RICHARDSON Wealth

Management's Discussion & Analysis

RF Capital Group Inc.

For the year ended December 31, 2024

A Message from our President & CEO

Dear Shareholders,

It is my privilege, as the newly appointed President & CEO of RF Capital, to provide your *2024 Report to Shareholders*.

When I became Chief Operating Officer of Richardson Wealth in January 2024, I was inspired by a well-designed strategy for growth. The plan was clear and achievable, laying out the framework for the momentum we needed to be a serious contender in the Canadian marketplace. With years of experience in the wealth management industry, I have a fundamental belief that the independent space presents a viable – and attractive – alternative for Canadian investors who are, or will be, seeking a differentiated offering. Moreover, my conviction that advisors and their teams working at large investment dealers are beginning to seek a new path to grow and thrive for their clients' success means we have real opportunity here. These factors helped drive my decision to accept the COO position. Simply said, the three-pillar growth strategy aligned with my core beliefs in this industry. One year later, and now as President & CEO, it continues to be the right strategy.

Three Pillar Growth Strategy

Our focused three-pillar strategy:

1.	2.	3.
Double down on advisor support	**Supercharge advisor recruitment**	**Acquire or partner with like-minded firms**

Last year was about execution. My full attention centred around leading the work needed to double down on advisory team support – also known as pillar one of our strategy. My goal was two-fold: to make it easier for our teams to work here so they can provide superior client advice and service and to enable our teams in growing more valuable practices. To make it easier to work here, we are diligently focused on creating middle-office excellence, which is delivered through our own Advisor Service Centre and Fidelity Clearing Canada ULC. Despite our best efforts, we are not there yet. We have prioritized and mobilized around our mission to resolve issues with pace. In that regard, we are making steady progress and celebrating wins as they occur. To grow more valuable practices, we enhanced existing platforms and brought in a suite of business intelligence tools, giving advisors critical data and insights.

Pillar two, continuing to drive recruitment, is also a significant part of our growth strategy. We welcomed some exceptional teams here in 2024 managing $1.8 billion in AUA, and we continued to grow our pipeline to over $31 billion. With heightened emphasis in 2025 on a "by invitation only" mindset, and along with some refinement to our discovery and our onboarding processes, we are confident in our ability to execute on pillar two in 2025.

In 2024, the focus was to drive hard on pillar one and pillar two. In 2025, that will continue to be the case. Our ability to execute on the third pillar, acquiring or partnering with like-minded firms, depends on several factors including the availability of targets, the targets' price expectations, our share price, and our access to other forms of capital. We will continue to seek out opportunities to work with parties that align with our strategy and in ways that generate shareholder value.

Executive Searches

Francis Baillargeon
Chief Financial Officer

Last fall, we conducted a search for a new RF Capital CFO and a Richardson Wealth National Sales leader. In November, we filled the CFO position. Francis Baillargeon brings experience including with investment banks focused on the investment and wealth management industries. I met him when he worked at TD Bank in Corporate Development and quickly developed a deep respect for his expertise and perspectives. Most recently, he spent four years as CFO for scale-up FLO EV Charging, one of Canada's leading clean technology companies. I am delighted to have him as part of my Executive Committee. The search for our National Sales leader continues.

Looking Forward to 2025

My overarching goal in 2024 was, and will continue to be in 2025, to ensure our advisory teams feel valued and respected and that they have the products, services, and tools needed to provide superior client advice and service. With our corporate teams, advisory teams, and the Executive Committee aligned, I am confident we are on track to become the best independent choice in Canada. As I said in a recent firm-wide communication, there is no such thing as a perfect destination. It's the journey we are focused on and in the process, we will see a steady flow of progress in 2025.

I'm excited to lead the next leg of this journey.

Dave Kelly

Dave Kelly

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About this Management's Discussion and Analysis

The purpose of this management's discussion and analysis (MD&A) is to help readers understand the consolidated financial condition and results of the consolidated operations of RF Capital Group Inc. (RF Capital or the Company) as at and for the year ended December 31, 2024.

This MD&A, dated February 27, 2025, should be read in conjunction with the audited consolidated financial statements and related notes as at and for the year ended December 31, 2024 (2024 Annual Financial Statements). This document as well as additional information relating to the Company, including our 2024 Annual Financial Statements and our latest annual information form (AIF), can be accessed at *www.rfcapgroup.com* and under our profile at *www.sedarplus.com*, and are incorporated by reference herein.

This MD&A refers to certain non-Generally Accepted Accounting Principles (GAAP) and supplementary financial measures (SFMs), including non-GAAP ratios, which we believe are useful in assessing our financial performance. Readers are cautioned that these measures do not have any standard meaning prescribed by GAAP under IFRS Accounting Standards (IFRS) and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information related to adjusted results and a reconciliation to their nearest IFRS measures, please read the "Non-GAAP and Supplementary Financial Measures" section at the end of this MD&A.

Unless otherwise specified herein, financial results contained in this MD&A, including related historical comparatives, are based on our 2024 Annual Financial Statements, which we have prepared in accordance with IFRS.

Certain prior period amounts have been reclassified to correspond to the current period presentation. All numbers and discussion in this MD&A relate to continuing operations unless otherwise specified.

Our Board of Directors (Board) has approved this document.

Forward-Looking Information

This MD&A contains forward-looking information as defined under applicable Canadian securities laws. This information includes, but is not limited to, statements concerning objectives and strategies to achieve those objectives, as well as statements made with respect to management's beliefs, plans, estimates, projections 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", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement.

The forward-looking statements included in this MD&A, including statements regarding our recruiting pipeline, the nature of our growth strategy and execution of any of our potential plans, are not guarantees of future results and involve numerous risks and uncertainties that may cause actual results to differ materially from the potential results discussed or anticipated in the forward-looking statements, including those described in this MD&A and our AIF. Such risks and uncertainties include, but are not limited to, strategic (including advisor retention and acquisitions), market, credit, liquidity, operational and legal and regulatory risks, and other risk factors, including variations in the market value of securities, dependence on key personnel and sustainability of fees.

Our results can also be influenced by other factors, such as general economic conditions, including interest rate and exchange rate fluctuations, and natural disasters, or other unanticipated events. For a description of additional risks that could cause actual results to differ materially from current expectations, see the "Risk Management" section of this MD&A.

Although we attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

Certain statements included in this MD&A may be considered a "financial outlook" for purposes of applicable Canadian securities laws. The financial outlook may not be appropriate for purposes other than this MD&A.

Forward-looking information contained in this MD&A is:

- Based on assumptions we consider reasonable; however, there can be no assurance that such expectations will prove correct. As such, readers should not place undue reliance on the forward-looking statements and information contained in this MD&A. When relying on forward-looking statements to make decisions, readers should carefully consider the foregoing factors, the list of which is not exhaustive.
- Made as of the date of this MD&A and should not be relied upon as representing our view as of any date subsequent to the date of this MD&A. Except as required by applicable law, our management and Board undertake no obligation to update or revise any forward-looking information publicly, whether as a result of new information, future events or otherwise.
- Expressly qualified in its entirety by the foregoing cautionary statements

Select Annual Financial Information

($000s, except as otherwise indicated)	2024	2023	2022	2024 vs 2023	2023 vs 2022 Increase/(decrease)
Key performance drivers[1]:					
AUA - ending[2] ($ millions)	**39,527**	35,236	34,950	12%	1%
AUA - average[2] ($ millions)	**37,723**	35,567	35,418	6%	0%
Fee revenue[3] (%)	**90**	90	89	—	+100 bps
Adjusted operating expense ratio[4] (%)	**73.1**	71.1	69.8	+200 bps	+130 bps
Adjusted EBITDA margin[5] (%)	**15.5**	16.9	17.4	(140) bps	(50) bps
Asset yield[6] (%)	**0.86**	0.86	0.85	—	+1 bps
Advisory teams[7] (#)	**152**	155	161	(2%)	(4%)
Operating Performance					
Reported results:					
Revenue	**369,335**	351,119	353,972	5%	(1%)
Gross margin[8]	**213,095**	205,842	204,224	4%	1%
Operating expenses[1,9]	**155,755**	150,854	151,208	3%	(0%)
EBITDA[1]	**57,340**	54,988	53,016	4%	4%
Income/(loss) before income taxes	**5,061**	(5,509)	(3,110)	n/m	77%
Net income/(loss) from continuing operations	**568**	(9,828)	(4,803)	n/m	105%
Net income/(loss) from discontinued operations[10]	—	(2,064)	—	(100%)	n/a
Net income/(loss)[10]	**568**	(11,892)	(4,803)	n/m	148%
Net income/(loss) per common share from continuing operations[11]	**(0.24)**	(0.93)	(0.95)	(74%)	(2%)
Net income/(loss) per common share from continuing operations - diluted[11]	**(0.24)**	(0.93)	(0.95)	(74%)	(2%)
Net income/(loss) per common share[10,11]	**(0.24)**	(1.07)	(0.95)	(78%)	13%
Net income/(loss) per common share - diluted[10,11]	**(0.24)**	(1.07)	(0.95)	(78%)	13%
Adjusted results[1]:					
Operating expenses[9]	**155,755**	146,340	142,574	6%	3%
EBITDA	**57,340**	59,502	61,650	(4%)	(3%)
Income/(loss) before income taxes	**18,113**	12,054	18,574	50%	(35%)
Net income/(loss)	**10,160**	3,108	11,098	227%	(72%)
Net income/(loss) per common share - diluted[11]	**0.37**	(0.08)	0.43	n/m	n/m
Select balance sheet information:					
Total assets	**1,458,681**	1,379,983	1,699,654	6%	(19%)
Debt	**110,922**	110,922	110,922	—	—
Shareholders' equity	**326,982**	330,539	346,921	(1%)	(5%)
Net working capital[1,12]	**88,729**	81,208	95,224	9%	(15%)
Common share information:					
Book value per common share ($)	**13.65**	14.02	14.80	(3%)	(5%)
Closing share price ($)	**7.51**	7.52	11.50	(0%)	(35%)
Weighted-average number of common shares outstanding - diluted[11] (millions)	**15.7**	15.6	15.9	1%	(2%)
Common share market capitalization ($ millions)	**118**	117	182	1%	(36%)
Cash flow:					
Cash provided by/(used in) operating activities	**23,755**	(268,497)	(107,402)	n/m	150%
Free cash flow available for growth[1]	**31,471**	35,400	40,198	(11%)	(12%)
Free cash flow[1]	**18,518**	(2,564)	(9,896)	n/m	(74%)

