
**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 2021

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 15, 2021

By /s/ Tamir Poleg
Tamir Poleg
Chief Executive Officer

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description of Exhibit</u>
99.1	Management's Discussion and Analysis For the period ended September 30, 2021, and 2020
99.2	Unaudited Interim Condensed Consolidated Financial Statements for the period ended September 30, 2021



The Real
Brokerage Inc.







Management's Discussion and Analysis
For the period ended September 30, 2021
November 15, 2021

Building Your Future, Together

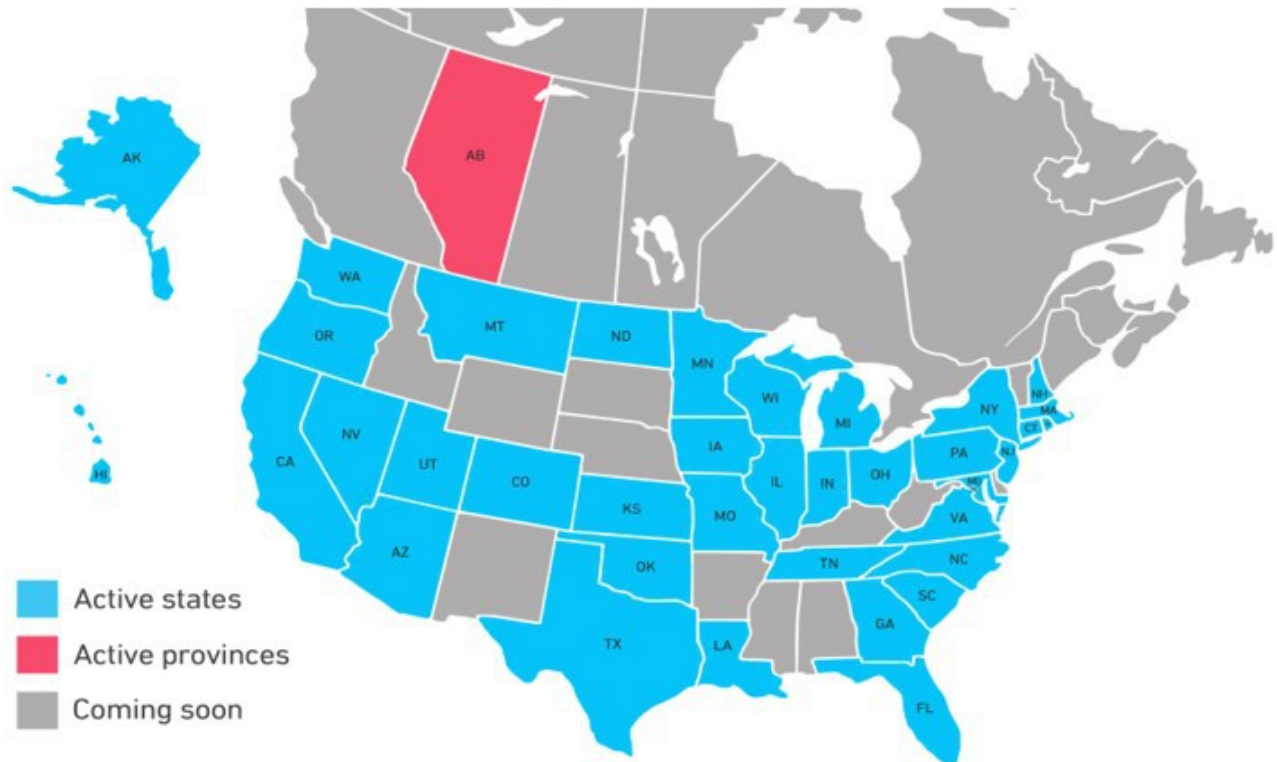
Real is a technology-powered real estate brokerage that is shaking up a \$100 billion residential real estate brokerage industry with a new model that focuses on creating value and financial opportunity for agents. We believe that by focusing on our agents' success, we help them deliver a better experience to their clients.

Real creates financial opportunities for agents in four key ways:

 <p>1. Keep more commission Our unique compensation structure favors the agent, allowing them to keep 85%-100% of commissions.</p>	 <p>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.</p>
 <p>3. Build equity Agents can earn equity through the company's incentive program that allows them to share in the wealth as they help to build a more valuable company</p>	 <p>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.</p>

2021 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. At September 30, 2021, we were licensed in 35 states and the District of Columbia in the United States and in Alberta, Canada. Our fast-growing network of agents allows for strong relationship building, access to a nationwide referral network and seamless expansion opportunities.



2975 Agents, Q3 2021	37 States (35, D.C. and Alberta), Q3 2021	\$71.2M Revenue, Q3 YTD 2021	\$2,726M Value of sold homes, YTD Q3 2021
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Introduction

This Management's Discussion and Analysis ("**MD&A**") is provided to enable a reader to assess the results of operations and financial condition of The Real Brokerage Inc. (formerly ADL Ventures Inc.) ("**Real**" or the "**Company**"). for the period ended September 30, 2021 and 2020. This MD&A is dated November 15, 2021 and should be read in conjunction with the unaudited interim condensed financial statements and related notes for the period ended September 30, 2021 and 2020 (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.

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 call 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.

Business overview and strategy

Real is a growing multistate technology-powered real estate brokerage in the United States. We focus our operations on development of technology that helps real estate agents perform better as well as 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.

Business overview and strategy (cont'd)

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.

Accelerated Growth

Following our listing on the Toronto Venture Exchange (the "TSXV") and the Nasdaq Capital Market (the "Nasdaq"), as well as the launch of our Agent Equity Program, we have entered into 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. The growth is now well reflected in our Q3 2021 revenue figures and we expect this trend to continue in the following quarters.

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 has been very slow at adopting technology and real estate transactions remain notoriously difficult to manage. We believe there is an opportunity to create agent focused software products that will create a 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 also see a tremendous opportunity 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 enjoy a faster, smoother and more enjoyable digital based journey and still benefit from having a human real estate expert guiding them through this exciting and highly emotional transaction. We are starting to allocate resources towards building the technology that will help us capitalize on this opportunity.

Recent developments

Share Split

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 (the "**Share Split**").

Forced Exchange Event

On August 3, 2021 certain funds managed by Insight Venture Management LLC ("**Insight Partners**") were issued an aggregate of 17,287 post-Share Split Common Shares in the exchange of all of the Insight Partners' Preferred issued and outstanding preferred units of Real Pipe, LLC ("**Real PIPE**" and the "**Preferred Units**").

