



real

Investor Presentation

August 2022

real

Legal Disclosure

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

Future Oriented Financial Information: To the extent any forward-looking information in this Presentation constitutes “future-oriented financial information” or “financial outlooks” within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate anticipated results and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out above. Our actual financial position and results of operations may differ materially from management’s current expectations and, as a result, our revenue and profitability may differ materially from the revenue and profitability profiles provided in this Presentation. Such information is presented for illustrative purposes only and may not be an indication of our actual financial position or results of operations.

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

Appendix A

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

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

The Real Brokerage

The Real Brokerage is revolutionizing the residential real estate industry by pairing best-in-class technology with the trusted guidance of the agent-led experience.

REAX

Dual listed on
NASDAQ and TSX

\$174M

YTD '22 Revenues¹

16,000+

YTD '22 Transactions¹

\$340M

Market cap¹

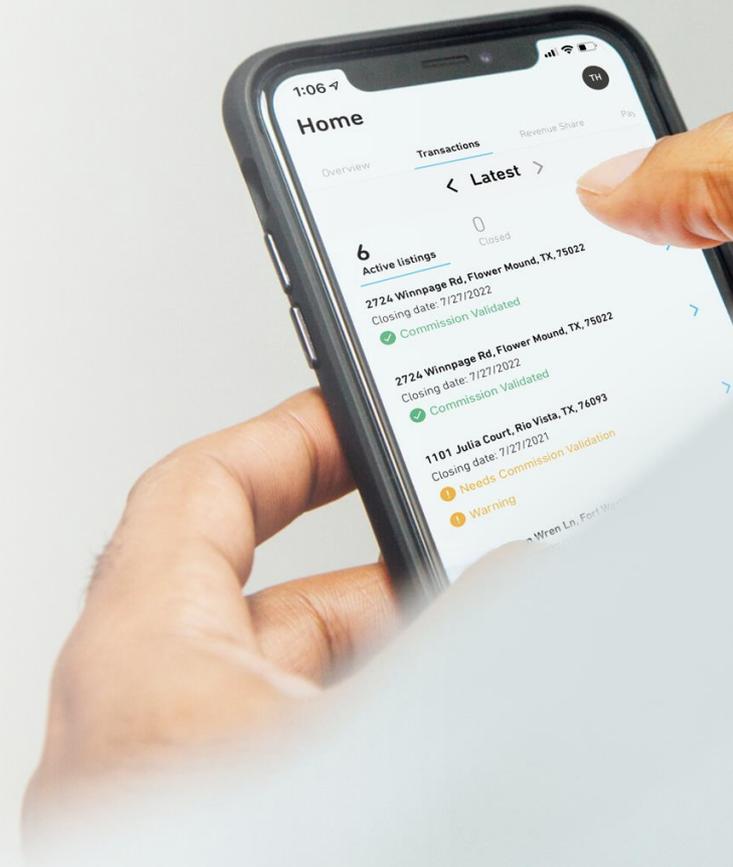
6,000+

Licensed Agents¹

44

States¹

+ DC
+ Alberta
+ Ontario



Substantial Market Opportunity

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

U.S. TAM - \$215B

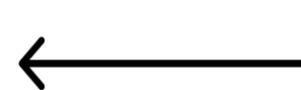
Other Real Estate Services - \$30B

Title Insurance & Escrow - \$35B

U.S. Residential Mortgage Commissions - \$50B

U.S. Residential Brokerage Commissions - \$100B

Recently purchased a nascent technology title company. Plans for further expansion into other ancillary services.



Recent expansion into Canada with future opportunities to continue to scale internationally.



“To start a company in residential real estate...Well, it’s the largest asset class in the world that’s been completely unaffected by technology.”

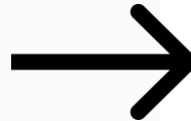
PETER THIEL, CO-FOUNDER OF PAYPAL, PALANTIR TECHNOLOGIES, AND FOUNDERS FUND

A Large Industry Redistributed

As of July 2022, there are 1.6 million agents in the U.S., ~90% are with legacy brokerages that have had a dominant market share since the mid-1900s⁽¹⁾. We are beginning to see the market shift to a new model...