1. Considered to be non-GAAP or SFMs, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.
2. AUA is a measure of client assets and is common in the wealth management industry. It represents the market value of client assets that we administer.
3. Calculated as fee revenue divided by commissionable revenue. Commissionable revenue includes fee revenue, trading commissions, and commissions earned in connection with the placement of new issues and the sale of insurance products.
4. Calculated as adjusted operating expenses divided by gross margin
5. Calculated as adjusted EBITDA divided by revenue
6. Calculated as fee revenue, trading commissions, and interest on cash, divided by average AUA
7. Prior periods have been revised to reflect the internal consolidation of certain teams
8. Calculated as revenue less advisor variable compensation. We use gross margin to measure operating profitability on the revenue that accrues to the Company after making advisor payments that are directly linked to revenue
9. Operating expenses include employee compensation and benefits, selling, general, and administrative expenses, and transformation costs and other provisions. Adjusted operating expenses are calculated as operating expenses less transformation costs and other provisions.
10. In Q2 2023, we recorded a provision for a legacy employment litigation matter related to the 2019 sale of our capital markets business to Stifel Nicolaus Canada Inc. See Note 25 to the 2023 Annual Financial Statements.
11. In 2022, we consolidated our common shares at a 10:1 ratio. Prior period common share information has been adjusted to reflect this consolidation.
12. Calculated as current assets less current liabilities. For further information, please see the "Liquidity" section of this MD&A.

Select Quarterly Financial Information

The following table presents select financial information for our eight most recently completed financial quarters.

				2024				2023
($000s, except as otherwise indicated)	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Key performance drivers[1]:								
AUA - ending[2] ($ millions)	**39,527**	39,004	37,125	37,010	35,236	34,726	35,788	35,965
AUA - average[2] ($ millions)	**39,760**	38,065	36,974	36,060	34,926	35,630	35,880	35,872
Fee revenue[3] (%)	**90**	91	90	92	89	92	90	88
Adjusted operating expense ratio[4] (%)	**70.5**	75.8	71.9	74.3	71.5	67.3	70.9	74.7
Adjusted EBITDA margin[5] (%)	**16.8**	13.6	16.5	15.2	16.7	19.3	16.9	14.9
Asset yield[6] (%)	**0.84**	0.85	0.86	0.88	0.87	0.87	0.86	0.87
Advisory teams[7] (#)	**152**	155	154	153	155	157	156	157
Operating Performance:								
Reported results:								
Revenue	**96,887**	91,871	91,216	89,361	86,752	87,836	88,832	87,700
Variable advisor compensation	**41,814**	40,183	37,650	36,593	35,866	36,012	37,305	36,095
Gross margin[8]	**55,073**	51,688	53,566	52,768	50,886	51,824	51,527	51,605
Operating expenses[1,9]	**38,835**	39,195	38,496	39,229	36,368	34,892	36,946	42,647
EBITDA[1]	**16,238**	12,493	15,070	13,539	14,518	16,932	14,581	8,958
Advisor award and loan amortization	**3,211**	3,103	2,909	3,161	5,844	4,457	3,884	4,201
Interest	**3,649**	3,725	3,413	3,750	3,994	3,527	3,675	3,511
Depreciation of premises and equipment	**2,677**	2,660	2,749	3,049	3,385	3,414	3,366	3,549
Amortization of intangibles	**3,607**	3,563	3,537	3,516	3,464	3,442	3,439	3,346
Income/(loss) before income taxes	**3,094**	(558)	2,462	63	(2,169)	2,092	217	(5,649)
Net income/(loss) from continuing operations	**1,290**	(2,309)	2,714	(1,127)	(2,882)	(189)	(1,425)	(5,332)
Net income/(loss) from discontinued operations[10]	—	—	—	—	—	—	(2,064)	—
Net income/(loss)[10]	**1,290**	(2,309)	2,714	(1,127)	(2,882)	(189)	(3,489)	(5,332)
Net income/(loss) per common share from continuing operations	**0.01**	(0.22)	0.11	(0.14)	(0.26)	(0.10)	(0.20)	(0.51)
Net income/(loss) per common share from continuing operations - diluted	**0.01**	(0.22)	0.10	(0.14)	(0.26)	(0.10)	(0.20)	(0.51)
Net income/(loss) per common share[10]	**0.01**	(0.22)	0.11	(0.14)	(0.26)	(0.10)	(0.37)	(0.51)
Net income/(loss) per common share - diluted[10]	**0.01**	(0.22)	0.10	(0.14)	(0.26)	(0.10)	(0.37)	(0.51)
Adjusted results[1]:								
Operating expenses[9]	**38,835**	39,195	38,496	39,229	36,368	34,892	36,533	38,546
EBITDA	**16,238**	12,493	15,070	13,539	14,518	16,932	14,994	13,059
Income/(loss) before income taxes	**6,357**	2,705	5,725	3,326	1,094	5,355	3,893	1,715
Net income/(loss)	**3,688**	89	5,112	1,271	(483)	2,209	1,279	105
Cash flow:								
Cash provided by/(used in) operating activities	**14,442**	15,977	5,162	(11,826)	2,836	16,624	25,741	(313,698)
Free cash flow available for growth[1]	**9,154**	6,242	8,620	7,455	8,312	11,180	8,746	7,162
Free cash flow[1]	**8,763**	3,856	2,011	3,888	(9,612)	6,151	7,206	(6,309)

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10. In Q2 2023, we recorded a provision for a legacy employment litigation matter related to the 2019 sale of our capital markets business to Stifel Nicolaus Canada Inc. See Note 25 to the 2023 Annual Financial Statements.

Committed to ESG

We are guided by what we believe is right for our communities, advisory teams and their clients, and our business

RF Capital is committed to integrating an environmental, social, and governance (ESG) lens into every aspect of our business.

Aligned with this vision, in 2024 Richardson Wealth officially joined the Responsible Investment Association (RIA), Canada's industry association for responsible investing. As advocates for sustainable finance, we are delighted to join over 190 organizations in continuing to grow and support responsible investing in Canada.

Our 2024 ESG milestones:

Environmental

- We continued to monitor opportunities for net positive environmental impact as we managed our branch renovations and build outs.

Social

- We scored 9.1/10 on Investment Executive's 2024 Brokerage Report Card Survey's Diversity, Equity & Inclusion Policies, up from 8.9 / 10 in 2023.
- Through our DEI efforts, we supported initiatives and hosted or participated in events aligned to Black History Month, Black, African & Caribbean Group, Pride and RWL Women's Network Employee Resources Groups, Women and Wealth, International Women's Day, and The Globe and Mail's *Women Lead Here.*
- Through our community efforts, we supported initiatives and hosted or participated in events aligned to: Toronto's Coldest Night of the Year, Montreal's Fondation Dr Clown Imaginary Ball, Edmonton's An Evening of Wine and Words, 2024 Million Reasons Run, JDRF/FRDJ Canada Walk to Cure Diabetes, Calgary's Comedy for a Cause 2.0, Canada Blood Drive Campaign, Ottawa's BrainyActive Walk for Dementia, Calgary's Dress for Success – ParkLuxe, Toronto's Michael Garron Hospital's East End Eats, Toronto's Ronald McDonald House – Mission Experience, CAMH's Gifts of Light, Victoria's Nicole Bunyan of Squash Canada, Moisson Montreal, PEI's Family Business Atlantic, Vancouver's PSA 25k Open, and Toronto's Unforgettable Gala for Alzheimer's.
- We executed a program to demonstrate enhanced cultural sensitivity towards French-speaking stakeholders and to comply with Quebec's French Language law, Bill 96.

Governance

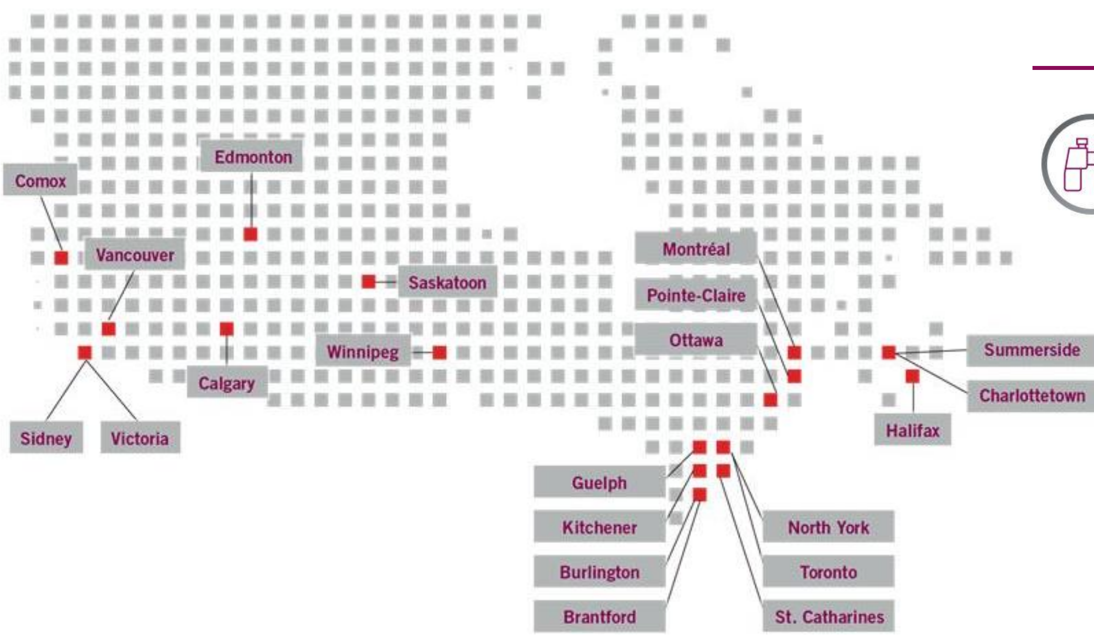
- Please refer to our 2024 Management Information Circular and AIF for more information on Governance and our overall ESG philosophy.

