning, data management, system testing, vendor oversight, and regulator notification rules. Now, other state regulatory agencies are expected to enact similar requirements following the adoption of the Insurance Data Security Model Law by the National Association of Insurance Commissioners that is consistent with the New York regulation.

Any significant violations of privacy and cybersecurity could result in the loss of new or existing business, litigation, regulatory investigations, the payment of fines, damages, and penalties and damage to the Company's reputation, which could have a material adverse effect on its business, financial condition, and results of operations.

The Company could also be adversely affected if legislation or regulations are expanded to require changes in its business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect its business, results of operations or financial condition.

In addition, while the Company discloses its information collection and dissemination practices in a published privacy statement on its websites, which the Company may modify from time to time, the Company may be subject to legal claims, government action and damage to its reputation if it acts or is perceived to be acting inconsistently with the terms of its privacy statement, customer expectations or state, national and international regulations. The Company's policy and safeguards could be deemed insufficient if third parties with whom we have shared personal information fail to protect the privacy of that information.

The occurrence of a significant claim in excess of the Company's insurance coverage or which is not covered by its insurance in any given period could have a material adverse effect on its financial condition and results of operations during the period. In the event the Company or the vendors with which it contracts to provide services on behalf of the Company's customers were to suffer a breach of personal information, the Company's customers and independent agents could terminate their business with the Company. Further, the Company may be subject to claims to the extent individual employees or independent contractors breach or fail to adhere to Company policies and practices and such actions jeopardize any personal information. The Company's legal liability could include significant defense costs, settlement costs, damages and penalties, plus, damage its reputation with consumers, which could significantly damage its ability to attract customers. Any or all of these consequences would result in meaningful unfavorable impact on the Company's brand, business model, revenue, expenses, income and margins.

Adverse litigation judgments or settlements resulting from legal proceedings in the normal course of business could reduce the Company's profits or limit its ability to operate.

The Company is subject to allegations, claims and legal actions arising in the ordinary course of its business, which may include claims by third parties, including employees or regulators. The outcome of many of these proceedings cannot be predicted. If any of these proceedings were to be determined adversely against the Company, a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against the Company, its business, financial condition and results of operations could be materially adversely affected.

At present, the Company is not involved in any material pending legal proceeding and there are no proceedings in which any of its directors, officers or Affiliates is an adverse party or has a material interest adverse to its interest.

Risk Related to Common Shares

It may be difficult to enforce civil liabilities under Canadian securities laws.

Some of the directors and officers of the Company are based in Israel and the United States and most of the Company's assets, and assets of the directors and officers are located outside of Canada. Therefore, a judgment obtained against the Company, or any of these Persons, including a judgment based on the civil liability provisions of the Canadian securities laws, may not be collectible in Canada and may not be enforced by an Israeli or U.S. court. It also may be difficult to effect service of process on these Persons in Canada or to assert Canadian securities law claims in original actions instituted in Israel or the United States. Israeli or U.S. courts may refuse to hear a claim based on an alleged violation of Canadian securities laws reasoning that Israel is not the most appropriate forum in which to bring such a claim. In addition, even if an Israeli or U.S. court agrees to hear a claim, it may determine that Israeli Law or United States Law and not Canadian Law is applicable to the claim. If the Canadian Law is found to be applicable, the content of applicable Canadian Law must be proven as a fact by expert witnesses, which can be a time consuming and costly process. Certain matters of procedure will also be governed by Israeli Law or United States Law. There is little binding case Law in Israel and the United States that addresses the matters described above. As a result of the difficulty associated with enforcing a judgment against the Company or its directors and officers in Israel or the United States, it may be difficult to collect any damages awarded by either a Canadian or a foreign court.

The Company does not have any control over the research and reports that securities or industry analysts publish about the Company or its business.

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Company or its business. The Company does not have any control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of the Company's business prospects, the Common Shares trading price would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, it could lose visibility in the financial markets, which could cause the Company's share price or trading volume to decline.

Item 6. DIVIDENDS

6.1 Dividends or Distributions

There are no restrictions in the Company's articles or elsewhere which could prevent the Company from paying dividends. The Company does not contemplate paying any dividends on any Common Shares in the immediate future, as it anticipates investing all available funds to finance the growth of the Company's business. The Board will determine if, and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Company's financial position at the relevant time. All of the Common Shares will be entitled to an equal share in any dividends declared and paid on a per share basis.

Item 7. DESCRIPTION OF CAPITAL STRUCTURE

7.1 Share Capital

Common Shares

The authorized share structure of the Company consists of an unlimited number of Common Shares without par value. As of the date of this AIF, there are 179,967,724 Common Shares issued and outstanding on a non-diluted basis.

The holders of Common Shares are entitled to receive notice of and attend any meeting of the Shareholders and are entitled to cast one vote for each Common Share held. The holders of Common Shares will be entitled to receive dividends if, as and when declared by the Board and to receive a proportionate share, on a per share basis, of the assets of the Company available for distribution in the event of a liquidation, dissolution or winding-up of the Company.

Warrants

As of the date of this AIF, an aggregate of 184,227 Warrants are issued and outstanding. Each Warrant is exercisable for one (1) Common Share per Warrant at an exercise price of $1.07 per Common Share and will expire on January 8, 2025.

7.2 Options to Purchase Securities

Amended and Restated Omnibus Incentive Plan

The Amended and Restated Omnibus Incentive Plan is a "rolling" plan under the Exchange Requirements and the Company is authorized to grant Options of up to 15% of its issued and outstanding Common Shares at each Award Date, less the number of Common Shares subject to grants of Options under any other Security Based Compensation Arrangement. In addition, the Company is authorized to grant up to 70,000,000 RSUs pursuant to the Amended and Restated Omnibus Incentive Plan. The RSUs limit is separate and distinct from the maximum of Common Shares reserved for issuance pursuant to Options under the Amended and Restated Omnibus Incentive Plan. The Amended and Restated Omnibus Incentive Plan was approved by the Board on July 15, 2022. The Amended and Restated Omnibus Incentive Plan remains subject to Shareholder approval an annual general meeting of Shareholders expected to be held later this year. Each grant of Options or RSUs pursuant to the Amended and Restated Omnibus Incentive Plan subsequent to July 15, 2022 and prior to the Amended and Restated Omnibus Incentive Plan receiving Shareholder approval shall be subject to Shareholder approval in accordance with the Exchange Requirements.

The purpose of the Amended and Restated Omnibus Incentive Plan is to advance the interests of the Company by encouraging eligible directors, officers, employees and consultants of the Company to acquire Common Shares, thereby increasing their proprietary interest in the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its business and affairs.

As at the date of Board approval of the Amended and Restated Omnibus Incentive Plan, a maximum of 26,753,350 Common Shares (representing approximately 15% of the issued and outstanding Common Shares as at July 15, 2022) are reserved for issuance pursuant to the grant of Options and 70,000,000 Common Shares are reserved for issuance pursuant to the Award of RSUs. As of the date of this AIF, 44,751,296 Common Shares remain available for issuance under the Amended and Restated Omnibus Incentive Plan, taking into account all Common Shares issuable under all Security Based Compensation Arrangements.

Each Option granted pursuant to the terms of the Amended and Restated Omnibus Incentive Plan will vest and be exercisable as to one third (1/3) of the total number of Options granted on each of the first, second and third anniversaries of the Award Date, unless otherwise determined by the Board. The Option Price of any Option shall be determined and approved by the Board when such Option is granted, but shall not be less than the lesser of (i) the VWAP on the Award Date and (ii) the closing market price on a Stock Exchange on the day immediately prior to the Award Date. The Board may at its sole discretion at any time or on the Award Date in respect of any Option granted, accelerate or provide for the acceleration of vesting in whole or in part of Options previously granted.

Each RSUs granted pursuant to the terms of the Amended and Restated Omnibus Incentive Plan will vest and be payable as to one third (1/3) of the total number of Options granted on each of the first, second and third anniversaries of the Award Date, unless otherwise determined by the Board. The Board may at its sole discretion at any time or on the Award Date in respect of any RSUs granted, accelerate or provide for the acceleration of vesting in whole or in part of RSUs previously granted. Notwithstanding the foregoing, an RSU shall not vest prior to the date that is one year following the Award Date of such RSU.

Further, the maximum number of Common Shares issued to participants who are insiders, collectively, within any one (1) year period, under the Amended and Restated Omnibus Incentive Plan and any other Security Based Compensation Arrangement, cannot exceed 10% of the outstanding Common Shares at any point in time. The maximum number of Common Shares issued one Person collectively, within any one (1) year period, under the Amended and Restated Omnibus Incentive Plan and any other Security Based Compensation Arrangement, cannot exceed 5% of the outstanding Common Shares at the Award Date.

The Board may make Awards to Non-Employee Directors under the Amended and Restated Omnibus Incentive Plan provided that (i) the annual grant of Awards under the Amended and Restated Omnibus Incentive Plan to any one Non-Employee Director shall not exceed $150,000 in value (based on a Black-Scholes calculation or such other similar and acceptable methodology, applied consistently and appropriately as determined by the Board), of which no more than $100,000 may comprise Options; and (ii) the maximum number of Common Shares that may be made issuable pursuant to Awards made to all Non-Employee Directors within any one-year period shall not exceed 1% of the issued and outstanding Common Shares (as of the commencement of such one-year period). Furthermore. securities issuable to any one Person, who is a Non-Employee Director, shall be limited to the lesser of: (i) 1% of the Common Shares then issued and outstanding; and (ii) $1,000,000 in total value of grants of Options that each director receives over the life of the Amended and Restated Omnibus Incentive Plan or an annual grant value of $100,000 per director, in both cases based on a valuation determined using the Black-Scholes formula or any other formula which is widely accepted by the business community as a method for the valuation of options.

The Amended and Restated Omnibus Incentive Plan is administered by the Board, which has full and final authority with respect to the granting of all Options and RSUs thereunder subject to the requirements of the TSX.

Predecessor Omnibus Incentive Plan

As of the date of this AIF, there are 559,545 Options and 6,300,243 RSUs issued and outstanding, pursuant to the Predecessor Omnibus Incentive Plan. Each Option entitles the holder to the exercise the Option for one (1) Common Share in accordance with the terms of the Predecessor Omnibus Incentive Plan. Each RSU entitles the holder to a cash payment or one (1) Common Share at the discretion of the Company in accordance with the terms of the Predecessor Omnibus Incentive Plan. The Company will no longer grant any Options or RSUs pursuant to the Predecessor Omnibus Incentive Plan, which exists solely for the purposes of governing the existing Options and RSUs granted thereunder.

Stock Option Plan

As of the date of this AIF, there are 22,584,460 Options issued and outstanding, pursuant to the Predecessor Stock Option Plan. Each Option entitles the holder to the exercise the Option for one (1) Common Share in accordance with the terms of the Predecessor Stock Option Plan. The Company will no longer grant any Options pursuant to the Predecessor Stock Option Plan, which exists solely for the purposes of governing the existing Options granted thereunder.

Restricted Share Unit Plan

As of the date of this AIF, there are 5,769,871 RSUs issued and outstanding pursuant to the Predecessor RSU Plan. Each RSU entitles the holder to a cash payment or one (1) Common Share at the discretion of the Company in accordance with the terms of the Predecessor RSU Plan. The Company will no longer grant any RSUs pursuant to the Predecessor RSUs Plan, which exists solely for the purposes of governing the existing RSUs granted thereunder.

Item 8. MARKET FOR SECURITIES

8.1 Trading Price and Volume

The Common Shares have been listed and posted for trading on the TSX under the symbol "REAX" since July 26, 2022. Prior to the TSX Listing, the Common Shares traded on the TSXV under the symbol "REAX" since the completion of the Qualifying Transaction. The Company is a reporting issuer in each of the provinces and territories in Canada.

The following table sets forth, for the periods indicated, the marketplace, reported high and low trading prices (in the currencies in which such securities were listed and posted for trading) and the volume traded on the relevant stock exchange.

Month	Stock Symbol	Market	High Trading Price (C$)	Low Trading Price (C$)	Share Volume
January 2022	REAX	TSXV	4.70	2.49	1,169,122
February 2022	REAX	TSXV	3.42	2.79	603,891
March 2022	REAX	TSXV	3.25	2.51	523,339
April 2022	REAX	TSXV	2.99	2.21	177,102
May 2022	REAX	TSXV	2.54	1.78	528,263
June 2022	REAX	TSXV	1.96	1.28	299,087
July 1-25, 2022	REAX	TSXV	2.14	1.90	156,961
July 26-31, 2022	REAX	TSX	1.95	1.88	22,219
August 2022	REAX	TSX	2.65	1.90	335,552
September 2022	REAX	TSX	2.49	1.80	337,912
October 2022	REAX	TSX	2.25	1.88	273,582
November 2022	REAX	TSX	2.09	1.66	198,345
December 2022	REAX	TSX	1.80	1.44	205,839

8.2 Prior Sales

The following table sets forth securities issued by the Company that are not listed or quoted on a marketplace during the year ended December 31, 2022 and to the date of this AIF.

