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

FORM 6-K

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

For the month of November 2022

Commission File Number: 001-40442

THE REAL BROKERAGE INC.
(Registrant)

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

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

Form 20-F Form 40-F

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

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

SIGNATURES

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

THE REAL BROKERAGE INC.
(Registrant)

Date November 10, 2022

By /s/ Tamir Poleg
Tamir Poleg
Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description of Exhibit</u>
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<u>99.1</u>	<u>Management's Discussion and Analysis For the period ended September 30, 2022</u>
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<u>99.2</u>	<u>Unaudited Interim Condensed Consolidated Financial Statements for the period ended September 30, 2022</u>
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<u>99.3</u>	<u>Certification of Interim Filings - CEO</u>
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<u>99.4</u>	<u>Certification of Interim Filings - CFO</u>
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<u>99.5</u>	<u>Press Release dated November 10, 2022 - The Real Brokerage Inc. Announces Third Quarter 2022 Financial Results</u>
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THE REAL BROKERAGE INC.

Management's Discussion and Analysis

For the period ended September 30, 2022

November 10, 2022

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.

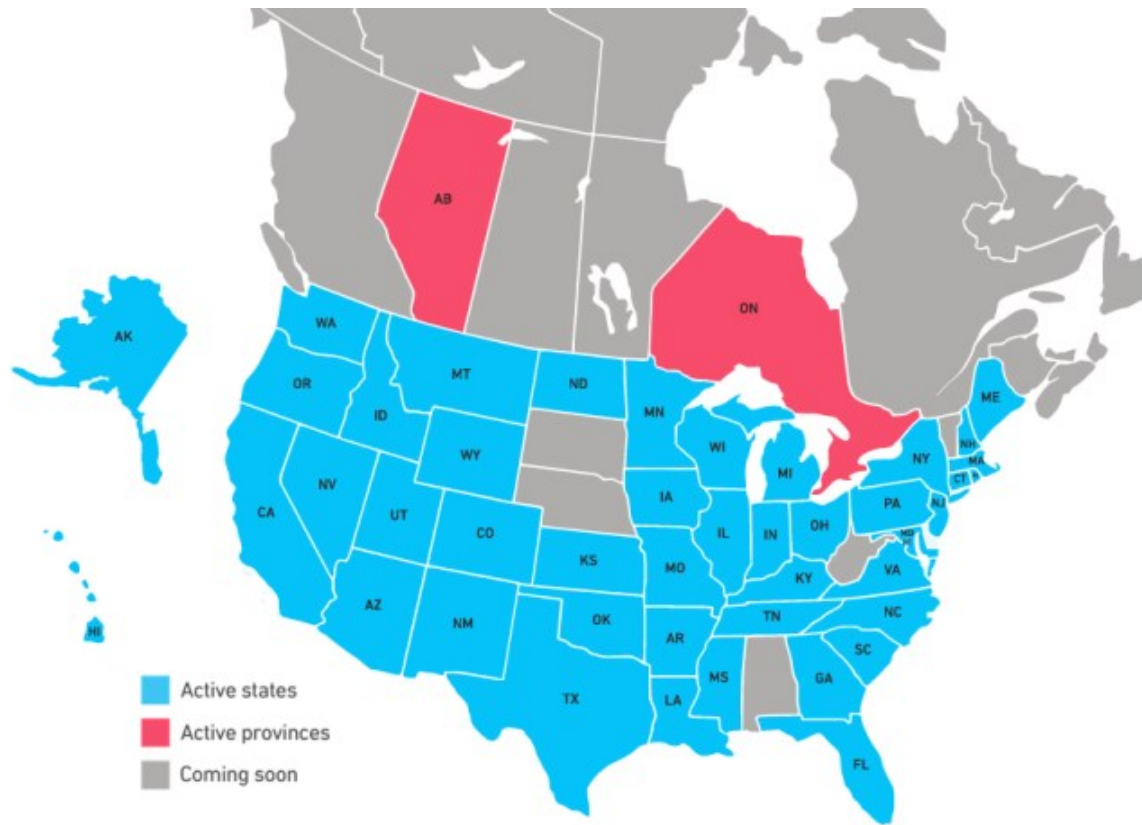


4. Earn more with revenue sharing

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 September 30, 2022, Real was licensed in 44 states and the District of Columbia in the United States and in Alberta and Ontario, Canada. Real's fast-growing network of agents allows for strong relationship building, access to a nationwide referral network and seamless expansion opportunities.



6,700

Agents, Q3 2022

47

(44 states, D.C., and 2
provinces in Canada)
Q3 2022

\$285.6M

Revenue, Q3 YTD 2022

\$10.78B

Value of sold homes, YTD Q3
2022

THE REAL BROKERAGE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 AND 2021
UNAUDITED

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 three and nine-month period ended September 30, 2022, and 2021. This MD&A is dated November 10, 2022 and should be read in conjunction with unaudited interim condensed financial statements and related notes for the three and nine-month period ended September 30, 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 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 economic growth, interest rates, unemployment, inventory, and mortgage rate volatility. The Company's revenue from a real estate transaction is recorded only when a real estate transaction has been closed. Consequently, the timing of revenue recognition can materially affect quarterly results.

During the first nine months of the year, macroeconomic conditions in North America have 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 has increased the federal funds rate by an aggregate of 300 basis points in the first nine months of 2022, and is expected to continue on this path. In connection with the rise in the federal funds rates, mortgage rates have also increased sharply, rising to 6.9% as of October 13, 2022 from 3.1% at the end of 2021.

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Other events and conditions that may have an impact on our business include, but are not limited to, the ongoing conflict in Ukraine, volatility in the U.S. equity markets, and the ongoing effects 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. Any further slowdown or additional challenging conditions in the U.S. residential real estate market could have a significant impact on our business and financial results in fourth quarter of 2022 and beyond. While we continue to assess the effects of the current 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.

Total existing-home sales in the U.S., which consists of completed transactions that include single-family homes, townhomes, condominiums and co-ops, contracted to a seasonally adjusted annual rate of 4.7 million in September 2022, a significant decline from 6.1 million in December 2021, according to data reported by the National Association of Realtors. With the exceptions of January 2022, existing home sale volumes have declined in each month of 2022 through September. The impact of sale 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 \$384,800 as of September 2022. However, average home prices remain well above levels experienced prior to the COVID-19 pandemic, and home price appreciation is still positive on a year-over-year basis. Despite the increase in borrowing costs for home buyers, in the nine-month period ended September 30, 2022, the overall impact of rising mortgage rate on the Company has been mostly 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 our operations on development of technology that helps real estate agents perform better and 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 oversight.

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 is focused on developing a comprehensive consumer-facing mobile application while looking to integrate existing and planned ancillary services. In January, Real acquired a title company, which has rebranded to Real Title and in September Real signed an agreement to acquire LemonBrew Lending, a tech-enabled home loan platform, licensed to provide a full suite of mortgage services across 20 states in the U.S. including Texas, California, and Florida.

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. Real believes it can deliver value to shareholders by adding ancillary services with historically high margins and seeks to create a technology-enhanced game-changing experience for consumers.

THE REAL BROKERAGE, INC.
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Growth in Market Share

Following our listing on the TSX Venture Exchange (the "TSXV"), the Nasdaq Capital Market (the "NASDAQ"), and our subsequent graduation to Toronto Stock Exchange (the "TSX") from the TSXV, 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, as well as higher productivity of those newer cohorts. This trend is well reflected in our results, and we expect to continue to capture market share going forward.

Our non-brick and mortar-based model is becoming increasingly desirable, enabling agents to work from anywhere, without being tied to a physical office by leveraging our best-in-class technology.

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 believe there is an opportunity to produce agent focused software products that will create differentiation between Real and other brokerages. We also acknowledge that profitability in our industry is closely tied to the improvement of internal operations efficiency through automation and the ability to scale and expand 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 beginning to allocate resources towards building the technology, which 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, the Company may, during the 12-month period commencing May 20, 2021, and ending May 20, 2022, purchase up to 7.2 million common shares of the Company ("**Common Shares**"), being 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 is renewing 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 may purchase up to 8.9 million Common Shares, representing approximately 5% of the total 178.3 million Common Shares issued and outstanding as of May 19, 2022.

The 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 has been 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 will be 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.

The Company repurchased 7.8 million Common Shares in the amount of \$19.4 million as of September 30, 2022 pursuant to the NCIB. A total of 1.8 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.

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On July 26, 2022, the Common Shares commenced trading on 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".

Business Model

Revenue share model

As the vast majority of real estate agents are independent contractors, we believe that it is our responsibility to create multiple revenue sources and improve financial opportunities for agents. Our attractive commission split coupled with the equity incentives for agents provide great opportunities. We are now offering agents the opportunity to earn revenue-share, paid out of Real's portion of commissions, for new agents that they personally refer to Real. The program 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, assisting 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 that delivers our agents better visibility into their business, transactions, and financials. We continue to develop new features for the benefit of our agents.