Business Overview

Headquartered in Toronto, RF Capital is a public company listed on the Toronto Stock Exchange (TSX) and its common and preferred shares trade under the ticker symbols TSX: RCG and RCG.PR.B. Richardson Financial Group Limited (RFGL) owns 44% of the outstanding common shares of the Company, with advisors, other employees, and the public holding the remaining 56%. RF Capital's wholly owned subsidiary, Richardson Wealth Limited (Richardson Wealth), is one of the largest independent wealth management firms in Canada with 152 investment advisor teams serving over 30,000 households out of 22 offices. Richardson Wealth operates as Patrimoine Richardson in the francophone market. Richardson Wealth advisors collectively managed $40 billion in client assets[1] as at December 31, 2024 and provide a comprehensive suite of wealth management services including investment, financial planning, insurance, and tax and estate planning services.

Richardson Wealth consistently ranks amongst the top firms in Canada in Investment Executive's Brokerage Report Card. For the seventh year in a row, Richardson Wealth has been certified as a "great place to work" by Great Place to Work®, a global authority on workplace culture.

To read more about the Company please visit the Company's website at *www.RichardsonWealth.com*.



Vision

To be the brand of choice for Canada's top advisors and their high net-worth clients

$40B	152	$260MM	90%	22
AUA[1]	Number of advisory teams	Average AUA per team[1]	Recurring fee-based revenue[1,2]	Offices across Canada

[1] Considered to be non-GAAP or supplementary financial measures, which does not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A

[2] Calculated as fee revenue divided by commissionable revenue. Commissionable revenue includes fee revenue, trading commissions, and commissions earned in connection with the placement of new issues and the sale of insurance products.

Our Growth Strategy

In 2024, we achieved a major milestone by reaching $40 billion of AUA for the first time in our history. Our next milestone objective is to reach $50 billion of AUA. That requires a concentrated effort on two of the three core pillars of growth that define our strategy: pillar one – double down on support for advisory teams; and pillar two – continue to drive recruitment. The third pillar – acquiring or partnering with like-minded firms – remains an important part of our growth strategy and we will continue to identify and evaluate all opportunities that align with our strategy.

There are risks associated with each pillar and with our ability to achieve our growth aspirations. For more details on these risks, please refer to the "Risk Management" section of this MD&A.

Double down on support for advisory teams

This is the most important pillar in 2025. To ensure our advisory teams feel valued and respected and that they have the products, services and tools needed to provide superior client advice and service, we need to continue to double-down on support for them. Within this pillar, we have two clear goals: **make it easier for our teams to work here** and **enable our teams to grow more valuable practices**.

We are **making it easier for our teams to work here** with continued emphasis on operational excellence. We will also continue to enhance advisory team journeys. Finally, we will make our compliance much more efficient. We are **enabling our teams to grow more valuable practices** with more tools, technology, training, products, services, and support. We will also continue to create alignment on the principles for growing great practices ensuring we are working together and stepping in the same direction.

Supercharge recruitment

Recruitment remains a key pillar of our growth strategy, and we brought in some quality teams in 2024. In 2025, we will focus on our processes to attract like-minded advisory teams "by invitation only". By improving our discovery process when the advisors are at the table and then streamlining the onboarding process when they arrive, we believe we will gain even more momentum.

Full Year 2024 Financial Performance Summary

Our full year results showcased growing AUA and fee revenue, which continued to reflect our deliberate approach towards higher yielding fee-based accounts. Equity markets and recruiting activity provided a tailwind to our growth by driving AUA higher, while declining interest rates were a headwind to our revenue. Discretionary costs were managed tightly, although costs related to our leadership transition that were partly offset by a related recovery in compensation, carrying broker costs, and lower mark-to-market recoveries on restricted and deferred share units (RSUs and DSUs) caused reported operating expenses to be elevated from prior year.

- AUA increased $4.3 billion in 2024 as rising equity markets, recruiting, and net new asset gains more than offset the effect of advisor team departures who managed $2.3 billion of AUA
- We recruited advisor teams representing an expected $1.8 billion of AUA
- Net income from continuing operations of $0.6 million improved from a net loss of $9.8 million in 2023 primarily due to higher gross margin and lower amortization, including that related to advisor awards and loans
- Adjusted EBITDA decreased 4% from prior year as gross margin grew 4% while adjusted operating expenses rose 6%
- Revenue increased 5% from prior year due to 8% higher fee revenue and despite an 18% decrease in interest revenue
- Adjusted operating expenses were 6% higher than prior year primarily driven by costs associated with our leadership transition as well as higher carrying broker charges linked to increased trading activity
- Free cash flow of $18.5 million improved from negative free cash flow of $2.6 million in 2023. This $21.1 million change was largely driven by lower expenditure on settlement of legacy legal matters and no incurrence of transformation costs.

Outlook and Key Performance Drivers

Our current view on the drivers of our financial performance and profitability for 2025 is as follows:

- AUA is highly correlated with equity market movements which are inherently difficult to predict and can be impacted by broader economic conditions. AUA will also be supported by growth in our existing advisors' client assets and by recruiting and attrition. We expect to maintain recruiting momentum over the coming quarters.
- Interest revenue is impacted by prime rate trends, which economists expect to continue to decline before stabilizing later in 2025
- Transaction activity underlying our corporate finance revenue could rebound but is more likely to remain subdued
- We expect inflation to remain in the target range for 2025, and we remain committed to finding operating cost savings and efficiencies in our business
- Free cash flow available for growth is expected to be deployed towards advisor recruitment

Financial Performance

($000s)	2024	2023	Increase/(decrease) $	%
Fee revenue	278,387	257,816	20,571	8%
Trading commissions	19,317	17,375	1,942	11%
Corporate finance	8,448	6,150	2,298	37%
Interest	40,136	48,833	(8,697)	(18%)
Insurance	16,772	15,381	1,391	9%
Other	6,275	5,564	711	13%
Revenue	369,335	351,119	18,216	5%
Variable advisor compensation	156,240	145,277	10,963	8%
Gross margin[1]	213,095	205,842	7,253	4%
Employee compensation and benefits	83,078	78,816	4,262	5%
Selling, general and administrative	72,677	67,524	5,153	8%
Transformation costs and other provisions	—	4,514	(4,514)	(100%)
Operating expenses[2,3]	155,755	150,854	4,901	3%
EBITDA[2]	57,340	54,988	2,352	4%
Advisor award and loan amortization	12,384	18,387	(6,003)	(33%)
Interest	14,537	14,706	(169)	(1%)
Depreciation of premises and equipment	11,135	13,713	(2,578)	(19%)
Amortization of intangibles	14,223	13,691	532	4%
Income/(loss) before income taxes	5,061	(5,509)	10,570	n/m
Net income/(loss) from continuing operations	568	(9,828)	10,396	n/m
Adjusted results[2]:				
Operating expenses[3]	155,755	146,340	9,415	6%
EBITDA	57,340	59,502	(2,162)	(4%)
Income/(loss) before income taxes	18,113	12,054	6,059	50%
Net income/(loss)	10,160	3,108	7,052	227%
Cash flow:				
Cash provided by/(used in) operating activities	23,755	(268,497)	292,252	n/m
Free cash flow available for growth[2]	31,471	35,400	(3,929)	(11%)
Free cash flow[2]	18,518	(2,564)	21,082	n/m

1. Calculated as revenue less advisor variable compensation. We use gross margin to measure operating profitability on the revenue that accrues to the Company after making advisor payments that are directly linked to revenue.
2. Considered to be non-GAAP or SFMs, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.
3. Operating expenses include employee compensation and benefits, selling, general, and administrative expenses, and transformation costs and other provisions. Adjusted operating expenses are calculated as operating expenses less transformation costs and other provisions.

2024 vs 2023

Net income/(loss) from continuing operations

Net income from continuing operations was $0.6 million in 2024 compared to a net loss of $9.8 million in 2023. This metric improved partly due to transformation costs incurred in the first half of 2023 more than offsetting lower adjusted EBITDA. Adjusted net income, which excludes transformation costs and other provisions and amortization of acquired intangibles, increased $7.1 million. Both metrics improved largely due to lower amortization, including that related to advisor awards and loans. Tax expenses were relatively flat as we had a reduction in tax provisions in 2024 related to prior years.

Adjusted EBITDA

Adjusted EBITDA of $57.3 million decreased $2.2 million or 4% compared to prior year. The adjusted EBITDA margin was 15.5%, down from 16.9% in 2023. The main drivers of the change in adjusted EBITDA are discussed below.