PAST

Still own ~90% of the market today



FUTURE

Tech platforms rapidly gaining market share like our own



Modern Agents Demand:

- ✓ Better Technology
- ✓ Better Economic Incentives
- ✓ Better Culture

Evolution of an Industry

TIMELINE



Q2 '22 Highlights

Growth Initiatives

Hired VP of Sales, Rob Kim

- Targeting high-producing teams

Launched operations into Mississippi

- Now in 44 states, D.C. and 2 provinces

Expanded 'Real Launch' mentoring program to 12 more states

- 50/50 commission split for 8 months

Launched OneReal.com

- New consumer-focused website

Graduated to the Toronto Stock Exchange from the TSXV Exchange

- Increases global visibility for expanding investor base

Agent Productivity

Renegotiated partnership with Chime

- CRM tool to boost agent productivity, with revenue opportunities for Real

Launched Knowledge Base

- 24/7 FAQ self-service support portal reduces agent support tickets

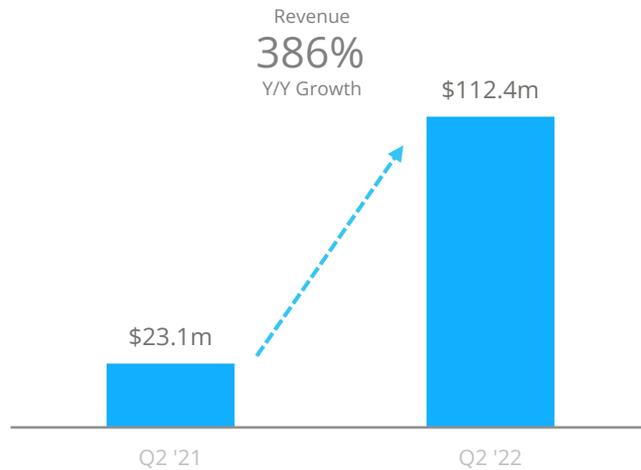
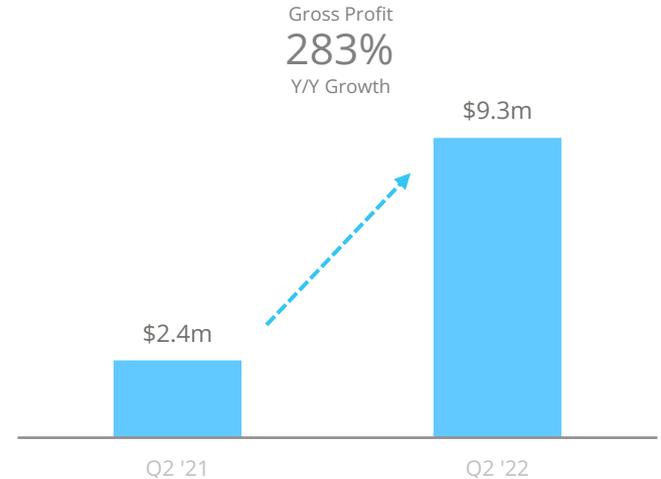
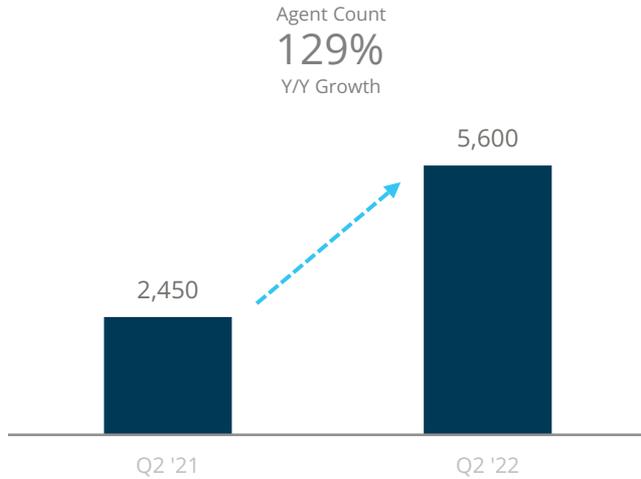
Implemented Real Design Center