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 flow 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, 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 of where you are 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

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OBJECTIVES

Real seeks to become one of the leading real estate brokerages in the United States and Canada by reimagining the home buying experience by giving agents and consumers better technology while leaving agents at the center of the transaction. 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 homebuyers 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.

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A reconciliation of Adjusted EBITDA to IFRS net income is presented under the section "Results from Operations" of this MD&A.

RESULTS FROM OPERATIONS

Select interim information (in thousands)

	<i>For the Three Months Ended</i>		<i>For the Nine Months Ended</i>	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Operating Results				
Total Revenues	111,633	38,798	285,638	71,202
Loss from Continuing Operations	(5,169)	(1,064)	(13,576)	(7,835)
Total Comprehensive Loss Attributable to Owners of the Parent	(5,440)	(1,064)	(13,960)	(7,835)
Per Share Basis				
Basic and diluted loss per share ⁽ⁱⁱ⁾	(0.029)	(0.006)	(0.077)	(0.047)
EBITDA ^{(i) (iii)}	(4,979)	(977)	(12,482)	(7,394)
Adjusted EBITDA ^{(i) (iii)}	(1,900)	(744)	(5,891)	(2,163)

- (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)

	<i>For the Three Months Ended</i>		<i>For the Nine Months Ended</i>	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net Loss and Comprehensive Loss	(5,440)	(1,064)	(13,960)	(7,835)
<i>Add (Deduct):</i>				
Finance Costs	1,174	43	2,053	311
Depreciation	87	44	225	130
EBITDA	(4,179)	(977)	(11,682)	(7,394)

THE REAL BROKERAGE, INC.
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Adjusted earnings before interest, taxes, depreciation, and amortization (in thousands)

	<i>For the Three Months Ended</i>		<i>For the Nine Months Ended</i>	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Net Loss and Comprehensive Loss	(5,440)	(1,064)	(13,960)	(7,835)
<i>Add:</i>				
Finance expenses, net	1,174	43	2,053	311
Depreciation	87	44	225	130
Stock-Based Compensation	2,057	(80)	5,288	4,713
Listing Expenses	135	310	135	455
Restructuring Expenses	62	3	62	63
Extraordinary Expenses	25	-	306	-
Adjusted EBITDA	(1,900)	(744)	(5,891)	(2,163)

Balance Sheet overview (in thousands)

	September 30, 2022	December 31, 2021
ASSETS		
Current Assets	33,368	38,665
Non-Current Assets	13,958	1,332
TOTAL ASSETS	47,326	39,997
LIABILITIES		
Current Liabilities	25,763	10,046
Non-Current Liabilities	8,162	2,947
TOTAL LIABILITIES	33,125	12,993
TOTAL EQUITY	13,401	27,004
TOTAL LIABILITIES AND EQUITY	47,326	39,997

For the nine-month period ended September 30, 2022, total revenues amounted to \$285.6 million compared to \$71.2 million for the nine-month period ended September 30, 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 countries in which we operate. We are continually investing in the acquisition of productive agents on our platform, 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 nine-month period ended September 30, 2022, total cost of sales amounted to \$261.9 million compared to \$64.2 million for the nine-month period ended September 30, 2021. Cost of sales represents real estate commission paid to Company's agent as well as to outside brokerages in Canada and Title Fee Expenses.

Adjusted EBITDA excludes stock-based compensation expense related to our agent incentive program and stock options 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 10, Share-based payment arrangements, of the Financial Statements.

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

	<i>For the Three Months Ended</i>		<i>For the Nine Months Ended</i>	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Major Service Lines				
Commissions	110,259	38,613	281,764	70,799
Title	484	-	1,392	-
Fee Income	620	-	1,705	-
Other	270	185	777	403
Total Revenue	111,633	38,798	285,638	71,202
Timing of Revenue Recognition				
Products and Services Transferred at a Point in Time	111,363	38,613	284,861	70,799
Services transferred over time	-	403	-	403
Revenue from Customers with Contracts	111,363	39,016	284,861	71,202
Other Revenue	270	(218)	777	-
Total Revenue	111,633	38,798	285,638	71,202

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

	<i>For the Three Months Ended</i>		<i>For the Nine Months Ended</i>	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Cost of Sales	103,057	35,477	261,908	64,216
Operating Expenses				
General and Administration Expense	5,544	2,043	17,034	7,195
Salaries and Benefits	3,072	685	7,893	1,877
Stock-Based Compensation (G&A)	184	311	2,236	2,346
Administrative Expenses	421	380	1,243	506
Professional Fees	1,409	535	4,380	1,936
Depreciation	87	44	225	130
Other General and Administrative Expenses	371	88	1,057	400
Marketing Expenses	6,197	2,154	15,613	4,018
Salaries and Benefits	84	55	367	228
Stock-Based Compensation (Marketing - FTE)	12	10	(4)	10
Stock-Based Compensation (Marketing - Agents)	1,776	145	2,905	624
Revenue Share	3,876	1,324	10,955	2,282
Other Marketing and Advertising Cost	449	620	1,390	874
Research and Development Expenses	1,146	145	3,865	3,297
Salaries and Benefits	426	126	1,552	620
Stock-Based Compensation (Research & Development)	85	(1,077)	151	1,201
Other Research and Development	635	1,096	2,162	1,476
Total Cost of Sales and Operating Expenses	115,944	39,819	298,420	78,726

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 nine-month period ended September 30, 2022, and 11% for the nine-month period ended September 30, 2021. More detailed explanations for movements in expenses represented above can be found in the paragraphs below.

The following table is presented in thousands:

	<i>For the Nine Months Ended</i>	
	September 30, 2022	September 30, 2021
Revenues	285,638	71,202
Cost of Sales	261,908	64,216
Cost of Sales as a Percentage of Revenues	92%	90%

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The total cost of sales for the nine-month period ended September 30, 2022, was \$261.9 million in comparison to \$64.2 million for the nine-month period ended September 30, 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. As the total revenue increases, the total commission to agents' expense increases accordingly. Our margins are affected by the increase in the number of agents who achieve their Cap, the increase in volume and increases in unit 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 launch of title services "Real Title", the introduction of financial services, such as our "Instant Payments" program, by adding additional ancillary services and through the launch of our consumer product.

Our salaries and benefits expenses for the nine-month period ended September 30, 2022 was \$9.8 million in comparison to \$2.7 million for the nine-month period ended September 30, 2021. The increase in salaries and benefits expenses were mainly due to an increase in number of full-time employees from 50 on September 30, 2021 to 104 at September 30, 2022. The increase is attributable to Real's commitment to better serve its agents and to the growth 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 year over year revenue growth at 301%, 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 September 30, 2022 is 1:64 compared to 1:60 as of September 30, 2021.

Our stock-based compensation expense for the nine-month period ended September 30, 2022 was \$5.3 million in comparison to \$4.7 million for the nine-month period ended September 30, 2021. The increase in stock-based compensation is primarily due to increase in agent base resulting in higher number of awards granted as part of our agent incentive program. For the nine-month period ended September 30, 2022 and September 30, 2021, we reclassified agent related stock compensation expense for from incentive stock options ("**Options**") and RSUs to Marketing expenses. For the nine-month period ended September 30, 2022 and September 30, 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:

	<i>For the Nine Months Ended</i>					
	September 30, 2022			September 30, 2021		
	Options Expense	RSU Expense	Total	Options Expense	RSU Expense	Total
Marketing Expenses - Agent Stock-Based Compensation	871	2,034	2,905	624	532	1,156
Marketing Expenses - FTE Stock-Based Compensation	(9)	5	(4)	10	-	10
Research and Development - FTE Stock-Based Compensation	68	83	151	1,201	-	1,201
General and Administrative - FTE Stock-Based Compensation	1,394	842	2,236	2,346	-	2,346
Total Stock-Based Compensation Expense	2,324	2,964	5,288	4,181	532	4,713

Our consultancy expenses for the nine-month period ended September 30, 2022 was \$4.4 million in comparison to \$1.9 million for the nine-month period ended September 30, 2021. The increase in consultancy expenses was largely due to an increase in legal and professional fees associated with the Expetitle acquisition and an increase in our broker and recruiter consulting fees as a result of our expanding geographic footprint.

Our marketing expenses the nine-month period ended September 30, 2022, was \$15.6 million compared to \$4.0 million for the nine-month period ended September 30, 2021, due to our efforts to attract agents. This increase is primarily comprised of \$11.0 million in revenue share paid to agents, as part of our revenue share model and agent related stock-based compensation expense of \$2.9 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 chooses to limit its 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.

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Our Research and Development expenses for the nine-month period ended September 30, 2022, was \$3.9 million compared to \$3.3 million for the nine-month period ended September 30, 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.

