

real

Investor Presentation

JUNE 2022

real



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Certain statements herein relating to The Real Brokerage Inc. (“Real” or the “Company”) constitute “forward-looking statements”, within the meaning of applicable securities laws, including without limitation, statements regarding future estimates, business plans and/or objectives, sales programs, forecasts and projections, assumptions, expectations, and/or beliefs of future performance. Such “forward-looking statements” involve known and unknown risks and uncertainties that could cause actual and future events to differ materially from those anticipated in such statements. Forward looking statements include, but are not limited to, statements with respect to commercial operations, anticipated revenues, the overall projected size of the market and other information that is based on forecasts of future results and other key management assumptions. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

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This presentation constitutes an “offering memorandum” under applicable securities laws. Please refer to Appendix “A” hereto for important information regarding the statutory rights of action available to purchasers of the offered securities.

Appendix A

This presentation may be considered an offering memorandum (the “Offering Memorandum”) thereby granting the potential purchasers statutory rights and contractual rights of action. Securities legislation in certain of the provinces and territories of Canada provides purchasers or requires purchasers to be provided with a remedy for rescission or damages where an offering memorandum and any amendment to it contain a Misrepresentation. As used herein, “Misrepresentation” means: (a) in the case of all jurisdictions except Quebec, an untrue statement of a material fact, or an omission to state a material fact that is required to be stated, or that is necessary to make a statement not misleading in light of the circumstances in which it was made; and (b) in the case of Quebec, any misleading information on a material fact as well as any omission of a material fact. These remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limit prescribed by the applicable securities legislation. Each purchaser should refer to provisions of the applicable securities legislation for the particulars of these rights or consult with a legal advisor.

Rights for Purchasers in Ontario and British Columbia. In the event that this Offering Memorandum, together with any amendments hereto used in connection herewith, delivered to a purchaser of securities of the Company resident in Ontario or British Columbia contains a Misrepresentation, the purchaser will, as provided below, have a right of action against the Company for damages, or while still the owner of the securities purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Company, provided that: (a) the right of action for rescission or damages must be exercisable by the purchaser not later than, (i) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (ii) in the case of any action, other than an action for rescission, the earlier of, (A) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action or (B) three years after the date of the transaction that gave rise to the cause of action; (b) the Company will not be liable if it proves that the purchaser purchased the securities with knowledge of the Misrepresentation; (c) in the case of an action for damages, the Company will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and (d) in no case will the amount recoverable in any action exceed the price at which the securities were sold to the purchaser. The foregoing summaries are subject to any express provisions of the securities legislation of each offering jurisdiction and the regulation, rules and policy statements thereunder and reference is made thereto for the complete text of such provisions. The rights of action described herein are in addition to and without derogation from any other right or remedy that the purchaser may have at law.

The Real Brokerage

Real is focused on combining technology with an in-person agent to revolutionize the way homes are bought and sold.