The issuance of Common Shares (the "**Forced Exchange**") followed Real's listing on Nasdaq on June 15, 2021. In connection with the Nasdaq listing, Real delivered a "Forced Exchange Notice" to Insight Partners providing for the exchange of previously issued Preferred Units issued to Insight Partners pursuant to the terms of the Amended and Restated Limited Liability Company Agreement between Real, Real PIPE and Insight Partners dated December 2, 2020.

As of the date of this MD&A, Insight Partners controls approximately 17.73% of the issued and outstanding Common Shares on a fully diluted basis.

Business overview and strategy (cont'd)

International Expansion

On August 16, 2021, the Company announced it has launched in Alberta, Canada as "Real Broker AB", this marking the launch of its first international operations.

Business Strategy

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 8th, 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 operate as "brokerages inside a brokerage". A team is 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 to allow brokers and agents a financial mechanism to build teams across geographical boundaries in any of the markets that we serve without incurring significant additional expense, oversight responsibility, or liability while preserving and enhancing the agents and brokers' personal brands. The growth in brokerage teams joining Real is having a positive impact, as reflected in third quarter revenue growth.

Objectives

Real seeks to become one of the leading real estate brokerages in the United States and Canada. Using our proprietary technology, we look to provide agents with all the tools they need in order to manage and market their business and succeed. 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 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 Real's 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. Unless otherwise specified, amounts are in U.S dollars and percentage changes are calculated using whole numbers.

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. 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 better transparency into our results of operations.

Presentation of financial information and non-IFRS measures (cont'd)

Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (cont'd)

Adjusted EBITDA is used as an alternative to net income 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.

Results from operations

Select annual information

<i>For the period ended September 30,</i>	2021	2020	2019
Operating results			
Total revenues	71,202	9,469	11,780
Loss from continuing operations	(7,835)	(2,275)	(1,768)
Loss attributable to owners of the parent	(7,835)	(2,275)	(1,768)
Per share basis			
Basic and diluted loss per share	(ii) (0.05)	(0.026)	(0.042)

<i>As at</i>	<i>Note</i>	September 30, 2021	December 31, 2020	December 31, 2019
EBITDA	(i) (iii)	(7,394)	(3,390)	(783)
Adjusted EBITDA	(i) (iii)	(2,163)	(1,793)	(539)

(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 of this MD&A.

(ii) Basic and diluted loss per share are calculated based on post consolidated number of issued and outstanding shares

(iii) EBITDA and Adjusted EBITDA is calculated on a trailing twelve month basis. Refer to non-GAAP measures section of this MD&A for further details.

For the nine-month period ended September 30, 2021, total revenues amounted to \$71,202 compared to \$9,469 for the nine-month period ended September 30, 2020, thus demonstrating the early effects of the Company's growth. During the nine-month periods ended September 30, 2020 and September 30, 2021 all revenues were resulting from our core business activities. The increase in revenues is attributable to an increase in productive agents on our platform, as well as expanding the number of states 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.

The primary impact on Adjusted EBITDA is stock-based compensation expense, which is a key contributor to Real's growth and retention of agents, 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 11, Share-based payment arrangements, of the unaudited interim condensed consolidated financial statements.

Results from operations (cont'd)

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

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Major service lines				
Commissions	38,613	3,915	70,799	9,382
Subscriptions	185	15	403	38
Other revenue	-	9	-	49
Total revenue	38,798	3,939	71,202	9,469
Timing of revenue recognition				
Products transferred at a point in time	38,613	3,915	70,799	9,382
Services transferred over time	403	15	403	38
Revenue from contracts with customers	39,016	3,930	71,202	9,420
Other revenue	(218)	9	-	49
Total revenue	38,798	3,939	71,202	9,469

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

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Cost of sales	35,477	3,198	64,216	8,063
Operating Expenses				
Compensation expenses	702	291	6,659	667
Marketing expenses	1,675	88	3,060	449
Consultancy	813	444	2,286	896
Administrative expenses	877	263	1,905	675
Dues and subscriptions	123	25	308	47
Depreciation	44	10	130	59
Travel	65	14	113	26
Occupancy costs	44	10	49	21
Other	(1)	6	-	10
Total cost of sales, marketing expenses, administrative	39,819	4,349	78,726	10,913

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 11% for the period ended September 30, 2021 and 24% for the period ended September 30, 2020.

For the period ended September 30,	2021	2020
Revenues	71,202	9,469
Cost of sales	64,216	8,063
Cost of sales as a percentage of revenues	90%	85%

Results from operations (cont'd)

The total cost of sales for the nine-month period ended September 30, 2021 was \$64,216 in comparison to \$8,063 for the nine-month period ended September 30, 2020. We typically pay our agents 85% of the gross commission earned on every real estate transaction and, 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 cap, the increase in volume and increases in unit prices, resulting in a downward pressure as we continue to attract high producing agents.

Our compensation expenses for the nine-month period ended September 30, 2021 was \$6,659 in comparison to \$667 for the nine-month period ended September 30, 2020. The increase in compensation expenses were mainly due to an increase in stock-based compensation expense of \$4,713 in comparison to \$336 for the prior year largely driven by an increase in fair value, as well as additional grants directly related to acquisitions and as part of Real's equity compensation program. Stock-based compensation expense and stock option expense are significant recurring expenses in our business and an important part of both our agent attraction and compensation strategy. The salaries and benefits expenses for the nine-month period end September 30, 2021, were \$1,946 in comparison to \$331 for the nine-month period ended September 30, 2020, related to increases in headcount. As the Company continues in this period of accelerated growth, it is necessary to scale operations in order to support that growth.

At September 30, 2021, Real had 50 full time employees which was an increase from 18 full time employees at September 30, 2020. 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. This, as well as the investments Real is making in its technology infrastructure, enable us to continue to scale at an accelerated pace and serve as key contributors to our growth. With year over year revenue growth at 885%, we believe we have proven our ability to do so in a highly efficient manner and with minimal impact on our operational costs.

Our consultancy expenses for the nine-month period ended September 30, 2021 was \$2,286 in comparison to \$896 for the nine-month period ended September 30, 2020. The increase in consultancy expenses was largely due to an increase in legal and professional fees associated with our listing on Nasdaq and the acquisition of RealtyCrunch.