- Platform of customizable marketing assets for agent branding

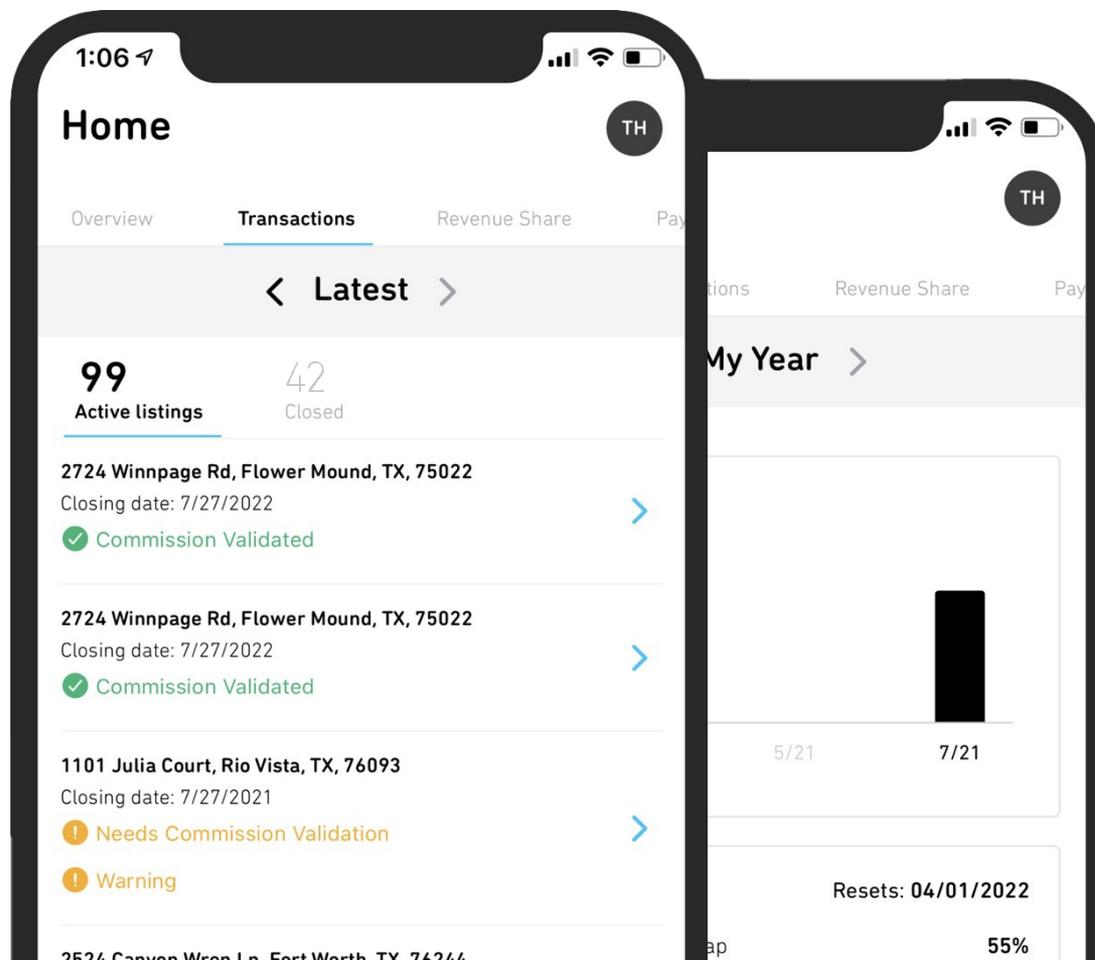
Real App 2.0

- New proprietary transaction management software

Rapid Growth



The Real Platform



THE PLATFORM TODAY

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

In Q2 '22, our 9-member transaction team processed **over 10,000 transactions**, with the power of our technology.

In Q2 '22, we recorded our **highest single day** of transaction processing at 269.

Future Focus: Fixing a Broken Homebuying Experience

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

Unpredictable

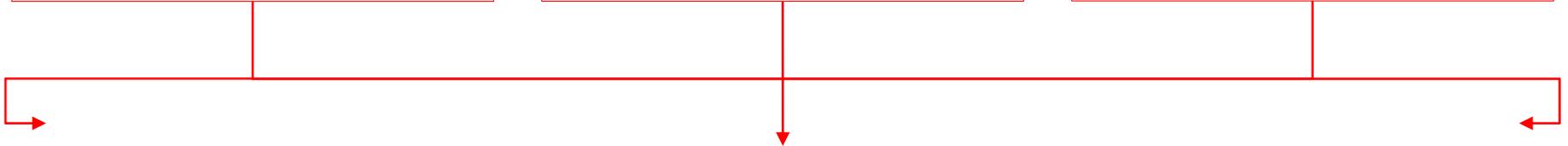
From a buyer's perspective, unforeseen issues seemingly pop up out of nowhere based on lack of awareness of potential outcomes

Chaotic

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

Nontransparent

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



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

The Real Solution

Building a better product and a better customer experience.