REAX

Dual listed on
NASDAQ and TSXV

\$62M

Q1 2022 Revenues

6,291

Q1 2022 Transactions

\$311M

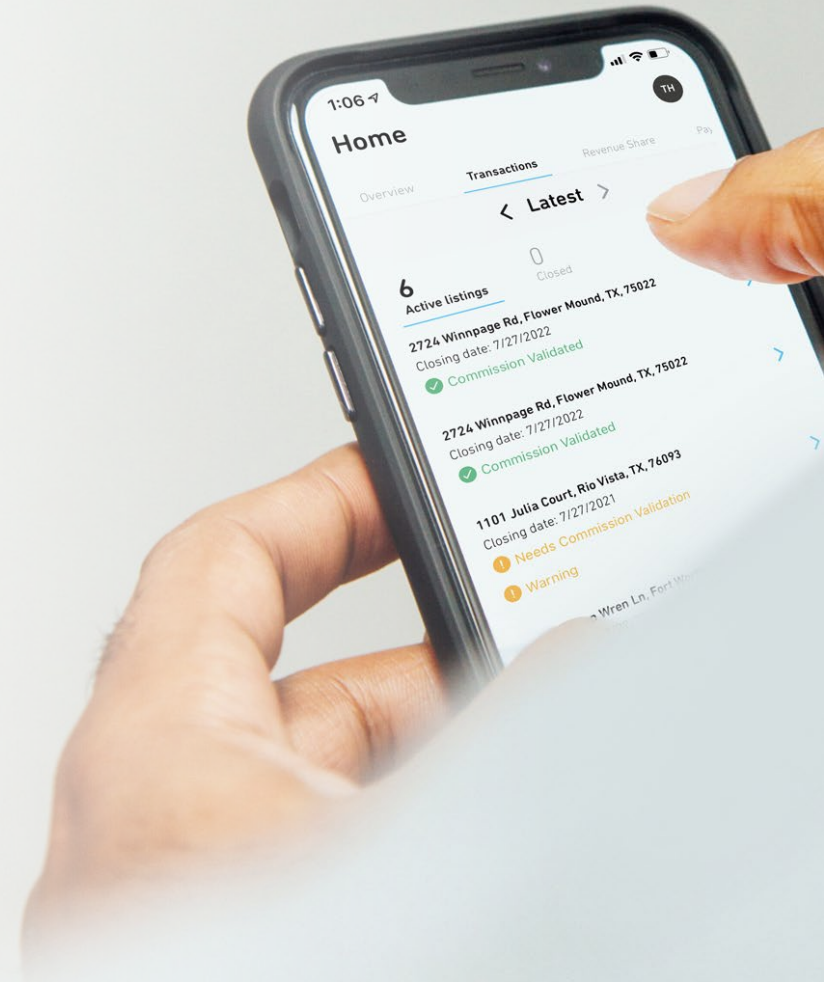
Market cap¹

4,700+

Licensed Agents

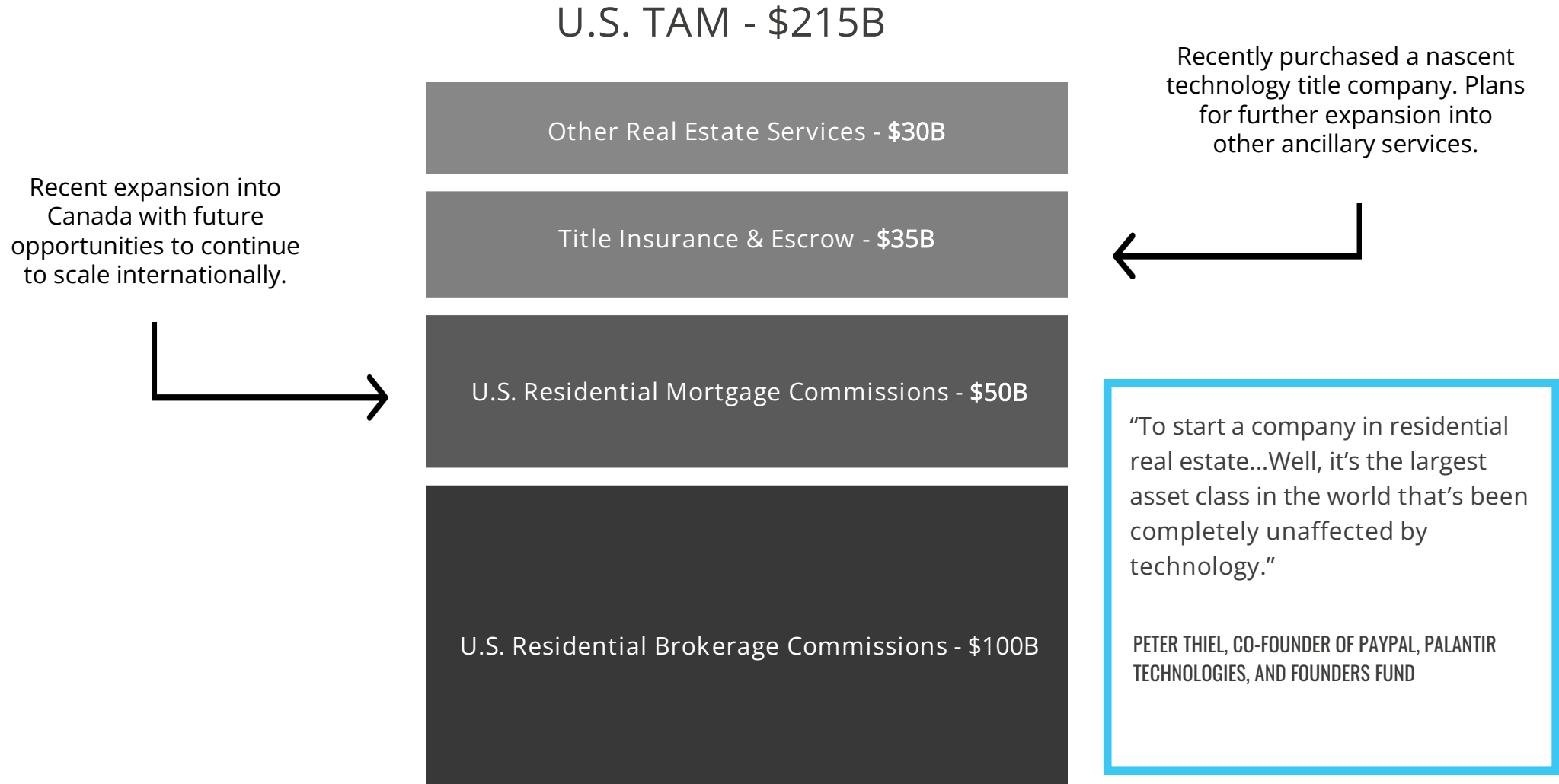
44 + DC
+ Alberta
+ Ontario

States & Provinces



Substantial Market Opportunity

To build a big business, you must solve a big problem.

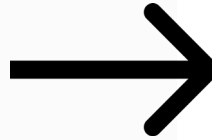


A Large Industry Redistributed

As of April 2022, there are 1.5 million agents in the U.S., ~90% are with legacy brokerages that have had a dominant market share since the mid-1900s⁽¹⁾. We are beginning to see the market shift to a new model...