Our marketing expenses for the nine-month period ended September 30, 2021, was \$3,060 compared to \$449 for the nine-month period ended September 30, 2020, due to our efforts to attract agents. This increase is primarily comprised of \$2,282 in revenue share paid to agents, as part of our revenue share model. Agents earn revenue-share for new agents that they personally refer to Real.

Summary of Quarterly Information

The following table provides selected quarterly financial information for the seven most recently completed financial quarters ended September 30, 2021. 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.

For the period ended	2021				2020		
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	38,798	23,095	9,309	7,090	3,939	2,594	2,936
Cost of sales	35,477	20,667	8,072	6,342	3,198	2,313	2,552
Cost of sales	35,477	20,667	8,072	6,342	3,198	2,313	2,552
Gross profit	3,321	2,428	1,237	748	741	281	383
Administrative expenses	2,170	3,801	4,080	1,774	988	482	784
Marketing expenses	1,675	942	443	268	88	209	152
Research and development expenses	497	475	427	76	75	49	23
Other income	-	-	-	(167)	-	(1)	-
Operating loss	(1,021)	(2,790)	(3,713)	(1,203)	(410)	(458)	(575)
Listing expenses	-	-	-	32	-	803	-
Finance costs (income). Net	43	158	110	111	12	15	(332)
Loss before tax	(1,064)	(2,948)	(3,823)	(1,346)	(422)	(1,276)	(243)
Income taxes	-	-	-	-	-	-	-
Net Loss	(1,064)	(2,948)	(3,823)	(1,346)	(422)	(1,276)	(243)
Total loss and comprehensive loss	(1,064)	(2,948)	(3,823)	(1,346)	(422)	(1,276)	(243)
<i>Non operating expenses</i>							
Taxes	-	-	-	-	-	-	-
Interest	43	158	110	111	12	15	(332)
Depreciation	44	44	42	32	10	22	27
Stock-based compensation	(80)	2,045	2,748	802	139	(15)	212
Listing expenses	-	-	-	-	-	459	-
Nasdaq listing expenses	310	145	-	-	-	-	-
Restructuring expense	3	60	-	-	-	-	-
Adjusted EBITDA	(744)	(496)	(923)	(401)	(261)	(795)	(336)
Earnings per share							
Basic and diluted loss per share	(0.006)	(0.053)	(0.038)	(0.009)	(0.003)	(0.008)	(0.006)

Quarterly trends and risks

Our quarterly results are dependent on the economic conditions within the markets for which we operate. The Company's revenue and income can experience considerable variations from quarter to quarter and year to year due to factors beyond the Company's control. The business is affected by the overall conditions of the real estate market, influenced primarily 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.

For the first half of 2020, the COVID-19 pandemic adversely affected the Company's business and business worldwide

Summary of Quarterly Information (cont'd)

Quarterly trends and risks (con'td)

However, the overall impact of COVID-19 on the Company was not significant and the Company demonstrated growth in the second half of the year. The Company further recognized the effects of growth throughout the first nine months of 2021 and is positioned to continue to expand at an accelerated pace.

Liquidity and capital resources

The Company has a capital structure comprised of, Common Shares, contributed surplus, retained earnings and accumulated other comprehensive income. 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.

At September 30, 2021, cash and cash equivalents totaled \$36,077, an increase from \$21,226 at December 31, 2020. Cash is comprised of cash, money market funds and financial instruments with an original maturity of 90 days or less from the date of purchase.

During the nine-month period ended September 30, 2021, financing activities contributed cash of \$26,522 and used cash of \$3,834, mainly due to purchases of Common Shares for the RSU plan (\$3,772). Cash flows from operations contributed \$2,284 in comparison to \$818 at the nine-month period ended September 30, 2020. Cash flows from investing activities used cash of \$10,055, mainly due to investments in securities available for sale at fair value (\$8,890).

We believe that our existing balances of cash and cash flows expected to be generated from our operations will be sufficient to satisfy our operating requirements for at least the next three years.

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:

<i>As at,</i>	September 30, 2021	December 31, 2020
Cash	36,077	21,226
Restricted cash	47	47
Other receivables	23	221
Liquidity	36,147	21,494
Loans and borrowings	-	-
Debt	-	-

The Company holds no debt obligations.

Liquidity and capital resources (cont'd)Contractual obligations

As at September 30, 2021, the Company had no guarantees, leases, off-balance sheet arrangements other than those noted in our results from operations. We have a lease for our New York office that expires on September 30, 2023. The monthly rent expense per the lease for the period ended September 30, 2021 is \$7 per month.

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 2021, 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 PIPE financing activities with Insight Partners into a managed investment portfolio. Securities are purchased on behalf of the Company and are actively managed through multiple investment accounts. The Company follows a conservative investment approach with limited risk for investment activities and has allocated the funds in Level 1 assets to reduce market risk exposure.

The Company's investment securities portfolio consists primarily of cash investments, debt securities issued by U.S government agencies, local municipalities and certain corporate entities. For the period ended September 30, 2021, the total investment in securities available for sale at fair value was \$8,893 and is more fully disclosed in Note 14, Investment securities available for sale at fair value, of the unaudited interim condensed consolidated financial statements.

Other metricsEarnings before interest, taxes, depreciation and amortization

<i>For the period ended September 30,</i>	2021	2020	2019
Net loss and comprehensive loss	(7,835)	(2,275)	(1,768)
<i>Add (deduct):</i>			
- Taxes	-	-	-
- Interest	311	29	443
- Depreciation	130	59	85
EBITDA	(7,394)	(2,187)	(1,240)

Other metrics (cont'd)**Adjusted earnings before interest, taxes, depreciation and amortization**

<i>For the period ended September 30,</i>	2021	2020	2019
Net loss and comprehensive loss	(7,835)	(2,275)	(1,768)
<i>Add (deduct):</i>			
- Taxes	-	-	-
- Interest	311	29	443
- Depreciation	130	59	85
- Stock-based compensation	4,713	336	26
- Listing expenses	-	459	-
- Nasdaq Listing expenses	455	-	-
- Restructuring expense	63	-	-
Adjusted EBITDA	(2,163)	(1,392)	(1,214)

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 Company's annual condensed consolidated financial statements. Actual results may differ from estimates under different assumptions and conditions.