OUR VISION FOR THE FUTURE

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

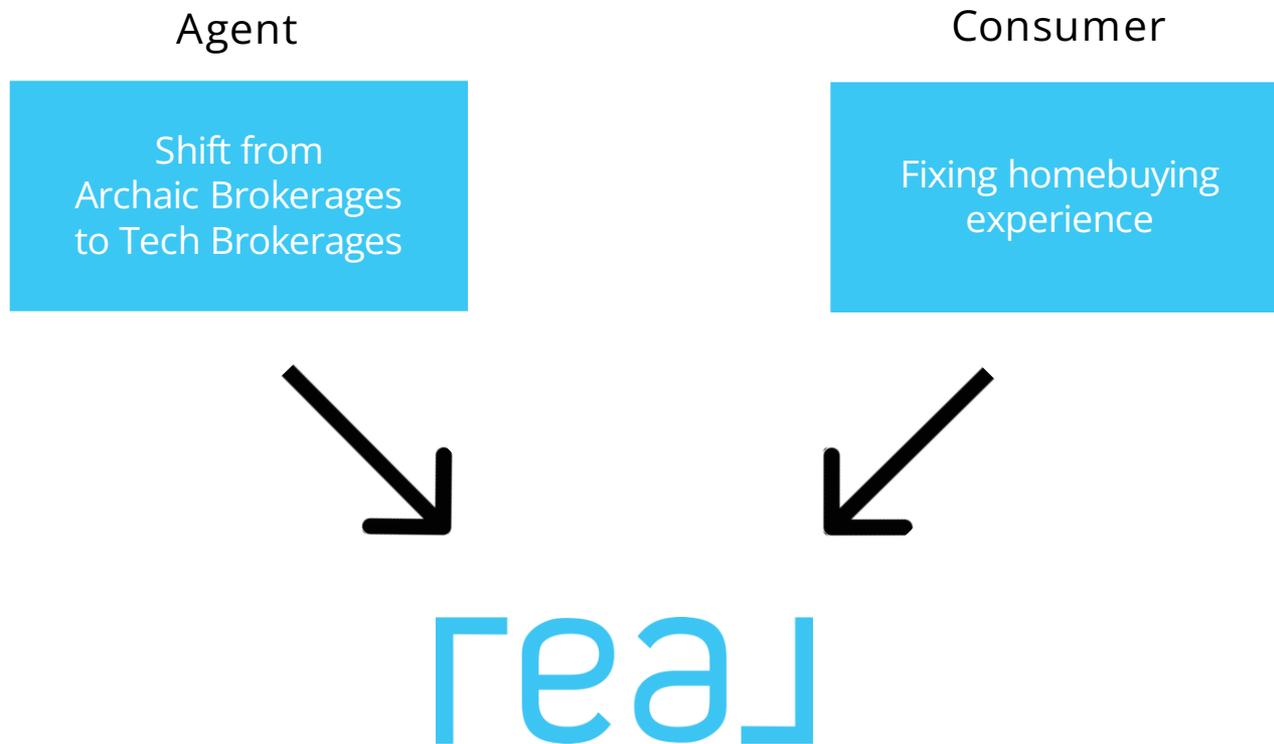
- ✓ Predictability
- ✓ Organization
- ✓ Transparency

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



Conclusion: Real Recap

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



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APPENDIX

Income Statement

	<i>Three months ended June 30,</i>		<i>Six months ended June 30,</i>	
	2022	2021	2022	2021
Revenue	112,356	23,095	174,005	32,404
Cost of Sales	103,064	20,667	158,851	28,739
Gross Profit	9,292	2,428	15,154	3,665
General and administrative expenses	6,116	2,819	11,490	5,124
Marketing expenses	5,700	1,214	9,416	1,864
Research and development expenses	1,680	1,185	2,719	3,180
Operating Loss	(4,204)	(2,790)	(8,471)	(6,503)
Other income	(257)	-	(436)	-
Finance costs, net	208	158	372	268
Net Loss	(4,155)	(2,948)	(8,407)	(6,771)
Non-controlling interest	53	-	114	-
Net Loss Attributable to Owners of the Company	(4,208)	(2,948)	(8,521)	(6,771)
<i>Other comprehensive income/(loss):</i>				
Unrealized losses on available for sale investment portfolio	(116)	-	(393)	-
Foreign currency translation adjustment	190	-	394	-
Comprehensive Loss Attributable to Owners of the Company	(4,134)	(2,948)	(8,520)	(6,771)
Comprehensive Income Attributable to NCI	53	-	114	-
Comprehensive Loss	(4,081)	(2,948)	(8,406)	(6,771)
<i>Loss per Share</i>				
Basic and diluted loss per share	(0.02)	(0.03)	(0.05)	(0.06)
Weighted-average shares, basic and diluted	178,330	110,655	178,330	110,655