PAST

Still own ~90% of the market today



FUTURE

Tech platforms rapidly gaining market share like our own

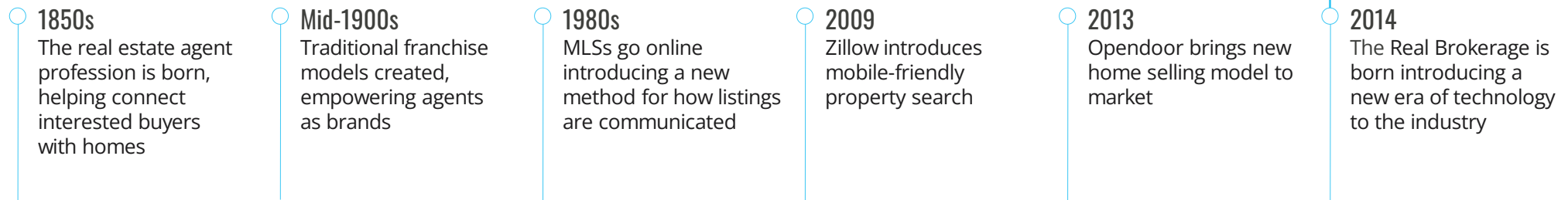


Modern Agents Demand:

- ✓ Better Technology
- ✓ Better Economic Incentives
- ✓ Better Culture
- ✓ Freedom & Flexibility

Evolution of an Industry

TIMELINE



Capturing Market Share: Agent Growth Strategy

1. Agent referrals.

Real agents earn revenue share through five tiers of referrals, creating a network growth effect.