Date	Type of Security Issued	Number/Principal Amount of Securities Issued	Issuance/Exercise Price per Security
January 19, 2022	Options	700,000(1)	N/A
January 20, 2022	Restricted Share Units	1,100,000(2)	C$3.60
January 25, 2022	Restricted Share Units	616,346	N/A
February 28, 2022	Restricted Share Units	525,305(3)	N/A
March 14, 2022	Restricted Share Units	448,798	N/A
March 21, 2022	Options	239,545	C$3.09
April 5, 2022	Restricted Share Units	294,268	N/A
April 9, 2022	Restricted Share Units	749,636	N/A
May 2, 2022	Restricted Share Units	1,023,800	N/A
May 10, 2022	Options	320,000	US$1.87
June 7, 2022	Restricted Share Units	1,523,565	N/A
July 14, 2022	Restricted Share Units	1,734,871	N/A
August 2, 2022	Restricted Share Units	234,507	N/A
August 2, 2022	Options	4,145,000	US$1.54
August 10, 2022	Restricted Share Units	1,284,971	N/A
September 7, 2022	Restricted Share Units	1,147,000	N/A
October 12, 2022	Restricted Share Units	1,293,605	N/A
November 8, 2022	Restricted Share Units	1,148,865	N/A
December 8, 2022	Restricted Share Units	1,202,543	N/A
December 8, 2022	Options	10,000	C$1.89
December 21, 2022	Restricted Share Units	1,049,734	N/A
January 5, 2023	Restricted Share Units	911,016	N/A
January 6, 2023	Restricted Share Units	1,276,760	N/A
February 7, 2023	Restricted Share Units	1,061,723	N/A
March 9, 2023	Restricted Share Units	1,012,857	N/A

Notes:

(1) Issued in connection with the Expetitle Transaction.

(2) Issued in connection with the Expetitle Transaction. Subsequent to January 20, 2022, 274,985 vested Restricted Share Units were settled through delivery of Common Shares acquired pursuant to the NCIB.

(3) Subsequent to February 28, 2022, 3,328 vested Restricted Share Units were settled through delivery of Common Shares acquired pursuant to the NCIB.

Item 9. ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

9.1 Escrowed Securities and Securities Subject to Contractual Restriction on Transfer

As of the date of this AIF, the Company does not have any Common Share subject to escrow or contractual restrictions on transfer.

Item 10. DIRECTORS AND OFFICERS

10.1 Name, Occupation and Security Holding

The following table sets out the name, province or state and country of residence, positions and offices held with the Company, period served as a director and/or officer and the principal occupations during the last five (5) years, for each Person who serves as a director and/or officer of the Company as at the date of this AIF. Each director shall hold office until the next annual general meeting of the Company, or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the Company's Articles.

Name, Residence and Positions Held [1]	Director or Officer Since	Principal Occupation for Previous Five Years [1]
Tamir Poleg [2] *Tel Aviv, Israel* Chairman, Chief Executive Officer and Director	June 5, 2020	Chief Executive Officer of Real and Real PrivateCo
Sharran Srivatsaa *Marina Del Ray, California* President	December 12, 2022	President at Real; Chairman at ARC Multifamily Group; Chief Executive Officer at Highland Prime
Michelle Ressler *New York, New York* Chief Financial Officer and Corporate Secretary	July 28, 2020	Chief Financial Officer at Real; Controller at Canaccord Genuity
Andrew Kazeniac *Melrose, Massachusetts* Chief Operating Officer	November 13, 2022	Chief Operating Officer at Real; Vice President at Drizly
Andrea "Dre" Madden *Corte Madera, California* Chief Marketing Officer	September 15, 2022	Chief Marketing Officer at Real; Chief Marketing Officer at Underground Cellar; Interim Chief Marketing Officer at Aero; Interim Chief Marketing Officer at Community Wellness; Senior Director of Marketing at Rodan + Fields
Pritesh Damani *Miami, Florida* Chief Technology Officer	November 30, 2021	Chief Technology Officer at Real; Chief Executive Officer at RealtyCrunch, Chief Technology Officer at Plexus Entertainment – GoWatchIt.
Alexandra Lumpkin *Miami, Florida* Vice President and General Counsel	February 27, 2023	Vice President and General Counsel at Real; Previously Deputy General Counsel at Lennar Corporation
Guy Gamzu [2] *Tel Aviv, Israel* Director	June 5, 2020	Co-founder & Chairman at Chatflow; Founder- Cubit Investments Ltd; Partner and Director at Moon Active
Larry Klane [3] *New York, New York* Director	June 5, 2020	Board member at Goldman Sachs Bank USA, Board member at Navient; Partner of Pivot Investment Partners
Laurence Rose [2] *Toronto, Ontario* Director	June 5, 2020	Chairman and CEO, Tradelogiq Markets, Inc.; Chief Executive Officer, iLOOKABOUT.corp
Atul Malhotra, Jr. [3] *West Hollywood, California* Director	December 2, 2020	Investment Team, Insight Partners (various roles)
Vikki Bartholomae [3] *Winter Garden, Florida* Director	April 20, 2021	Franchise Owner at Wild Birds Unlimited; Chief Customer Success Officer at Side; President at eXp Realty.

Notes:

[1] The information as to place of residence and principal occupation has been furnished by the respective directors and officers of the Company individually.
[2] Member of the Compensation Committee. Guy Gamzu is the Compensation Committee Chair.
[3] Member of the Audit Committee. Larry Klane is the Audit Committee Chair.

Each of the directors of the Company will hold office until the next annual meeting of the Shareholders or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the Company's Articles or Notice of Articles.

As at the date of this AIF, the directors and executive officers of the Company, as a group, beneficially owned or controlled or directed, directly or indirectly, 33,258,863 Common Shares, representing approximately 18.48% of the 179,967,724 issued and outstanding Common Shares on a non-diluted basis or approximately 25.88% of the issued and outstanding Common Shares on a partially-diluted basis, based on 197,936,84 Common Shares issued and outstanding. The information as to the Common Shares beneficially owned or controlled or directed, directly or indirectly, by the directors and executive officers, not being within the knowledge of the Company, has been furnished by such directors and executive officers.

10.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders and Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company, or personal holding company of any of them is, as of the date of this AIF, or was within ten (10) years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including this Company) that:

i. was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days (an "**Order**") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

ii. was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that Person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, no director or executive officer of the Company, or Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or personal holding company of any of them is, as at the date of this AIF, or has been within the ten (10) years before the date of this AIF, a director or executive officer of any company (including this Company) that, while that Person was acting in that capacity, or within a year of that Person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company, or Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or personal holding company of any of them has, within the ten (10) years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that Person.

Penalties and Sanctions

Except as described herein, no director or executive officer of the Company, or Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or personal holding company of any of them, has been subject to:

i. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

ii. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

On September 15, 2015, the District Court of Harris County, Texas, 215th Judicial District in Cause No. 2011-77806 rendered a civil judgement against Optimum Arbor Oaks, LLC ("**Optimum**"), among other defendants including Tamir Poleg (a director and officer of the Company), relating to the misappropriation of insurance proceeds and the fraudulent transfer of funds to certain third-parties (the "**Arbor Oaks Judgement**").

Optimum was principally liable under the Arbor Oaks Judgement and was required to pay the amount of US$1,119,466 to the plaintiffs. Tamir Poleg, together with certain other defendants, were held liable to the plaintiffs for the aggregate amount of US$257,929.25. In connection with an Assumption and Release Agreement and related loan documents executed by Optimum dated April 17, 2008, Mr. Poleg, together with another individual defendant (collectively, the "**Guarantors**"), were required to sign a personal indemnity and guarantee agreement (the "**Indemnity and Guarantee**") in favour of certain lenders to Optimum that required that the Guarantors would be personally liable for certain debts associated with a multi-residential apartment complex in Texas, United States owned by Optimum (the "**Arbor Oaks Apartments**") to the extent that Optimum misappropriated any insurance claims in connection with the Arbor Oaks Apartments. Mr. Poleg was an indirect and passive investor in Optimum and had no operational or managerial control over Optimum. Optimum was contractually responsible to use certain insurance proceeds to improve the Arbor Oaks Apartments or reduce its debt and Optimum had failed to do so. As a result of the Indemnity and Guarantee, Mr. Poleg was contractually bound to pay for any misappropriation of funds by Optimum, irrespective that Mr. Poleg was a passive investor of Optimum.

10.3 Conflicts of Interest

Certain of the directors and/or officers of the Company serve as directors and/or officers of other companies or have shareholdings in other companies. Such associations may give rise to conflicts of interest from time to time. To the knowledge of the Company, there are no known existing or potential material conflicts of interest between the Company and any director or officer of the Company.

Any conflicts of interest will be subject to and governed by the Law applicable to directors' and officers' conflicts of interest and fiduciary duties, including the procedures prescribed by the BCBCA respecting disclosable interests. The BCBCA requires, among other things, that directors and officers of the Company, who are also directors or officers of, or who have a material interest in, a party which enters into a material contract or transaction with the Company, or otherwise have a material interest in a material contract or transaction entered into by the Company, must disclose their interest and, in certain instances, refrain from voting on any resolution of the Board to approve the contract or transaction.

Item 11. PROMOTERS

11.1 Promoters

Tamir Poleg may be considered a Promoter of the Company based on his role as founder of Real PrivateCo. Other than as described in this AIF, no Promoter of the Company has received or will receive anything of value, including money, property, contracts, options, or rights of any kind from the Company for acting as a Promoter of the Company. Mr. Poleg beneficially owns, directly or indirectly, or exercises control or direction over 8,907,147 Common Shares representing 4.95% of the issued and outstanding Common Shares.

Item 12. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

12.1 Legal Proceedings

From time to time, the Company may be involved in disputes or regulatory inquiries that arise in the ordinary course of its business. The Company does not believe that the outcome of any individual existing legal or regulatory proceeding to which it is a party will have a material adverse effect on its results of operations, financial condition or overall business in each case, taken as a whole. Other than as described above, Real is neither a party to, nor is any of its property the subject matter of, any legal proceedings, nor are any such proceedings known to Real to be contemplated by any party during the financial year ended December 31, 2022 or during the period commencing January 1, 2023 to the date of this AIF.

12.2 Regulatory Actions

There have been no penalties or sanctions imposed against the Company by a court during the financial year ended December 31, 2022, or during the period commencing January 1, 2023 to the date of this AIF. There have been no other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision. The Company has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2022, or during the period commencing January 1, 2023 to the date of this AIF.

Item 13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

13.1 Interest of Management and Others in Material Transactions

No director or executive officer of the Company or a Person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities, nor any of their respective associates or Affiliates have any material interest, direct or indirect, in any transaction within the last three (3) years before the date of this AIF, or in any proposed transaction, that has materially affected or will materially affect the Company or a subsidiary of the Company.

Item 14. TRANSFER AGENTS AND REGISTRARS

14.1 Transfer Agents and Registrars

The transfer agent and registrar of the Company is Computershare Investor Services Inc., located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, V6C 3B9.

14.2 Material Contracts

Except for contracts entered into in the ordinary course of business, the only material contract entered into by the Company within the most recently completed financial year and through to the date of this AIF, or prior thereto and that is still in effect as of the date hereof, is the Investor Rights Agreement.

Additional details with respect to the terms of the Investor Rights Agreement is included elsewhere in this AIF. Copies of any material contracts are available on the Company's SEDAR profile at www.sedar.com.

Item 15. INTERESTS OF EXPERTS

15.1 Interests of Experts

Brightman Almagor Zohar & Co., a firm in the Deloitte Global Network (the "**Auditor**"), whose principal office is located at Azrieli Center, Derech Menachem Begin 132, Tel Aviv, Israel, 6701101, are the auditors of the Company and have confirmed that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, Israel and any applicable legislation or regulations.

The Auditor nor any of the directors, officers, employees and partners thereof, beneficially own, directly or indirectly, any securities of the Company or its associates and Affiliates.

Item 16. ADDITIONAL INFORMATION

16.1 Audit Committee Information

The purposes of the Audit Committee are to assist the Board oversight of: the integrity of the Company's financial statements; the Company's compliance with legal and regulatory requirements; the qualifications and independence of the Company's independent auditors; and the performance of the independent auditors and the Company's internal audit function.

The overall purpose of the Audit Committee is to provide oversight of the Company's financial management and the design and implementation of an effective system of internal financial controls, to review and report to the Board on the integrity of the financial statements of the Company, and to oversee, report on and make recommendations to the Board in respect of financial and non-financial risks faced by the Company. The Audit Committee has specific responsibilities relating to the Company's financial reports, external auditors, internal controls, regulatory reports and returns, and legal and compliance matters that have a material impact on the Company. In fulfilling its responsibilities, the Audit Committee meets regularly with the external auditors and members of management.

Audit Committee Charter

The Board has adopted a written charter for the Audit Committee, which is disclosed in Appendix A to this AIF.

Composition of the Audit Committee

The Audit Committee is comprised of three directors: Larry Klane (Chair), Atul Malhotra, Jr. and Vikki Bartholomae. Each member of the Audit Committee is financially literate and independent, as such terms are defined in NI 52-110.

Each of the Audit Committee members has an understanding of the accounting principles used to prepare the Company's financial statements, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

The Audit Committee has the primary function of fulfilling its responsibilities in relation to reviewing the integrity of the Company's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Company's compliance with legal and regulatory requirements, selecting the external auditor for Shareholder approval; reviewing the qualifications, independence and performance of the external auditor; and reviewing the qualifications, independence and performance of the Company's internal auditors. The Audit Committee has specific responsibilities relating to the Company's financial reports; the external auditor; the internal audit function; internal controls; regulatory reports and returns; legal or compliance matters that have a material impact on the Company; and the Company's whistleblowing procedures. In fulfilling its responsibilities, the Audit Committee meets regularly with the internal and external auditor and key management members. The full text of the Audit Committee's charter is disclosed in Appendix A to this AIF.

Relevant Education and Experience

Each member of the Audit Committee is financially literate and, collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter. The following is a description of the education and experience of each member of the Audit Committee that is, in addition to such member's general business experience, relevant to the performance of his or her responsibilities as a member of the Audit Committee.