Significant judgments include the timing of revenue recognition and consolidation adjustments. 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 our annual condensed consolidated 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 are 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.

Future changes in accounting policies (cont'd)

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.

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

Real has established internal controls over financial reporting to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of the Financial Statements for external purposes in accordance with IFRS. Management, including the Company's CEO and CFO, have determined that as at September 30, 2021 and 2020, the internal controls over financial reporting were effective.

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.

Key management compensation

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

<i>For the period ended</i>	September 30, 2021	September 30, 2020
Salaries and benefits	816	488
Short-term employee benefits	-	6
Consultancy	180	44
Stock-based compensation	2,571	336
Compensation expenses related to Management	3,567	874

Market conditions and industry trends

Throughout the period ended September 30, 2021, existing home sales rose 7% since August 2021 to an annualized 6.29 million, the most since September 2020, suggesting a slight easing in home-price growth. While cooling since the end of 2020, buyer demand remains firm due to the limited number of affordable homes on the market.

According to the National Association of Realtors ("NAR") housing statistics, total housing inventory at the end of September 2021 amounted to 1.27 million units, down 13% from one year ago. At the current pace, unsold inventory represents 2.4 months of supply, down from 2.7 months in September 2020. It's common within the industry to view anything below a five month of supply as a sign of a tight market.

Low mortgage rates fueling increased demand have been causing inventory shortages in many housing markets, creating a challenging environment for home buyers. In September, properties remained on the market for an average of 17 days and nearly 86% of all homes sold were on the market for less than a month. The median existing-home price for all housing types increased 13.3% from September 2020. Additionally, 23% of all homes sold were all-cash, which is up 18% from a year ago, fueled by huge wealth gains from both housing equity and the stock market. We believe that these economic indicators represent a seller's market, making the high producing, and listing focused teams that Real is attracting even more meaningful.

According to the NAR, mortgage rates on commitments for 30-year, conventional, fixed-rate mortgages averaged 2.90% for September 2021, compared to 3.11% across all of 2020. Some lenders have increased their rates to account for the risk and overall financial uncertainty. Low mortgage rates are pushing buyers into the market as well as driving an increase in refinance applications.

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 actually 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 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.

Risks and uncertainties (cont'd)

Managing Growth (cont'd)

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 current stock, and its existing stockholders 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 NAR, 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.

Risks and uncertainties (cont'd)

Regulation of United States real estate market (cont'd)

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

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

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

Success of the platform

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

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

Management team

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

Monetization of platform

There is no guarantee that our efforts to monetize the Real platform will be successful. Furthermore, our competitors may introduce more advanced technologies that deliver a greater value proposition to realtors in the future. All 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.

Risks and uncertainties (cont'd)

Seasonality of operations

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

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

Agent engagement

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

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

Managing growth

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.

Risks and uncertainties (cont'd)

Volatility (cont'd)

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, of which 178,160 Common Shares are issued and outstanding. Our board of directors (the "Board") has the authority to cause us to issue additional Common Shares without consent of any of stockholders. Consequently, our stockholders 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 stockholder 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.

Subsequent events

On October 28, 2020, the Company launched its Instant Payment program, allowing agents to be paid at the time a transaction is executed, rather than at closing. The Company will leverage proprietary artificial intelligence, data and predictive analytics to determine which agents are eligible for the program, the likelihood and timing of a transaction closing and to calculate the value of the payment.

Outstanding Share Data

As of November 15, 2021, the Company had 178,160 Common Shares issued and outstanding.

In addition, as of November 15, there were 18,359 post-Share Split stock options ("**Options**") outstanding under the Company's stock option plan exercises prices ranging from \$0.03 to \$1.99 USD per share and expiry dates ranging from January 2026 to August 2031. Each Option is exercisable for one Common Share. A total of 3,739 restricted share units ("**RSUs**") were outstanding under the RSU Plan. Once vested, a total of 3,739 Common Shares will be issuable pursuant to the outstanding RSUs.

The Real Brokerage Inc.

Management's Discussion and Analysis

For the period ended September 30, 2021 and 2020

(In thousands of U.S. dollars and in thousands per unit amounts)



Additional information

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



The Real Brokerage Inc.
(formerly ADL Ventures Inc.)

Interim Condensed Consolidated Financial Statements

September 30, 2021

(Unaudited)

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The notes are an integral part of these unaudited interim condensed consolidated financial statements.

The Real Brokerage Inc.

Unaudited Interim Condensed Consolidated Statements of Financial Position
(In thousands of U.S. dollars)



	<i>Note</i>	September 30, 2021	December 31, 2020
Assets			
Cash	13	36,077	21,226
Restricted cash		47	47
Investment securities available for sale at fair value	14	8,893	-
Trade receivables	12	275	117
Other receivables		23	221
Prepaid expenses and deposits		560	89
Current assets		45,875	21,700
Intangible assets	15	1,107	-
Property and equipment	15	71	14
Right-of-use assets	15	130	193
Non-current assets		1,308	207
Total assets		47,183	21,907
Liabilities			
Accounts payable and accrued liabilities		5,955	815
Other payables		1,048	64
Lease liabilities	18	82	85
Current liabilities		7,085	964
Lease liabilities	18	71	130
Accrued Stock-based Compensation		1,084	15
Warrants outstanding		310	-
Non-current liabilities		1,465	145
Total liabilities		8,550	1,109
Equity (Deficit)			
Share premium	16	59,236	21,668
Stock-based compensation reserve		5,680	2,760
Deficit		(26,283)	(18,448)
Equity (Deficit) attributable to owners of the company		38,633	5,980
Non-controlling interests	16	-	14,818
Total liabilities and equity		47,183	21,907

Approved by the Board of Directors on November 15, 2021:

Tamir Poleg
CEO

Guy Gamzu
Director

The notes are an integral part of these unaudited interim condensed consolidated financial statements.

The Real Brokerage Inc.

(formerly ADL Ventures Inc.)