Revenue

Revenue increased $18.2 million or 5 % primarily as a result of the following factors:

(all figures in $millions)

Categories of Revenue	Change	Explanation
Fee revenue	20.6	Increased due to higher fee-based AUA. The increase in AUA was driven by growth from markets, recruiting, and net new assets exceeding the impact of advisor attrition. Fee revenue growth also reflected a continued shift in our AUA mix towards higher yielding fee-based AUA.
Trading commissions	1.9	Increased due to an increase in trading activity in client accounts
Corporate finance	2.3	Increased largely due to higher structured note-related fees
Insurance	1.4	Increased due to higher sales activity
Interest	(8.7)	Decreased due to lower client cash balances and a decrease in benchmark rates

Adjusted Operating Expenses

Adjusted operating expenses increased $9.4 million or 6% primarily as a result of the following factors:

(all figures in $millions)

Categories of Expense	Change	Explanation
SG&A	5.2	Increased mainly due to costs related to our leadership transition, higher carrying broker charges as a function of higher trading activity, expenses linked to corporate finance revenue growth, costs related to legal matters and settlements, and mark-to-market adjustments on DSUs. DSU mark-to-market *recoveries* were lower as we booked $0.2 million of recoveries compared to $1.0 million in 2023. Partly offsetting these increased costs were lower discretionary costs, an insurance recovery, and a one-time technology expense recovery.
Compensation	4.3	Increased due to mark-to-market adjustments on RSUs ($2.8 million of recoveries compared to $3.9 million in 2023), higher bonus accruals, and annual inflationary increases to salaries, partly offset by recoveries related to our leadership transition

Cash Flow

Free cash flow available for growth decreased $3.9 million or 11%. Free cash flow increased by $21.1 million as we reduced expenditure on office build outs, our transformation, and settlement of legacy legal matters ($2 million of 2023 legal settlements were reported under discontinued operations). Please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A for more detail on our cash flow calculations.

Q4 2024 Financial Performance

	For the three months ended				
($000s)	**December 31, 2024**	September 30, 2024	Increase/ (decrease)	December 31, 2023	Increase/ (decrease)
Fee revenue	**73,821**	70,906	4%	64,146	15%
Trading commissions	**4,925**	4,542	8%	4,108	20%
Corporate finance	**2,686**	1,757	53%	1,490	80%
Interest	**9,100**	9,711	(6%)	11,171	(19%)
Insurance	**4,293**	4,220	2%	4,852	(12%)
Other	**2,062**	735	181%	985	109%
Revenue	**96,887**	91,871	5%	86,752	12%
Variable advisor compensation	**41,814**	40,183	4%	35,866	17%
Gross margin[1]	**55,073**	51,688	7%	50,886	8%
Employee compensation and benefits	**20,556**	19,354	6%	20,004	3%
Selling, general and administrative	**18,279**	19,841	(8%)	16,364	12%
Transformation costs and other provisions	**—**	—	n/a	—	n/a
Operating expenses[2,3]	**38,835**	39,195	(1%)	36,368	7%
EBITDA[2]	**16,238**	12,493	30%	14,518	12%
Advisor award and loan amortization	**3,211**	3,103	3%	5,844	(45%)
Interest	**3,649**	3,725	(2%)	3,994	(9%)
Depreciation of premises and equipment	**2,677**	2,660	1%	3,385	(21%)
Amortization of intangibles	**3,607**	3,563	1%	3,464	4%
Income/(loss) before income taxes	**3,094**	(558)	n/m	(2,169)	n/m
Net income/(loss) from continuing operations	**1,290**	(2,309)	n/m	(2,882)	n/m
Adjusted results[2]:					
Operating expenses[3]	**38,835**	39,195	(1%)	36,368	7%
EBITDA	**16,238**	12,493	30%	14,518	12%
Income/(loss) before income taxes	**6,357**	2,705	135%	1,094	481%
Net income/(loss)	**3,688**	89	n/m	(483)	n/m
Cash flow:					
Cash provided by/(used in) operating activities	**14,442**	15,977	(10%)	2,836	409%
Free cash flow available for growth[2]	**9,154**	6,242	47%	8,312	10%
Free cash flow[2]	**8,763**	3,856	127%	(9,612)	n/m

1. Calculated as revenue less advisor variable compensation. We use gross margin to measure operating profitability on the revenue that accrues to the Company after making advisor payments that are directly linked to revenue.
2. Considered to be non-GAAP or SFMs, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.
3. Operating expenses include employee compensation and benefits, selling, general, and administrative expenses, and transformation costs and other provisions. Adjusted operating expenses are calculated as operating expenses less transformation costs and other provisions.

Q4 2024 vs Comparative Periods

Net income/(loss)

Q4 2024 vs Q4 2023

Net income was $1.3 million compared to a net loss of $2.9 million in 2023. Adjusted net income was $3.7 million, compared to an adjusted net loss of $0.5 million in 2023. These metrics improved due to lower amortization primarily related to advisor awards and loans and higher adjusted EBITDA.

Q4 2024 vs Q3 2024

Net income of $1.3 million this quarter compared to a net loss of $2.3 million in Q3. Adjusted net income of $3.7 million compared to $0.1 million in the prior quarter. Our results improved sequentially due to higher EBITDA.

Adjusted EBITDA

Adjusted EBITDA of $16.2 million increased $1.7 million compared to prior year and $3.7 million compared to prior quarter. The main drivers of the change in adjusted EBITDA are discussed below.

Revenue

Q4 2024 vs Q4 2023

Revenue increased $10.1 million or 12% primarily as a result of the following factors:

(all figures in $millions)

Categories of Revenue	Change	Explanation
Fee revenue	9.7	Increased for the reasons described above in the full year commentary
Corporate finance	1.2	Increased for the reasons described above in the full year commentary
Other revenue	1.1	Increased mainly due to by higher foreign exchange revenues
Interest	(2.1)	Decreased for the reasons described above in the full year commentary

Q4 2024 vs Q3 2024

Revenue increased $5.0 million or 5% primarily as a result of the following factors:

(all figures in $millions)

Categories of Revenue	Change	Explanation
Fee revenue	2.9	Increased for the reasons described above in the full year commentary
Other revenue	1.3	Increased mainly due to higher foreign exchange revenues
Corporate finance	0.9	Increased for the reasons described above in the full year commentary

Adjusted Operating Expenses

Q4 2024 vs Q4 2023

Adjusted operating expenses increased $2.5 million or 7% primarily as a result of the following factors:

(all figures in $millions)

Categories of Expense	Change	Explanation
SG&A	1.9	Increased mainly because increases in legal provision, carrying broker charges as a function of higher trading activity, and expenses linked to corporate finance revenue growth were partly offset by lower discretionary costs and mark-to-market adjustments on DSUs. There was no DSU mark-to-market adjustment this quarter compared to *expenses* of $0.4 million recorded in 2023.
Compensation	0.6	Increased primarily due to higher benefits costs and annual inflationary increases to salaries

Q4 2024 vs Q3 2024

Adjusted operating expenses decreased $0.4 million or 1% primarily as a result of the following factors:

(all figures in $millions)

Categories of Expense	Change	Explanation
Compensation	1.2	Increased mainly due to recoveries related to our leadership transition recorded in Q3 and mark-to-market adjustments on RSUs, partly offset by seasonally lower RSU expenses. We booked $0.4 million of mark-to-market *recoveries* on RSUs compared to $1.2 million in Q3.
SG&A	(1.6)	Decreased primarily because leadership transition costs and a one-time technology expense recovery recorded in Q3 were partly offset by an increase in legal provision and mark-to-market adjustments on DSUs. Mark-to-market *recoveries* were nil this quarter compared to $0.3 million in Q3.

Cash Flow

Q4 2024 vs Q4 2023

Free cash flow available for growth of $9.2 million increased $0.8 million primarily due to higher adjusted earnings. Free cash flow of $8.8 million increased $18.4 million as Q4 2023 had higher payments relating to advisor recruiting and legacy legal matter settlements.

Q4 2024 vs Q3 2024

Free cash flow available for growth increased $2.9 million primarily due to higher earnings. Free cash flow increased $4.9 million compared to the prior quarter mainly from lower advisor recruiting payments.

Financial Condition

Capital and balance sheet strength are key priorities for us. We had conservative levels of net working capital and debt on our balance sheet at the end of December 2024 and 2023.

($000s, except as otherwise indicated)	2024	2023	Increase/ (decrease)
Selected highlights:			
Total assets	**1,458,681**	1,379,983	6%
Shareholders' equity	**326,982**	330,539	(1%)
Debt	**110,922**	110,922	—
Net working capital[1]	**88,729**	81,208	9%
Debt:			
Revolving credit facility	**80,500**	80,500	—
Preferred share liability	**30,422**	30,422	—
	110,922	110,922	—
Ratios[1]:			
Total debt to Adjusted EBITDA	**1.9**	1.9	—
Adjusted EBITDA to interest[2]	**5.1**	5.2	(2%)

1. Considered to be non-GAAP or SFMs, which does not have any standardized meaning prescribed by GAAP under IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.
2. Includes interest expense on debt, lease liabilities, and client accounts

2024 vs 2023

Total assets increased by 6% from December 31, 2023 primarily due to higher margin loans and corporate cash balances.

Net working capital increased 9% as the increase in corporate cash more than offset the increase in current liabilities. For more detail on inclusions in net working capital, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.

Shareholders' equity decreased by $3.6 million from December 31, 2023, as 2024 net income of $0.6 million was offset by $4.3 million of preferred share dividends.

Revolving Credit Facility

The Company has a $200 million revolving credit facility with a syndicate of lenders. As of December 31, 2024, we had drawn $80.5 million against the facility, unchanged from the end of 2023. Combined with our strong current and expected future operating cash flows and our excess net working capital, the facility provides us with funding and flexibility to accelerate our organic growth, recruiting and other strategic initiatives. For further information, see Note 19 to the 2024 Annual Financial Statements.

The facility contains clauses whereby we are required to meet four financial covenants. As at December 31, 2024, we complied with all four covenants.

Liquidity

Management and the Board continually assess the Company's dividend policy, expense structure, and capital spending plans in the context of our overall financial and liquidity positions. Our intent is to ensure that our business and financial strategies will not expose us to excessive financial risk.