Larry Klane – Chair of the Audit Committee

Larry Klane is an independent director, co-founder of an investment firm and prior CEO and business leader of an array of wholesale and retail financial services businesses globally. In addition to his executive experience, Mr. Klane has served on nine corporate boards - four public boards (two in the United States and two in Asia) and five private boards (two in the United States, two in Europe and one in Canada). Mr. Klane currently serves on the boards of Goldman Sachs Bank USA and Navient Corporation (Nasdaq: NAVI). Previously, Mr. Klane served as Chairman of the Board and CEO of Korea Exchange Bank and as a director of Aozora Bank, publicly traded banks in Korea and Japan respectively. Prior to leading Korea Exchange Bank, Mr. Klane served as President of the Global Financial Services division of Capital One Financial Corporation. Mr. Klane joined Capital One in 2000 to help lead the company's transformation to a diversified financial services business. His responsibilities during his tenure included a broad range of consumer and business finance activities in the United States, Europe and Canada. He oversaw all merger and acquisition activities. Prior to Capital One, Mr. Klane was a Managing Director at Deutsche Bank and ran the Corporate Trust and Agency Services business acquired from Bankers Trust. Earlier in his career, Mr. Klane spent a decade in a variety of US and overseas consulting and strategy roles. Mr. Klane qualifies as a Qualified Financial Expert under SEC guidelines. In January 2014, Larry co-founded Pivot Investment Partners, a private investment firm focused on investing in a select set of high potential financial technology companies. Mr. Klane received his MBA from the Stanford Graduate School of Business and earned his undergraduate degree from Harvard College. In 2007, Mr. Klane was nominated by the President of the United States to sit on the Federal Reserve Board of Governors.

Atul Malhotra Jr. – Member of the Audit Committee

Atul Malhotra Jr. joined The Real Brokerage Inc. team as a director in December 2020. He is currently a Managing Director on the investment team at Insight Partners, a global technology investor based in New York City. Mr. Malhotra serves as a board member for multiple Insight portfolio companies, managing investments across enterprise and consumer technologies in real estate, travel, financial technology and healthcare. Mr. Malhotra received a Bachelor of Business Administration from the University of Michigan's Stephen M. Ross School of Business, graduating with high distinction.

Vikki Bartholomae – Member of the Audit Committee

Vikki Bartholomae joined The Real Brokerage Inc.'s board of advisors in January 2021 to continue her service to real estate agents. Ms. Bartholomae joined Real after previously serving as President of eXP Realty, a Nasdaq listed real estate technology company. A recognized industry leader, Ms. Bartholomae helped eXp Realty grow from 500 agents to 15,000 agents during her three year tenure. Ms. Bartholomae is an entrepreneur by nature, having also worked as team leader and agent throughout her career with Tarbell Realtors, Disney Vacation Development and Keller Williams before launching her current business at Wild Bird Unlimited as a Franchise Owner. Ms. Bartholomae has also served as a senior executive with Side, an emerging real estate technology company in the United States.

Audit Committee Oversight

Since the commencement of the financial year ended December 31, 2022, and to the date of this AIF, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the financial year ended December 31, 2022 and to the date of this AIF, the Company has not relied on:

i. the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*),

ii. the exemption in subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*),

iii. the exemption in subsection 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*), or

iv. an exemption from the requirements of NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Prior to the Company's listing on the Nasdaq, it had relied on the exemption provided for in section 6.1 of NI 52-110, Part 5 (Reporting Obligations).

Pre-Approval Policies and Procedures

The Audit Committee will pre-approve all non-audit services to be provided to the Company by the external auditors, as required by the Audit Committee Charter. The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services, so long as the pre-approval is presented to the full Audit Committee at its first scheduled meeting following such pre-approval.

External Auditor Service Fees

	Fiscal Year Ended December 31, 2022 (US$)	**Fiscal Year Ended December 31, 2021 (US$)**
Audit Fees (1)	164,990	168,000
Audit-Related Fees (2)	275,000	60,480
Tax Fees (3)	22,080	21,190
All Other Fees (4)	nil	nil
	462,070	**228,480**

Notes:

(1) "**Audit Fees**" include fees necessary to perform the annual audit of the Company's consolidated financial statements and for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "**Audit-Related Fees**" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "**Tax Fees**" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.

(4) "**All Other Fees**" include all other non-audit services.

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under the Predecessor Omnibus Incentive Plan, the Predecessor Stock Option Plan and the Predecessor RSU Plan is contained in the Company's management information circular for its annual meeting of Shareholders of the Company held on June 13, 2022. Additional information is also provided in the Company's financial statements and management's discussion and analysis for its most recently completed financial year.

Appendix A

AUDIT COMMITTEE CHARTER

The Real Brokerage Inc.

1. Role and Objective

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of The Real Brokerage Inc. (the "**Company**") to which the Board has delegated its responsibility for the oversight of the following:

- nature and scope of the annual audit;
- management's reporting on internal accounting standards and practices;
- the review of financial information, accounting systems and procedures;
- financial reporting and financial statements,

and has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee, with respect to the Company and its subsidiaries, are as follows:

- to assist the directors of the Company (the "**Directors**") in meeting their responsibilities in respect of the preparation and disclosure of the financial statements of the Company and related matters;
- to provide an open avenue of communication among the Company's auditors, financial and senior management and the Board;
- to ensure the external auditors' independence and review and appraise their performance;
- to increase the credibility and objectivity of financial reports; and
- to strengthen the role of the outside Directors by facilitating in depth discussions between Directors on the Committee, management and external auditors.

2. Composition

The Committee will be comprised of at least three Directors or such greater number as the Board may determine from time to time and all members of the Committee shall be "independent" (as such term is used in National Instrument 52-110 – *Audit Committees* ("**NI 52-110"**)) unless the Board determines that an exemption contained in NI 52-110 is available and determines to rely thereon. "**Independent**" generally means free from any business or other direct or indirect material relationship with the Company that could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

All of the members of the Committee must be "financially literate" (as defined in NI 52-110) unless the Board determines that an exemption under NI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon in accordance with the provisions of NI 52-110. Being "**financially literate**" means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

The Board shall from time to time designate one of the members of the Committee to be the chairperson of the Committee (the "**Chair**").

3. Meetings and Administrative Matters

(a) The Committee shall meet at least four times per year and/or as deemed appropriate by the Committee Chair. As part of its job to foster open communication, the Committee will meet at least annually with management and the external auditors in separate sessions, and at such other times as the external auditor and/or the Committee consider appropriate. The Chief Financial Officer of the Company shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.

(b) Agendas, with input from management and approved by the Chair, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.

(c) A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.

(d) The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.

(e) At all meetings of the Committee, every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote.

(f) The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board, the Chief Financial Officer or such other officer acting in that capacity, and the external auditor.

(g) The Committee may invite such officers, directors and employees of the Company and its subsidiaries, if any, as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.

(h) The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Company as determined by the Committee without any further approval of the Board.

(i) Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a Director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.

(j) Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chairman of the Board by the Committee Chair.

4. Mandate and Responsibilities

To fulfill its responsibilities and duties, the Committee shall:

(a)undertake annually a review of this mandate and make recommendations to the Corporate Governance and Nominating Committee as to proposed changes;

(b) satisfy itself on behalf of the Board with respect to the Company's internal control systems, including, where applicable, relating to derivative instruments:

   (i) identifying, monitoring and mitigating business risks; and

   (ii) ensuring compliance with legal, ethical and regulatory requirements;

(c) review the Company's financial statements and reports and any related management's discussion and analysis ("**MD&A**"), any annual earnings, interim earnings and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial reports), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors; the process should include but not be limited to:

   (i) reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;

   (ii) reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;

   (iii) reviewing accounting treatment of unusual or non-recurring transactions;

   (iv) ascertaining compliance with covenants under loan agreements;

   (v) reviewing financial reporting relating to asset retirement obligations;

   (vi) reviewing disclosure requirements for commitments and contingencies;

   (vii) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;

   (viii) reviewing unresolved differences between management and the external auditors;

   (ix) obtain explanations of significant variances with comparative reporting periods; and

   (x) determine through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed;

(d) review the financial reports and related information included in prospectuses, MD&A, information circular-proxy statements and annual information forms and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of the Company's disclosure of all other financial information and will periodically assess the adequacy of those procedures;

(e) with respect to the appointment of external auditors by the Board:

   (i) require the external auditors to report directly to the Committee;

   (ii) review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;

   (iii) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company and confirming their independence from the Company;

   (iv) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;

(v) be directly responsible for overseeing the work of the external auditors engaged for the purpose of issuing an auditors' report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;

(vi) review management's recommendation for the appointment of external auditors and recommend to the Board appointment of external auditors and the compensation of the external auditors;

(vii) review the terms of engagement of the external auditors, including the appropriateness and reasonableness of the auditors' fees;

(viii) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;

(ix) take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors;

(x) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial reports;

(f) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;

(g) review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial reports of the Company and its subsidiaries;

(h) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors and consider the impact on the independence of the auditors; The pre-approval requirement is waived with respect to the provision of non-audit services if:

(i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent (5%) of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

(ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and

(iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee;

provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee;

(i) review any other matters that the Audit Committee feels are important to its mandate or that the Board chooses to delegate to it;

(j) with respect to the financial reporting process:

(i) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;

(ii) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

(iii) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;

(iv) review significant judgments made by management in the preparation of the financial reports and the view of the external auditors as to appropriateness of such judgments;

(v) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

(vi) review any significant disagreement among management and the external auditors regarding financial reporting;

(vii) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented; and

(viii) review the certification process,

(k) review financial reporting relating to risk exposure and risk management policies and procedures of the Company (i.e., hedging, litigation and insurance),

(l) establish a procedure for:

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

5. Authority

Following each meeting, in addition to a verbal report, the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a meeting is held (these may still be in draft form).

Supporting schedules and information reviewed by the Committee shall be available for examination by any director.

The Committee shall have the authority to investigate any financial activity of the Company and to communicate directly with the internal and external auditors. All employees are to cooperate as requested by the Committee.

The Committee may retain, and set and pay the compensation for, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its duties and responsibilities at the expense of the Company.

EXHIBIT 99.2

THE REAL BROKERAGE INC.

Consolidated Financial Statements
December 31, 2022

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

Deloitte.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of The Real Brokerage Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of The Real Brokerage Inc. and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of loss and other comprehensive loss, shareholder's equity, and cash flows, for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Brightman Almagor Zohar & Co.
Brightman Almagor Zohar & Co
Certified Public Accountants
A Firm in The Deloitte Global Network

Tel Aviv, Israel
March 16, 2023

We have served as the Company's auditor since 2014.

Tel Aviv - Main Office
1 Azrieli Center Tel Aviv, 6701101 P.O.B. 16593 Tel Aviv, 6116402 | Tel: +972 (3) 608 5555 | info@deloitte.co.il

Jerusalem	Haifa	Eilat	Nazareth
3 Kiryat Ha'Mada Har Hotzvim Tower Jerusalem, 914510 D. BOX 45396	5 Ma'aleh Hashichrur P.O.B. 5648 Haifa, 3105502	The City Center P.O.B. 583 Eilat, 8810402	9 Marj Ibn Amer St. Nazareth, 16100
Tel: +972 (2) 501 8888 Fax: +972 (2) 537 4173 info-jer@deloitte.co.il	Tel: +972 (4) 860 7333 Fax: +972 (4) 867 2528 info-haifa@deloitte.co.il	Tel: +972 (8) 637 5676 Fax: +972 (8) 637 1628 info-eilat@deloitte.co.il	Tel: +972 (73) 399 4455 Fax: +972 (73) 399 4455 info-nazareth@deloitte.co.il

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

	As of December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 10,846	$ 25,818
Restricted cash	7,481	3,311
Investments in financial assets	7,892	8,811
Trade receivables	1,547	254
Other receivables	74	23
Prepaid expenses and deposits	529	448
TOTAL CURRENT ASSETS	**28,369**	**38,665**
NON-CURRENT ASSETS		
Intangible assets	3,708	451
Goodwill	10,262	602
Property and equipment	1,350	170
Right-of-use assets	73	109
TOTAL NON-CURRENT ASSETS	**15,393**	**1,332**
TOTAL ASSETS	**43,762**	**39,997**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	474	54
Accrued liabilities	11,866	8,818
Customer Deposits	7,481	3,311
Other payables	1,188	40
Lease liabilities	96	91
TOTAL CURRENT LIABILITIES	**21,105**	**12,314**
NON-CURRENT LIABILITIES		
Lease liabilities	-	40
Warrants outstanding	242	639
TOTAL NON-CURRENT LIABILITIES	**242**	**679**
TOTAL LIABILITIES	**21,347**	**12,993**
EQUITY		
EQUITY ATTRIBUTABLE TO OWNERS		
Share premium	63,204	63,397
Stock-based compensation reserves	25,083	6,725
Deficit	(50,704)	(30,127)
Other reserves	(469)	(347)
Treasury share, at cost	(14,962)	(12,644)
EQUITY ATTRIBUTABLE TO OWNERS	**22,152**	**27,004**
Non-controlling interests	263	-
TOTAL EQUITY	**22,415**	**27,004**
TOTAL LIABILITIES AND EQUITY	**$ 43,762**	**$ 39,997**

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

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

	For the Year Ended	
	December 31, 2022	December 31, 2021
Revenues	$ 381,756	$ 121,681
Commissions and other agent-related costs	349,806	110,587
Gross Profit	**31,950**	**11,094**
General and administrative expenses	24,155	10,573
Marketing expenses	22,674	7,808
Research and development expenses	4,867	3,979
Operating Loss	**(19,746)**	**(11,266)**
Other income	729	249
Listing expenses	(151)	-
Finance expenses, net	(1,167)	(662)
Net Loss	**(20,335)**	**(11,679)**
Net Income Attributable to Noncontrolling Interests	242	-
Net Loss Attributable to Owners of the Company	**(20,577)**	**(11,679)**
Other comprehensive income/(loss):		
Cumulative (Gain)/Loss on Investments in Debt Instruments Classified as at FVTOCI Reclassified to Profit or Loss	(407)	(352)
Foreign currency translation adjustment	285	5
Total Comprehensive Loss Attributable to Owners of the Company	**(20,699)**	**(12,026)**
Total Comprehensive Income Attributable to NCI	242	-
Total Comprehensive Loss	**(20,457)**	**(12,026)**
Loss per share		
Basic and diluted loss per share	(0.12)	(0.07)
Weighted-average shares, basic and diluted	**$ 178,201**	**$ 170,483**