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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.

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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 nine-month period ended September 30, 2022 is included below:

	<i>For the Nine Month Period Ended September 30, 2022</i>				
	Carrying Amount			Fair Value	
	Financial Assets Not Measured at FV	Other Financial Liabilities	Total	Level 1	Total
<i>Financial Assets Measured at Fair Value (FV)</i>					
Short Term Investments	-	-	-	9,786	9,786
Total Financial Assets Measured at Fair Value (FV)	-	-	-	9,786	9,786
<i>Financial Assets Not Measured at Fair Value (FV)</i>					
Cash	21,943	-	21,943	-	-
Trade Receivables	783	-	783	-	-
Other Receivables	74	-	74	-	-
Total Financial Assets Not Measured at Fair Value (FV)	22,800	-	22,800	-	-
<i>Financial Liabilities Not Measured at Fair Value (FV)</i>					
Accounts Payable	-	14,090	14,090	-	-
Other Payables	-	11,610	11,610	-	-
Total Financial Liabilities Not Measured at Fair Value (FV)	-	25,700	25,700	-	-

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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 September 30, 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		2020			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	111,633	112,356	61,649	50,479	38,798	23,095	9,309	7,090
Cost of Sales	103,057	103,064	55,787	46,371	35,477	20,667	8,072	6,342
Gross Profit	8,576	9,292	5,862	4,108	3,321	2,428	1,237	748
Administrative Expenses	5,544	6,116	5,374	3,378	2,043	2,847	2,305	1,737
Marketing Expenses	6,197	5,700	3,716	3,790	2,154	1,214	650	305
Research and Development Expenses	1,146	1,680	1,039	682	145	1,157	1,995	76
Other Income (Loss)	(231)	(257)	(179)	(249)	-	-	-	(167)
Operating Income (Loss)	(4,080)	(3,947)	(4,088)	(3,493)	(1,021)	(2,790)	(3,713)	(1,203)
Listing Expenses	135	-	-	-	-	-	-	32
Finance Expenses, net	954	208	164	352	44	201	65	111
Income (Loss) Before Tax	(5,169)	(4,155)	(4,252)	(3,845)	(1,065)	(2,991)	(3,778)	(1,346)
Non-controlling interest	(78)	(53)	(61)	-	-	-	-	-
Income (Loss) Attributable to the Owners of the Parent	(5,247)	(4,208)	(4,313)	(3,845)	(1,065)	(2,991)	(3,778)	(1,346)
<i>Other Comprehensive Incomes (loss):</i>								
Unrealized Gains (Losses) on Available for Sale								
Investment Portfolio	(142)	(116)	(277)	(352)	-	-	-	-
Foreign Currency Translation Adjustment	(51)	190	204	4	(1)	(43)	45	-
Comprehensive income (loss)	(5,440)	(4,134)	(4,386)	(4,193)	(1,064)	(2,948)	(3,823)	(1,346)
<i>Non-Operating Expenses:</i>								
Finance expenses, net	1,174	377	502	699	43	158	110	111
Depreciation	87	135	3	83	44	44	42	32
Stock-Based Compensation	2,057	1,446	1,785	494	(80)	2,045	2,748	802
Listing Expenses	135	-	-	(99)	310	145	-	-
Restructuring Expense	62	-	-	54	3	60	-	-
Extraordinary Expenses	25	155	126	-	-	-	-	-
Adjusted EBITDA	(1,900)	(2,021)	(1,970)	(2,962)	(744)	(496)	(923)	(401)
<i>Earnings per Share</i>								
Basic and Diluted Loss per Share	(0.029)	(0.023)	(0.025)	(0.021)	(0.006)	(0.053)	(0.038)	(0.009)

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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.

For the nine-month period ended September 30, 2022, cash and investments totaled \$31.7 million, compared to \$37.9 million at December 31, 2021. Cash is comprised of cash held in our banking and investment accounts.

For the nine-month period ended September 30, 2022, financing activities used cash of \$8.4 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 \$6.9 million. Cash flows from investing activities used cash of \$8.4 million mainly due to acquisition of Expetitle (\$7.4 million). Cash flows from operations contributed \$9.6 million in comparison to \$2.3 million for the nine-month period ended September 30, 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):

	<i>For the Period Ended</i>	
	September 30, 2022	December 31, 2021
Cash and Cash Equivalents	21,943	29,082
Restricted Cash	-	47
Trade Receivables	783	254
Other Receivables	74	23
Short Term Investments ^[iii]	9,786	8,811
Total Capital ^{[i][ii]}	32,586	38,217

[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.

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The following table presents cash and short-term investments (in thousands):

Description	Cost	Deposits / (Withdrawals)	Dividends, Interest & Income	Gross Unrealized Gains / (Losses)	Estimated Fair Value September 30, 2022
Cash Equivalents	6,087	(1,457)	131	(77)	4,684
U.S. Government Bonds	5,033	(6)	91	(214)	4,904
Municipal Bonds	2,900	1,277	34	(204)	4,007
Alternative Strategies	878	-	-	(39)	839
Investment Certificate	-	36	-	-	36
Cash Equivalents and Short Term Investments	14,898	(150)	256	(534)	14,470

The Company holds no debt obligations.

Contractual obligations

As of September 30, 2022, the Company had no guarantees, leases, off-balance sheet arrangements other than those noted in our results from operating activities. 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 September 30, 2022 is \$7 thousand per month. The following is a schedule of Company's future lease payments under lease obligations:

	<i>For the Period Ended</i>	
	September 30, 2022	December 31, 2021
<i>Maturity analysis - contractual undiscounted cash flows</i>		
Less than one year	63	94
One year to five years	-	41
More than five years	-	-
Total undiscounted lease liabilities	63	135
Lease liabilities included in the balance sheet	63	131
Current	63	91
Non-current	-	40

Capital management framework

Real defines capital as equity. 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. For 2022, Real expects to be able to satisfy all of its financing requirements through use of some or all of the following: cash on hand, cash generated by operations, sale of securities held for investment, and through the public and private offerings of equity securities.

INVESTMENT SECURITIES AVAILABLE FOR SALE 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 nine-month period ended September 30, 2022, the total investment in securities available for sale at fair value was \$9.8 million and is more fully disclosed in Note 12, Investment securities available for sale at fair value, of the Financial Statements.

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OTHER METRICS

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

	2022				2021	
	Q3	Q2	Q1	Q4	Q3	Q2
Revenue						
Commissions	110,259	110,999	60,506	50,158	38,613	22,927
<i>Commissions - YoY QTR</i>	<i>186%</i>	<i>384%</i>	<i>553%</i>	<i>612%</i>	<i>886%</i>	<i>799%</i>
Title Revenue	484	506	402	-	-	-
<i>Title Revenue - YoY QTR</i>	<i>- %</i>	<i>- %</i>	<i>- %</i>	<i>- %</i>	<i>- %</i>	<i>- %</i>
Fee Income / Other Revenue	890	851	741	321	185	168
<i>Fee Income / Other Revenue - YoY QTR</i>	<i>381%</i>	<i>407%</i>	<i>1,382%</i>	<i>613%</i>	<i>671%</i>	<i>282%</i>
Total Revenue	111,633	112,356	61,649	50,479	38,798	23,095
<i>Total Revenue - YoY QTR</i>	<i>188%</i>	<i>386%</i>	<i>562%</i>	<i>612%</i>	<i>885%</i>	<i>790%</i>

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.

CHANGES IN ACCOUNTING POLICIES

Amendments to IAS 1, Presentation of Financial Statements ("IAS 1") and IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") - Definition of Material

In October 2018, the IASB issued amendments to IAS 1 and IAS 8 to align the definition of "material" across the standards and to clarify certain aspects of the definition. The new definition states that, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." These amendments were effective January 1, 2020. The amendments to the definition of material have not had a significant impact on the Company's Financial Statements.

FUTURE CHANGES IN ACCOUNTING POLICIES

The Company monitors the potential changes proposed by the IASB and analyzes the effect that changes in the standards may have on the Company's operations. Standards issued but not yet effective up to the date of issuance of the Financial Statements are described below. This description is of the standards and interpretations issued that the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards when they become effective.

In January 2020, the IASB issued amendments to IAS 1 - Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current to clarify how to classify debt and other liabilities as current or non-current, and in particular how to classify liabilities with an uncertain settlement rate and liabilities that may be settled by converting to equity. These amendments are effective on or after January 1, 2023. The Company does not expect any material impact from the adoption of these amendments.

