

RF Capital Reports First Quarter 2024 Results**Q1 2024 Financial Highlights**
(as compared to Q1 2023)**AUA^{1,2} and Revenue**

- Ending AUA^{1,2} increased to \$37.0 billion, up 3% or \$1.0 billion, driven by strong equity markets
- Revenue increased 2% to \$89.4 million, led by a 5% increase in fee revenue and a 21% increase in insurance commissions

Profitability and Cash Flow

- Gross margin increased 2% to \$52.8 million, consistent with the increase in revenue
- Adjusted EBITDA¹ increased 4% to \$13.5 million, due to revenue growth outpacing adjusted operating expense¹ growth
- Net loss from continuing operations improved to \$1.1 million from \$5.3 million, as the Company has completed its transformation journey and did not incur any related charges in Q1 2024 (Q1 2023 - \$4.1 million)
- Cash from operating activities was \$(11.8) million as compared to \$(313.7) million, with Q1 2023 reflecting the fact that client cash became custodied at Fidelity and was no longer reported as cash on the Company's balance sheet
- Free cash flow available for growth¹ increased 4% to \$7.5 million, in line with EBITDA growth
- Free cash flow¹ was up by \$10.2 million to \$3.9 million, due to lower capital expenditures and transformation costs

Balance sheet

- Net working capital¹ was \$88.3 million, effectively unchanged

Toronto, May 1, 2024 - RF Capital Group Inc. (RF Capital or the Company) (TSX: RCG) today reported revenue of \$89.4 million in the first quarter of 2024, up 2% as compared to the prior year. The increase in revenue was driven by AUA^{1,2} growth of 3% or \$1.0 billion, which is attributable mainly to strong equity markets. With year-over-year growth in adjusted operating expenses¹ contained to 2%, Adjusted EBITDA¹ increased 4% to \$13.5 million.

For more detail on our results, please refer to our MD&A for the period ending March 31, 2024.

1. Considered to be non-GAAP or supplemental financial measures, 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 Supplemental Financial Measures" section of this release.
2. AUA is a measure of client assets and is common in the wealth management business. It represents the market value of client assets managed and administered by us.

Kish Kapoor, President and Chief Executive Officer, commented, “2024 has started off strong with AUA^{1,2} reaching \$37.0 billion at the end of Q1, up \$1.8 billion or 5% over the last three months. This growth was driven largely by continued strength in equity markets and supported by both recruiting and the success that our outstanding advisors have had growing their practices. This AUA^{1,2} growth led to an increase in recurring fee revenue of 3% sequentially and 5% versus last year. Combined with the Company’s vigilant cost containment efforts, revenue growth drove Q1 Adjusted EBITDA¹ to \$13.5 million, up 4% from Q1 2023.”

Mr. Kapoor continued, “Looking ahead, we are laser-focused on our three strategic growth pillars and expect to continue deploying our free cash flow for growth¹ into recruitment. I am excited by the addition of three new leaders to our Company – Dave Kelly, Kevin Shubley, and Steve Hunter – who will be accountable for driving our organic growth and are already having an impact. We are confident that our team, our focus, and the foundation that we have built – including our exceptional advisors, scale, and technology platforms – will enable us to grow the brand of choice for Canada’s top advisors and translate into accelerated growth for Richardson Wealth.”

Outlook and Key Performance Drivers

Our view with respect to the drivers of our financial performance and profitability in 2024 is as follows:

- AUA^{1,2} is highly correlated with equity market movements but will also be supported by growth in our existing advisors’ client assets and by recruiting. We expect recruiting to accelerate over the coming quarters.
- Interest revenue is likely to follow prime rate trends, which economists expect to decline from current levels starting in the middle of the year
- Transaction activity underlying our corporate finance revenue could rebound but is likely to remain subdued through the first half of the year
- Although we expect inflation to continue at elevated rates, we are committed to finding operating cost savings and efficiencies in our business as a partial offset
- Free cash flow for growth¹ is expected to be deployed towards advisor recruitment

Preferred Share Dividend

On May 1, 2024, the board of directors approved a cash dividend of \$0.233313 per Series B Preferred Share for a total of \$1,073, payable on June 28, 2024³, to preferred shareholders of record on June 14, 2024.