Unaudited Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

(In thousands of U.S. dollars)

real

	Note	Three months ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
Revenue	8	38,798	3,939	71,202	9,469
Cost of sales	9	35,477	3,198	64,216	8,063
Gross profit		3,321	741	6,986	1,406
General & Administrative expenses	9	2,170	988	10,051	2,254
Marketing expenses	9	1,675	88	3,060	449
Research and development expenses	9	497	75	1,399	147
Other income		-	-	-	(1)
Operating loss		(1,021)	(410)	(7,524)	(1,443)
Listing expenses		-	-	-	803
Finance costs		43	12	311	29
Loss before tax		(1,064)	(422)	(7,835)	(2,275)
Income taxes		-	-	-	-
Net Loss		(1,064)	(422)	(7,835)	(2,275)
Other comprehensive income, net of tax		-	-	-	-
Total loss and comprehensive loss		(1,064)	(422)	(7,835)	(2,275)
Earnings per share					
Basic and diluted loss per share	10	(0.006)	(0.013)	(0.05)	(0.026)

The notes are an integral part of these unaudited interim condensed consolidated financial statements.

The Real Brokerage Inc.

(formerly ADL Ventures Inc.)

Interim Condensed Consolidated Statements of Changes in Equity

*(In thousands of U.S. dollars)***real**

	<i>Note</i>	Share premium	Stock-based compensation reserve	Deficit	Non- controlling interests	Total equity (deficit)
Balance, at January 1, 2020		1,265	1,622	(14,827)	-	(11,940)
Total loss and comprehensive loss		-	-	(3,621)	-	(3,621)
Shares issued to former ADL shareholders	5	271	-	-	-	271
Increase in ADL shares and options	5 (i)	459	-	-	-	459
Shares issued via private placement	5 (ii)	1,588	-	-	-	1,588
Conversion of series A preferred shares	5 (iv)	11,750	-	-	-	11,750
Conversion of convertible debt	5 (v)	250	-	-	-	250
Exercise of stock options	5 (vi)	2	-	-	-	2
Shares issued via private placement	16	500	-	-	-	500
Shares issued via Pipe transaction	6	-	-	-	14,818	14,818
Warrants issued via Pipe transaction	6	5,583	-	-	-	5,583
Equity-settled share-based payment		-	1,138	-	-	1,138
Balance, at December 31, 2020		21,668	2,760	(18,448)	14,818	20,798
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 Common 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		59,236	5,680	(26,283)	-	38,633

The notes are an integral part of these unaudited interim condensed consolidated financial statements.

The Real Brokerage Inc.

(formerly ADL Ventures Inc.)

Interim Condensed Consolidated Statements of Cash Flows

(In thousands of U.S. dollars)



	Three months ended		Nine months ended	
	September 30		September 30	
	2021	2020	2021	2020
Cash flows from operating activities				
Loss for the period	(1,064)	(422)	(7,835)	(2,275)
Adjustments for:				
- Depreciation	42	17	129	66
- Equity-settled share-based payment transactions	(1,696)	139	2,920	336
- Listing expenses	(36)	-	(3)	459
- Unrealized Gain and Loss on Short Term Investments	-	-	-	-
- Finance costs (income), net	43	32	311	28
	(2,711)	(234)	(4,478)	(1,386)
Changes in:				
--Restricted cash	-	-	-	-
- Trade receivables	(66)	(88)	(158)	(114)
- Other receivables	-	9	198	(12)
- Prepaid expenses and deposits	(385)	(27)	(471)	(27)
- Accounts payable and accrued liabilities	2,711	105	5,140	705
- Stock Compensation Payable (RSU)	757	-	1,069	-
- Other payables	728	20	984	18
Net cash provided by (used in) operating activities	1,034	(215)	2,284	(818)
Cash flows from investing activity				
Investments in securities	-	-	(8,890)	-
Change in restricted cash	-	-	-	-
Purchase of property and equipment	(22)	(7)	(65)	(7)
Acquisition of subsidiaries consolidated for the first time (a)*	-	-	(1,100)	-
Net cash provided by (used in) investing activity	(22)	(7)	(10,055)	(7)
Cash flows from financing activities				
Proceeds from private placement	-	443	-	2,031
Additional proceeds from Qualifying Transaction	-	-	-	321
Proceeds from exercise of Warrants	-	-	26,475	-
Proceeds from issuance of convertible debt	-	-	-	250
Proceeds from loans and borrowings	-	-	-	172
Purchases of Common Shares for Restricted Share Unit (RSU) Plan	(2,853)	-	(3,772)	-
Proceeds from exercise of stock options	37	-	47	-
Payment of lease liabilities	(21)	(31)	(62)	(64)
Net cash provided by financing activities	(2,837)	412	22,688	2,710
Net change in cash and cash equivalents	(1,825)	190	14,917	1,885
Cash, beginning of period	37,951	1,748	21,226	53
Fluctuations in foreign currency	(57)	(2)	(66)	(2)
Cash, end of period	36,069	1,936	36,077	1,936

(a) ACQUISITION OF SUBSIDIARIES CONSOLIDATED FOR THE FIRST TIME, SEE ALSO NOTE 7

Assets and liabilities of the subsidiaries:	Nine months ended	
	September 30,	
	2021	2020
Intangible assets	1,100	-
Cash used in the acquisition of a subsidiary consolidated for the first time	1,100	-

*Reclassified

The notes are an integral part of these unaudited interim condensed consolidated financial statements.

1. General information

The Real Brokerage Inc. (formerly ADL Ventures Inc.) ("Real" or the "Company") is a technology-powered real estate brokerage firm, licensed in over 36 states in the US and 1 province in Canada with over 2,975 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., 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 Brokerage Technologies Inc. (formerly Realtyka Tech Ltd.) incorporated on June 29, 2014 in Israel, and Real Broker AB LTD incorporated on February 23, 2021 in Canada.

On June 5, 2020, the Company completed the "Qualifying Transaction" under *Policy 2.4 - Capital Pool Companies* of the TSX Venture Exchange (TSX-V) (see [Note 5](#)). Real's common shares are listed on the TSX-V under the symbol REAX.

On May 17, 2021 the Company announced that the TSX-V has accepted its filing for notice in respect of a normal course issuer bid (NCIB) to be transacted through the facilities of the TSX-V, the Nasdaq and alternative trading systems in accordance with the requirements of the TSX-V. Pursuant to the NCIB, Real may purchase up to 7,170,190 of its common shares (Shares) during the period of May 20, 2021 to May 20, 2022. 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 11\(D\)](#)) for more information.

On May 26, 2021 the Company announced it will be consolidating all of its issued and outstanding common shares (Common Shares) on the basis of one (1) post-consolidation Common Share for each four (4) pre-consolidation Common Shares (the "Share Consolidation").