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In May 2020, the IASB issued Annual Improvements to IFRSs 2018 - 2020 Cycle. The improvements have amended four standards with effective date January 1, 2022: i) IFRS 1 - First-time Adoption of International Financial Reporting Standards in relation to allowing a subsidiary to measure cumulative translation differences using amounts reported by its parent, ii) IFRS 9 - Financial Instruments in relation to which fees an entity includes when applying the "10 percent" test for derecognition of financial liabilities, iii) IAS 41 - Agriculture in relation to the exclusion of taxation cash flows when measuring the fair value of a biological asset, and iv) IFRS 16 - Leases in relation to an illustrative example of reimbursement for leasehold improvements. The Company does not expect any material impact from the adoption of these amendments.

In August 2020, the IASB issued a package of amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurement, IFRS 7 - Financial Instruments: Disclosures, IFRS 4 - Insurance Contracts and IFRS 16 - Leases in response to the ongoing reform of inter-bank offered rates (IBOR) and other interest rate benchmarks. The amendments are aimed at helping companies to provide investors with useful information about the effects of the reform on those companies' financial statements. These amendments complement amendments issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. The new amendments relate to:

- *changes to contractual cash flows* - a company will not be required to derecognize or adjust the carrying amount of financial instruments for changes required by the interest rate benchmark reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- *hedge accounting* - a company will not have to discontinue its hedge accounting solely because it makes changes required by the interest rate benchmark reform if the hedge meets other hedge accounting criteria; and
- *disclosures* - a company will be required to disclose information about new risks that arise from the interest rate benchmark reform and how the company manages the transition to alternative benchmark rates.

These amendments are effective on or after January 1, 2021, with early adoption permitted.

In February 2021, the IASB issued amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies which require companies to disclose their material accounting policy information rather than their significant accounting policies and provide guidance on how to apply the concept of materiality to accounting policy disclosures. These amendments are effective on or after January 1, 2023. The Company does not expect any material impact from the adoption of these amendments.

In February 2021, the IASB issued amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates which clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. These amendments are effective on or after January 1, 2023. The Company does not expect any material impact from the adoption of these amendments.

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.

Internal control over financial reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)). 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.

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Our management, with the participation of our CEO and CFO, evaluated the effectiveness of our internal control over financial reporting as of September 30, 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 September 30, 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.

Related party transactions

The Company's key management personnel are comprised of the CEO, the CFO, the Chief Technology Officer, the Chief Operating officer, and other members of the executive team. Key management personnel compensation for the period consisted of the following:

	<i>For the Nine Months Ended</i>	
	September 30, 2022	September 30, 2021
Stock-Based Compensation	1,628	2,571
Salaries and Benefits	1,555	816
Consultancy	-	180
Compensation Expenses Related to Key Management	3,183	3,567

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.

THE REAL BROKERAGE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 AND 2021
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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.

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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.

THE REAL BROKERAGE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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 our Board the right to create one or more new classes or series of shares. As a result, our 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 threaten 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.

THE REAL BROKERAGE, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 AND 2021
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COVID-19 impact

Since early 2020, COVID-19 (including variants) has 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 period ended September 30, 2022, the effects of the COVID-19 pandemic on business worldwide have lessened. While we did not see adverse impacts of the COVID-19 pandemic on our financial results in the nine months ended September 30, 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 predicted.

OUTSTANDING SHARE DATA

As of November 10, 2022, the Company had 178.5 million Common Shares issued and outstanding.

In addition, as of November 10, 2022 there were 24.2 million stock options outstanding with exercises prices ranging from \$0.03 to \$3.40 per share and expiry dates ranging from January 2026 to August 2032. Each stock option is exercisable for one Common Share. A total of 13,339 RSUs were outstanding. Once vested, a total of 13,339 Common Shares will be issuable pursuant to the outstanding RSUs.

SUBSEQUENT EVENTS

On September 23, 2022, the Company entered into a share purchase agreement between the Company, LemonBrew Lending Corp. ("**LemonBrew Lending**") and LemonBrew Technologies Corp. (the "**Seller**") pursuant to which the Company will acquire 100% of the issued and outstanding equity interests of LemonBrew Lending from the Seller for an aggregate purchase price of \$1.25 million. The purchase price will be satisfied by (i) cash in the amount of \$800 thousand and (ii) the issuance of such number of Common Shares (the "**Consideration Shares**") equal to \$450 thousand divided by the 5-day volume weighted average trading price of the Common Shares on the NASDAQ immediately prior to the closing of the acquisition. The acquisition has been approved by the Board and is subject to a number of further conditions precedent, including, but not limited to: (i) the execution of employment and consulting agreement between Real and certain key officers and employees of LemonBrew Lending; (ii) approval of regulatory consents and (iii) other customary closing conditions. The Transaction is expected to close in the fourth quarter of 2022.

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.

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.



THE REAL BROKERAGE INC.

Interim Condensed Consolidated Financial Statements

For the period ended September 30, 2022

(Unaudited)

Symbol: REAX | Building your future, together

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

	<i>Unaudited</i>	<i>Audited</i>
	September 30, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 21,943	\$ 29,082
Restricted cash	-	47
Investments in available-for-sale securities at fair value	9,786	8,811
Trade receivables	783	254
Other receivables	74	23
Prepaid expenses and deposits	782	448
TOTAL CURRENT ASSETS	33,368	38,665
NON-CURRENT ASSETS		
Intangible assets	366	451
Goodwill	12,527	602
Property and equipment	1,019	170
Right-of-use assets	46	109
TOTAL NON-CURRENT ASSETS	13,958	1,332
TOTAL ASSETS	47,326	39,997
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	14,090	6,604
Other payables	11,610	3,351
Lease liabilities	63	91
TOTAL CURRENT LIABILITIES	25,763	10,046
NON-CURRENT LIABILITIES		
Lease liabilities	-	40
Accrued stock-based compensation	7,922	2,268
Warrants outstanding	240	639
TOTAL NON-CURRENT LIABILITIES	8,162	2,947
TOTAL LIABILITIES	33,125	12,993
EQUITY		
EQUITY ATTRIBUTABLE TO OWNERS		
Share Premium	63,738	63,397
Stock-based compensation reserves	10,274	6,725
Deficit	(43,895)	(30,127)
Other Reserves	(539)	(347)
Treasury Stock, at cost	(16,390)	(12,644)
EQUITY ATTRIBUTABLE TO OWNERS	13,188	27,004
Non-controlling interests	213	-
TOTAL EQUITY	13,401	27,004
TOTAL LIABILITIES AND EQUITY	47,326	39,997

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

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	2022	2021	2022	2021
Revenues	\$ 111,633	38,798	285,638	71,202
Cost of Sales	103,057	35,477	261,908	64,216
Gross Profit	8,576	3,321	23,730	6,986
General and administrative expenses	5,544	2,043	17,034	7,195
Marketing expenses	6,197	2,154	15,613	4,018
Research and development expenses	1,146	145	3,865	3,297
Operating Loss	(4,311)	(1,021)	(12,782)	(7,524)
Other income	(231)	-	(667)	-
Listing expenses	135	-	135	-
Finance expenses, net	954	43	1,326	311
Net Loss	(5,169)	(1,064)	(13,576)	(7,835)
Non-controlling interest (NCI)	78	-	192	-
Net Loss Attributable to the Owners of the Company	(5,247)	(1,064)	(13,768)	(7,835)
<i>Other comprehensive income/(loss):</i>				
Unrealized loss on available for sale investment portfolio	(142)	-	(535)	-
Foreign currency translation adjustment	(51)	-	343	-
Comprehensive Loss Attributable to Owners of the Company	\$ (5,440)	(1,064)	(13,960)	(7,835)
Comprehensive Income Attributable to NCI	78	-	192	-
Comprehensive Loss	\$ (5,362)	(1,064)	(13,768)	(7,835)
<i>Loss per share</i>				
Basic and diluted loss per share	\$ (0.03)	(0.01)	(0.08)	(0.05)
Weighted-average shares, basic and diluted	179,466	165,700	179,320	165,700

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

	Share Premium	Stock-Based Compensation Reserve	Foreign Exchange Translation Reserve	Investments Revaluations Reserve	Deficit	Treasury Stock	Non- Controlling Interests	Total Equity (Deficit)
Balance at, January 1, 2021	21,668	2,760	-	-	(18,448)	-	14,818	20,798
Total loss and comprehensive loss	-	-	-	-	(7,835)	-	-	(7,835)
Exercise of warrants	26,475	-	-	-	-	-	-	26,475
Acquisitions of commons shares for Restricted Share Unit (RSU) plan	-	-	-	-	-	(3,772)	-	(3,772)
Conversion of preferred shares into common shares	14,818	-	-	-	-	-	(14,818)	-
Exercise of stock options	47	-	-	-	-	-	-	47
Equity-settled share-based payment	-	2,920	-	-	-	-	-	2,920
Balance at, September 30, 2021	63,008	5,680	-	-	(26,283)	(3,772)	-	38,633
Balance at, January 1, 2022	63,397	6,725	5	(352)	(30,127)	(12,644)	-	27,004
Total loss	-	-	-	-	(13,768)	-	192	(13,576)
Total other comprehensive loss	-	-	343	(535)	-	-	-	(192)
Acquisitions of commons shares for Restricted Share Unit (RSU) plan	-	-	-	-	-	(6,911)	-	(6,911)
Release of vested common shares from employee benefit trusts	268	-	-	-	-	3,165	-	3,433
Adjustment arising from change in non-controlling interest	-	-	-	-	-	-	21	21
Exercise of stock options	73	-	-	-	-	-	-	73
Equity-settled share-based payment	-	3,549	-	-	-	-	-	3,549
Balance at, September 30, 2022	63,738	10,274	348	(887)	(43,895)	(16,390)	213	13,401