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

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

	Share Premium	Share-Based Payments Reserve	Foreign Exchange Translation Reserve	Investments Revaluations Reserve	Deficit	Treasury Shares	Non-Controlling Interests	Total Equity (Deficit)
Balance at, January 1, 2021	21,668	2,760	-	-	(18,448)	-	14,818	20,798
Total loss and comprehensive loss	-	-	5	(352)	(11,679)	-	-	(12,026)
Exercise of warrants	26,475	-	-	-	-	-	-	26,475
Acquisitions of commons shares for Restricted Share Unit (RSU) plan	-	-	-	-	-	(12,644)	-	(12,644)
Proceeds from sale of treasury shares	229	-	-	-	-	-	-	229
Conversion of preferred shares into common shares	14,818	-	-	-	-	-	(14,818)	-
Exercise of stock options	207	-	-	-	-	-	-	207
Equity-settled share-based payments	-	3,965	-	-	-	-	-	3,965
Balance at, December 31, 2021	**63,397**	**6,725**	**5**	**(352)**	**(30,127)**	**(12,644)**	**-**	**27,004**
Balance at, January 1, 2022	**63,397**	**6,725**	**5**	**(352)**	**(30,127)**	**(12,644)**	**-**	**27,004**
Total loss	-	-	-	-	(20,577)	-	242	(20,335)
Total other comprehensive loss	-	-	285	(407)	-	-	-	(122)
Acquisitions of common shares for Restricted Share Unit (RSU) plan	-	-	-	-	-	(8,060)	-	(8,060)
Release of treasury shares	(5,742)	-	-	-	-	5,742	-	-
Issuance of Restricted Share Units	4,886	(4,886)	-	-	-	-	-	-
Exercise of stock options	663	(398)	-	-	-	-	-	265
Shares issued as part of Expetitle and LemonBrew Acquisitions	-	4,775	-	-	-	-	-	4,775
Adjustment arising from change in non-controlling interests	-	-	-	-	-	-	21	21
Equity-settled share-based payments	-	18,867	-	-	-	-	-	18,867
Balance at, December 31, 2022	**63,204**	**25,083**	**290**	**(759)**	**(50,704)**	**(14,962)**	**263**	**22,415**

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

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

	For the Year Ended December 31, 2022	*For the Year Ended* December 31, 2021
OPERATING ACTIVITIES		
Net Loss	$ (20,335)	$ (11,679)
Adjustments for:		
Depreciation	333	213
Equity-settled share-based payments	16,201	4,030
Finance costs	167	565
Gain on short term investments	-	(223)
Changes in operating asset and liabilities:		
Trade receivables	(1,293)	(137)
Other receivables	(51)	198
Prepaid expenses and deposits	(81)	(359)
Accounts payable	420	-
Accrued liabilities	5,316	5,789
Customer deposits	4,170	-
Other payables	1,148	3,287
NET CASH PROVIDED BY OPERATING ACTIVITIES	**5,995**	**1,684**
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,408)	(172)
Acquisition of subsidiaries *(Note 7,8, and 9)*	(8,152)	(1,099)
Dividends received from equity instruments designated at FVTOCI	637	-
Proceeds on disposal of equity instruments held at FVTOCI	(125)	-
NET CASH USED IN INVESTING ACTIVITIES	**(9,048)**	**(1,271)**
FINANCING ACTIVITIES		
Investment in securities	-	(8,940)
Proceeds from exercise of warrants	-	26,475
Purchase of common shares for Restricted Share Unit (RSU) Plan	(8,060)	(12,644)
Stock Compensation Payable (RSU)	-	2,253
Proceeds from exercise of stock options	265	207
Payment of lease liabilities	(35)	(84)
Dividends paid for non-controlling interest	(19)	-
NET CASH USED IN FINANCING ACTIVITIES	**(7,849)**	**7,267**
Net change in cash, cash equivalents and restricted cash	(10,902)	7,680
Cash, cash equivalents and restricted cash, beginning of year	29,129	21,273
Fluctuations in foreign currency	100	176
CASH, CASH EQUIVALENTS AND RESTRICTED CASH BALANCE, ENDING BALANCE	**$ 18,327**	**$ 29,129**
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES:		
Share-based compensation as part of Expetitle consideration	4,325	-
Share-based compensation reclass from liability to equity	2,268	-
Share-based compensation as part of LemonBrew consideration	450	-
Increase in ROU against lease liabilities	-	84
Warrants liability from acquisition	-	65

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 over 45 U.S. states, the District of Columbia, and 3 provinces in Canada with over 8,000 agents. Real offers agents a mobile focused tech-platform to run their business.

The consolidated operations of Real include the wholly-owned subsidiaries of Real Technology Broker Ltd. incorporated on June 29, 2014 in Israel, Real PIPE, LLC incorporated on November 5, 2020 under the laws of the state of Delaware, Real Broker MA, LLC incorporated on July 11, 2018 under the laws of the state of Delaware, Real Broker CT, LLC incorporated on July 11, 2018 under the laws of the state of Delaware, Real Broker, LLC (formerly Realtyka, LLC) incorporated on October 17, 2014 under the laws of the state of Texas, Real Broker Commercial LLC incorporated on July 29, 2019 under the laws of the state of Texas, The Real Title Inc. incorporated on January 1, 2021 under the laws of the state of Delaware, Real Broker BC Ltd. incorporated on February 23, 2021 in the province of British Columbia, Real Broker AB Ltd. incorporated on February 23, 2021 in the province of Alberta, and Real Broker ON Ltd incorporated on August 27 2021 in the province of Ontario, One Real Mortgage (formerly LemonBrew Lending) incorporated on March 15, 2009 under the laws of the state of New Jersey.

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**"). Pursuant to the NCIB, the Company was able to purchase, during the 12-month period ended May 20, 2022, up to 7.2 million common shares of the Company ("**Common Shares**"), constituting approximately 5% of the total 143.4 million Common Shares issued and outstanding as of April 30, 2021.

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 restricted share unit (each, an "**RSU**") payments as well as deal with other administration matters. Through the Trustee, RBC Capital Markets was engaged to undertake purchases under the NCIB.

The Common Shares acquired are held by the Trustee until the same are sold in the market with the proceeds to be transferred to designated participants or until the Common Shares are delivered to designated participants, in each case under the terms of the Company's equity incentive plans to satisfy the Company's obligations in respect of redemptions of vested RSUs held by such designated participants. See *Note 13.D* for more information. A total of 2.0 million Common Shares have been released from the trust to satisfy the Company's obligations in respect of redemptions of vested RSUs held by designated participants.

On May 19, 2022, the Company announced that it renewed the 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 (other than the TSXV), if eligible. Pursuant to the 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.

During 2022, the Company repurchased 3.8 million Common Shares in the amount of $8.1 million. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares to satisfy the RSU Plan (see Note 13.D for more information). 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.

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 these consolidated financial statements are set out below. These policies have been applied consistently to all the years presented.

A. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). These consolidated financial statements were authorized for issuance by the Board of Directors on March 16, 2023.

B. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to December 31 of each year. Control is achieved when the Company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to ensure subsidiaries' accounting policies are in line with Company's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between the members of the Company and its subsidiaries are eliminated on consolidation.

C. Functional and presentation currency

These consolidated financial statements are presented in U.S. dollars, which is the Company's functional currency. All amounts have been rounded to the nearest thousands of dollars, unless otherwise noted.

D. Foreign currency

Foreign currency transactions and balances

Transactions in foreign currencies are initially recognized in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in the income statement for determination of net profit or loss during the period.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the functional currency at exchange rates at the reporting date. The income and expenses of foreign operations and cash flows are translated using average exchange rates during the period. Any differences arising on such translation are recognized in other comprehensive income. Such differences are included in the foreign currency translation reserve "FCTR" within other components of equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

E. Operating segments

In measuring its performance, the Company does not distinguish or group its operations on a geographical or on any other basis, and accordingly has a single reportable operating segment. Management has applied judgment by consolidating its cost generating units (CGU) into one single reportable segment for disclosure purposes. Such judgment considers the nature of the operations, and an expectation of operating segments within a reportable segment, which have similar long-term economic characteristics.

The Company's Chief Executive Officer is the chief operating decision maker, and regularly reviews operations and performance on an aggregated basis. The Company does not have any significant customers or any significant groups of customers.

F. Reclassification

Certain prior year amounts in the consolidated financial statements and the notes thereto have been reclassified where necessary to conform to the current year presentation. These reclassifications did not affect the prior period total assets, total liabilities, stockholders' deficit, net loss or net cash used in operating activities.

G. Revenue from contracts with customers

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 Company is contractually obligated to provide services for the fulfillment of transfer of real estate between agents, buyers, and sellers. The Company satisfies its performance obligations through closing of a transaction and provides services between the agents and buyers and sellers as a principal. Accordingly, the Company will recognize revenues in the gross amount of consideration, to which it expects to be entitled to.

Please see *Note 10* for more Information about the Company's revenues from contracts with customers.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue upon the satisfaction of its performance obligation when it transfers control over a good or service to a customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and related revenue recognition policies.

Type of product or service	Nature of timing of satisfaction of performance obligations including significant payment terms	Revenue recognition policies
Commissions from real estate contracts	Customers obtain control of real estate property on the closing date, which ordinarily when consideration is received	Revenue is recognized at a point in time as the purchase agreement is closed and the sale is executed
Service contracts with real estate agents	Under service contracts with real estate agents, they enroll in an annual subscription plan to use the tech-platform	Revenue is recognized over time as the company provides promised services to real estate agents on a paid subscription plan
Title Fees (Escrow and Title Insurance)	Customers obtain control of real estate property on the closing date, which ordinarily when consideration is received	Revenue is recognized at a point in time when the transaction is closed and paid
Mortgage Broker	Customers obtain control of real estate property on the closing date, which ordinarily when consideration is received	Revenue is recognized at a point in time when the loan has been funded

H. Share based compensation

The Company's real estate agents receive remuneration in the form of share-based compensation transactions, whereby those agents are entitled to restricted share units. In addition, the Company grants its employees and members of the board of directors remuneration in the form of share-based compensation transactions, whereby employees and the board of directors render services in consideration for equity instruments.

Share-based payment arrangements

The grant-date fair value excluding the effect of non-market equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Restricted share unit plan

Under the restricted share unit plans, eligible participants receive restricted share units (RSUs), which generally vest over a period of one to three years. The expense in relation to RSUs earned in recognition of personal performance conditions is recognized at grant-date fair value during the applicable vesting period based on the best available estimate of the number of equity instruments expected to vest with a corresponding increase in stock–based payments reserve. The expense in relation to RSUs purchased in the agent stock purchase plan are recognized at grant-date fair value with a corresponding increase in equity. Please see *Note 13.D* for more information about the Company's restricted share unit.

I. Income tax

Income tax expenses comprise of current and deferred tax. It is recognized in profit or loss, or items recognized directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax

Current tax is comprised of expected payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using the tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- Temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

J. Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (significant components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

Subsequent expenditures

Subsequent expenditures are capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

The estimated useful lives of property and equipment for current and comparative periods are as follows:

Computer equipment:	3 years
Furniture and fixtures:	5-10 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

K. Financial instruments

Recognition and initial measurement

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

Financial Assets:

Financial assets are comprised of investments in equity and debt securities, trade and other receivables, cash and cash equivalents and other financial assets.

Initial recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

Financial assets measured at amortized cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. The EIR amortization is recognized as finance income in the Statement of Income.

The Company while applying above criteria has classified the following financial assets at amortized cost

- Trade receivables

- Other financial assets.

- Investment in debt securities

Financial assets at fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognized in other comprehensive income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the Company classifies the same as at FVTOCI or FVTPL. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends, are recognized in other comprehensive income (OCI).

Financial assets at fair value through profit or loss (FVTPL):

Financial assets are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortized cost or at fair value through other comprehensive income. All fair value changes are recognized in the Statement of Income.

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.

L. Share capital

i. Common shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transactions costs of an equity transaction are accounted for in accordance with IAS 12.

ii. Preferred Shares

Preferred shares are the shares that pay a fixed dividend prior to any distributions to the holders of the issuer's common stock. This payment is typically cumulative, so any delayed prior payments must be paid to the preferred stockholders before distributions can be made to the holders of common stock. As of December 31, 2019, the Company's preferred shares were classified as liability, due to the rights of the holders to require a cash settlement not within the control of the Company. On June 5, 2020, the 68,460 preferred shares were converted into equity. As of December 31, 2022, the Company does not have preferred shares.

iii. Non – controlling interests

Non-controlling interests represents the portion of net income and net assets which the Company does not own, either directly or indirectly. It is presented as "Attributable to non-controlling interests" separately in the Consolidated Statements of Loss, and separately from shareholders' equity in the Consolidated Statements of Financial Position.

M. Goodwill

Goodwill is the excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed in a business combination. Goodwill is tested annually for impairment, or more regularly if certain indicators are present. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGU) that are expected to benefit from the synergies of the combination and represent the lowest level at which the goodwill is monitored for internal management purposes. The recoverable amount is the higher of the fair value less cost to sell and the value in use; where the value in use is the present value of the future cash flows. Goodwill is evaluated for impairment by comparing the recoverable amount of the Company's operating segments to the carrying amount of the operating segments to which the goodwill relates. If the recoverable amount is less than the carrying amount an impairment charge is determined. 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 year ended December 31, 2022 and 2021, we performed an assessment of goodwill related to our previous business acquisition which did not result in an impairment charge for either of the years.