On June 15, 2021 Real's common shares began trading on the Nasdaq Capital Market (Nasdaq) under the symbol "REAX". Trading of the Common Shares will continue on the TSX-V under the same symbol, "REAX". The purpose of the Nasdaq listing is to enhance shareholder value through improved visibility and increased trading liquidity.

On July 12, 2021 the Company announced it will be splitting all of its issued and outstanding common shares (Common Shares) on the basis of four (4) post-split Common Shares for each one (1) pre-split Common Share (the "Share Split").

On August 16, 2021, the Company announced it has launched in Alberta, Canada as "Real Broker AB", this marking the launch of its first international operations.

2. Basis of preparation

A. Statement of compliance

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 year ended December 31, 2020. These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors on November 15, 2021.

2. Basis of preparation (cont'd)

B. Functional and presentation currency

These unaudited interim condensed consolidated financial statements are presented in U.S. dollars. All amounts have been rounded to the nearest thousands of dollars, unless otherwise noted.

C. 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 effect 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, 2020 and 2019.

D. Basis for segmentation

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

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

3. Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Company. The Company 'controls' an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the interim condensed consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated. Unrealized losses are eliminated in the same way unrealized gains, but only to the extent there is no evidence of impairment.

4. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended December 31, 2020.

A. 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 its operations.

Standards issued but not yet effective up to the date of issuance of these consolidated 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.

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.

4. Significant accounting policies (cont'd)

A. Changes in accounting policies (cont'd)

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.

Business Combinations

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

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

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair value is made and any adjustments required to those provisional fair values are finalized within 12 months of the acquisition date.

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

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

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

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

5. Qualifying transaction

A. ADL Ventures Inc.

On June 5, 2020, Real completed its transaction with ADL Ventures Inc. (ADL), a capital pool company, incorporated under the Business Corporations Act (British Columbia), which constitutes the Company's "Qualifying Transaction" under Policy 2.4 - Capital Pool Companies of the TSX-V.

On March 5, 2020, Real and ADL entered into a securities exchange agreement (Securities Exchange Agreement) pursuant to which ADL would acquire all the issued and outstanding securities of Real as part of the Qualifying Transaction.

The Securities Exchange Agreement provided for the acquisition of all the issued and outstanding common shares, warrants and options of Real by the Company in exchange for common shares and options of ADL. As a result of the Qualifying Transaction, ADL became the sole beneficial owner of all the outstanding securities of Real.

	<i>Note</i>	Number of options	Number of shares	Value
ADL shares and options issued and outstanding		1,200	9,100	271
<i>Effect of transaction with ADL:</i>				
Increase in value of ADL shares and options issued to shareholders of ADL	<i>i</i>	-	-	459
Shares issued pursuant to private placement	<i>ii</i>	-	20,758	1,588
Shares and options issued to shareholders of Real	<i>iii</i>	5,671	42,144	14,818
Conversion of Real series A preferred shares	<i>iv</i>	-	68,460	11,750
Conversion of Real convertible debt	<i>v</i>	-	3,295	250
ADL options exercised	<i>vi</i>	-	675	2
Effect of transaction on share capital		6,871	144,432	29,138

B. Transactions

i. Increase in value of ADL shares and options issued to shareholders of ADL

Accounting for the transaction under IFRS 2, *Share-based payment arrangements*, the fair value of the existing shares and options of ADL are increased by \$459.

ii. Shares issued pursuant to private placement

Concurrent with the Qualifying Transaction, Real raised \$1,588 by way of a private placement of subscription receipts (the "Private Placement"). Each subscription receipt was exercisable into one common share, automatically, and upon completion of the Qualifying Transaction.

The common shares issued pursuant to the Private Placement are subject to a six-month regulatory hold period from the date of closing the Private placement, comprised of a four-month regulatory hold plus a two-month hold period based on contractual lock-up commitments of the subscribers.

iii. Shares and options issued to shareholders of Real

Real had 40,179 ordinary stock and 5,672 options, exchanged for ADL common stock on a basis of 1 to 1.0083.

5. Qualifying transaction (cont'd)**B. Transactions (cont'd)***iv. Conversion of Real series A preferred shares*

Immediately prior to the Qualifying Transaction, Real series A preferred shares were converted on a one-for-one basis into Real ordinary stock and exchanged for ADL common stock on a basis of 1 to 1.0083.

v. Conversion of convertible debt

On February 17, 2020 and March 31, 2020, Real raised an aggregate of \$250 by way of convertible loan, with the principal amounts converted immediately prior to the closing of the transaction at a price per share of \$0.07587 which was in turn exchanged into common shares on a basis of 1 to 1.0083.

vi. ADL options exercised

Subsequent to the transaction, 675 of the ADL options were exercised into common shares.

6. Pipe Transaction

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

Insight Partners were issued 17,286,842 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 are exchangeable into the same number of common shares of the Company (Common Shares) and 17,286,842 share purchase warrants of the Company that are exercisable for Common Shares (Warrants). Each Warrant entitled the holder to subscribe and purchase one Common Share at an exercise price of \$1.48 (CAD \$1.9) 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 17,286,842, 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, the Insight Partners were issued an aggregate of 17,286,842 Common Shares in the exchange of the Insight Partners' Preferred Units in connection with the Forced Exchange Event.

7. RealtyCrunch Acquisition

On January 11, 2021, Real completed the acquisition of the business assets and intellectual property of RealtyCrunch Inc. (RealtyCrunch). The transaction was settled in cash for an aggregate purchase price of USD \$1.1 million plus 184,275 Common Share purchase warrants of Real. Each warrant is exercisable into one Common Share at a price of CAD \$1.36 for a period of four years. In connection with this acquisition, Real also granted 2,440,773 stock options ("Options"), which vest over a 4-year period. The Company has determined the acquisition meets the definition of business combinations within the scope of IFRS 3, Business Combination and has 12 months from the date of purchase to determine the purchase price allocation among the assets purchased and any amounts attributable to goodwill. The expense related to the acquisition was \$38 and is recognized as depreciation expense.

7. RealtyCrunch Acquisition (cont'd)

The following table summarizes the estimated provisional fair values of the acquired assets and assumed liabilities, with reference to the acquisition as of the acquisition date:

Intangible assets	1,165
Goodwill	-
Total assets acquired	1,165

The estimated fair values of the tangible and intangible assets referring to acquisition which were made in 2021 are provisional and are based on information that was available as of the acquisition date to estimate the fair value of these amounts. The Company's management believes the information provides a reasonable basis for estimating the fair values of these amounts but is waiting for additional information necessary to finalize those fair values. Therefore, provisional measurements of fair value reflected are subject to change. The Company expects to finalize the tangible and intangible assets valuation and complete the acquisition accounting as soon as practicable but not later than the measurement period.