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

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	2022	2021	2022	2021
OPERATING ACTIVITIES				
Net Loss	\$ (5,169)	(1,064)	(13,576)	(7,835)
Adjustments for:				
Depreciation	87	42	225	129
Equity-settled share-based payment transactions	1,113	(1,696)	2,324	2,920
Listing expenses	-	(36)	-	(3)
Gain on short-term investments	10	-	(125)	-
Finance costs, net	28	43	237	311
<i>Changes in operating asset and liabilities:</i>				
Restricted cash	-	-	47	-
Trade receivables	(543)	(66)	(529)	(158)
Other receivables	(8)	-	(51)	198
Prepaid expenses and deposits	517	(385)	(334)	(471)
Accounts payable and accrued liabilities	1,966	2,711	7,486	5,140
Accrued stock compensation	1,603	757	5,654	1,069
Other payables	(3,493)	728	8,259	984
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(3,888)	1,034	9,618	2,284
INVESTING ACTIVITIES				
Purchase of property and equipment	(302)	(22)	(927)	(65)
Acquisition of subsidiary <i>(Note 4 and Note 6)</i>	-	-	(7,445)	(1,100)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(302)	(22)	(8,372)	(1,165)
FINANCING ACTIVITIES				
Investment in securities	(5,422)	-	(1,432)	(8,890)
Proceeds from exercise of Warrants	-	-	-	26,475
Purchase of common shares for Restricted Share Unit (RSU) Plan	(1,219)	(2,853)	(6,911)	(3,772)
Proceeds from exercise of stock options	26	37	73	47
Payment of lease liabilities	(23)	(21)	(68)	(62)
Cash distribution for non-controlling interest	(24)	-	(67)	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(6,662)	(2,837)	(8,405)	13,798
Net change in cash and cash equivalents	(10,852)	(1,825)	(7,159)	14,917
Cash and equivalents, beginning of the period	32,520	37,951	29,082	21,226
Effect of exchange rate changes on cash and cash equivalents	275	(49)	20	(66)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 21,943	36,077	21,943	36,077
SUPPLEMENTAL DISCLOSURE OF NON CASH ACTIVITIES				
Cash grants payable as part of Expetitle acquisition	\$ -	-	75	-
Share-based compensation as part of Expetitle acquisition	\$ -	-	4,325	-
Release of vested common shares from benefit trusts	\$ 2,107	-	3,433	-

THE REAL BROKERAGE, INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 and 2021
UNAUDITED

1. GENERAL INFORMATION

The Real Brokerage Inc. ("**Real**" or the "**Company**") is a technology-powered real estate brokerage firm, licensed in over 44 U.S. states, the District of Columbia, and 2 provinces in Canada with over 6,700 agents. Real offers agents a mobile focused tech-platform to run their business, as well as attractive business terms and wealth building opportunities.

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 incorporate on August 27 2021 in the province of Ontario.

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 may, during the 12-month period commencing May 20, 2021 and ending May 20, 2022, purchase 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 has been engaged to undertake purchases under the NCIB.

The Common Shares acquired will be 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 10.D* for more information. A total of 1.8 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 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.

As of September 30, 2022, the Company has repurchased 7.8 million Common Shares in the amount of \$19.4 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 10(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 will continue on the NASDAQ under the same symbol, "REAX".

THE REAL BROKERAGE, INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2021.

A. Basis of preparation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board (IASB). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company's annual audited consolidated financial statements for the period ended December 31, 2021. These unaudited interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on November 8, 2022.

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

B. Significant judgments, estimates and assumptions

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

The significant judgments, estimates and assumptions in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the years ended December 31, 2021 and 2020.

3. PIPE TRANSACTION

On December 2, 2020, the Company completed an equity investment in 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 were 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.

On June 15, 2021, in connection with the listing of Real's 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 were issued an aggregate of 17.3 million Common Shares in exchange of the Insight Partners' Preferred Units in connection with the Forced Exchange Event.

4. REALTYCRUNCH ACQUISITION

On January 11, 2021, Real completed the acquisition of the business assets and intellectual property of RealtyCrunch Inc. (the "**RealtyCrunch Transaction**"). The RealtyCrunch Transaction was settled in cash for an aggregate purchase price of USD \$1.1 million plus 184 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. 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.

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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
<i>Identifiable assets acquired and goodwill</i>	
Proprietary Technology	563
Goodwill	602
Total Purchase Price	1,165
Cash Paid	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.

5. 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 has 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. The Company has 12 months from the date of purchase to determine the purchase price allocation among the purchased assets and liabilities assumed and do not expect material adjustments to the bargain gain that was recognized.

6. EXPETITLE ACQUISITION

On January 21, 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 dated January 20, 2022 (the "**Expetitle Transaction**"). 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 from cash consideration of \$7.4 million payable at the closing of the Expetitle Transaction and contingent consideration of \$800 thousand in cash subject to escrow, that will 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 Date 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 800K.

As part of the Expetitle Transaction, Real also granted an aggregate of 700 thousand Options and an aggregate of 1.1 million RSUs to 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 also provided cash grants to the Expetitle employees in the amount of \$168 thousand. The Company has determined that the Expetitle 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.

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

	Balance at January 21, 2022
<i>Recognized amounts of assets acquired and liabilities assumed</i>	
Cash	80
Other Current Assets	42
In Trust Cash	960
Accounts Payables and Accrued Liabilities	(103)
Held in Trust Funds	(960)
Other Payables	(19)
<i>Net Assets Acquired</i>	-
<i>Consideration</i>	
Cash	7,432
Contingent consideration	-
Cash grants to Employees recognized as liabilities	75
Cash grants to Employees	93
Equity-settled shared-based consideration	4,325
<i>Total Consideration</i>	11,925
<i>Cash Flow</i>	
Total Consideration	(11,925)
Acquired Cash	80
Cash grants to Employees recognized as liabilities	75
Equity-settled share-based payment	4,325
<i>From Investing Activities Cash</i>	(7,445)

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7. REVENUE

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

	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	2022	2021	2022	2021
<i>Main revenue streams</i>				
Commissions	110,259	38,613	281,764	70,799
Title	484	-	1,392	-
Fee Income	620	-	1,705	-
Other	270	185	777	403
Total Revenue	111,633	38,798	285,638	71,202
<i>Timing of Revenue Recognition</i>				
Products transferred at a point in time	111,363	38,613	284,861	70,799
Services transferred over time	-	403	-	403
Revenue from Contracts with Customers	111,363	39,016	284,861	71,202
Other revenue	270	(218)	777	-
Total Revenues	111,633	38,798	285,638	71,202

8. EXPENSES BY NATURE

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

	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
	<i>September 30,</i>		<i>September 30,</i>	
	2022	2021	2022	2021
Cost of Sales	103,057	35,477	261,908	64,216
Operating Expenses				
<i>General and Administrative Expenses</i>	5,544	2,043	17,034	7,195
Salaries and Benefits	3,072	685	7,893	1,877
Stock Based Compensation	184	311	2,236	2,346
Administrative Expenses	421	380	1,243	506
Professional Fees	1,409	535	4,380	1,936
Depreciation Expense	87	44	225	130
Other General and Administrative Expenses	371	88	1,057	400
<i>Marketing Expenses</i>	6,197	2,154	15,613	4,018
Salaries and Benefits	84	55	367	228
Stock Based Compensation for Employees	12	10	(4)	10
Stock Based Compensation for Agents	1,776	145	2,905	624
Revenue Share	3,876	1,324	10,955	2,282
Other Marketing and Advertising Cost	449	620	1,390	874
<i>Research and Development Expenses</i>	1,146	145	3,865	3,297
Salaries and Benefits	426	126	1,552	620
Stock Based Compensation	85	(1,077)	151	1,201
Other Research and Development	635	1,096	2,162	1,476
Total Cost of Sales and Operating Expenses	115,944	39,819	298,420	78,726

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Finance Expenses

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

Description	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	2022	2021	2022	2021
Unrealized Losses (Gains)	(14)	34	(399)	244
Realized Losses (Gains)	48	-	101	-
Bank Fees	126	21	289	44
Finance Cost	(6)	(12)	536	23
Remeasurement of contingent consideration	800	-	800	-
Other	-	-	-	-
Finance Expenses, net	954	43	1,326	311

9. LOSS PER SHARE

BASIC AND DILUTED LOSS PER SHARE

Basic loss per share is computed by dividing the loss for the period by the weighted average number of Common Shares outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income (loss) less any preferred dividends for the period by the weighted average number of Common Shares outstanding plus, 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 basis and diluted loss per share:

	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	2022	2021	2022	2021
Issued ordinary shares at the beginning of the period	178,330	163,000	170,483	158,595
Effect of Warrant Exercise	678	-	8,525	4,405
Effect of Conversion of Preferred Units	-	2,700	-	2,700
Effect of share options exercised	458	-	312	-
Weighted-average numbers of Common Shares	179,466	165,700	179,320	165,700
Loss per share				
Basic and diluted loss per share	(0.03)	(0.01)	(0.08)	(0.05)

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10. 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 based 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 incentive 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 date 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. The A&R Plan provides that the maximum number of Common Shares issuable pursuant to RSUs shall not be restricted.