Q1 2024 Conference Call

A conference call and live audio webcast to discuss RF Capital’s first quarter 2024 financial results will be held on Thursday, May 2, 2024, at 10:00 a.m. (EST). Interested parties are invited to access the conference call on a listen-only basis by dialing 416-406-0743 or 1-800-898-3989 (toll-free) and entering participant passcode 8739205#, or via live audio webcast at <https://www.richardsonwealth.com/investor-relations/financial-information>. A recording of the conference call will be available until Tuesday, June 4, 2024, by dialing 905-694-9451 or 1-800-408-3053 and entering access code 2453497#. The audio webcast will be archived at <https://www.richardsonwealth.com/investor-relations/financial-information>

1. Considered to be non-GAAP or supplemental financial measures, 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 Supplemental Financial Measures” section of this release.
2. AUA is a measure of client assets and is common in the wealth management business. It represents the market value of client assets managed and administered by us.
3. In the event that the payment date is not a business day, such dividend shall be paid on the next succeeding day that is a business day.

Select Financial Information

The following table presents the Company's financial results for Q1 2024, Q4 2023 and Q1 2023.

| (\$000s, except as otherwise indicated) | As at or for the three months ended | | | | |
|--|-------------------------------------|---------------------|-------------------------|------------------|-------------------------|
| | March 31 2024 | December 31 2023 | Increase/ (decrease) | March 31 2023 | Increase/ (decrease) |
| Key performance drivers¹: | | | | | |
| AUA - ending ² (\$ millions) | 37,010 | 35,236 | 5% | 35,965 | 3% |
| AUA - average ² (\$ millions) | 36,060 | 34,926 | 3% | 35,872 | 1% |
| Fee revenue | 66,146 | 64,145 | 3% | 63,042 | 5% |
| Fee revenue ³ (%) | 92 | 89 | +310 bps | 88 | +356 bps |
| Adjusted operating expense ratio ⁴ (%) | 74.3 | 71.5 | +287 bps | 74.7 | (35) bps |
| Adjusted EBITDA margin ⁵ (%) | 15.2 | 16.7 | (159) bps | 14.9 | +26 bps |
| Asset yield ⁶ (%) | 0.88 | 0.87 | +1 bps | 0.87 | +1 bps |
| Advisory teams ⁷ (#) | 154 | 157 | (2%) | 159 | (3%) |
| Operating Performance | | | | | |
| Reported results: | | | | | |
| Revenue | 89,361 | 86,752 | 3% | 87,700 | 2% |
| Operating expenses ^{1,8} | 39,229 | 36,368 | 8% | 42,647 | (8%) |
| EBITDA ¹ | 13,539 | 14,518 | (7%) | 8,958 | 51% |
| Income (loss) before income taxes | 63 | (2,169) | n/m | (5,649) | n/m |
| Net income (loss) from continuing operations | (1,127) | (2,882) | (61%) | (5,332) | (79%) |
| Net loss per common share from continuing operations - diluted | (0.14) | (0.26) | (45%) | (0.51) | (72%) |
| Adjusted results¹: | | | | | |
| Operating expenses ⁸ | 39,229 | 36,368 | 8% | 38,546 | 2% |
| EBITDA | 13,539 | 14,518 | (7%) | 13,059 | 4% |
| Income (loss) before income taxes | 3,326 | 1,094 | 204% | 1,715 | 94% |
| Net income (loss) | 1,271 | (483) | n/m | 105 | n/m |
| Adjusted earnings (loss) per common share - diluted | 0.01 | (0.10) | n/m | (0.08) | n/m |
| Cash flow: | | | | | |
| Cash provided by (used in) operating activities | (11,826) | 2,834 | n/m | (313,698) | (96%) |
| Free cash flow available for growth ¹ | 7,455 | 8,312 | (10%) | 7,162 | 4% |
| Free cash flow ¹ | 3,888 | (9,612) | n/m | (6,309) | n/m |

1. Considered to be non-GAAP or supplementary financial measures, 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 the MD&A.
2. AUA is a measure of client assets and is common in the wealth management business. It represents the market value of client assets managed and administered by us.
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 year has been revised to reflect the internal consolidation of certain teams
8. 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.