Balance Sheet

	June 30, 2022	December 31, 2021
Assets		
Cash	32,520	29,082
Restricted cash	-	47
Investment securities available for sale at fair value	4,429	8,811
Trade receivables	240	254
Other receivables	66	23
Prepaid expenses and deposits	1,299	448
Current assets	38,554	38,665
Intangible assets	395	451
Goodwill	12,527	602
Property and equipment	754	170
Right-of-use assets	67	109
Non-current assets	13,743	1,332
Total assets	52,297	39,997
Liabilities		
Accounts payable and accrued liabilities	12,124	6,604
Other payables	15,103	3,351
Lease liabilities	86	91
Current liabilities	27,313	10,046
Lease liabilities	-	40
Accrued stock-based compensation	6,319	2,268
Warrants outstanding	254	639
Non-current liabilities	6,573	2,947
Total liabilities	33,886	12,993
Equity (Deficit)		
Share premium	63,537	63,397
Stock-based compensation reserve	10,836	6,725
Deficit	(38,648)	(30,127)
Other Reserves	(346)	(347)
Treasury Stock, at cost	(17,103)	(12,644)
Equity (Deficit) attributable to Owners	18,276	27,004
Non-controlling interests	135	-
Total liabilities and equity	52,297	39,997

Adjusted EBITDA Reconciliation

	<i>Three months ended June 30,</i>		<i>Six months ended June 30,</i>	
	2022	2021	2022	2021
Net Income (loss)	(4,134)	(2,948)	(8,520)	(6,771)
<i>Non operating expenses</i>				
Finance costs	377	158	879	268
Depreciation	135	44	138	86
Stock-based compensation	1,446	2,045	3,231	4,793
NASDAQ listing expenses	-	145	-	145
Restructuring expenses	-	60	-	60
Extraordinary expenses	155	-	281	-
Adjusted EBITDA	(2,021)	(496)	(3,991)	(1,419)

Statement of Cash Flows

	<i>Three months ended June 30,</i>		<i>Six months ended June 30,</i>	
	2022	2021	2022	2021
Cash flows from operating activities				
Loss for the period	(4,155)	(2,948)	(8,407)	(6,771)
Adjustments for:				
Depreciation	135	44	138	86
Equity-settled share-based payment transactions	274	1,868	1,211	4,616
Unrealized gain and loss on short term investments	(277)	-	-	-
Gain on short term investments	(62)	-	(135)	-
Finance costs (income), net	100	158	209	268
Changes in:				
Restricted Cash	47	-	47	-
Trade receivables	111	518	14	(92)
Other receivables	21	1	(43)	198
Prepaid expenses and deposits	149	(12)	(851)	(86)
Accounts payable and accrued liabilities	4,071	622	5,520	2,429
Stock Compensation Payable (RSU)	2,481	205	4,051	312
Other payables	(1,583)	250	11,752	256
Net cash provided by (used in) operating activities	1,312	706	13,506	1,216

Statement of Cash Flows (cont.)

	<i>Three months ended June 30,</i>		<i>Six months ended June 30,</i>	
	2022	2021	2022	2021
Cash flows from investing activities				
Purchase of property and equipment	(249)	(29)	(625)	(43)
Acquisition of subsidiary	-	-	(7,445)	(1,100)
Net cash provided by (used in) investing activities	(249)	(29)	(8,070)	(1,143)
Cash flows from financing activities				
Investment in securities	3,989	(8,857)	3,989	(8,857)
Proceeds from exercise of Warrants	-	26,475	-	26,475
Purchases of Common Shares for Restricted Share Unit (RSU) Plan	(1,180)	(919)	(5,692)	(919)
Proceeds from exercise of stock options	24	10	47	10
Payment of lease liabilities	(22)	(21)	(45)	(41)
Cash distribution for non-controlling interest	(43)	-	(43)	-
Net cash provided by financing activities	2,768	16,688	(1,744)	16,668
Net change in cash and cash equivalents	3,831	17,365	3,692	16,741
Cash, beginning of period	28,941	20,527	29,082	21,226
Fluctuations in foreign currency	(252)	12	(254)	(63)
Cash, end of period	32,520	37,904	32,520	37,904
Supplemental disclosure of non-cash activities				
Cash grants payable as part of Expetitle acquisition	-	-	75	-
Share-based compensation as part of Expetitle acquisition	-	-	4,325	-
Release of vested common shares from benefits trust	764	-	1,326	-