The following table depicts the the number of instruments granted (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 quarterly vesting	10 years
On August, 2022	145	3 years quarterly vest	10 years
Balance September 30, 2022	26,992		

B. Measurement of fair value

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

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	September 30, 2022	December 31, 2021
Share price	\$ 1.44	\$ 3.69
Exercise price	\$ 1.54 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 - 2.56%	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:

	September 30, 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	\$ 0.81	12,851	\$ 0.27
Granted	4,705	1.61	8,474	1.70
Forfeited/ Expired	(1,725)	(1.78)	(370)	-
Exercised	(250)	(0.27)	(140)	(0.13)
Outstanding at end of period	23,545	\$ 0.89	20,815	\$ 0.71
Exercisable as at end of period	12,857		10,295	

The Options outstanding as of September 30, 2022 had a weighted average exercise price of \$0.89 (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 September 30, 2022 was \$3.0 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 unaudited interim condensed 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 liability. All awards under this plan are subject to a 12-month vesting period. The liability will be classified into equity after the 12-month holding period has passed. 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 granted an additional 25% of shares if an agent hasn't capped and 50% of shares if the agent has capped 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.

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The following table illustrates changes in the Company's stock compensation liability for the periods presented in thousands:

	Amount
Balance at, December 31, 2020	15
Stock Grant Liability Increase	2,482
Stock Grants Released from liability to equity	(229)
Balance at, December 31, 2021	2,268
Stock Grant Liability Increase	8,819
Stock Grants Released from liability to equity	(3,165)
Balance at, September 30, 2022	7,922

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

	Amount
Balance at, December 31, 2020	121
Granted	3,951
Vested and Issued	(76)
Forfeited	(31)
Balance at, December 31, 2021	3,965
Granted	9,736
Vested and Issued	(1,570)
Forfeited	(424)
Balance at, September 30, 2022	11,707

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.

	September 30, 2022			September 30, 2021		
	<i>Options Expense</i>	<i>RSU Expense</i>	<i>Total</i>	<i>Options Expense</i>	<i>RSU Expense</i>	<i>Total</i>
Marketing Expenses - Agent Stock Based Compensation	871	2,034	2,905	624	532	1,156
Marketing Expenses - FTE Stock Based Compensation	(9)	5	(4)	10	-	10
Research and Development - FTE Stock Based Compensation	68	83	151	1,201	-	1,201
General and Administrative - FTE Stock Based Compensation	1,394	842	2,236	2,346	-	2,346
Total Stock Based Compensation	2,324	2,964	5,288	4,181	532	4,713

11. CASH AND CASH EQUIVALENTS

The following table provides a detailed breakdown of the cash and cash equivalents (in thousands) as reported in the Consolidated Statements of Financial Positions:

	September 30, 2022	December 31, 2021
Cash and Cash Equivalents	21,943	29,082
Total Cash and Cash Equivalents	21,943	29,129

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12. 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	Cost	Deposit / (Withdrawal)	Dividends, Interest & Income	Gross Unrealized Losses	Estimated Fair Value September 30, 2022
U.S. Government Bonds	5,033	(6)	91	(214)	4,904
Municipal Bonds	2,900	1,277	34	(204)	4,007
Alternative Strategies	878	-	-	(39)	839
Investment Certificate	-	36	-	-	36
Short Term Investments	8,811	1,307	125	(457)	9,786

Investment securities are recorded at fair value. The company's investment securities portfolio consists primarily of cash investments and debt securities issued by U.S government agencies, local municipalities, and certain corporate entities. Alternative strategies include number of securities such as Bank Loans, Treasury Notes, Treasury futures, Currencies, FX Forwards, FX Futures, FX Swap, Corporate Debt, Federal Reserve Repos and mortgage-backed securities. The products in investment portfolio have maturity dates ranging from less than one year to over 20 years. All the instruments above have maturity date of over 90 days.

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 Income (Loss). An unrealized loss exists when the current fair value of an individual security is less than the amortized cost basis

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13. PROPERTY AND EQUIPMENT, INTANGIBLE ASSETS

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	246	681	-	927
Balance at September 30, 2022	451	681	69	1,201
Accumulated Depreciation				
Balance at December 31, 2020	24	-	64	88
Depreciation	15	-	1	16
Balance at December 31, 2021	39	-	65	104
Depreciation	53	25	-	78
Balance at September 30, 2022	92	25	65	182
Carrying Amounts				
Balance at December 31, 2021	166	-	4	170
Balance at September 30, 2022	359	656	4	1,019

	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	-	11,925	11,925
Balance at September 30, 2022	563	12,527	13,090
Accumulated Depreciation			
Balance at December 31, 2020	-	-	-
Depreciation	113	-	113
Balance at December 31, 2021	113	-	113
Depreciation	84	-	84
Balance at September 30, 2022	197	-	197
Carrying Amounts			
Balance at December 31, 2021	451	602	1,053
Balance at September 30, 2022	366	12,527	12,893

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14. CAPITAL AND RESERVES

Share capital and share premium

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

	<i>Share Premium</i>		<i>Non-controlling Interests</i>		<i>Non-redeemable Preference Shares</i>	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021	September 30, 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	73	207	-	-	-	-
Acquisition of common shares for RSU Plan	(6,911)	(12,644)	-	-	-	-
Release of vested common shares from employee benefit trusts	3,433	229	-	-	-	-
Non-controlling interest	-	-	213	-	-	-
In issue at end of year - fully paid	47,348	50,753	213	-	-	-
Authorized shares	Unlimited	Unlimited	Unlimited	Unlimited	66,000	66,000

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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 the Insight Partners were exercised for an aggregate gross price of \$26.6 million (CAD \$32.8 million)

On August 3, 2021, the Insight Partners were 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.

15. CAPITAL MANAGEMENT

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

The Company's objective is to manage its capital structure in such a way as to diversify its funding sources, while minimizing its funding costs and risks. The Company expects to be able to satisfy all of its financing requirements through use of some or all of the following: cash on hand, cash generated by operations, sale of securities held for investment, and through the public and private offerings of equity securities.

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 September 30, 2022 and December 31, 2021.

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

	<i>For the Period Ended</i>	
	September 30, 2022	December 31, 2021
Cash and Cash Equivalents	21,943	29,082
Restricted Cash	-	47
Trade Receivables	783	254
Other Receivables	74	23
Short Term Investments	9,786	8,811
Total Liquidity	32,586	38,217
Loans and Borrowings	-	-

THE REAL BROKERAGE, INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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16. LEASE LIABILITY AND RIGHT OF USE ASSET

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 September 30, 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	-
Balance at September 30, 2022	502
Accumulated Depreciation	
Balance at December 31, 2020	309
Depreciation	84
Balance at December 31, 2021	393
Depreciation	63
Balance at September 30, 2022	456
Carrying Amounts	
Balance at December 31, 2021	109
Balance at September 30, 2022	46

On December 1, 2017, the Company entered into lease agreement which resulted in the lease liability of \$131 thousand (undiscounted value of \$135 thousand, discount rate 4%). This liability represents the monthly lease payment from January 1, 2022 to June 30, 2023. A summary of the changes in the lease liability (in thousands) during the periods ended September 30, 2022, and December 31, 2021 is as follows:

	September 30, 2022	December 31, 2021
<i>Maturity analysis - contractual undiscounted cash flows</i>		
Less than one year	63	94
One year to five years	-	41
More than five years	-	-
Total undiscounted lease liabilities	63	135
Lease liabilities included in the balance sheet	63	131
Current	63	91
Non-current	-	40

The following is a schedule of the Company's future lease payments (base rent portion) under lease obligations (in thousands):