N. Impairment

Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized in the consolidated statement of loss and other comprehensive loss consistent with the function of the assets, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows. Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal each reporting period.

O. Provisions

Provisions are recognized when present (legal or constructive) obligations as a result of a past event will lead to a probable outflow of economic resources and amounts can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

The Company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered remote, no liability is recognized.

P. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements (i.e. changes in lease term) of the lease liability.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of assets that are less than $5 per month including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Q. Business combinations

Business combinations are accounted for under the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 'Business Combinations', are recognized at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standards.

Goodwill is recognized when the fair value of purchase consideration and non-controlling interests exceeds the fair value of identifiable net assets acquired on the acquisition date. Goodwill arising on acquisitions is reviewed for impairment annually. Where the fair values of the identifiable assets and liabilities exceed the cost of acquisition, the Company assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the surplus is credited to the consolidated statements of profit or loss in the period of acquisition.

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair value is made and any adjustments required to those provisional fair values are finalized within twelve months of the acquisition date.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called measurement period adjustments. The measurement period does not exceed twelve months from the acquisition date.

Any non-controlling interest in an acquiree is measured at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This accounting choice is made on a transaction-by-transaction basis.

Acquisition expenses are charged to consolidated statements of profit or loss.

If the Company acquires a group of assets in a company that does not constitute a business in accordance with IFRS 3, the cost of the acquired group of assets is allocated to the individual identifiable assets acquired based on their relative fair value.

R. 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.

S. Revenue Share

The Company has a revenue sharing plan where its agents and brokers can receive additional commission income from real estate transactions consummated by agents and brokers they have attracted to the Company. Agents and brokers are eligible for revenue share based on the number of qualifying active agents they have attracted to the Company. Revenue shares are included as part of Marketing Expenses in the consolidated statements of loss and other comprehensive loss.

T. Warrants Accounting

Warrants are a financial instrument that allow the holder to purchase stock of the issuer at a specified price during the warrant term. The Company classifies a warrant to purchase shares of its common stock as a liability on its consolidated statements of financial position as this warrant is a free-standing financial instrument that may require the Company to transfer consideration upon exercise. Each warrant is initially recorded at fair value on date of grant using the Black-Scholes model and net of issuance costs, and it is subsequently re-measured to fair value at each subsequent balance sheet date. Changes in fair value of the warrant are recognized as a component of other income (expense), net in the consolidated statement of operations and comprehensive loss. The Company will continue to adjust the liability for changes in fair value until the earlier of the exercise or expiration of the warrant.

U. Intangible Assets

The Company's intangible assets are finite lived and consist primarily of acquired trade name, technology and customer relationships. Each intangible asset is amortized on a straight-line basis over its useful life of 5 years. The Company evaluates its intangible assets for recoverability and potential impairment, or as events or changes in circumstances indicate the carrying value may be impaired.

V. Treasury Share

During the year ended December 31, 2022, the Company purchased 3.8 million Common Shares which were classified as Treasury shares.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these consolidated financial statements, management has made judgments estimates and assumptions that affect the application of the Company's accounting policies which are described in *Note 2* and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

– Deferred taxes

Deferred tax assets are recognized only if management assesses that these tax assets can be offset against positive taxable income within a foreseeable future. This judgment is made by management on an ongoing basis and is based on budgets and business plans for the coming years. These budgets and business plans are reviewed and approved by the Board of Directors. Since inception, the Company has reported losses, and consequently, the Company has unused tax losses. The deferred tax assets are currently not deemed to meet the criteria for recognition as management is not able to provide any convincing positive evidence that deferred tax assets should be recognized. Therefore, management has concluded that deferred tax assets should not be recognized on December 31, 2022.

– Measurement of fair values

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as a broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from third parties to support the conclusion of these valuations meet the requirements of the standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

– *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.

– *Level 2*: inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

– *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about assumptions made in measuring fair values is included in the following notes:

– *Note 13* – share-based payment arrangements; and

– *Note 23* – financial instruments.

4. PIPE TRANSACTION

On December 2, 2020, the Company completed an equity investment by private equity funds indirectly controlled by Insight Holdings Group, LLC (the "**Insight Partners**") for gross proceeds of USD $20 million (approximately CAD $26.28 million)

Insight Partners was issued 17.3 million preferred units (the "**Preferred Units**") of a newly and wholly owned subsidiary of the Company, Real PIPE, LLC formed under the laws of the State of Delaware, that were exchangeable into the same number of Common Shares and 17.3 million Common Share purchase warrants of the Company ("**Warrants**"). Each Warrant entitled the holder to subscribe and purchase one Common Share at an exercise price of $1.48 (CAD $1.90) for a period of 5 years, subject to certain acceleration terms. The Preferred Units were exchangeable, at any time at Insight Partners' option, and at the option of the Company on the earlier of: (i) the listing the Common Shares on a nationally recognized stock exchange in the United States; (ii) the Company's market capitalization equaling or exceeding US$500 million for a 30-consecutive trading day period; or (iii) immediately prior to a transaction by which the Company is acquired by a third party on an arms' length basis (each, a "**Forced Exchange Event**"), into Common Shares on a one-for-one basis

On June 15, 2021, in connection with the listing of the Common Shares on the NASDAQ, Real delivered an Acceleration Notice to certain funds managed by Insight Partners providing for the acceleration of the expiry date to June 30, 2021, of an aggregate 17.3 million, previously issued Warrants. All Warrants held by Insight Partners were exercised into Common Shares for gross proceeds of $26.6 million (CAD $32.8 million) on June 28, 2021.

On August 3, 2021, Insight Partners was issued an aggregate of 17.3 million Common Shares in exchange of the Insight Partners' Preferred Units in connection with the Forced Exchange Event.

5. REALTYCRUNCH ACQUISITION

On January 11, 2021, Real completed the acquisition of the business assets and intellectual property of RealtyCrunch Inc. (the "**RealtyCrunch Transaction**"). RealtyCrunch is a collaboration web and mobile app for home buyers and real estate agents. Launched in September 2020, it had attracted over 2,000 real estate agents in the US who use it to streamline communication and document signing with their clients. The RealtyCrunch Transaction was settled in cash for an aggregate purchase price of USD $1.1 million plus 184 thousand Warrants. Each Warrant is exercisable into one Common Share at a price of CAD $1.36 for a period of four years. In connection with the RealtyCrunch Transaction, Real also granted 2.4 million stock options ("**Options**"), which vest over a 4-year period and are not considered part of aggregate purchase price. The Company has determined that the acquisition meets the definition of business combinations within the scope of IFRS 3, Business Combination and has completed the determination to allocate the price among the assets purchased and amount attributable to goodwill. The expense incurred related to the acquisition was $38 thousand for the year ended December 31, 2021.

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, January 11, 2021
Recognized amounts of assets acquired and liabilities assumed	
Proprietary Technology	563
Goodwill	602
Net Assets Acquired	**1,165**
Consideration	1,100
Warrants Issued	65

We have completed the valuation of the acquired assets and assumed liabilities and have assigned $563 thousand as the fair value of the Company's developed technology and $602 thousand 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 on this acquisition is expected to be deductible for tax purposes.

6. SCOTT BENSON REAL ESTATE INC.

On December 3, 2021, Real completed the acquisition of the common shares of Scott Benson Real Estate Inc in Ontario, Canada. The transaction was settled in nominal cash consideration for an aggregate purchase price of one Canadian dollar. The Company determined that the acquisition meets the definition of business combinations within the scope of IFRS 3, Business Combination and recorded an immaterial gain from bargain purchase. We have completed the valuation of the acquired assets and assumed liabilities and have assigned $23 thousand as the fair value of the Company's intangible assets.

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, December 3, 2021
Recognized amounts of assets acquired and liabilities assumed	
Intangible Asset	23
Net Assets Acquired	**23**
Consideration	**-**
Bargain gain from acquisition	**23**

7. 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 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 $600 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 current states of operation, Florida, Georgia, and Texas. As of the reporting date, the contingent terms are met and the company remeasured the contingent consideration accordingly. The Company recognized a liability with a corresponding expense amounting to $600 thousand.

As part of the Expetitle Transaction, Real also granted an aggregate of 700 thousand 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 employees 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 on this acquisition is expected to be deductible for tax purposes.

The following table represent 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)

8. 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, will fuel 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	-

9. 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 second 12-month period following closing

- Samir Dedhia and Jason Doshi 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 milestone 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 represents the recognized amounts of assets acquired and liabilities assumed, total consideration, and cash flow related to the LemonBrew Lending acquisition (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	
Cash	12
Other Current Assets	15
Other Assets	119
Goodwill	1,250
Accounts Payables and Accrued Liabilities	(11)
Other Payables	(64)
Net Assets Acquired	1,321
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)

10. REVENUE

A. Revenue streams and disaggregation of revenue from contracts with customers

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 Year Ended	
	December 31, 2022	**December 31, 2021**
Main revenue streams		
Commissions	376,254	120,957
Title	1,869	-
Mortgage Income	19	-
Fee Income	2,378	711
Other	1,236	13
Total Revenue	**381,756**	**121,681**
Timing of Revenue Recognition		
Products transferred at a point in time	381,756	121,681
Revenue from Contracts with Customers	**381,756**	**121,681**

11. 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 Year Ended	
	December 31, 2022	**December 31, 2021**
Commissions and other agent-related costs	**349,806**	**110,587**
Operating Expenses		
General and Administration Expense	**24,155**	**10,573**
Salaries and Benefits	11,733	3,748
Stock Based Compensation for employees	2,778	1,333
Administrative Expenses	1,803	1,006
Professional Fees	5,893	3,425
Depreciation Expense	333	213
Other General and Administrative Expenses	1,615	848
Marketing Expenses	**22,674**	**7,808**
Salaries and Benefits	478	327
Stock Based Compensation for Employees	1	135
Stock Based Compensation for Agents	5,519	2,194
Revenue Share	14,975	4,454
Other Marketing and Advertising Cost	1,701	698
Research and Development Expenses	**4,867**	**3,979**
Salaries and Benefits	2,012	840
Stock Based Compensation for employees	212	1,545
Other Research and Development	2,643	1,594
Total Cost of Sales and Operating Expenses	**401,502**	**132,947**

Finance Expenses

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

	For the Year Ended	
Description	**December 31, 2022**	**December 31, 2021**
Unrealized Losses (Gains)	(397)	574
Realized Losses (Gains)	24	-
Bank Fees	400	97
Finance Cost	540	(13)
Contingent Consideration	600	-
Other	-	4
Finance Expenses, net	**1,167**	**662**

12. LOSS PER SHARE

A. 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 shares of common stock 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 shares of common stock outstanding plus, if 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 basic and diluted loss per share:

	For the Year Ended	
(in thousands of shares)	**December 31, 2022**	**December 31, 2021**
Issued Common Shares at the beginning of the period	170,483	161,721
Effect of Warrant Exercise	8,526	8,762
Effect of Treasury Return	(1,049)	-
Effect of Treasury Issuance	21	-
Effect of Share Options Exercised	220	-
Weighted-average numbers of Common Shares	**178,201**	**170,483**
Loss per share		
Basic and diluted loss per share	**(0.12)**	**(0.07)**

13. SHARE-BASED PAYMENT ARRANGEMENTS

A. Description of share-based payment arrangements

Stock option plan (equity-settled)

On January 20, 2016, the Company established a 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 shares for the exercise price as determined at 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 Common Shares previously 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 of Common Shares reserved for issuance pursuant to Options under the A&R Plan.

Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Company's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with IFRS 2 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognized as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Company replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with IFRS 2. All of the market-based measure of the replacement awards is recognized as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Company for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognized as remuneration cost for post-combination service.

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

Grant Date	Number of Instruments	Vesting Conditions	Contractual Life of Options
Balance December 31, 2020	**13,813**		
On January, 2020	60	25% on first anniversary, then quarterly vesting	10 years
On March, 2020	244	immediate	10 years
On March, 2020	100	quarterly vesting	10 years
On March, 2020	250	25% on first anniversary, then quarterly vesting	10 years
On January, 2021	2,441	25% immediately, 25% on first anniversary, then quarterly vesting	10 years
On January, 2021	165	25% on first anniversary, then quarterly vesting	10 years
On January, 2021	1,670	quarterly vesting	10 years
On March, 2021	241	25% on first anniversary, then quarterly vesting	10 years
On March, 2021	114	quarterly vesting	10 years
On May, 2021	190	25% on first anniversary, then quarterly vesting	10 years
On May, 2021	705	3 years quarterly	10 years
On August, 2021	65	25% on first anniversary, then quarterly vesting	10 years
On August, 2021	450	quarterly vesting	10 years
On November, 2021	1,220	25% on first anniversary, then quarterly vesting	10 years
On November, 2021	559	3 years quarterly	10 years
Balance December 31, 2021	**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 4 years 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 August, 2022	10	3 years quarterly vest	10 years
Balance December 31, 2022	**27,057**		

B. Measurement of fair values

The fair value of the stock-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 values at the grant and measurement date were as follows:

	December 31, 2022	December 31, 2021
Share price	$ 1.05	$ 3.69
Exercise price	$1.35 to $2.45	$0.87 to $3.40
Expected volatility (weighted-average)	108.0%	156.0%
Expected life (weighted-average)	10 years	10 years
Expected dividends	**-%**	-%
Risk-free interest rate (based on US government bonds)	1.95 – 2.89%	1.45%

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:

	December 31, 2022		December 31, 2021	
	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
Outstanding at beginning of year	20,815	$ 0.71	12,851	$ 0.27
Granted	4,770	1.61	8,474	1.70
Forfeited/ Expired	(3,883)	(1.47)	(370)	-
Exercised	(1,389)	(0.23)	(140)	(0.13)
Outstanding at end of year	**20,313**	**$ 0.90**	**20,815**	**$ 0.71**
Exercisable as at end of year	**11,046**		**10,295**	

The stock-options outstanding as of December 31, 2022 had a weighted average exercise price of $0.90 (December 31, 2021: $0.71) and a weighted-average contractual life of 10 years (December 31, 2021: 10 years).