8. Revenue

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Major service lines				
Commissions	38,613	3,915	70,799	9,382
Subscriptions	185	15	403	38
Other revenue	-	9	-	49
Total revenue	38,798	3,939	71,202	9,469
Timing of revenue recognition				
Products transferred at a point in time	38,613	3,915	70,799	9,382
Services transferred over time	403	15	403	38
Revenue from contracts with customers	39,016	3,930	71,202	9,420
Other revenue	(218)	9	-	49
Total revenue	38,798	3,939	71,202	9,469

9. Expenses by nature

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Cost of sales	35,477	3,198	64,216	8,063
Operating Expenses				
Compensation expenses	702	291	6,659	667
Marketing expenses	1,675	88	3,060	449
Consultancy	813	444	2,286	896
Administrative expenses	877	263	1,905	675
Dues and subscriptions	123	25	308	47
Depreciation	44	10	130	59
Travel	65	14	113	26
Occupancy costs	44	10	49	21
Other	(1)	6	-	10
Total cost of sales, marketing expenses, administrative	39,819	4,349	78,726	10,913

10. Loss per share

A. Basic and Diluted loss per share

<i>In thousands of shares</i>	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Issued ordinary shares at beginning of period	163,000	144,434	158,595	41,797
Effect of Qualifying Transaction	-	-	-	43,827
Effect of Warrant exercise	-	-	4,405	-
Effect of Private Placement	-	1,012	-	340
Effect of Conversion of Preferred Units	2,700	-	2,700	-
Effect of share options issued	-	-	-	-
Weighted-average number of ordinary shares at September 30,	165,700	145,446	165,700	85,964
Loss per share				
Basic and Diluted loss per share	(0.006)	(0.013)	(0.05)	(0.03)

11. Share-based payment arrangements

A. Description of share-based payment arrangements

i. 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.

The key terms and conditions related to the grants under these programs are as follows; all options are to be settled by physical delivery of shares.

11. Share-based payment arrangements (cont'd)
B. Measurement of fair values

Grant date	Number of instruments	Vesting conditions	Contractual life of options
Balance Dec 31, 2020	13,813		
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	191	4 years quarterly, 1 year cliff	10 years
On May, 2021	704	3 years quarterly	10 years
On Aug, 2021	113	25% on first anniversary, then quarterly vesting	10 years
On Aug, 2021	402	Quarterly Vesting	10 years
30-Sep-21	19,854		

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

	September 30, 2021	December 31, 2020
Share price	\$ 1.86	\$ 0.92
Exercise price	\$ 0.87 to \$1.97	\$ 0.10 to \$1.76
Expected volatility (weighted-average)	156.0%	65.0% to 66.1%
Expected life (weighted-average)	10 years	3 to 10 years
Expected dividends	-%	-%
Risk-free interest rate (based on government bonds)	1.98%	1.38%

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

C. Reconciliation of outstanding stock-options

	Number of options September 30, 2021	Weighted-average exercise price September 30, 2021	Number of options December 31, 2020	Weighted- average exercise price December 31, 2020
Outstanding at beginning of period (year)	12,851	\$ 0.70	5,791	\$ 0.13
Granted	6,041	\$ 1.12	8,022	\$ 0.37
Exercised	(533)	\$ (0.31)	(962)	\$ (0.10)
Outstanding at end of period (year)	18,359	\$ 0.81	12,851	\$ 1.08
Exerciseable at period (year)	8,967		3,103	

The stock-options outstanding as at September 30, 2021 had an average exercise price of \$0.44 (December 31, 2020: \$0.27) and a weighted-average contractual life of 10 years (December 31, 2020: 3.6 years).

11. Share-based payment arrangements (cont'd)

D. Restricted share unit plan

i. Restricted share unit plan

On September 21, 2020, the Company established a restricted share unit plan. Under the plan agents are eligible to receive restricted share units (RSU's) that vest as common shares of Real. The RSU's are earned in recognition of personal performance and ability to attract agents to Real. The expense recognized in relation to these awards for the nine months ended September 30, 2021 was \$532 and is recorded as a stock-based compensation expense on the unaudited interim consolidated statements of loss and comprehensive loss.

RSU's purchased in the agent stock purchase plan are based on a percentage of commission withheld to purchase stock. 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 holding period. The liability will be classified into equity after the 12-month holding period has passed. The company will grant an additional 25% of shares as a bonus after the 12-month holding period has passed. The bonus RSUs are expensed in the period the original award is deemed earned with a corresponding increase in stock-based compensation reserve.

RSU's 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.

On May 20, 2021 the Company began transacting under the NCIB purchase up to 7,170,192 of its common shares (Shares) representing approximately 5% of the total 143,403,790 Shares of the Company's issued and outstanding as at April 30, 2021. Purchases will be made at prevailing market prices commencing on or about May 20, 2021 and ending on the earlier of: (i) one year from such commencement; or (ii) the date on which the Company has purchased the maximum number of Shares to be under the NCIB. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares to satisfy the RSU Plan. During the nine months ended September 30, 2021, there were 1,845,000 shares purchased.

Real has appointed CWB Trust Services as the Trustee for the purposes of arranging for the acquisition of the Shares and to hold the shares in trust for the purposes of the RSU Plan as well as deal with other administration matters. Through the trustee, RBC Capital Markets (RBCCM) has been engaged to undertake purchases under the NCIB for the purposes of the RSU Plan. RBCCM is required to comply with the TSXV NCIB rules in respect of the purchases of Shares as the Trustee is considered to be a non-independent trustee by the TSXV for the purposes of the NCIB rules.

12. Trade receivables

	September 30, 2021	December 31, 2020
Trade receivables	275	117
Total trade receivables	275	117

Information about the Company's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 19(ii).