	Future lease payments
October 1, 2022 to June 30, 2023	63
Less: imputed interest	-
Lease liability as at September 30, 2022	63

THE REAL BROKERAGE, INC.
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17. OTHER PAYABLES

The other payables primarily 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. The following table is presented in thousands:

	September 30, 2022	December 31, 2021
Escrow Funds Payables	10,033	3,264
Other Payables	777	91
Remeasurement of contingent consideration	800	-
Total Other Payables	11,610	3,351

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18. FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

A. Accounting classifications and fair value (in thousands)

	<i>For the Year Ended December 31, 2021</i>				
	Carrying Amount			Fair Value	
	Financial Assets Not Measured at FV	Other Financial Liabilities	Total	Level 1	Total
<i>Financial Assets Measured at Fair Value (FV)</i>					
Short Term Investments	-	-	-	8,811	8,811
Total Financial Assets Measured at Fair Value (FV)	-	-	-	8,811	8,811
<i>Financial Assets Not Measured at Fair Value (FV)</i>					
Cash and Cash Equivalents	29,082	-	29,082	-	-
Restricted Cash	47	-	47	-	-
Trade Receivables	254	-	254	-	-
Other Receivables	23	-	23	-	-
Total Financial Assets Not Measured at Fair Value (FV)	29,406	-	29,406	-	-
<i>Financial Liabilities Not Measured at Fair Value (FV)</i>					
Accounts Payable	-	6,604	6,604	-	-
Other Payables	-	3,351	3,351	-	-
Total Financial Liabilities Not Measured at Fair Value (FV)	-	9,955	9,955	-	-

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	<i>For the Period Ended September 30, 2022</i>				
	Carrying Amount			Fair Value	
	Financial Assets Not Measured at FV	Other Financial Liabilities	Total	Level 1	Total
<i>Financial Assets Measured at Fair Value (FV)</i>					
Short Term Investments	-	-	-	9,786	9,786
Total Financial Assets Measured at Fair Value (FV)	-	-	-	9,786	9,786
<i>Financial Assets Not Measured at Fair Value (FV)</i>					
Cash and Cash Equivalents	21,943	-	21,943	-	-
Trade Receivables	783	-	783	-	-
Other Receivables	74	-	74	-	-
Total Financial Assets Not Measured at Fair Value (FV)	22,800	-	22,800	-	-
<i>Financial Liabilities Not Measured at Fair Value (FV)</i>					
Accounts Payable	-	14,090	14,090	-	-
Other Payables	-	11,610	11,610	-	-
Total Financial Liabilities Not Measured at Fair Value (FV)	-	25,700	25,700	-	-

THE REAL BROKERAGE, INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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B. Transfers between levels

During the periods ended September 30, 2022, and December 31, 2021, there have been no transfers between Level 1, Level 2 and Level 3.

C. 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 its 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 a 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.

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.

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

THE REAL BROKERAGE, INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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Trade receivables and contract assets

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.

As at September 30, 2022, the exposure to credit risk for trade receivables and contract asset (in thousands) by geographic region was as follows:

	September 30, 2022	December 31, 2021
US	763	230
Other Regions	20	24
Trade Receivables	783	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 other 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 according to 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 September 30, 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:

THE REAL BROKERAGE, INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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	<i>Average Rate</i>		<i>Period-end Spot Rate</i>	
	Strengthening	Weakening	Strengthening	Weakening
Balance at, September 30, 2022				
CAD (-5% movement)	4	(4)	5	(5)
ILS (-5% movement)	4	(4)	13	(13)
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:

	<i>Liabilities</i>		<i>Assets</i>	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
CAD	(7,602)	(1,331)	7,610	3,291
ILS	(147)	(1,420)	7,809	7,684
Total Exposure	(7,749)	(2,751)	15,419	3,482

v. *Investment risk*

The Company invested funds from the Insight Partners investment 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 13*.

19. 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.

THE REAL BROKERAGE, INC.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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20. RELATED PARTY TRANSACTIONS

The Company's key management personnel are comprised of the CEO, the CFO, the Chief Technology Officer, and other members of the executive team. Executive officers participate in the Company's Omnibus Incentive Plan (see Note 10). Directors and officers of the Company control approximately 38.04% of the voting shares of the Company. Key management personnel compensation (in thousands) for the period consists of the following:

	<i>Nine Months Period Ended</i>	
	September 30, 2022	September 30, 2021
Salaries and Benefits	1,555	816
Consultancy	-	180
Stock-based Compensation	1,628	2,571
Compensation Expenses Related to Management	3,183	3,567

21. SUBSEQUENT EVENTS

On September 23, 2022, the Company entered into a share purchase agreement between the Company, LemonBrew Lending Corp. ("**LemonBrew Lending**") and LemonBrew Technologies Corp. (the "**Seller**") pursuant to which the Company will acquire 100% of the issued and outstanding equity interests of LemonBrew Lending from the Seller for an aggregate purchase price of \$1.25 million. The purchase price will be satisfied by (i) cash in the amount of \$800 thousand and (ii) the issuance of such number of Common Shares (the "**Consideration Shares**") equal to \$450 thousand divided by the 5-day volume weighted average trading price of the Common Shares on the NASDAQ immediately prior to the closing of the acquisition. The acquisition has been approved by the Company's board of directors and is subject to a number of further conditions precedent, including, but not limited to: (i) the execution of employment and consulting agreement between Real and certain key officers and employees of LemonBrew Lending; (ii) approval of regulatory consents and (iii) other customary closing conditions. The Transaction is expected to close in the fourth quarter of 2022.

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.

CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "**interim filings**") of **THE REAL BROKERAGE INC.** (the "**issuer**") for the interim period ended September 30, 2022.
 2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
 3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
 4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.
 5. Design: Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
 - 5.1 Control framework: The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is Internal Control - Integrated Framework (COSO Framework 2013) published by The Committee of Sponsoring Organization of the Treadway Commission (COSO).
 - 5.2 N/A
 - 5.3 N/A
-

6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on July 1, 2022 and ended on September 30, 2022 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: November 10, 2022

/s/ Tamir Poleg

Tamir Poleg

Chief Executive Officer

CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

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

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "**interim filings**") of **THE REAL BROKERAGE INC.** (the "**issuer**") for the interim period ended September 30, 2022.
 2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.
 3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
 4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer.*
 5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings
 - (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
 - (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and
 - (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
 - (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
 - 5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is Internal Control - Integrated Framework (COSO Framework 2013) published by The Committee of Sponsoring Organization of the Treadway Commission (COSO).
 - 5.2 N/A
 - 5.3 N/A
-

6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on July 1, 2022 and ended on September 30, 2022 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: November 10, 2022

/s/ Michelle Ressler

Michelle Ressler

Chief Financial Officer

The Real Brokerage Inc. Announces Third Quarter 2022 Financial Results

TORONTO and NEW YORK - (BUSINESS WIRE) --November 10, 2022 -- The Real Brokerage Inc. ("**Real**" or the "**Company**") (TSX: REAX) (NASDAQ: REAX), the fastest growing publicly traded real estate brokerage, is pleased to announce it has filed its financial results for the three and nine months ended September 30, 2022.

Additional information concerning Real's unaudited consolidated financial statements and related management's discussion and analysis for the nine months ended September 30, 2022 can be found on the Company's profile at www.sedar.com.

Third Quarter Financial Highlights

- Revenue increased 188% year-over-year to \$111.6 million.
- Gross profit grew 158% year-over-year to \$8.6 million.
- Net operating loss of \$4.3 million, compared to a loss of \$1.0 million in Q3 2021.
- Operating expense as percentage of revenue of 11.5%, compared to 11.2% in Q3 2021.
- Net loss attributable to owners of the Company of \$5.2 million, compared to a \$1.1 million loss in Q3 2021.
- Loss per share of \$0.03, compared to a loss per share of \$0.01 in the same period in 2021.
- Adjusted EBITDA loss of \$1.9 million, compared to a loss of \$0.7 million in Q3 2021.
- As of September 30, 2022, the Company held \$21.9 million in cash and an additional \$9.8 million held in investment securities available for sale at fair value.
- The Company repurchased \$1.1 million of common shares pursuant to its normal course issuer bid.

Operational Highlights

- Surpassed 6,700 agents at the end of Q3 2022, a 126% year-over-year increase.
 - Subsequent to the end of the quarter, Real surpassed the 7,000 agent milestone in October.
 - The number of transactions executed over the platform grew 197% year-over-year to 11,233 in Q3 2022.
 - The value of completed real estate transactions grew 193% year-over-year to \$4.2 billion.
 - For agents that closed a deal during Q3, commission revenue per agent was slightly over \$35,000. These agents on average closed 3.6 transactions during the quarter.
 - Operating expenses per transaction, excluding revenue share, declined 43% year-over-year to \$802 from \$1,419 in Q3 2021.
-

- Subsequent to the end of the quarter, Real expanded its existing relationship with Redline Real Estate Group to serve as the foundation for expansion into British Columbia, bringing Real's brokerage footprint to 44 U.S. states and the District of Columbia in the U.S. and Alberta, Ontario and British Columbia in Canada.
- As of September 30, 2022, Real's efficiency ratio, which is calculated as full-time employees (excluding Real Title) divided by the number of agents, increased to 1:77 from 1:62 at the end of Q2 2022.