2. Geographic expansion.

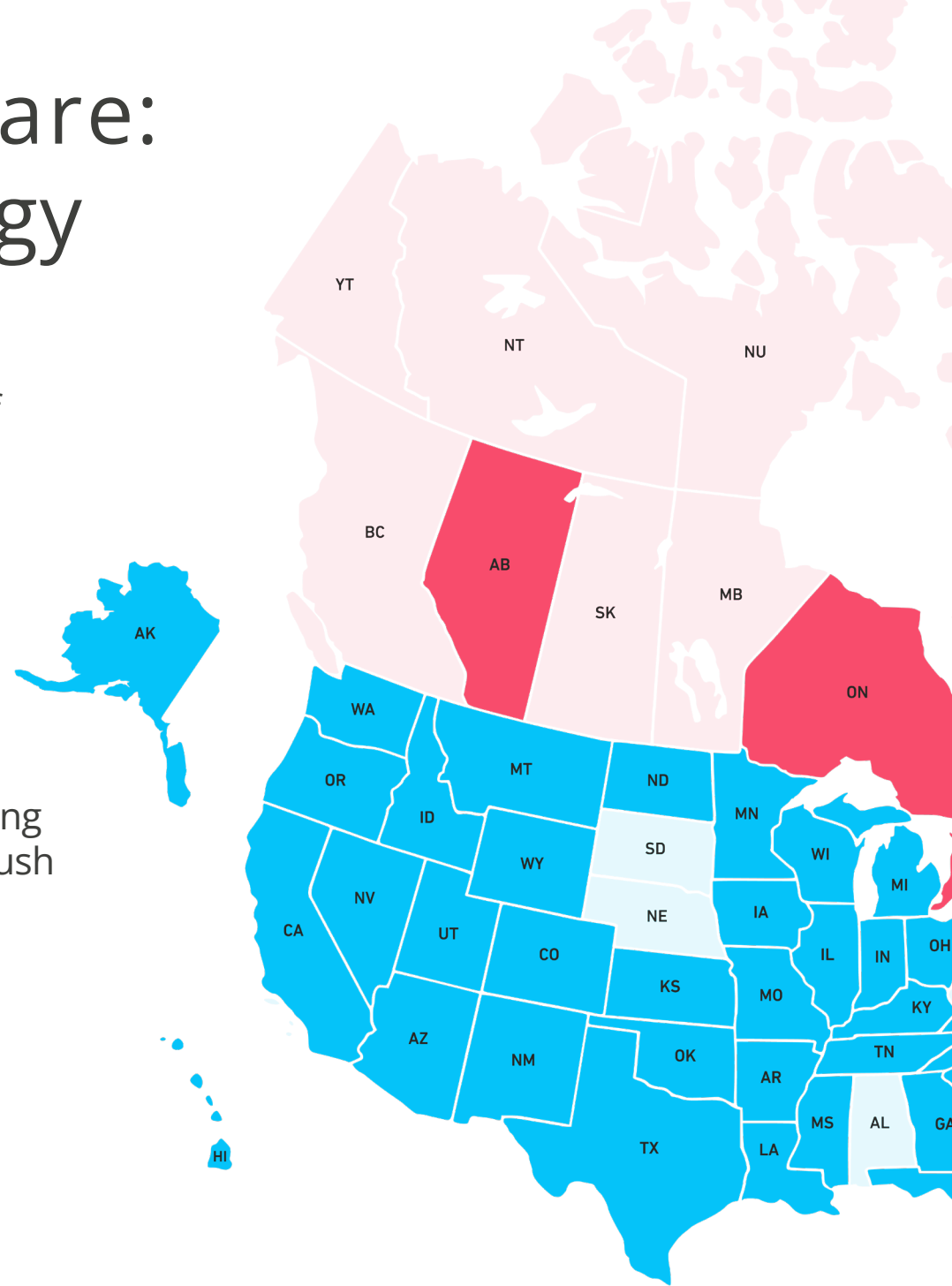
Real is rapidly adding new states and territories based on demand from productive agents.

3. Current market penetration.

Real is shifting focus for deeper penetration in existing markets. Real is deploying marketing strategies to push for additional growth.

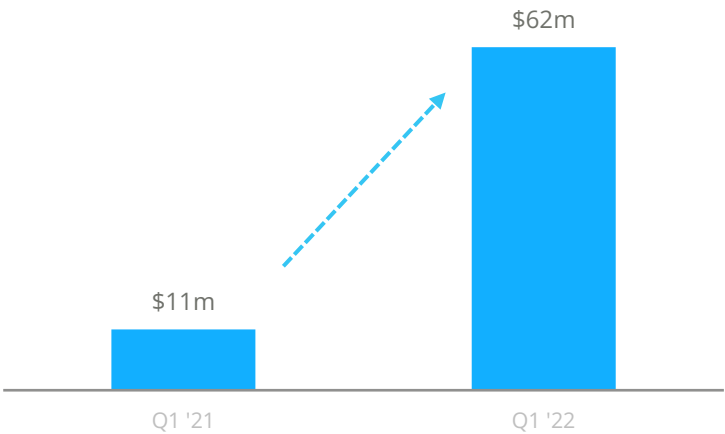
4. Retention.

Equity plan, vested over multiple years. Real has a significantly low churn rate of ~1.0%.