Net Working Capital and Cash Flow

We require liquidity to fund our day-to-day operations, growth initiatives, and cash distributions, as well as to manage the financial risks inherent in our business. Management believes that our current net working capital, positive cash flow, and the undrawn amounts under our credit facilities provide us with more than enough liquidity to manage through periods of financial stress. If equity markets or other business conditions deteriorate to a level that adversely impacts our expected cash flow, we will take swift action to preserve our liquidity position.

As at December 31, 2024, we had net working capital[1] of $88.7 million.

Liquid Assets

Liquid assets are comprised primarily of cash and cash equivalents. We hold our cash across several financial institutions, all of which have high credit ratings. We had $90.1 million of liquid assets[1] at December 31, 2024, compared to $81.4 million at December 31, 2023.

Capital Requirements of Subsidiaries

Our Richardson Wealth subsidiary is subject to regulatory capital requirements. These requirements are designed to assess the sufficiency of their liquidity position and to provide indications to the relevant regulatory authority of possible concerns. Richardson Wealth's capital levels complied with all regulatory requirements during Q4 2024.

[1] Considered to be non-GAAP or supplementary financial measures, which does not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.

Share Information

At the date of this report, February 27, 2025, we had 15.7 million common shares issued and outstanding (Common Shares). In addition, there were 55,000 unexercised share options outstanding with a weighted average exercise price of $19.23 per share. We also had 4.6 million Series B non-cumulative 5-year rate reset preferred shares issued and outstanding.

Related-Party Transactions

Our related parties include the following persons and/or entities: (a) key management personnel, which are comprised of our directors and/or officers and entities that are controlled (directly or indirectly) by key management personnel; and (b) shareholders who can significantly influence our operations. For further information on Related-Party Transactions, please refer to Note 12 to the 2024 Annual Financial Statements.

Material Accounting Policies and Estimates

Our material accounting policies are essential to an understanding of our reported results of operations and financial position. Except as explained in Note 3 to the 2024 Annual Financial Statements, the accounting policies applied by us as at and for the year ended December 31, 2024, are the same as those applied by us as at and for the year ended December 31, 2023. Please refer to Note 3 to the 2024 Annual Financial Statements for further information.

The most significant areas for which we must make estimates and judgments include goodwill and intangible assets; income taxes and deferred tax assets and liabilities; provisions, including legal and restructuring charges; share-based compensation and financial instruments measured at fair value. We make judgments in assessing assets for impairment as well as assessing whether performance obligations have been fulfilled under revenue contracts. Please refer to Notes 2 and 3 to the 2024 Annual Financial Statements for more information.

Financial Instruments

A significant portion of our assets and liabilities are composed of financial instruments. There were no material changes in our use of financial instruments, or the types of financial instruments employed in our trading and non-trading activities during the year ended December 31, 2024.

Please refer to Note 3 to the 2024 Annual Financial Statements for more information.

Future Changes in Accounting Policies or Estimates

We continuously monitor the changes proposed by the International Accounting Standards Board and analyze the effect that changes in the standards may have on the Company. For a summary of future changes in accounting policies or estimates refer to Note 3 to the 2024 Annual Financial Statements.

Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information relating to the Company is accumulated and communicated to our Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on a timely basis to enable appropriate decisions regarding required public disclosure. As of December 31, 2024, management evaluated the effectiveness of disclosure controls and procedures as defined under *National Instrument 52-109*. Based on that evaluation, the CEO and CFO concluded that the Company's disclosure controls and procedures were effective.

Internal Control over Financial Reporting

Internal control over financial reporting is a process designed under the supervision of the CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting. These controls include policies and procedures that:

- Pertain to the maintenance of records that accurately and fairly reflect the transactions and dispositions of assets of the Company
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated statements in accordance with IFRS
- Are designed to provide reasonable assurance that any unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements is prevented or detected in a timely manner

Due to inherent limitations in any internal controls system, internal control over financial reporting can provide only reasonable assurance and may not prevent or detect all misstatements because of error or fraud.

Management has evaluated the effectiveness of internal control over financial reporting using the framework and criteria established in Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission in May 2013 (2013 COSO Framework). Based on this evaluation, management has concluded that internal control over financial reporting was effective as at December 31, 2024.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the year ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Risk Management

The Company is exposed to risks that are similar to those facing other financial institutions, including the symptoms and effects of both domestic and global economic conditions and other factors that could adversely affect its business, financial condition, and operating results. These risks may occur independently or in combination and may evolve rapidly. In many cases, risks which are inherent to the Company's industry and its activities are beyond its control and are not easily detected or mitigated. If any such risks occur, the business, financial condition, or liquidity and results of operations of the Company could be materially adversely affected.

The Company has a fit-for-purpose risk governance structure under which the Board of Directors of RF Capital (The Board) is accountable for setting the strategic direction of the Public Company, including its risk appetite. The Board oversees the Company's key risks through dedicated Board Committees. It is supported by the senior leadership team of Richardson Wealth, the Company's Canadian Investment Regulatory Organization (CIRO)-regulated investment dealer, including management-level risk committees. Under the Company's risk management framework, senior management reports on key risk issues to at least one of the Board committees on a quarterly basis.

Risk Committee

The Risk Committee operates under a Board-mandated charter and fulfils its oversight and governance responsibilities related to existing and emerging segments of risks. The mandate of the Risk Committee is outlined in its Charter and includes reviewing the Company's Risk Appetite and recommending it for Board approval. At present, the Risk Committee is comprised of independent directors and meets with management, including the CEO, the Richardson Wealth Chief Risk Officer (RWL CRO), and the CFO at least quarterly. The RWL CRO also has a direct line into the Chair of the Risk Committee.

Audit Committee

The Audit Committee operates under a Board-mandated charter and assists the Board in fulfilling its oversight and governance responsibilities with respect to the quality and integrity of the Company's financial reporting processes. The Audit Committee is supported in fulfilling its mandate by the CFO and the Company's Finance department. At present, the Audit Committee is comprised of independent directors who meet at least quarterly with management, including the CEO and the CFO.

Governance Committee

The Governance Committee operates under a Board-mandated charter and maintains oversight over the Company's legal and regulatory affairs. The Committee is also responsible for overall corporate governance, which includes Board membership, Board effectiveness, and development of corporate governance guidelines, including the Company's Code of Conduct. At present, the Governance Committee is comprised of independent directors who meet at least quarterly with management, including the CEO and the General Counsel.

Management Resources and Compensation Committee

The Management Resources and Compensation Committee operates under a Board-mandated charter and assists the Board in ensuring that the Company's compensation policies and practices are aligned with its risk appetite and risk management frameworks. This ensures that the incentive for management to assume risks in the pursuit of business objectives is aligned with the Company's risk appetite. At present, the Management Resources and Compensation Committee is comprised of independent directors meeting at least quarterly with management, including the CEO and the Richardson Wealth Chief People Officer.

Regulated Entity Risk Management Framework

The Company, including Richardson Wealth, faces risks in formulating its business strategy and business objectives, in carrying on its business activities in the pursuit of its growth strategy, and from external factors such as changes in the economic, business, competitive and regulatory environments. The Company's risk management framework seeks to identify and manage these risks, which includes identifying significant areas of risk and capturing forward-looking risks (and, if required, mitigate them in a timely manner based on the likelihood and potential impact of adverse events).

Richardson Wealth has formulated a Risk Appetite Statement which measures the impact of significant areas of risk against the fulfillment of strategic objectives. Richardson Wealth, through its Executive Risk Management Committee (ERMC), is accountable for effectively managing the nine significant areas of risk associated with the business (as noted in the chart below), ensuring that each risk segment and the overall business are operating within the Company's risk appetite and specific segment risk tolerances. The Richardson Wealth board of directors is chaired by the CEO of RF Capital, who is also the CEO and Ultimate Designated Person (UDP) of Richardson Wealth, and includes the RWL CRO. The Richardson Wealth ERMC is chaired by the RWL CRO, and its members include the CEO and CFO of RF Capital and the Richardson Wealth CFO, all of whom except the RF Capital CFO are also CIRO registered officers. The risks Richardson Wealth faces are actively managed and monitored and the ERMC meets regularly to review the significant risk areas, assessing core and emerging risks, risk trends, relevant policies, risk assessments, and associated risk management action plans.

Significant Areas of Risk at Richardson Wealth

At a management level, Richardson Wealth's approach to enterprise-wide risk management aligns with the three lines of defense model: (i) Business Unit Leaders – the 'first line' and are primarily accountable for identifying, assessing, managing and reporting risk within their functional areas of responsibility, (ii) Risk Oversight Functions – which include the Finance, Risk, and Compliance departments – represent the 'second line' and are accountable for independent oversight of the business unit operations from a 'second line' perspective and for specific areas of risk relevant to their functions, and (iii) Internal Assurance Function – the 'third line' conducts independent audits or reviews of both first and second line functions, and is resourced internally with the support of external specialists to supplement internal capabilities where required.

The following sections highlight the key risks to which the Company, at a consolidated level, is exposed. This list is not exhaustive but includes the most material areas of risks and sub-risks for the Company.

Strategic Risk

The Company's growth is dependent on the successful execution of the identified organic, recruiting, and inorganic initiatives outlined in its five-year growth plan. There is no certainty that the Company will be successful in implementing its business strategies or that the identified strategic initiatives will achieve its aspirational growth objectives. If the Company's business strategies are not successful or are not executed effectively, it may not be able to achieve its growth objectives or react to market opportunities, which may have an adverse impact on its business and financial results.

Reliance on Attracting and Retaining Investment Advisors

The Company derives a large portion of its revenues from fees and commissions generated by its advisors. The Company's continued growth and success depends on its ability to attract and retain investment advisors with the desired qualifications on terms that are consistent with the Company's compensation structure. The investment advisor market is competitive and characterized by the movement of investment advisors across firms. The Company has put in place a strategy that involves significant focus on advisor retention and recruiting, but there can be no assurance that the Company will be successful in recruiting and retaining investment enough advisors to achieve its growth objectives.