D. Restricted share unit plan

Restricted share unit plan

On September 21, 2020, the Company established a restricted share unit plan (the "**RSU Plan**"). Under the RSU Plan agents are eligible to receive RSUs that, upon vesting, entitle the holder to a Common Share or cash payment in lieu of a Common Share. The RSUs are earned in recognition of personal performance and ability to attract agents to Real. The expense recognized in relation to these awards for the period ended December 31, 2022 was $5.5 million. The stock compensation attributable to agent growth was classified as marketing expense. The stock compensation award granted to FTEs was classified as a General and Administrative expense on the audited consolidated statements of loss and comprehensive loss.

RSUs awarded in the agent incentive program purchase plan are based on a percentage of commission withheld to purchase Common Shares. These RSUs are expensed in the period in which those awards are deemed to be earned with a corresponding increase in equity. All awards under this plan are subject to a 12-month vesting period. Agents pay the Company 15% of commissions until the commission paid to the Company totals $12,000, which is defined as the agent "cap" amount (the "**Cap**"). The Company grants an additional 25% of shares if an agent has not met the Cap and 50% of shares if the agent has met the Cap as a bonus after the 12-month vesting period has passed. The bonuses were adjusted to 15% pre-Cap and 30% post-Cap when the Company surpassed the 5,000 agents milestone on June 16, 2022. The bonus RSUs are expensed in the period the original award is deemed earned with a corresponding increase in stock-based compensation reserve.

RSUs awarded for personal performance and the ability to attract agents earned in recognition of personal performance conditions and are subject to a 3 year vesting period. The Company recognizes this expense during the applicable vesting period based upon the best available estimate of the number of equity instruments expected to vest with a corresponding increase in stock-based compensation reserve.

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

	Units
Balance at, December 31, 2020	**121**
Granted	3,951
Vested and Issued	(76)
Forfeited	(31)
Balance at, December 31, 2021	**3,965**
Granted	16,053
Vested and Issued	(2,504)
Forfeited	(606)
Balance at, December 31, 2022	**16,908**

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

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.

	Options Expense	*RSU Expense*	***Total***	*Options Expense*	*RSU Expense*	***Total***
	December 31, 2022			**December 31, 2021**		
	Options Expense	*RSU Expense*	***Total***	*Options Expense*	*RSU Expense*	***Total***
Marketing Expenses – Agent Stock Based Compensation	1,215	4,304	5,519	1,188	1,006	2,194
Marketing Expenses – FTE Stock Based Compensation	-	1	1	135	-	135
Research and Development – FTE Stock Based Compensation	111	101	212	1,545	-	1,545
General and Administrative – FTE Stock Based Compensation	1,702	1,076	2,778	1,316	17	1,333
Total Stock Based Compensation Expense	**3,028**	**5,482**	**8,510**	**4,184**	**1,023**	**5,207**

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. Purchases were made at prevailing market prices commencing on or about May 20, 2021 and ending on the earlier of: (i) one year from such commencement; or (ii) the date on which the Company had purchased the maximum number of Shares under the NCIB. The purpose of the purchase of Common Shares under the NCIB is to enable the Company to acquire shares to satisfy its RSU obligations. As of December 31, 2022, there were 8.6 million shares purchased in the amount of $20.7 million.

The Company appointed CWB Trust Services as 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 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. RBC Capital Markets is required to comply with the TSXV NCIB rules in respect of the purchases of Common Shares as the Trustee is considered to be a non-independent trustee by the TSXV for the purposes of the NCIB rules.

14. 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 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.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Company's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

15. 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, 2021	Deposit / (Withdraw)	Dividends, Interest & Income	Gross Unrealized Losses	Estimated Fair Value December 31, 2022
U.S. Government Bonds	5,033	528	91	(172)	5,480
Municipal Bonds	2,900	(1,220)	34	(197)	1,517
Bond Mutual Funds	878	-	-	(38)	840
Investment Certificate	-	55	-	-	55
Short Term Investments	**8,811**	**(637)**	**125**	**(407)**	**7,892**

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 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.

16. PROPERTY AND EQUIPMENT

Reconciliation of Carrying Amounts *(in thousands)*

	Computer Equipment	Software	Furniture and Equipment	Total
Cost				
Balance at December 31, 2020	33	-	69	102
Additions	172	-	-	172
Balance at December 31, 2021	205	-	69	274
Additions	413	995	164	1,572
Balance at December 31, 2022	**618**	**995**	**233**	**1,846**
Accumulated Depreciation				
Balance at December 31, 2020	24	-	64	88
Depreciation	15	-	1	16
Balance at December 31, 2021	39	-	65	104
Depreciation on Acquired Assets	92	26	137	255
Depreciation	79	57	1	137
Balance at December 31, 2022	**210**	**83**	**203**	**496**
Carrying Amounts				
Balance at December 31, 2021	166	-	4	170
Balance at December 31, 2022	**408**	**912**	**30**	**1,350**

17. INTANGIBLE ASSETS AND GOODWILL

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 year ended December 31, 2022 and 2021, we performed an assessment of goodwill related to our previous business acquisition 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, 2020	-	-	-
Additions	563	602	1,165
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**
Accumulated Depreciation			
Balance at December 31, 2020	-	-	-
Depreciation	113	-	113
Balance at December 31, 2021	113	-	113
Depreciation	112	-	112
Balance at December 31, 2022	**225**	**-**	**225**
Carrying Amounts			
Balance at December 31, 2021	451	602	1,053
Balance at December 31, 2022	**3,708**	**10,262**	**13,970**

18. 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*	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
In issue at beginning of year	50,753	21,668	-	14,818	-	-
Issued for cash	-	26,475	-	-	-	-
Conversion	-	14,818	-	(14,818)	-	-
Exercise of stock options	663	207	-	-	-	-
Common shares acquired	(8,060)	(12,644)	-	-	-	-
Release of vested common shares from employee benefit trusts	4,886	229	-	-	-	-
Non-controlling interest	-	-	263	-	-	-
In issue at end of year – fully paid	**48,242**	**50,753**	**263**	-	-	-
Authorized shares	Unlimited	Unlimited	Unlimited	Unlimited	66,000	66,000

Share Consolidation and Share Split

On May 26, 2021, the Company consolidated all of its issued and outstanding Common Shares on the basis of one (1) post-consolidation Common Share for each four (4) pre-consolidation Common Shares.

On July 12, 2021, the Company implemented a forward split of all of its issued and outstanding Common Shares on the basis of four (4) post-split Common Shares for each one (1) pre-split Common Share.

Non- controlling interests

On December 2, 2020, the Company completed the Insight Partners investment whereby a wholly owned subsidiary of the Company issued 17.3 million Preferred Units at a price of $1.19 (CAD $1.52) per Preferred Unit. The Company also issued 17.3 million Warrants, each exercisable into one Common Share at a price of $1.48 (CAD $1.9)

On June 28, 2021, all Warrants held by Insight Partners were exercised for an aggregate gross price of $26.6 million (CAD $32.8 million)

On August 3, 2021, Insight Partners was issued an aggregate of 17.3 million Common Shares in the exchange of all of the Preferred Units.

On January 21, 2022, the Company completed the acquisition of 100% of the issued and outstanding equity interests of Expetitle. As part of this transaction, the Company also acquired non-controlling interest of $21 thousand which includes the income/(loss) allocated to non- controlling interest holders of certain subsidiaries of Expetitle.

19. 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 December 31, 2022 and 2021.

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

	For the Year Ended	
	December 31, 2022	**December 31, 2021**
Cash	10,846	25,818
Other Receivables	74	23
Short Term Investments	7,892	8,811
Total	**18,812**	**34,652**

20. LEASE LIABILITY AND RIGHT OF USE ASSET

On December 1, 2017, the Company entered into lease agreement. The Company leases 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 December 31, 2022, and December 31, 2021 is as follows:

	Right-of-Use Asset
Cost	
Balance at December 31, 2020	502
Additions	-
Balance at December 31, 2021	502
Additions	107
Balance at December 31, 2022	**609**
Accumulated Depreciation	
Balance at December 31, 2020	309
Depreciation	84
Balance at December 31, 2021	393
Acquired Depreciation	59
Depreciation	84
Balance at December 31, 2022	**536**
Carrying Amounts	
Balance at December 31, 2021	109
Balance at December 31, 2022	**73**

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. Additionally, the Company acquired leases related to offices in North Carolina and New Jersey (ending on September 30, 2023) as part of the LemonBrew Transaction. The associated leases were transferred to the Company on December 9, 2022. A summary of the changes in the lease liability (in thousands) during the periods ended December 31, 2022, and December 31, 2021 is as follows:

	December 31, 2022	December 31, 2021
Maturity analysis – contractual undiscounted cash flows		
Less than one year	96	94
One year to five years	-	41
More than five years	-	-
Total undiscounted lease liabilities	**96**	**135**
Lease liabilities included in the balance sheet	**96**	**131**
Current	96	91
Non-current	-	40

21. OTHER PAYABLES

The other payables primarily consist of contingent consideration payable as part of closing of the Expetitle Transaction. This was be released after twelve (12) months 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 and (ii) Expetitle became licenced to operate in at least fifteen states, including the current states of operation, Florida, Georgia, and Texas.

	December 31, 2022	December 31, 2021
Other Payables	588	40
Contingent Consideration	600	-
Total Other Payables	**1,188**	**40**

22. CUSTOMER DEPOSITS

Customer deposits consist of escrow funds payables. This is the 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.

23. FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

Accounting classifications and fair value *(in thousands)*

	For the Year Ended December 31, 2021					
	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	-	-	-	8,811	-	8,811
Total Financial Assets Measured at Fair Value (FV)	**-**	**-**	**-**	**8,811**	**-**	**8,811**
Financial Liabilities Measured at Fair Value (FV)						
Warrants	-	-	-	-	639	639
Total Financial Liabilities Measured at Fair Value (FV)	-	-	-	**-**	**639**	**639**
Financial Assets Not Measured at Fair Value (FV)						
Cash and Cash Equivalents	25,818	-	25,818	-	-	-
Restricted Cash	3,311	-	3,311	-	-	-
Trade Receivables	254	-	254	-	-	-
Other Receivables	23	-	23	-	-	-
Total Financial Assets Not Measured at Fair Value (FV)	**29,406**	**-**	**29,406**	**-**	**-**	**-**
Financial Liabilities Not Measured at Fair Value (FV)						
Accounts Payable	-	54	54	-	-	-
Accrued Liabilities	-	8,818	8,818	-	-	-
Customer Deposits	-	3,311	3,311	-	-	-
Other Payables	-	40	40	-	-	-
Total Financial Liabilities Not Measured at Fair Value (FV)	**-**	**12,223**	**12,223**	**-**	**-**	**-**

	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**	**-**	**-**	**-**

A. Transfers between levels

During the year ended December 31, 2022 and 2021, 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 December 31, 2022, the exposure to credit risk for trade receivables and contract asset (in thousands) by geographic region was as follows:

	December 31, 2022	December 31, 2021
US	1,105	230
Other Regions	442	24
Trade Receivables	**1,547**	**254**

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

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 US dollar (USD), Israeli shekel (ILS), or Canadian Dollar (CAD) against all other currencies in which the Company operates as of December 31, 2022 and December 31, 2021 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, December 31, 2022				
CAD (-5% movement)	355	(355)	456	(456)
ILS (-5% movement)	2	(2)	6	(6)
Balance at, December 31, 2021				
CAD (-5% movement)	43	(43)	4	(4)
ILS (-5% movement)	39	(39)	54	(54)

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*	
	December 31, 2022	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
CAD	(7,058)	(1,331)	3,474	3,291
ILS	(82)	(1,420)	7,724	191
Total Exposure	**(7,140)**	**(2,751)**	**11,198**	**3,482**

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 15*.

24. COMMITMENTS AND CONTINGENCIES

The Company may have various other contractual obligations in the normal course of operations. The Company is not contingently liable with respect to litigation, claims and environmental matters, including those that could result in 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.

25. 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 the CEO, the CFO, the CTO, and the CMO, and other members of the executive team. Executive officers participate in the Company's Amended and Restated Omnibus Incentive Plan (see Note 13.A). Directors and officers of the Company control approximately 37.70% 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 Year Ended	
	December 31, 2022	**December 31, 2021**
Salaries and Benefits	2,435	1,476
Stock-Based Compensation	2,164	2,412
Consultancy	-	270
Compensation Expenses for Related Parties	**4,599**	**4,158**

real

THE REAL BROKERAGE INC.

Management's Discussion and Analysis
For the Year Ended December 31, 2022
March 16, 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, using 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.