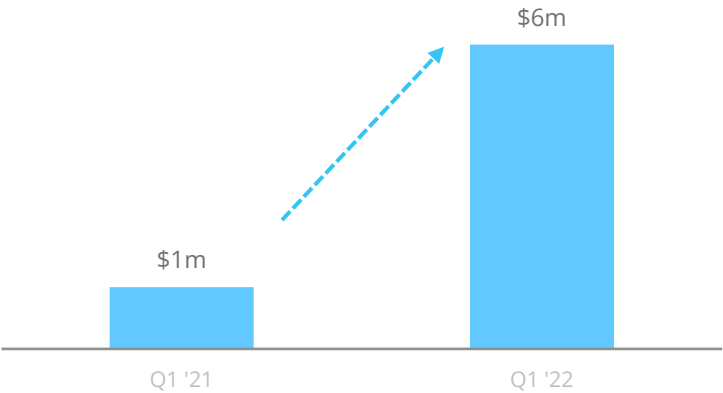


Rapid Growth

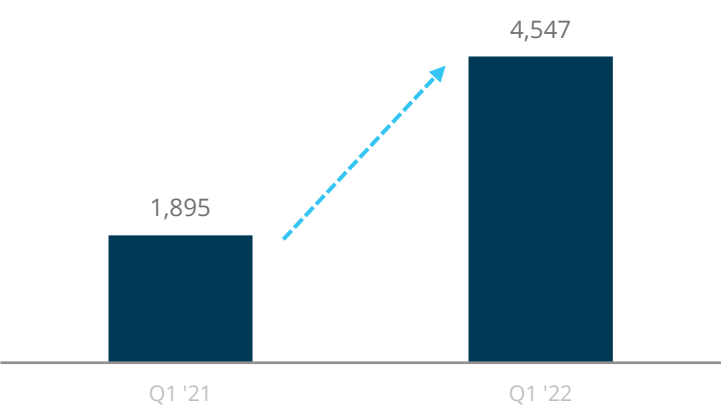
Revenue
562%
Y/Y Growth



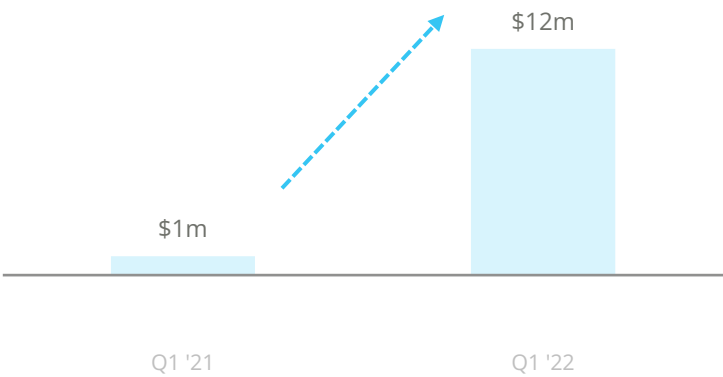
Gross Profit
374%
Y/Y Growth



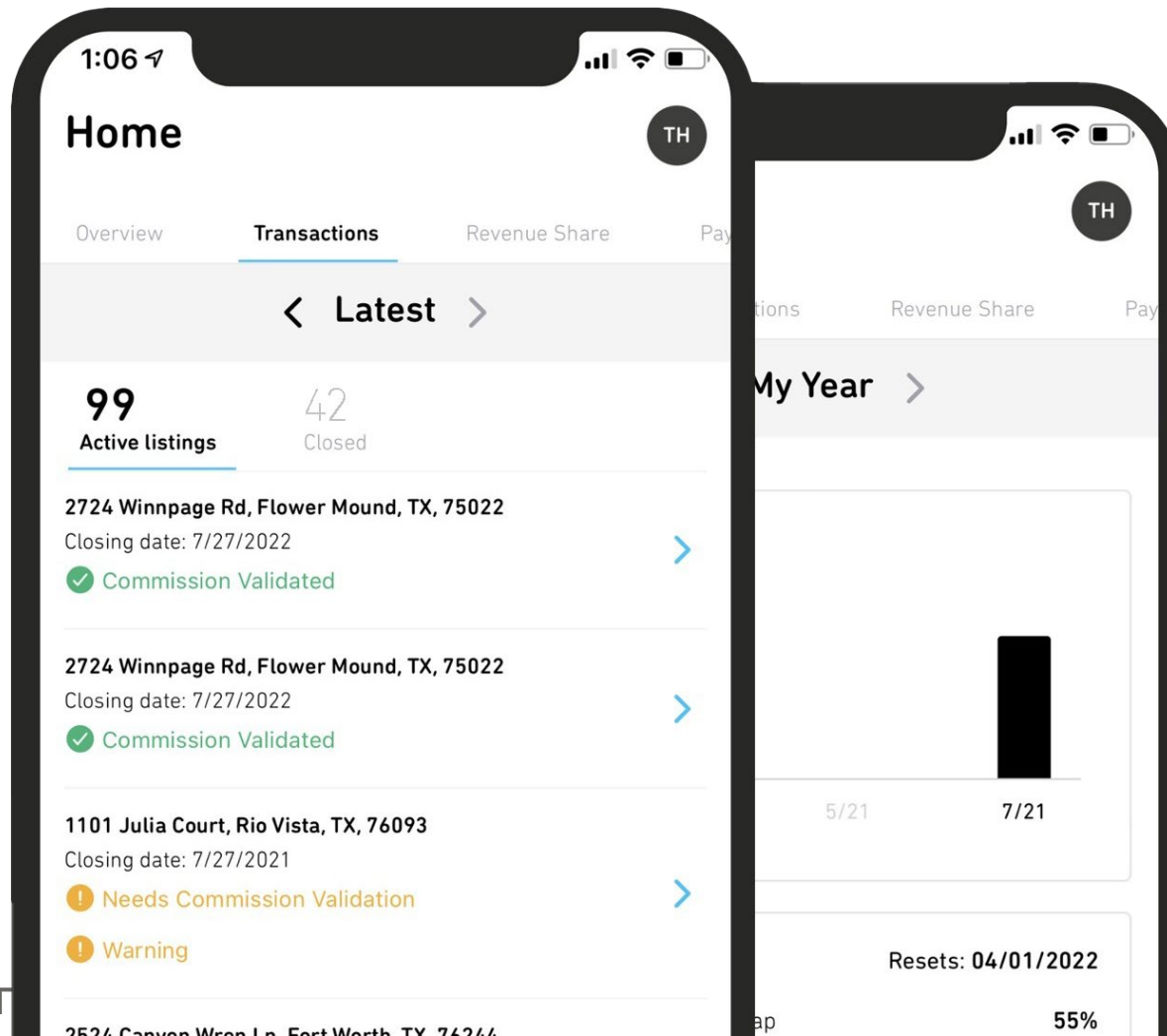
Agent Count
140%
Y/Y Growth



Cash Flow from Operations
2,296%
Y/Y Growth



The Real Platform



THE PLATFORM TODAY

Cloud-based app solution to manage pipeline management, transaction, managing commission — a fully automated transaction process in the U.S. which is the first of its kind in the industry, allowing for incredible scale.

In 2021, 7 members of our transaction team processed **over 13,000 transactions**, with the power of our technology.