Failure to Protect the Company's Reputation Could Adversely Affect its Business

The Company views its reputation for integrity and client service as one of its most important assets. The Company's ability to attract and retain customers, investors, employees, and advisors is highly dependent upon external perceptions of the Company. Damage to its reputation could cause significant harm to its business and prospects, as well as the trading price of its securities. Reputational damage may arise from numerous sources including: litigation or regulatory actions; failing to deliver minimum standards of service and quality; compliance, regulatory or governance failures; any perceived or actual weakness in the Company's financial strength or liquidity; clients' or potential clients' perceived failure of how the Company addresses certain political, social or environmental topics; technological, cybersecurity, or other security breaches (including attempted or inadvertent breaches) resulting in improper disclosure of client or employee personal information; and unethical or improper behavior or the misconduct or error of the Company's employees, advisors and counterparties.

Notwithstanding the measures taken by the Company to detect, deter and prevent misconduct or fraud, there can be no assurance that regulatory sanctions or reputational harm will not arise because of employee misconduct or errors. Misconduct or errors by its employees, advisors, or counterparties could result in violations of law, regulatory sanctions, or serious reputational or financial harm. The Company cannot always deter misconduct by its employees and advisors and the precautions it takes to prevent and detect this activity may not be effective in all cases.

The Company's Financial Results are Sensitive to Global Economic, Political and Market Conditions

The Company's business is, by its nature, subject to numerous and substantial risks, including changes in global economic, political and market conditions that are beyond the Company's control. These factors are inherently difficult to predict and any or all such factors may adversely impact the Company's AUA, revenues, operating margins, expense levels, EBITDA, or liquidity due to their potential negative impacts on market volumes and asset prices.

The Company May Not be Able to Achieve Performance Targets or Successfully Negotiate Partnerships or Acquisitions

As part of its growth strategy, the Company intends to diversify its revenues by expanding its product and service offerings and acquiring business operations related to or complementary to its wealth management business. Any such initiatives are accompanied by various risks, including: failure to retain or acquire key employees; failure to identify growth opportunities; failure to anticipate and respond to changes in the business environment; failure to maintain or develop key client relationships; the impact of economic growth or contraction and its potential negative effects on the initiative; exposure to unknown liabilities of the acquired business; increased regulatory scrutiny and related compliance efforts; higher than anticipated acquisition or expansion costs; increased investments in management and operational personnel; financial and management systems and facilities; the difficulty and expense of integrating operations and personnel of acquired companies; disruption of ongoing business; diversion of management's time and attention, and possible dilution to Shareholders. The Company may not have sufficient access to capital, or access on sufficiently favourable terms, to execute on the partnership and acquisition pillar of its growth strategy. Management may also not have the ability to source, close, or successfully integrate acquisitions and realize their intended benefits, on the expected timeline or at all. There is also the potential that any goodwill recorded in connection with acquisitions may be impaired if the economics of the transaction differ from expectations. The Company may not be able to successfully address all or some of these risks or other issues associated with partnerships, acquisitions, divestitures, growth strategies, and competition, which could materially adversely affect Richardson Wealth's business, financial condition, or financial results.

Significant Industry Competition May Adversely Affect Results

The financial services industry is highly competitive. The Company competes with the wealth management divisions of major chartered banks in Canada, national independent wealth managers, insurance companies, mutual fund companies, private equity, investment management firms, and boutique wealth managers. Some of these competitors have, and potential future competitors may have, greater technical, financial, marketing, distribution, or other resources than the Company. Many of these competing entities have a greater number of personnel and better access to capital. Larger competitors may have a greater number and variety of distribution outlets for their products and services. Competition could have a material adverse effect on the Company's profitability, and there can be no assurance that the Company will maintain its competitive standing or market share, which may adversely affect its business, financial condition, or operating results.

Emergence of Non-Traditional Competitors

Competition from non-traditional channels has gained momentum in other jurisdictions and will likely become increasingly prevalent in the Canadian market. The wealth management industry has attracted several technology-based competitors, including emerging next-generation financial technology companies, given the industry's relatively low capital requirements and considerable growth outlook. The emergence of non-traditional competitors offering wealth management solutions, which may involve the use of artificial intelligence (AI), including generative AI tools, could result in a reduction in product and service offerings from more traditional financial planning and advice providers. While the Company believes that the value proposition of face-to-face advice may not be materially disrupted by these non-traditional models, it may not be able to mitigate all these risks, which could have an adverse effect on its financial performance.

Richardson Financial Group Limited (RFGL) Control Risk Due to Common Share Ownership

On December 31, 2024, RFGL owned approximately 44% of the Company's issued and outstanding Common Shares. For so long as RFGL owns at least 33% of the Common Shares, it will have the ability to exercise certain influence with respect to the affairs of the Company and will have the ability to prevent certain fundamental transactions. Accordingly, the Common Shares may be less liquid and trade at a discount compared to circumstances where RFGL did not have the ability to influence or determine matters affecting the Company. Additionally, RFGL's significant interest in the Company and its voting rights afforded in respect of certain fundamental transactions undertaken by Company for so long as it maintains a certain threshold ownership may discourage transactions involving a change of control of the Company, including transactions in which a holder of the Common Shares might otherwise receive a premium for its Common Shares over the then-current market price.

Restrictions Under the Company's Revolving Credit Facility

The Company's Revolving Credit Facility contains customary financial covenants and other restrictions on its activities, which may make it more difficult for the Company to successfully execute its business strategy. The Company's ability to comply with these covenants may be affected by events beyond its control. If the Company violates any of these covenants and is unable to obtain waivers, the payment of the indebtedness could be accelerated by the Lenders, or the Company may be unable to draw down funds from the facility. Even if the Company can obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to the Company. If the Company's indebtedness is in default for any reason, its business could be materially and adversely affected.

Financial Risks

Risks Related to the Series B Preferred Shares

As the issuer of the preferred shares is a holding company, its ability to pay dividends, interest, operating expenses and meet other financial obligations depends to a significant extent upon receipt of sufficient funds from its principal subsidiaries, the returns generated by its investments, and its ability to raise additional capital. Accordingly, the likelihood that holders of Preferred Shares will receive dividends will depend to a significant extent upon the financial position and creditworthiness of the Company's principal subsidiaries and affiliates, the principal entities in which the Company invests and its underlying business and assets. The payment of interest and dividends to the Company by its regulated subsidiary is also subject to restrictions set forth in certain laws and regulations that require that solvency and capital standards be maintained by the subsidiary.

For further information please see Note 15 to the 2024 Annual Financial Statements.

Product Risks

The Company May Incur Losses as a Result of Ineffective Risk Management or Product Due Diligence Processes

The Company's clients' investment portfolios are comprised of a broad range of assets, including public and private equities and debt, ETFs, mutual funds, hedge funds, real estate, less liquid alternative assets, options, and structured notes. Generally, investment portfolios are exposed to the risk that their fair value will fluctuate.

The Company employs a comprehensive product governance and due diligence process in its selection of investments available to its advisors and their clients. The due diligence process can be more challenging for alternative investments strategies due to their complexity, conflict exposure and suitability for clients. Weaknesses in the Company's product governance or sales processes may expose it to litigation or regulatory risks and financial losses. The Company does not have a material or high-risk proprietary investment portfolio on which it could incur losses.

Operational Risks

The Company Relies on Third-Party Service Providers to Perform Technology, Processing and Support Functions

The Company relies on various third-party service providers that it does not control to perform certain technology, processing, and support functions. As of January 1, 2023, the Company outsourced clearing broker services to Fidelity Clearing Canada. The Company's utilization of third-party service providers may decrease its ability to control operating risks and information technology risks. Any significant failures by third-party service providers could cause the Company to sustain serious operational disruptions and incur losses and could harm its reputation and impact its ability to attract and retain advisors. These third-party service providers are also susceptible to operational and technology vulnerabilities, including cyber-attacks, security breaches, fraud, phishing attacks, and computer viruses, which could result in unauthorized access, misuse, loss or destruction of data, an interruption in service or other similar events that may impact the Company's business. Because the Company relies on these intermediaries, it shares indirect exposure to these risks. If these risks were to materialize, or if there was a widespread perception that they could materialize, the Company's business and results of operations could be adversely affected.

Failure to Implement Effective and Efficient Cybersecurity Policies and Training May Lead to Losses

Secure processing, storage, and transmission of confidential and other information in the Company's internal and third-party computer systems and networks is critically important to its business. Maintaining the security and integrity of this information and these systems and networks and appropriately responding to any cybersecurity or privacy incidents (including hacking or phishing attempts) is critical to the Company's success, including its reputation, the retention of its advisors and clients, and to the protection of its proprietary information and its clients' personal information. There have been several recent highly publicized cases involving financial services and consumer-based companies reporting the unauthorized disclosure of client or customer information, as well as cyber-attacks involving the dissemination, theft and destruction of corporate information or other assets, because of failure to follow procedures by employees or contractors or because of actions by third parties.

Cyber threats and techniques used in cyberattacks change, develop, and evolve rapidly, including from emerging technologies such as advanced form of AI and quantum computing. Cyber data breaches and cyber-attacks that result in the loss of personal information could result in considerable reputational harm, trading losses, lost revenues, or losses due to unauthorized transactions. Although the Company takes protective measures and updates procedures and policies as circumstances necessitate (including general liability and fraud insurance, policies and training for all staff, and an incident response plan with respect to cybersecurity potential breaches), the firm's computer systems, software and networks may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact. The occurrence of such an event could jeopardize confidential and other information processed and stored in, and transmitted through, the Company's computer systems and networks, or otherwise cause interruptions to the operations of the Company, as well as its clients, counterparties and other third parties.