13. Cash

	September 30, 2021	December 31, 2020
Bank balances	36,077	21,226
Total Cash	36,077	21,226

14. Investment securities available for sale at fair value

Description	Cost	Bond Purchases	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value September 30, 2021
Cash Investments	361		1	(3)	359
U.S. Government Bonds	4,732	26	32	(81)	4,709
Municipal bonds	2,897	62	11	(41)	2,929
Alternative Strategies	900		2	(6)	896
Short Term Investments	8,890	88	46	(131)	8,893

Investment securities are recorded at fair value. The company's investment securities portfolio consists primarily of cash investments, debt securities issued by U.S government agencies, local municipalities and certain corporate entities.

The 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 Finance (income) Costs. An unrealized loss exists when the current fair value of an individual security is less than the amortized cost basis.

15. Property and equipment, intangible assets and right-of-use assets
Reconciliation of carrying amount

	Intangible assets	Right-of-use assets	Computer equipment	Furniture and equipment	Total
Cost					
Balance at December 31, 2020	-	502	33	69	604
Additions	1,165	-	65	-	1,230
Balance at September 30, 2021	1,165	502	98	69	1,834
Accumulated depreciation					
Balance at December 31, 2020	-	309	24	64	397
Depreciation	58	63	8	-	129
Balance at September 30, 2021	58	372	32	64	526
Carrying amounts					
At December 31, 2020	-	193	9	5	207
At September 30, 2021	1,107	130	66	5	1,308

16. Capital and reserves
A. Share capital and share premium

All ordinary 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.

	Note	Share Premium		Non-controlling interests		Non-redeemable preference shares	
		September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
In issue at beginning of period (year)		21,668	1,265	14,818	-	-	11,750
Issued for cash		26,475	-	-	-	-	-
Conversion	5	14,818	11,750	(14,818)	-	-	(11,750)
Private placement	5	-	1,588	-	-	-	-
ADL shares	5	-	730	-	-	-	-
Conversion of convertible debt	5	-	250	-	-	-	-
Exercise of stock options	5	47	2	-	-	-	-
Acquisitions of Common Shares for restricted share unit plan (RSU)		(3,772)	-	-	-	-	-
Private placement	16	-	500	-	-	-	-
Warrants issued via Pipe transaction	6	-	5,583	-	-	-	-
Shares issued via Pipe transaction	6	-	-	-	14,818	-	-
In issue at end of period (year) - fully paid		59,236	21,668	-	14,818	-	-
Authorized (thousands of shares)		Unlimited	123,000	Unlimited	123,000	66,000	66,000

i. Preferred shares

During 2019, the Company completed a private placement of 7,144 series A preferred shares at a price of \$0.14. The aggregate fair value of preferred shares issued were \$1,000.

16. Capital and reserves (cont'd)

During 2020, the Company completed the Qualifying Transaction ([Note 5](#)) whereby the 68,460 series A preferred shares were converted into common shares.

ii. Non-controlling interests

During 2020, the Company completed the Pipe Transaction whereby 17,286,842 preferred units at a price of \$1.19 (CAD \$1.52) per Preferred Unit were issued along with Warrants. The Preferred Units may be exchanged into common shares on a one-for-one basis. In connection with the Pipe Transaction, the Company also issued 17,286,842 warrants, each exercisable into one common share at a price of \$1.48 (CAD \$1.9). On June 28, 2021 all Warrants were exercised for an aggregate gross price of \$26.6 million (CAD \$32.8 million). On August 3, 2021, all preferred shares were exchanged into common shares.

iii. Private Placement

During 2020, Real raised an aggregate amount of \$500 (\$665 CAD less customary expenses) by way of a non-brokered private placement of 1,900 common shares at a price of \$0.27 (\$0.35 CAD) per common share. The common shares issued in the non-brokered private placement will be subject to a four-month hold period and a six-month contractual lock-up.

17. Capital management

Real defines capital as its 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. The Company sets the amount of capital in proportion to the risk and adjusts considering changes in economic conditions and the characteristic risk of underlying assets. To maintain or adjust the capital structure, the Company may repurchase shares, return capital to shareholders, issue new shares or sell assets to reduce debt.

Real's objective is met by retaining adequate liquidity to provide the possibility that cash flows from its assets will not be sufficient to meet operational, investing and financing requirements. There have been no changes to the Company's capital management policies during the periods ended September 30, 2021 and 2020.

18. Lease liabilities

	September 30, 2021	December 31, 2020
Maturity analysis - contractual undiscounted cash flows		
Less than one year	89	90
One year to five years	71	181
Total undiscounted lease liabilities	160	271
Lease liabilities included in the balance sheet	153	215
Current	82	85
Non-current	71	130

19. Financial instruments - Fair values and 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 to be set forth for approval by the Board of Directors. The principal financial risks are actively managed by the Company's finance department, within the policies and guidelines.

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

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

ii. Credit risk

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

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

Trade receivables 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.

Trade receivables and contract assets (cont'd)

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, 2021, the exposure to credit risk for trade receivables and contract asset by geographic region was as follows.

19. Financial instruments - Fair values and risk management (cont'd)

	September 30, 2021	December 31, 2020
US	275	117
Other regions	-	-
Trade receivables	275	117

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

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 segments 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.

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

iv. Market risk

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

Currency risk

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

Exposure to currency riskSensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar or Israeli shekel against all other currencies in which the Company operates as at September 30, 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.

19. Financial instruments - Fair values and risk management (cont'd)

	Average rate		Period-end spot rate	
	Strengthening	Weakening	Strengthening	Weakening
September 30, 2021				
ILS (- 5% movement)	18	(18)	18	(18)
December 31, 2020				
ILS (- 5% movement)	209	(209)	199	(199)

Foreign Currency Risk Management

The Group 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 Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows.

	Liabilities		Assets	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
ILS	(63)	(103)	527	863
CAD	(1,651)	(54)	703	300
Total Exposure	(1,714)	(157)	1,230	1,163

v. *Investment risk*

The Company invested funds from the PIPE 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 14](#).

20. 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.

21. Related parties

The Company's key management personnel are comprised of the CEO, the CFO, the Chief Product Officer, the Chief Strategy Officer, and other members of the executive team. Executive officers participate in the Company's stock option program (see [Note 11\(A\)\(i\)](#)). Directors or Officers of the Company control 21.84% of the voting shares of the Company. Key management personnel compensation for the period consistent of the following:

<i>For the period ended</i>	September 30, 2021	September 30, 2020
Salaries and benefits	816	488
Short-term employee benefits	-	6
Consultancy	180	44
Stock-based compensation	2,571	336
Compensation expenses related to Management	3,567	874