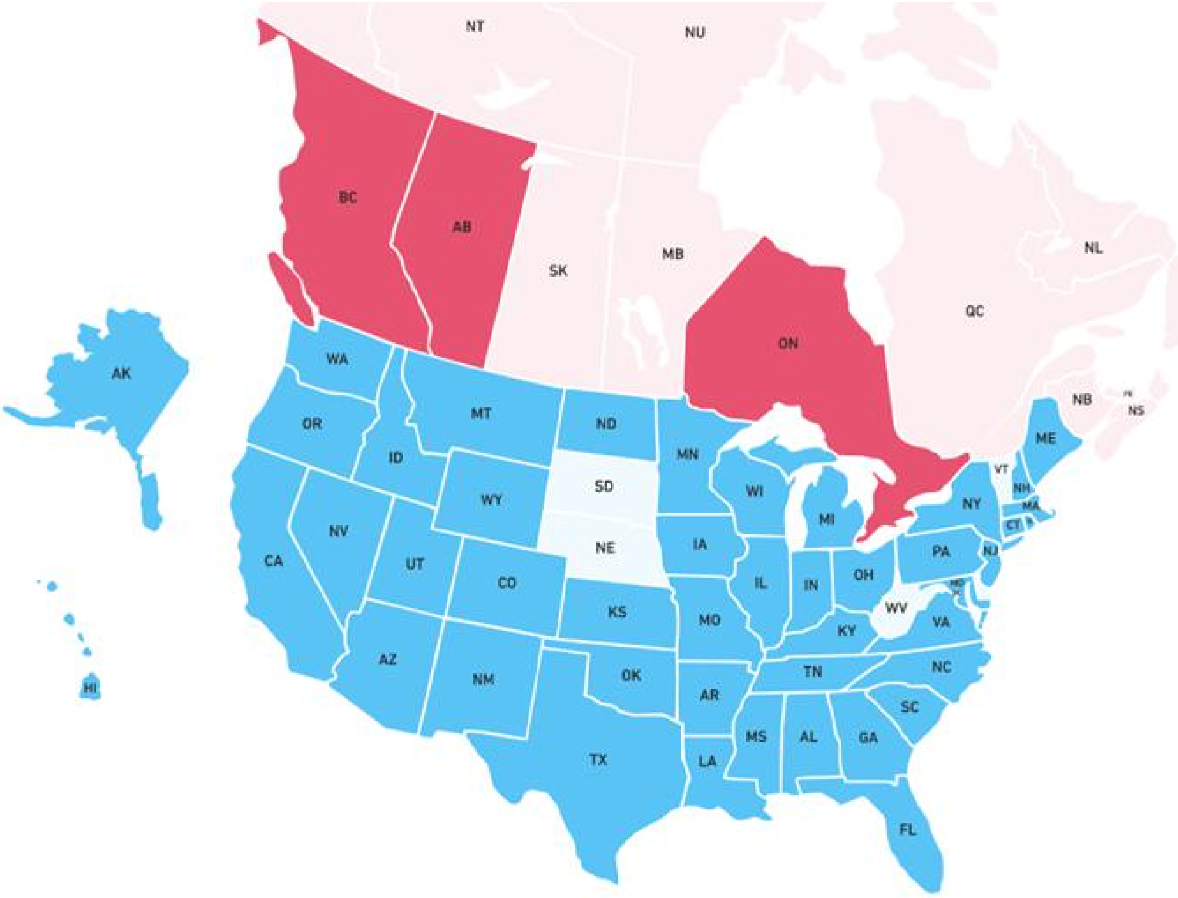
2. 100% mobile brokerage services
We are 100% mobile – so agents have what they need to close the deal at their fingertips and aren't paying for unused office space.

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 an agent 5% of Real's portion of an agents' gross commission income up to an annual cap.

2022 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 December 31, 2022, we were licensed in 45 states and the District of Columbia in the United States and Alberta, British Columbia, and Ontario in Canada. Real's fast-growing network of agents allows for strong relationship building, access to a nationwide referral network and seamless expansion opportunities.



8,200	49	$381.8M	$14.4B
Agents, Q4 2022	45 States, D.C. and 3 provinces in Canada Q4 2022	Revenue, fiscal year 2022	Value of sold homes, fiscal year 2022

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 years ended December 31, 2022 and 2021. This MD&A is dated March 16, 2023 and should be read in conjunction with audited consolidated financial statements and related notes for the years ended December 31, 2022 and 2021 (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, inventory, 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, rising inflation, the ongoing conflict in Ukraine, volatility in the U.S. equity markets, and the lingering impacts of the COVID-19 pandemic. Collectively, these factors may contribute to slowed consumer demand, which can impact home affordability and negatively impact home price appreciation. 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. While we continue to assess the effects of the slowdown on our business and financial results, the ultimate impact will depend on future developments, which are highly uncertain and difficult to predict, as well as the actions that we have taken, or will take, to minimize any current and future impact.

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.

In 2022, macroeconomic conditions in North America contributed to a slowdown in the residential real estate market, impacting our business and financial results. In particular, as a result of a persistently high inflation rate in the U.S., the Federal Reserve Board increased the federal funds rate by an aggregate of 425 basis points in 2022. In connection with the increase in the federal funds rates, mortgage rates also increased sharply, with average 30-year rates ending the year at 6.4% from 3.1% at the end of 2022, according to Freddie Mac data.

As a result of higher mortgage rates, total existing-home sale volume in the U.S., which consists of completed transactions that include single-family homes, townhomes, condominiums and co-ops, contracted 17.8% to 5.0 million units in 2022 compared to 2021, according to data reported by the National Association of Realtors. With the exception of January 2022, on a seasonally-adjusted basis volume declined in each month of 2022. Likewise, according to the Canadian Real Estate Association, Canadian national home sale volume fell 25.2% in 2022, the largest annual drop since at least 2001.

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 $366,500 as of December 2022. However, average home prices remain well above levels experienced prior to the pandemic, and home price appreciation was still slightly positive on a year-over-year basis. Meanwhile, Canadian home sales prices ended the year up 2.4% compared with the prior year.

Despite the sharply lower transaction volumes in the market, the overall impact on the Company has been partially 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 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 113% year over year in 2022. 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 the developmental steps that will enable us to capitalize on this opportunity.

Recent developments

Normal Course Issuer Bid

On May 17, 2021, the TSXV accepted the Company's Notice of Intention to implement a normal course issuer bid ("**NCIB**"). Pursuant to the NCIB, during the 12-month period commencing May 20, 2021 and ending May 20, 2022, the Company could purchase up to 7.2 million common shares of the Company ("**Common Shares**"), representing approximately 5% of the total 143.4 million Common Shares issued and outstanding as of April 30, 2021.

On May 19, 2022, the Company announced that it renewed the NCIB to be transacted through the facilities of the NASDAQ and other stock exchanges and/or alternative trading systems in the United States and/or Canada (other than the TSXV), if eligible. Pursuant to the NCIB, Real could 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 Company appointed CWB Trust Services (the "**Trustee**") as the trustee for the purposes of arranging for the acquisition of Common Shares and to hold the Common Shares in trust for the purposes of satisfying restricted share unit ("**RSU**") obligations and to perform other administration matters related to the NCIB. Through the Trustee, RBC Capital Markets was engaged to undertake purchases under the NCIB. RBC Capital Markets is required to comply with the TSXV and NASDAQ NCIB rules in respect of the purchases of Common Shares as the Trustee is considered to be a non-independent trustee by the TSXV for the purposes of the NCIB rules.

The Common Shares acquired are held by the Trustee until the same are sold in the market with the proceeds to be transferred to designated participants or until the Common Shares are delivered to designated participants, in each case under the terms of the Company's equity incentive plans to satisfy the Company's obligations in respect of redemptions of vested RSUs held by such designated participants.

As of December 31, 2022, the Company had repurchased 8.6 million Common Shares for $20.7 million pursuant to the NCIB. A total of 2 million Common Shares have been released from the trust to satisfy the Company's obligations in respect of redemptions of vested RSU held by designated participants.

On July 26, 2022, the 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 will continue on the NASDAQ under the same symbol, "REAX".

Scott Benson Acquisition

On December 3, 2021, the Company completed the acquisition of the common shares of Scott Benson Real Estate Inc in Ontario, Canada. The transaction was settled in nominal cash consideration for an aggregate purchase price of one Canadian dollar. We have completed the valuation of the acquired assets and assumed liabilities and have assigned $23 thousand as the fair value of the Company's brokerage license.

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 $600,000 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 the current states of operation, Florida, Georgia, and Texas.. As of the reporting date, the contingent terms were met and the $600,000 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 will 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, fuels 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 issued 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 LewmonBrew Key Employment 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.

Business Model

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.

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 revenue 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 status quo results in an experience that is too often:

- Unpredictable: From a buyer's perspective, unforeseen issues surprisingly arise based on lack of awareness of potential outcomes.
- Chaotic: Requires interactions with multiple parties (lender, insurance, 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 and 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) the offering of attractive business terms to agents and 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 and home buyers and sellers, Real will seek 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-GAAP measures

In addition to the reported IFRS measures, industry practice is to evaluate entities giving consideration to certain non-GAAP 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 GAAP and have no standardized definitions, and as such, our computations of these non-GAAP measures may not be comparable to measures by other reporting issuers. In addition, Real's method of calculating non-GAAP 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" of 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 annual information *(in thousands)*

	For the Year Ended	
	December 31, 2022	**December 31, 2021**
Operating Results		
Total Revenues	381,756	121,681
Loss from Continuing Operations	(20,335)	(11,679)
Total Comprehensive Loss Attributable to Owners of the Parent	(20,699)	(12,026)
Per Share Basis		
Basic and diluted loss per share (ii)	(0.12)	(0.07)
EBITDA (i) (iii)	**(18,550)**	**(10,804)**
Adjusted EBITDA (i) (iii)	**(8,905)**	**(5,124)**

(i) Represents a non-GAAP measure. Real's method for calculating non-GAAP measures may differ from other reporting issuers' methods and accordingly may not be comparable. For definitions and basis of presentation of Real's non-GAAP measures, refer to the non-GAAP 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-GAAP measures section of this MD&A for further details.

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

	For the Year Ended	
	December 31, 2022	**December 31, 2021**
Net Loss and Comprehensive Loss	(20,699)	(12,026)
Add/(Deduct):		
Finance Expenses, net	1,167	662
Net Income Attributable to Noncontrolling Interest	242	-
Cumulative (Gain)/Loss on Investments in Debt Instruments Classified as at FVTOCI Reclassified to Profit or Loss	407	352
Foreign Currency Translation Adjustment	-	(5)
Depreciation	333	213
EBITDA	**(18,550)**	**(10,804)**

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

	For the Year Ended	
	December 31, 2022	**December 31, 2021**
Net Loss and Comprehensive Loss	(20,699)	(12,026)
Add/(Deduct):		
Finance Expenses, net	1,167	662
Net Income Attributable to Noncontrolling Interest	242	-
Cumulative (Gain)/Loss on Investments in Debt Instruments Classified as at FVTOCI Reclassified to Profit or Loss	407	352
Foreign Currency Translation Adjustment	-	(5)
Depreciation	333	213
Stock-Based Compensation	8,510	5,207
Listing Expenses	151	356
Restructuring Expense	222	117
Other Professional Expenses	762	-
Adjusted EBITDA	**(8,905)**	**(5,124)**

For the year ended December 31, 2022, total revenues amounted to $381.8 million compared to $121.7 million for the year ended December 31, 2021, 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 year ended December 31, 2022, total cost of sales amounted to $349.8 million compared to $110.6 million for the year ended December 31, 2021. 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 13 of the Financial Statements, Share-based payment arrangements, of the Financial Statements.

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

	For the Year Ended		
	December 31, 2022	**December 31, 2021**	***YoY Change***
Major Service Lines			
Commissions	376,254	120,957	*211%*
Title	1,869	-	*-%*
Mortgage Income	19	-	*-%*
Fee Income	2,378	711	*234%*
Other	1,236	13	*9,408%*
Total Revenue	**381,756**	**121,681**	***214%***
Timing of Revenue Recognition			
Products and Services Transferred at a Point in Time	381,756	121,681	*214%*
Revenue from Customers with Contracts	**381,756**	**121,681**	***214%***

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

	For the Year Ended		
	December 31, 2022	**December 31, 2021**	***YoY Change***
Commissions and other agent-related costs	**349,806**	**110,587**	***216%***
Operating Expenses			
General and Administration Expense	**24,155**	**10,573**	***128%***
Salaries and Benefits	11,733	3,748	*213%*
Stock-Based Compensation (G&A)	2,778	1,333	*108%*
Administrative Expenses	1,803	1,006	*79%*
Professional Fees	5,893	3,425	*72%*
Depreciation	333	213	*56%*
Other General and Administrative Expenses	1,615	848	*90%*
Marketing Expenses	**22,674**	**7,808**	***190%***
Salaries and Benefits	478	327	*46%*
Stock-Based Compensation (Marketing - FTE)	1	135	*(99)%*
Stock-Based Compensation (Marketing - Agents)	5,519	2,194	*152%*
Revenue Share	14,975	4,454	*236%*
Other Marketing and Advertising Cost	1,701	698	*144%*
Research and Development Expenses	**4,867**	**3,979**	***22%***
Salaries and Benefits	2,012	840	*140%*
Stock-Based Compensation (Research & Development)	212	1,545	*(86)%*
Other Research and Development	2,643	1,594	*66%*
Total Cost of Sales and Operating Expenses	**401,502**	**132,947**	***202%***

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 EBITDA positive. Our loss as a percentage of total revenue was 5% for the year ended December 31, 2022 and 10% for the year ended December 31, 2021. More detailed explanations for movements in expenses represented above can be found in the paragraphs below.

	For the Year Ended	
	December 31, 2022	**December 31, 2021**
Revenues	381,756	121,681
Commissions and other agent-related costs	349,806	110,587
Cost of Sales as a Percentage of Revenues	**91.6%**	**90.9%**

The total cost of sales for the year ended December 31, 2022, was $349.8 million in comparison to $110.6 million for the year ended December 31, 2021. 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 $12,000, which is defined as the agent "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, the increase in 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 LemonBrew Lending, and by adding additional ancillary services that will be integrated into a consumer-facing platform.

Our salaries and benefits expenses for the year ended December 31, 2022 was $14.2 million in comparison to $4.9 million for the year ended December 31, 2021. The increase in salaries and benefits expenses were mainly due to an increase in number of full-time employees from 62 on December 31, 2021 to 118 on December 31, 2022. 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 214% 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**") to Agent ratio as of December 31, 2022 is 1:69 compared to 1:62 as of December 31, 2021.