Operations are Dependent on Systems

The Company is highly dependent on communications and information systems. Any failure or interruption of such a system could cause delays or other problems, particularly for retail trading activities, and could have a material adverse effect on the Company's financial results and financial condition. There can be no assurance that such systems failure or interruptions will not occur, including those caused by an earthquake, fire, other natural disaster, power or telecommunications failure, act of God, act of war or terror or otherwise, or that back-up procedures and capabilities in the event of any such failure or interruption will be adequate.

Also, because many of the Company's employees and advisors often work remotely, additional risk management challenges may exist, including regarding remote office technology and information security practices.

Risk Management Policies and Procedures May Not Be Fully Effective

The Company has adopted policies, procedures, and controls to identify, monitor and manage its Enterprise Risks including operational risk. These policies and procedures and controls, however, may not be fully effective and may not respond quickly enough to changing circumstances and evolving business activities. Other risk management methods depend on evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible by the Company. This information may not in all cases be accurate, complete, up-to-date, or properly evaluated. Policies, procedures, and controls implemented to record and verify many transactions and events to manage operational, legal, regulatory, credit, market, interest rate and liquidity risks, among other things, may not be consistently effective.

If the Company's systems, policies, and procedures are not effective, or if the Company is not successful in capturing risks to which it is or may be exposed, the Company may suffer harm to its reputation or be subject to litigation or regulatory actions that could have a material adverse effect on its business and financial condition.

Legal Risk

The Company and its subsidiaries are a party to a number of claims, proceedings, and investigations, including legal and regulatory matters, in the ordinary course of its business. See "Legal Proceedings" in our 2024 AIF for details of certain ongoing legal proceedings. While there is inherent difficulty in predicting the outcome of such matters, based on its current knowledge, the Company does not expect that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on its consolidated financial position or results of operations.

The Company May Be Exposed to Liability and Litigation

The legal risks facing the Company and its subsidiaries also include potential liability under securities laws or through civil litigation in the event that Richardson Wealth's investment advisors and investment professionals or employees violate investor suitability requirements or other obligations, including providing negligent advice, making materially false or misleading statements in relation to securities transactions, effecting unauthorized transactions, failing to properly implement instructions, failing to implement an effective investment strategy, committing fraud, misusing client funds, or breaching any other statute, regulatory rule or requirement. Any of these violations could have a material adverse effect on the Company's operating results or financial condition.

Moreover, new regulatory requirements regarding standards of care and other obligations may heighten this litigation risk.

The Company may also be subject to litigation arising from claims by former employees resulting from termination or other matters. In such actions, the Company may be obligated to bear legal, settlement and other costs. Additionally, recruitment of investment advisors may involve non-competition or non-solicitation agreements and other contractual or common law obligations. An investment advisor's former employer may claim damages or injunctive relief against the investment advisor or the Company, and the Company may incur expenses in awards, settlements, and legal expenses as a result.

A Failure to Appropriately Identify and Address Potential Conflicts of Interest Could Adversely Affect The Company

Due to the broad scope of the Company's products and services and its client base, the Company regularly addresses potential conflicts of interest, or perceived conflicts, in the interests of its clients.

The Company has procedures and controls designed to identify and address conflicts of interest at the Client Focused Reforms (CFR) standard, specifically relating to client interactions relating to conflicts of interest, suitability, know-your-products, and know-your client. However, appropriately identifying and dealing with conflicts of interest is complex and difficult, and the Company's reputation could be damaged if the Company fails, or appears to fail, to identify, disclose, and deal appropriately with conflicts of interest may include litigation or regulatory enforcement actions.

Compliance, Regulatory and Credit Risks

Compliance and Regulatory Risk

The Company's businesses are subject to extensive regulation. The Company takes an active leadership role in developing the rules and regulations governing its industry. The Company has been investing in its risk and compliance functions to monitor its adherence to the numerous legal and regulatory requirements applicable to its business. Compliance with many of the regulations applicable to the Company involves risks, particularly in areas where applicable regulations may be subject to interpretation. In the event of non-compliance with applicable regulations, securities regulators and CIRO and other authorities may institute administrative or judicial proceedings that may result in: the revocation or imposition of conditions on licenses to operate certain businesses; censure, fines, or civil penalties; issuance of cease-and-desist orders; deregistration or suspension; suspension or disqualification of investment advisors or employees; or other adverse consequences. The imposition of any such penalties or orders on the Company and its subsidiaries could have a material adverse effect on its operating results, financial condition, or profitability.

Additional regulations, changes in existing laws and rules, or changes in interpretations or enforcement of existing laws and rules often directly affect the method of operation and profitability of wealth management firms, as new regulations may require additional investment in personnel and/or systems. The Company cannot predict the effect any such changes might have. Furthermore, the Company's business may be materially affected not only by regulations applicable to the Company's businesses, but also by regulations of general application.

Operations may be materially adversely affected by changes in the securities regulatory framework and/or the interpretation or enforcement of existing laws and rules by securities regulatory authorities in Canada. Additionally, increased regulation in Canada may lead to even higher compliance costs, which may disproportionately impact smaller firms.

Furthermore, failure to maintain required regulatory capital may subject the Company to fines, suspension or revocation of registration or could prohibit expansion of its businesses.

Credit Risk and Exposure to Financial Losses

The Company is exposed to credit risk that third parties owing money, securities or other assets will not fulfill their obligations. These counterparties may default on their obligations due to bankruptcy, lack of liquidity, operational failure, or other reasons.

A primary source of credit risk arises from the extension of credit to clients to purchase securities by way of margin lending. Margin loans are due on demand and are collateralized by the financial instruments in the client's account. There is risk of financial loss in the event a client fails to meet a margin call if market prices for collateral declines, and it becomes impossible to recover sufficient value from the collateral held to cover the loan. Although the Company continually reviews its exposure to credit risk, default risk may arise from events or circumstances that are difficult to detect, such as fraud.

Non-GAAP and Supplementary Financial Measures

In addition to GAAP prescribed measures, we use a variety of non-GAAP financial measures, non-GAAP ratios and SFMs to assess our performance. We use these non-GAAP financial measures and SFMs because we believe that they provide useful information to investors regarding our performance and results of operations. Readers are cautioned that non-GAAP financial measures, including non-GAAP ratios, and SFMs often do not have any standardized meaning and therefore may not be comparable to similar measures presented by other issuers. Non-GAAP measures are reported in addition to, and should not be considered alternatives to, measures of performance according to IFRS.

Adjusted Results

Some of our non-GAAP financial measures (including non-GAAP ratios) reflect adjusted results. In periods that we determine adjusting items have a significant impact on a user's assessment of ongoing business performance, we may present adjusted results in addition to reported results by removing these items from the reported results. Management considers the adjusting items to be outside of our core operating performance. We believe that adjusted results can enhance comparability across reporting periods and provide the reader with a better understanding of how management views core performance. Adjusted results are also intended to provide the user with results that have greater consistency and comparability to those of other issuers. All adjusting items affect reported expenses.

Adjusting items in this MD&A include the following:

- Transformation costs and other provisions: charges in connection with the transformation of our business and other matters. These charges encompass a range of transformation initiatives, including refining our ongoing operating model, outsourcing our carrying broker operations, realigning parts of our real estate footprint, and rolling out new strategy across the Company.
- Amortization of acquired intangibles: amortization of intangible assets created on the acquisition of Richardson Wealth.

The following items are not included as adjusting items in this MD&A:

- Mark-to-market adjustments on our share-based compensation (RSUs and DSUs)
- Costs related to our 2024 leadership transition
- Other one-time expenses or recoveries that we consider to be normal course of business, unless otherwise specified

Non-GAAP Financial Measures

A non-GAAP financial measure is a financial measure used to depict our historical or expected future financial performance, financial position or cash flow and, with respect to its composition, either excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in our 2024 Annual Financial Statements. A non-GAAP ratio is a financial measure disclosed in the form of a ratio, fraction, percentage, or similar representation and that has a non-GAAP financial measure as one or more of its components.

The primary non-GAAP financial measures (including non-GAAP ratios) used in this MD&A are:

EBITDA

EBITDA is commonly used in the wealth management industry. We believe it provides a more accurate measure of our core operating results and is a commonly used basis for enterprise valuation. EBITDA is used to evaluate core operating performance by adjusting net income/(loss) to exclude:

- Interest expense, which we record primarily in connection with debt
- Income tax expense/(recovery)
- Depreciation which we record in connection with leases, equipment, and leasehold improvements
- Amortization related to intangible assets
- Amortization in connection with investment advisor transition and loan programs. We view these loans as an effective recruiting and retention tool for advisors, the cost of which is assessed by management upfront when the loan is provided rather than over its term.

Adjusted EBITDA is defined as EBITDA *excluding* adjusting items.

Adjusted EBITDA margin is a non-GAAP ratio defined as adjusted EBITDA as a percentage of revenue.

The tables in the "Annual Non-GAAP Information" and "Quarterly Non-GAAP Information" sections below reconcile our reported net income/(loss) to EBITDA and adjusted EBITDA.

Operating Expenses

Operating expenses are defined as total reported expenses *less* interest, advisor award and loan amortization, depreciation of premises and equipment, and amortization of intangibles. These are the expenses that factor into the EBITDA calculation discussed above.

Adjusted operating expenses are defined as operating expenses *less* adjusting items.

Adjusted operating expense ratio is a non-GAAP ratio defined as adjusted operating expenses divided by gross margin.

The tables in the "Annual Non-GAAP Information" and "Quarterly Non-GAAP Information" sections below reconcile our reported total expenses to operating expenses and adjusted operating expenses.

Adjusted Net Income

Adjusted net income is defined as net income/(loss) from continuing operations *less* adjusting items.

The tables in the "Annual Non-GAAP Information" and "Quarterly Non-GAAP Information" sections below reconcile our reported net income/(loss) to adjusted net income/(loss).

Commissionable Revenue

Commissionable revenue includes fee revenue, trading commissions, commission revenue earned in connection with the placement of new issues, and revenue earned on the sale of insurance products. We use commissionable revenue to evaluate advisor compensation paid on that revenue.