Future Focus: Fixing a Broken Homebuying Experience

An outdated process riddled with problems that lack a technologically-enhanced end-to-end solution

Unpredictable

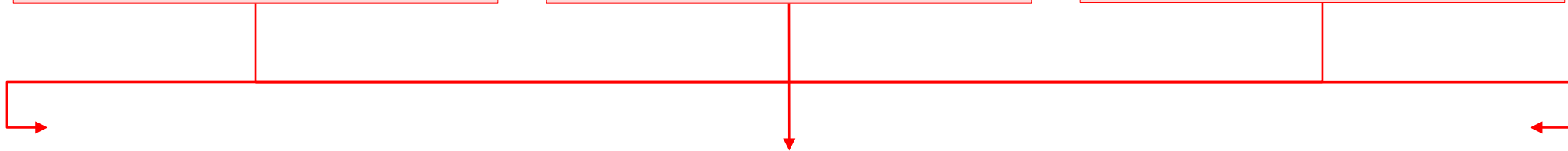
From a buyer's perspective, unforeseen issues seemingly pop up out of nowhere based on lack of awareness of potential outcomes

Chaotic

Requires interactions with multiple parties (lender, insurance, etc.) with communication through multiple channels

Nontransparent

No clear understanding of where you are in a seemingly complex and unintuitive process



Results in a poor customer experience.
Consumers want more control and certainty over the process.