"Despite a challenging quarter for the housing market, Real continued to gain market share with strong growth in the number of agents joining our platform and the number of transactions executed, which offset effects of the broader market weakness," said Tamir Poleg, Chairman and Chief Executive Officer. "As we head into the end of the year, we believe our superior agent offering will continue to be a winning proposition in gaining market share, while our strong balance sheet allows us to effectively navigate the market and invest in building out our full consumer-facing vision."

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

Conference Call Details:

Date: Thursday, November 10, 2022

Time: 11:00 a.m. EST

Dial-in Number: North American Toll Free: 888-506-0062
International: 973-528-0011

Access Code: 375759

Webcast: <https://www.webcaster4.com/Webcast/Page/2699/46760>

Replay Number: North American Toll Free: 877-481-4010

International: 919-882-2331

Passcode: 46760

Webcast <https://www.webcaster4.com/Webcast/Page/2699/46760>

Replay:

Participants are encouraged to dial in 5 to 10 minutes before the beginning of the conference call.

Non-IFRS Measures

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

The following table reconciles the non-IFRS measure to the most comparable IFRS measure for the three and nine months ended September 30, 2022. This measure does not have any standardized meaning under IFRS and is not a measure of financial performance under IFRS, and therefore, may not be comparable to similar measures presented by other companies.

The Real Brokerage Inc
Consolidated Statement of Financial Position
(In thousands)
UNAUDITED

	September 30, 2022	December 31, 2021
Assets		
Cash and cash equivalents	21,943	29,082
Restricted cash	-	47
Investment securities available for sale at fair value	9,786	8,811
Trade receivables	783	254
Other receivables	74	23
Prepaid expenses and deposits	782	448
Current assets	33,368	38,665
Intangible assets	336	451
Goodwill	12,527	602
Property and equipment	1,019	170
Right-of-use assets	46	109
Non-current assets	13,928	1,332
Total assets	47,296	39,997
Liabilities		
Accounts payable and accrued liabilities	14,090	6,604
Other payables	11,610	3,351
Lease liabilities	63	91
Current liabilities	25,763	10,046
Lease liabilities	-	40
Accrued stock-based compensation	7,922	2,268
Warrants outstanding	240	639
Non-current liabilities	8,162	2,947
Total liabilities	33,925	12,993
Equity (Deficit)		
Share premium	63,738	63,397
Stock-based compensation reserve	10,274	6,725
Deficit	(43,895)	(30,127)
Other Reserves	(539)	(347)
Treasury Stock, at cost	(16,390)	(12,644)
Equity (Deficit) attributable to Owners	13,188	27,004
Non-controlling interests	213	-
Total liabilities and equity	47,326	39,997

The Real Brokerage Inc
Consolidated Statement of Loss and Comprehensive Loss
(In thousands)
UNAUDITED

	<i>Three months ended September 30,</i>		<i>Nine months ended September 30,</i>	
	2022	2021	2022	2021
Revenue	111,633	38,798	285,638	71,202
Cost of sales	103,057	35,477	261,908	64,216
Gross profit	8,576	3,321	23,730	6,986
General & Administrative expenses	5,544	2,043	17,034	7,195
Marketing expenses	6,197	2,154	15,613	4,018
Research and development expenses	1,146	145	3,865	3,297
Operating loss	(4,311)	(1,021)	(12,782)	(7,524)
Other income	(231)	-	(667)	-
Listing expenses	135	-	135	-
Finance expenses, net	954	43	1,326	311
Net Loss	(5,169)	(1,064)	(13,576)	(7,835)
Non-controlling interest	78	-	192	-
Net Loss Attributable to Owners of the Parent	(5,247)	(1,064)	(13,768)	(7,835)
<i>Other comprehensive income/(loss):</i>				
Unrealized losses on available for sale investment portfolio	(142)	-	(535)	-
Foreign currency translation adjustment	(51)	-	343	-
Comprehensive Loss Attributable to Owners of the Company	(5,440)	(1,064)	(13,960)	(7,835)
Comprehensive Income Attributable to NCI	78	-	192	-
Comprehensive Loss	(5,362)	(1,064)	(13,768)	(7,835)
Loss per Share				
Basic and diluted loss per share	(0.03)	(0.01)	(0.08)	(0.05)
Weighted-average shares, basic and diluted	179,466	165,700	179,320	165,700

The Real Brokerage Inc
Non-GAAP Net Income (loss) to Adjusted EBITDA Reconciliation
(In thousands)
UNAUDITED

	<i>Three months ended September 30,</i>		<i>Nine months ended September 30,</i>	
	2022	2021	2022	2021
Net Income (loss)	(5,440)	(1,064)	(13,960)	(7,835)
<i>Non operating expenses</i>				
Finance expenses, net	1,174	43	2,053	311
Depreciation	87	44	225	130
Stock-based compensation	2,057	(80)	5,288	4,713
Listing expenses	135	310	135	455
Restructuring expenses	62	3	62	63
Extraordinary expenses	25	-	306	-
Adjusted EBITDA	(1,900)	(744)	(5,891)	(2,163)

The Real Brokerage Inc
Consolidated Statement of Cash Flows
(In thousands)
UNAUDITED

	<i>Three months ended September 30,</i>		<i>Nine months ended September 30,</i>	
	2022	2021	2022	2021
Cash flows from operating activities				
Loss for the period	(5,163)	(1,064)	(13,576)	(7,835)
Adjustments for:				
- Depreciation	87	42	225	123
- Equity-settled share-based payment transactions	1,113	(1,636)	2,324	2,320
- Listing expenses	-	(36)	-	(3)
- Gain on short term investments	10	-	(125)	-
- Finance costs (income), net	28	43	237	311
	(3,931)	(2,711)	(10,315)	(4,478)
Changes in:				
- Restricted Cash	-	-	47	-
- Trade receivables	(543)	(66)	(523)	(158)
- Other receivables	(8)	-	(51)	138
- Prepaid expenses and deposits	517	(385)	(334)	(471)
- Accounts payable and accrued liabilities	1,366	2,711	7,486	5,140
- Stock Compensation Payable (RSU)	1,603	757	5,654	1,063
- Other payables	(3,433)	728	8,253	384
Net cash provided by (used in) operating activities	(3,888)	1,034	3,618	2,284
Cash flows from investing activity				
Purchase of property and equipment	(302)	(22)	(327)	(65)
Acquisition of subsidiary	-	-	(7,445)	(1,100)
Net cash provided by (used in) investing activity	(302)	(22)	(8,372)	(1,165)
Cash flows from financing activities				
Investment in securities	(5,422)	-	(1,432)	(8,830)
Proceeds from exercise of Warrants	-	-	-	26,475
Purchases of Common Shares for Restricted Share Unit (RSU) Plan	(1,219)	(2,853)	(6,311)	(3,772)
Proceeds from exercise of stock options	26	37	73	47
Payment of lease liabilities	(23)	(21)	(68)	(62)
Cash distribution for non-controlling interest	(24)	-	(67)	-
Net cash provided by financing activities	(6,662)	(2,837)	(8,405)	13,798
Net change in cash and cash equivalents	(10,852)	(1,825)	(1,157)	14,917
Cash, beginning of period	32,520	37,351	23,082	21,226
Fluctuations in foreign currency	275	(43)	20	(66)
Cash, end of period	21,943	36,077	21,943	36,077
Supplemental disclosure of non-cash activities				
Cash grants payable as part of Expetitle acquisition	-	-	75	-
Share-based compensation as part of Expetitle acquisition	-	-	4,325	-
Release of vested common charge from benefit trust	2,107	-	3,433	-

Forward-Looking Information

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

Forward-looking information is based on assumptions that may prove to be incorrect, including but not limited to Real's business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Real considers these assumptions to be reasonable in the circumstances. However, forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking information. These factors should be carefully considered and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, Real cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and Real assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

About Real

The Real Brokerage Inc. (TSX: REAX) (NASDAQ: REAX) is revolutionizing the residential real estate industry by pairing best-in-class technology with the trusted guidance of the agent-led experience. Real delivers a cloud-based platform to improve efficiencies and empower agents to provide a seamless end-to-end experience for homebuyers and sellers. The company was founded in 2014 and serves 44 states, D.C., and three Canadian provinces with over 7,000 agents. Additional information can be found on its website at www.onereal.com.

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