Net Working Capital

Net working capital represents the excess capital available to deploy in operations or growth and is comprised of current assets *less* current liabilities. We use net working capital to manage our liquidity as well as evaluate the efficiency of our operations. Net working capital is widely used across the wealth management industry and beyond to assess the financial health of entities and associated risks.

The table in the "Annual Non-GAAP Information" section below provides our net working capital calculation.

Free Cash Flow

Free cash flow available for growth is the cash flow that the Company generates from its continuing operations before any investments in growth or transformation initiatives. It is calculated as cash provided by/(used in) operating activities per the Consolidated Statement of Cash Flows *before* any changes in non-cash operating items, less lease payments and maintenance capital expenditures. It does not consider adjusting items or the income/(loss) from discontinued operations.

Free cash flow is the net cash flow that the Company generates from its operations after funding its growth and transformation initiatives, including building out new offices to accommodate its growth. It is calculated as free cash flow available for growth plus the income/(loss) from discontinued operations and leasehold inducements *less* cash outlays to recruit new advisors to the firm, capital expenditures on growth initiatives, adjusting items, and the net change in balance sheet provisions.

The tables in the "Annual Non-GAAP Information" and "Quarterly Non-GAAP Information" sections below reconcile our reported cash provided by/(used in) operating activities to free cash flow for growth and free cash flow.

Supplementary Financial Measures

An SFM is a financial measure that is not reported in our 2024 Annual Financial Statements, and is, or is intended to be, reported periodically to represent historical or expected future financial performance, financial position, or cash flows. The Company's key SFMs disclosed in this MD&A include AUA, average AUA per team, recruited assets, and asset yield. Management uses these measures to assess the operational performance of the Company. These measures do not have any definition prescribed under IFRS and do not meet the definition of a non-GAAP measure or non-GAAP ratio and may differ from the methods used by other companies and therefore these measures may not be comparable to other companies. The composition and explanation of an SFM is provided in this MD&A where the measure is first disclosed if the SFM's labeling is not sufficiently descriptive.

Annual Non-GAAP Information

The following table presents select non-GAAP financial information for the most recent and prior fiscal years.

($000s, except as otherwise indicated)	For the year ended December 31, 2024	December 31, 2023
Adjusted EBITDA:		
Net income/(loss) from continuing operations - reported	**568**	(9,828)
Income tax expense/(recovery)	**4,493**	4,319
Income/(loss) before income taxes - reported	**5,061**	(5,509)
Interest	**14,537**	14,706
Advisor award and loan amortization	**12,384**	18,387
Depreciation of premises and equipment	**11,135**	13,713
Amortization of intangibles	**14,223**	13,691
EBITDA	**57,340**	54,988
Transformation costs and other provisions	—	4,514
Adjusted EBITDA	**57,340**	59,502
Adjusted operating expenses:		
Total expenses - reported	**208,034**	211,351
Interest	**14,537**	14,706
Advisor award and loan amortization	**12,384**	18,387
Depreciation of premises and equipment	**11,135**	13,713
Amortization of intangibles	**14,223**	13,691
Operating expenses	**155,755**	150,854
Transformation costs and other provisions	—	4,514
Adjusted operating expenses	**155,755**	146,340
Adjusted net income:		
Net income/(loss) from continuing operations - reported	**568**	(9,828)
After-tax adjusting items:		
Transformation costs and other provisions	—	3,344
Amortization of acquired intangibles	**9,592**	9,592
Adjusted net income/(loss)	**10,160**	3,108
Net income/(loss) per common share from continuing operations:		
Basic	**(0.24)**	(0.93)
Diluted	**(0.24)**	(0.93)
Adjusted net income/(loss) per common share:		
Basic	**0.38**	(0.08)
Diluted	**0.37**	(0.08)
Cash flow:		
Cash provided by/(used in) operating activities	**23,755**	(268,497)
Net change in non-cash operating items	**19,719**	308,259
Capital expenditures - maintenance	**(3,115)**	(2,319)
Lease payments	**(8,888)**	(8,621)
Net loss from discontinued operations	—	2,064
Transformation costs and other provisions (pre-tax)	—	4,514
Free cash flow available for growth	**31,471**	35,400
Advisor loans net of repayments	**(16,897)**	(16,085)
Capital expenditures - office build outs (net of lease inducements)	**267**	(2,868)
Net loss from discontinued operations	—	(2,064)
Transformation costs and other provisions (pre-tax)	—	(4,514)
Net change in provisions	**3,677**	(12,433)
Free cash flow	**18,518**	(2,564)

($000s, except as otherwise indicated)	December 31, 2024	For the year ended December 31, 2023
Net working capital:		
Current assets:		
Cash and cash equivalents (non-client portion)	**88,556**	80,829
Securities owned	**1,593**	613
Net receivable from brokers (non-client portion)	**61,125**	50,784
Employee and other loans receivable (current portion)	**1,244**	12,389
Other assets	**14,758**	15,092
Current liabilities:		
Accounts payable and accrued liabilities	**60,261**	61,207
Provisions (current portion)	**13,587**	8,345
Lease liabilities (current portion)	**4,699**	8,946
Net working capital	**88,729**	81,208

Quarterly Non-GAAP Information

The following table presents select non-GAAP financial information for our eight most recently completed financial quarters.

				2024				2023
($000s, except as otherwise indicated)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Adjusted EBITDA:								
Net income/(loss) from continuing operations - reported	**1,290**	(2,309)	2,714	(1,127)	(2,882)	(189)	(1,425)	(5,332)
Income tax expense/(recovery)	**1,804**	1,751	(252)	1,190	713	2,281	1,642	(317)
Income/(loss) before income taxes - reported	**3,094**	(558)	2,462	63	(2,169)	2,092	217	(5,649)
Interest	**3,649**	3,725	3,413	3,750	3,994	3,527	3,675	3,511
Advisor award and loan amortization	**3,211**	3,103	2,909	3,161	5,844	4,457	3,884	4,201
Depreciation of premises and equipment	**2,677**	2,660	2,749	3,049	3,385	3,414	3,366	3,549
Amortization of intangibles	**3,607**	3,563	3,537	3,516	3,464	3,442	3,439	3,346
EBITDA	**16,238**	12,493	15,070	13,539	14,518	16,932	14,581	8,958
Transformation costs and other provisions	—	—	—	—	—	—	413	4,101
Adjusted EBITDA	**16,238**	12,493	15,070	13,539	14,518	16,932	14,994	13,059
Adjusted operating expenses:								
Total expenses - reported	**51,979**	52,246	51,104	52,705	53,055	49,732	51,310	57,254
Interest	**3,649**	3,725	3,413	3,750	3,994	3,527	3,675	3,511
Advisor award and loan amortization	**3,211**	3,103	2,909	3,161	5,844	4,457	3,884	4,201
Depreciation of premises and equipment	**2,677**	2,660	2,749	3,049	3,385	3,414	3,366	3,549
Amortization of intangibles	**3,607**	3,563	3,537	3,516	3,464	3,442	3,439	3,346
Operating expenses	**38,835**	39,195	38,496	39,229	36,368	34,892	36,946	42,647
Transformation costs and other provisions	—	—	—	—	—	—	413	4,101
Adjusted operating expenses	**38,835**	39,195	38,496	39,229	36,368	34,892	36,533	38,546
Adjusted net income:								
Net income/(loss) from continuing operations - reported	**1,290**	(2,309)	2,714	(1,127)	(2,882)	(189)	(1,425)	(5,332)
After-tax adjusting items:								
Transformation costs and other provisions	—	—	—	—	—	—	306	3,039
Amortization of acquired intangibles	**2,398**	2,398	2,398	2,398	2,399	2,398	2,398	2,398
Adjusted net income/(loss)	**3,688**	89	5,112	1,271	(483)	2,209	1,279	105
Net income/(loss) per common share from continuing operations:								
Basic	**0.01**	(0.22)	0.11	(0.14)	(0.26)	(0.10)	(0.20)	(0.51)
Diluted	**0.01**	(0.22)	0.10	(0.14)	(0.26)	(0.10)	(0.20)	(0.51)
Adjusted net income/(loss) per common share:								
Basic	**0.17**	(0.06)	0.26	0.01	(0.10)	0.09	0.02	(0.08)
Diluted	**0.17**	(0.06)	0.26	0.01	(0.10)	0.07	0.01	(0.08)
Cash flow:								
Cash provided by/(used in) operating activities	**14,442**	15,977	5,162	(11,826)	2,836	16,624	25,741	(313,698)
Net change in non-cash operating items	**(2,115)**	(6,749)	6,617	21,966	8,315	(3,052)	(16,580)	319,577
Capital expenditures - maintenance	**(1,004)**	(790)	(902)	(419)	(797)	(348)	(619)	(555)
Lease payments	**(2,169)**	(2,196)	(2,257)	(2,266)	(2,040)	(2,044)	(2,273)	(2,263)
Net loss from discontinued operations	—	—	—	—	—	—	2,064	—
Transformation costs and other provisions (pre-tax)	—	—	—	—	—	—	413	4,101
Free cash flow available for growth	**9,154**	6,242	8,620	7,455	8,312	11,180	8,746	7,162
Advisor loans net of repayments	**(1,270)**	(6,290)	(7,088)	(2,249)	(13,224)	(557)	657	(2,961)
Capital expenditures - office build outs (net of lease inducements)	**(465)**	(114)	928	(82)	936	225	(854)	(3,175)
Net loss from discontinued operations	—	—	—	—	—	—	(2,064)	—
Transformation costs and other provisions (pre-tax)	—	—	—	—	—	—	(413)	(4,101)
Net change in provisions	**1,344**	4,018	(449)	(1,236)	(5,636)	(4,697)	1,134	(3,234)
Free cash flow	**8,763**	3,856	2,011	3,888	(9,612)	6,151	7,206	(6,309)