The Real Solution

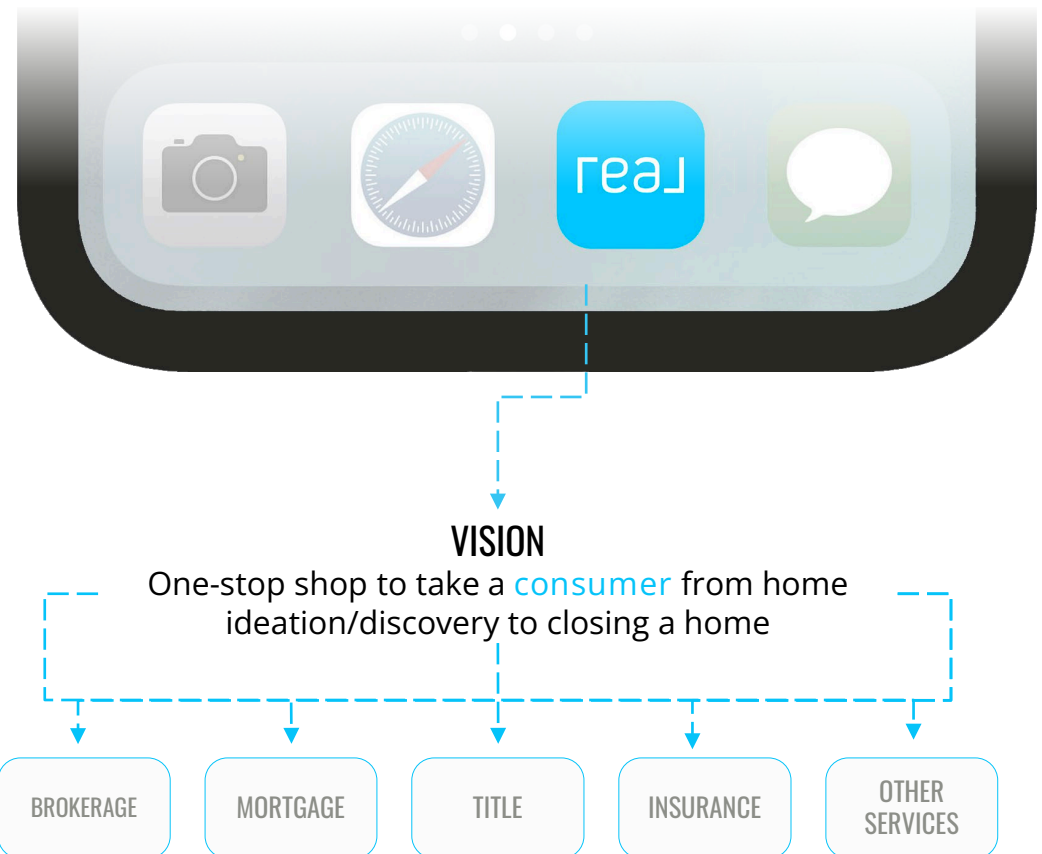
Building a better product and a better customer experience.

OUR VISION FOR THE FUTURE

Real is looking to build a one-stop shop solution to provide homebuyers with more:

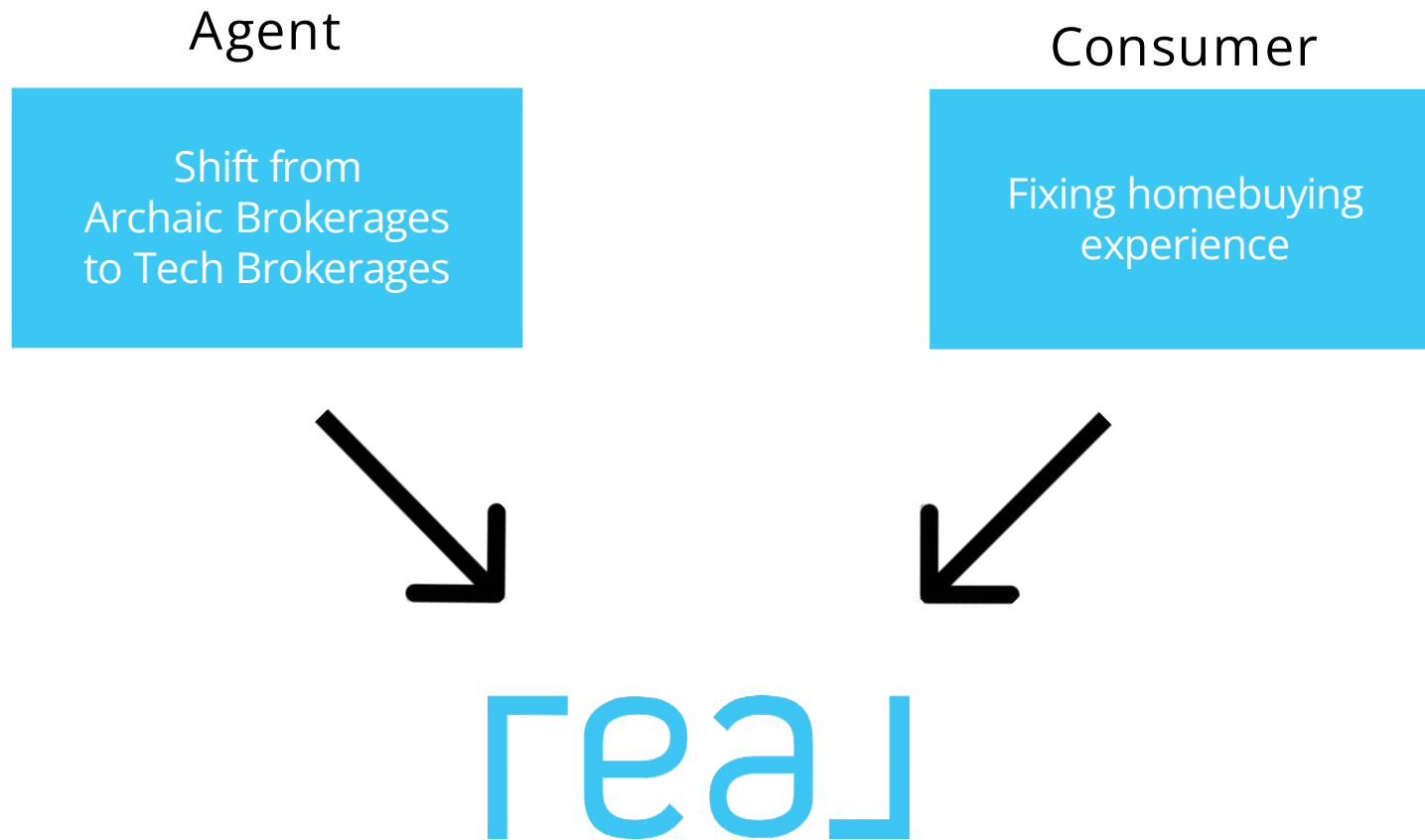
- ✓ Predictability
- ✓ Organization
- ✓ Transparency