Our stock-based compensation expense for the year ended December 31, 2022 was $8.5 million in comparison to $5.2 million for the year ended December 31, 2021. 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 year ended December 31, 2022 and December 31, 2021, we reclassified agent related stock compensation expense from Options and RSUs to marketing expenses. For the year ended December 31, 2022 and December 31, 2021, 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 Year Ended					
	December 31, 2022			**December 31, 2021**		
	Options Expense	**RSU Expense**	**Total**	**Options Expense**	**RSU Expense**	**Total**
Marketing Expenses – Agent Stock-Based Compensation	1,215	4,304	**5,519**	1,188	1,006	**2,194**
Marketing Expenses – FTE Stock-Based Compensation	-	1	**1**	135	-	**135**
Research and Development – FTE Stock-Based Compensation	111	101	**212**	1,545	-	**1,545**
General and Administrative – FTE Stock-Based Compensation	1,702	1,076	**2,778**	1,316	17	**1,333**
Total Stock-Based Compensation Expense	**3,028**	**5,482**	**8,510**	**4,184**	**1,023**	**5,207**

Our consultancy expenses for the year ended December 31, 2022 were $5.9 million in comparison to $3.4 million for the year ended December 31, 2021. The increase in consultancy expenses was largely due to an increase in legal and professional fees associated with the Expetitle Transaction and the LemonBrew Transaction and an increase in our broker and recruiter consulting fees as a result of our expanding geographic footprint.

Our marketing expenses for the year ended December 31, 2022 were $22.7 million compared to $7.8 million for the year ended December 31, 2021, primarily due to our efforts to attract agents. This increase is primarily comprised of $15.0 million in revenue share paid to agents as part of our revenue share model and agent related stock-based compensation expense of $5.5 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 year ended December 31, 2022 were $4.9 million compared to $4.0 million for the year ended December 31, 2021. The minimal increase is primarily due to the capitalization of costs associated with developing our internal-use cloud-based residential real-estate transaction system. These costs are primarily related to costs incurred in relation to internally created software during the application development stage including costs for upgrades and enhancements that result in additional functionality.

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 year ended December 31, 2022 is included below:

	For the Year Ended December 31, 2022					
	Financial Assets	**Carrying Amount**			**Fair Value**	
	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**	**-**	**-**	**-**

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 December 31, 2022. 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.

	2022				2021			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	96,118	111,633	112,356	61,649	50,479	38,798	23,095	9,309
Cost of Sales	87,898	103,057	103,064	55,787	46,371	35,477	20,667	8,072
Gross Profit	**8,220**	**8,576**	**9,292**	**5,862**	**4,108**	**3,321**	**2,428**	**1,237**
Administrative Expenses	7,121	5,544	6,116	5,374	3,378	2,043	2,847	2,305
Marketing Expenses	7,061	6,197	5,700	3,716	3,790	2,154	1,214	650
Research and Development Expenses	1,002	1,146	1,680	1,039	682	145	1,157	1,995
Other Income (Loss)	(62)	(231)	(257)	(179)	(249)	-	-	-
Operating Income (Loss)	**(6,902)**	**(4,080)**	**(3,947)**	**(4,088)**	**(3,493)**	**(1,021)**	**(2,790)**	**(3,713)**
Listing Expenses	16	135	-	-	-	-	-	-
Finance Expenses, net	(159)	954	208	164	352	44	201	65
Income (Loss) Before Tax	**(6,759)**	**(5,169)**	**(4,155)**	**(4,252)**	**(3,845)**	**(1,065)**	**(2,991)**	**(3,778)**
Non-controlling interest	(50)	(78)	(53)	(61)	-	-	-	-
Income (Loss) Attributable to the Owners of the Parent	**(6,809)**	**(5,247)**	**(4,208)**	**(4,313)**	**(3,845)**	**(1,065)**	**(2,991)**	**(3,778)**
Other Comprehensive Incomes (loss):								
Unrealized Gains (Losses) on Available for Sale Investment Portfolio	128	(142)	(116)	(277)	(352)	-	-	-
Foreign Currency Translation Adjustment	(58)	(51)	190	204	4	(1)	(43)	45
Comprehensive Income (Loss)	**(6,739)**	**(5,440)**	**(4,134)**	**(4,386)**	**(4,193)**	**(1,064)**	**(2,948)**	**(3,823)**
Non-Operating Expenses:								
Finance Costs	(237)	1,174	377	502	699	43	158	110
Depreciation	108	87	135	3	83	44	44	42
Stock-Based Compensation	3,222	2,057	1,446	1,785	494	(80)	2,045	2,748
Listing Expenses	16	135	-	-	(99)	310	145	-
Restructuring Expense	160	62	-	-	54	3	60	-
Other Expenses	456	25	155	126	-	-	-	-
Adjusted EBITDA	**(3,014)**	**(1,900)**	**(2,021)**	**(1,970)**	**(2,962)**	**(744)**	**(496)**	**(923)**
Earnings per Share								
Basic and Diluted Loss per Share	**(0.038)**	**(0.029)**	**(0.023)**	**(0.025)**	**(0.021)**	**(0.006)**	**(0.053)**	**(0.038)**

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)*

	December 31, 2022	December 31, 2021
ASSETS		
Current Assets	28,369	38,665
Non-Current Assets	15,393	1,332
TOTAL ASSETS	**43,762**	**39,997**
LIABILITIES		
Current Liabilities	21,105	12,314
Non-Current Liabilities	242	679
TOTAL LIABILITIES	**21,347**	**12,993**
TOTAL EQUITY	**22,415**	**27,004**
TOTAL LIABILITIES AND EQUITY	**43,762**	**39,997**

For the year ended December 31, 2022, cash and investments totaled $26.2 million, compared to $37.9 million at December 31, 2021. Cash is comprised of cash held in our banking and investment accounts.

For the year ended December 31, 2022, financing activities used cash of $7.8 million. Cash flow used in financing activities primarily related to the repurchases of the Common Shares for satisfying RSU obligations pursuant to the NCIB totaling $8.1 million. Cash flows from investing activities used cash of $9 million mainly due to the Expetitle Transaction ($7.4 million). Cash flows generated in operations was $6.0 million in comparison to $1.7 million for the year ended December 31, 2021.

We believe that our existing balances of cash 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 Year Ended	
	December 31, 2022	**December 31, 2021**
Cash and Cash Equivalents	10,846	25,818
Other Receivables	74	23
Investment in Financial Assets[iii]	7,892	8,811
Total Capital [i],[ii]	**18,812**	**34,652**

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

[ii] – Represents a non-GAAP measure. Real's method for calculating non-GAAP 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, 2021**	**Deposits / (Withdrawals)**	**Dividends, Interest & Income**	**Gross Unrealized Gains / (Losses)**	**Estimated Fair Value December 31, 2022**
U.S. Government Bonds	5,033	528	91	(172)	5,480
Municipal Bonds	2,900	(1,220)	34	(197)	1,517
Bond Mutual Funds	878	-	-	(38)	840
Investment Certificate	-	55	-	-	55
Cash Equivalents and Short Term Investments	**8,811**	**(637)**	**125**	**(407)**	**7,892**

The Company holds no debt obligations.

Contractual obligations

As of December 31, 2022, 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 December 31, 2022 is $7 thousand per month. Additionally, the Company acquired leases related to offices in North Carolina and New Jersey (ending on September 30, 2023) as part of the LemonBrew Transaction. The associated leases were transferred to the Company on December 9, 2022. The following is a schedule of Company's future lease payments under lease obligations (in thousands):

	For the Year Ended	
	December 31, 2022	**December 31, 2021**
Maturity analysis – contractual undiscounted cash flows		
Less than one year	96	94
One year to five years	-	41
More than five years	-	-
Total undiscounted lease liabilities	**96**	**135**
Lease liabilities included in the balance sheet	**96**	**131**
Current	96	91
Non-current	-	40

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 December 31, 2022 and 2021.

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 year ended December 31, 2022, the total investment in securities available for sale at fair value was $7.9 million and is more fully disclosed in Note 15 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			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue								
Commissions	94,490	110,259	110,999	60,506	50,158	38,613	22,927	9,259
Commissions – YoY QTR	*88%*	*186%*	*384%*	*553%*	*612%*	*886%*	*779%*	*217%*
Title Revenue	477	484	506	402	-	-	-	-
Title Revenue – YoY QTR	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**
Mortgage Income	19	-	-	-	-	-	-	-
Mortgage Income – YoY QTR	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**	**-%**
Fee Income / Other Revenue	1,132	890	851	741	321	185	168	50
Fee Income / Other Revenue – YoY QTR	*253%*	*381%*	*407%*	*1,382%*	*613%*	*671%*	*282%*	*163%*
Total Revenue	**96,118**	**111,633**	**112,356**	**61,649**	**50,479**	**38,798**	**23,095**	**9,309**
***Total Revenue –** YoY QTR*	***90%***	***188%***	***386%***	***562%***	***612%***	***885%***	***790%***	***217%***

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 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 December 31, 2022.

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* (the Exchange Act)). 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 December 31, 2022, 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 December 31, 2022.

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 year ended December 31, 2022 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 the CEO, the CFO, the COO, the CTO, the CMO, and other members of the 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 Year Ended	
	December 31, 2022	**December 31, 2021**
Salaries and Benefits	2,435	1,476
Stock-Based Compensation	2,164	2,412
Consultancy	-	270
Compensation Expenses for Related Parties	**4,599**	**4,158**

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 United States 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 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.

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 and may have been in business longer than we have or have greater name recognition and be better 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 user 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 had significant impact on the global economy and the financial markets. This unprecedented situation has 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.

For the year ended December 31, 2022, the effects of the COVID-19 pandemic on business worldwide lessened. While we did not see adverse impacts of the COVID-19 pandemic on our financial results for the year ended December 31, 2022, the extent of the future impact of the ongoing COVID-19 pandemic on our financial results will depend largely on future developments, including the emergence of new variants of the COVID-19 virus, the severity and transmission rates of the new variants, the duration and extent of the spread of the virus, 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 ongoing COVID-19 pandemic, all of which are highly uncertain and difficult to predict.

OUTSTANDING SHARE DATA

As of March 16, 2023, the Company had 179 million Common Shares issued and outstanding.

In addition, as of March 16, 2023, there are 21 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 November 2032. Each Option is exercisable for one Common Share. As of March 16, 2023, a total of 19.8 million RSUs are issued and outstanding. Once vested, a total of 19.8 million Common Shares will be issuable pursuant to the outstanding RSUs.

RECENT DEVELOPMENTS

On January 24, 2023, Real announced a new Co-Sponsored Revenue Share program, which launched on February 1, 2023 throughout the U.S and Canada. The program is designed to break down silos and encourage collaboration as the Company continues its rapid expansion. Previously, an agent joining Real was able to name only one sponsor, an existing Real agent who would receive a portion of the brokerage's share of the agent's commission split on the completion of a real estate transaction. Under the new program, an agent can be sponsored by up to two agents, with each agent sharing equally in a portion of Real's split of the commission. Real believes this program is the first of its kind in the industry. In connection with this program, Real also implemented a variety of changes to the agent incentive model to reflect the significant rise in the overall price levels since 2021. These changes include:

- a new $30 per transaction broker review, E&O insurance, and processing fee;
- a new $175 annual fee to participate in our revenue sharing program, and a 1.2% fee on all revenue share payments;
- an increase of $100 to the joining fee, to $249;
- an increase of $60 to the post-Capping transaction fee, to $285;
- an increase of $29 to the transaction fee for Elite agents, to $129;
- an increase of $250 to the annual brokerage fee, to $750.

All changes were implemented on February 1, 2023 for new U.S. agents and will go into effect on April 1, 2023 for all U.S. agents.

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 99.4

CERTIFICATION

I, Tamir Poleg, Chief Executive Officer of The Real Brokerage Inc., certify that;

1. I have reviewed this Annual Report on Form 40-F of The Real Brokerage Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting 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 generally accepted accounting principles:

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2023

By: /s/ *Tamir Poleg*
Name: **Tamir Poleg**
Title: **Chief Executive Officer**

EXHIBIT 99.5

CERTIFICATION

I, Michelle Ressler, Chief Financial Officer of The Real Brokerage Inc., certify that;

1. I have reviewed this Annual Report on Form 40-F of The Real Brokerage Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting 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 generally accepted accounting principles:

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2023

By: /s/*Michelle Ressler*
Name: **Michelle Ressler**
Title: **Chief Financial Officer**

EXHIBIT 99.6

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Tamir Poleg, Chief Executive Officer of The Real Brokerage Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

a. the Annual Report on Form 40-F of the Company for the fiscal year ended December 31, 2022 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

b. the information contained in the Annual Report fairly presents in all material respects the financial condition and results of operations of the Company.

Date: March 16, 2023

By: */s/Tamir Poleg*
Name: **Tamir Poleg**
Title: **Chief Executive Officer**

EXHIBIT 99.7

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michelle Ressler, Chief Financial Officer of The Real Brokerage Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

a. the Annual Report on Form 40-F of the Company for the fiscal year ended December 31, 2022 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

b. the information contained in the Annual Report fairly presents in all material respects the financial condition and results of operations of the Company.

Date: March 16, 2023

By:	*/s/Michelle Ressler*
Name:	**Michelle Ressler**
Title:	**Chief Financial Officer**

EXHIBIT 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-262142 on Form S-8 and to the use of our report dated March 16, 2023 relating to the consolidated financial statements of The Real Brokerage Inc., appearing in this Annual Report on Form 40-F for the year ended December 31, 2022.

/s/ Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, Israel
March 16, 2023