We believe that building a **simplified** and **technology-enhanced** consumer platform combined with the help of a Real agent is the industry solution of the future



Conclusion: Real Recap

We believe Real benefits as a disruptor during an industry transformation
AND is positioned to benefit from fixing the homebuying process



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APPENDIX

Q1 2022 Income Statement

	For the Period Ended	
	March 31, 2022	March 31, 2021
Revenues	\$61,649	\$9,309
Cost of Sales	55,787	8,072
Gross Profit	5,862	1,237
General and administrative expenses	5,374	2,305
Marketing expenses	3,716	650
Research and development expenses	1,039	1,995
Operating Loss	(4,267)	(3,713)
Other income	(179)	-
Finance expenses	164	65
Net Loss	(4,252)	(3,778)
Non-controlling interest	(61)	-
Net Loss Attributable to the Owners of the Parent	(4,313)	(3,778)
<i>Other comprehensive income/(loss):</i>		
Unrealized losses on available for sale investment portfolio	(277)	-
Foreign currency translation adjustment	204	(45)
Comprehensive loss	(\$4,386)	(\$3,823)
<i>Loss per share</i>		
Basic and diluted loss per share	(\$0.03)	(\$0.04)
Weighted-average shares, basic and diluted	174,746	101,847

Q1 2022 Balance Sheet

	For the Period Ended	
	March 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash	\$28,941	\$29,082
Restricted cash	47	47
Investments in available-for-sale securities at fair value	8,475	8,811
Trade receivables	351	254
Other receivables	87	23
Prepaid expenses and deposits	1,448	448
TOTAL CURRENT ASSETS	39,349	38,665
NON-CURRENT ASSETS		
Intangible assets	482	451
Goodwill	12,527	602
Property and equipment	532	170
Right-of-use assets	88	109
TOTAL NON-CURRENT ASSETS	13,629	1,332
TOTAL ASSETS	52,978	39,997
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	8,053	6,604
Other payables	16,686	3,351
Lease liabilities	84	91
TOTAL CURRENT LIABILITIES	24,823	10,046
NON-CURRENT LIABILITIES		
Lease liabilities	24	40
Accrued stock-based compensation	3,838	2,268
Warrants outstanding	386	639
TOTAL NON-CURRENT LIABILITIES	4,248	2,947
TOTAL LIABILITIES	29,071	12,993
EQUITY		
EQUITY ATTRIBUTABLE TO OWNERS		
Share Premium	63,704	63,397
Stock-based compensation reserves	11,858	6,725
Deficit	(34,440)	(30,127)
Other Reserves	(420)	(347)
Treasury Stock, at cost	(16,879)	(12,644)
EQUITY ATTRIBUTABLE TO OWNERS	23,823	27,004
Non-controlling interests	84	-
TOTAL EQUITY	23,907	27,004
TOTAL LIABILITIES AND EQUITY	52,978	39,997