Quarterly Results

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

| (\$000s, except as otherwise indicated) | 2024 | | | | 2023 | | | 2022 |
|--|----------|---------|--------|---------|-----------|----------|-----------|---------|
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Key performance drivers¹: | | | | | | | | |
| AUA - ending ² (\$ millions) | 37,010 | 35,236 | 34,726 | 35,788 | 35,965 | 34,948 | 33,604 | 33,841 |
| AUA - average ² (\$ millions) | 36,060 | 34,926 | 35,630 | 35,880 | 35,872 | 34,788 | 34,679 | 35,607 |
| Fee revenue | 66,146 | 64,145 | 66,046 | 64,581 | 63,042 | 63,150 | 62,505 | 62,816 |
| Fee revenue ³ (%) | 92 | 89 | 92 | 90 | 88 | 90 | 93 | 82 |
| Adjusted operating expense ratio ⁴ (%) | 74.3 | 71.5 | 67.3 | 70.9 | 74.7 | 68.1 | 66.9 | 67.9 |
| Adjusted EBITDA margin ⁵ (%) | 15.2 | 16.7 | 19.3 | 16.9 | 14.9 | 19.2 | 19.8 | 18.3 |
| Asset yield ⁶ (%) | 0.88 | 0.87 | 0.87 | 0.86 | 0.87 | 0.87 | 0.87 | 0.82 |
| Advisory teams ⁷ (#) | 154 | 157 | 159 | 158 | 159 | 163 | 162 | 162 |
| Operating Performance: | | | | | | | | |
| Reported results: | | | | | | | | |
| Revenue | 89,361 | 86,752 | 87,836 | 88,832 | 87,700 | 88,531 | 85,928 | 90,753 |
| Variable advisor compensation | 36,593 | 35,866 | 36,012 | 37,305 | 36,095 | 35,276 | 34,555 | 39,078 |
| Gross margin ⁸ | 52,768 | 50,886 | 51,824 | 51,527 | 51,605 | 53,255 | 51,373 | 51,675 |
| Operating expenses ^{1,9} | 39,229 | 36,368 | 34,892 | 36,947 | 42,647 | 38,868 | 36,435 | 37,493 |
| EBITDA ¹ | 13,539 | 14,518 | 16,932 | 14,580 | 8,958 | 14,388 | 14,938 | 14,182 |
| Interest | 3,750 | 3,994 | 3,527 | 3,675 | 3,511 | 3,294 | 3,015 | 2,348 |
| Depreciation and amortization | 6,565 | 6,849 | 6,856 | 6,805 | 6,895 | 7,851 | 6,936 | 6,743 |
| Advisor award and loan amortization | 3,161 | 5,844 | 4,457 | 3,884 | 4,201 | 4,634 | 4,381 | 4,240 |
| Income (loss) before income taxes | 63 | (2,169) | 2,092 | 217 | (5,649) | (1,391) | 606 | 851 |
| Net income (loss) from continuing operations | (1,127) | (2,882) | (189) | (1,425) | (5,332) | (990) | (724) | 58 |
| Net income (loss) from discontinued operations ¹⁰ | — | — | — | (2,064) | — | — | — | — |
| Adjusted results¹: | | | | | | | | |
| Operating expenses ⁹ | 39,229 | 36,368 | 34,892 | 36,533 | 38,546 | 36,246 | 34,380 | 35,078 |
| EBITDA | 13,539 | 14,518 | 16,932 | 14,993 | 13,059 | 17,009 | 16,993 | 16,597 |
| Income (loss) before income taxes | 3,326 | 1,094 | 5,355 | 3,892 | 1,715 | 4,493 | 5,924 | 6,529 |
| Net income (loss) | 1,271 | (483) | 2,209 | 1,279 | 105 | 3,500 | 3,197 | 4,010 |
| Cash flow: | | | | | | | | |
| Cash provided by (used in) operating activities | (11,826) | 2,834 | 16,624 | 25,741 | (313,698) | (93,752) | (283,619) | 213,248 |
| Free cash flow available for growth ¹ | 7,455 | 8,312 | 11,180 | 8,746 | 7,162 | 10,761 | 12,357 | 11,511 |
| Free cash flow ¹ | 3,888 | (9,612) | 6,151 | 7,206 | (6,309) | (4,011) | (1,148) | (3,591) |

1. Considered to be non-GAAP or supplementary financial measures, 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 business. It represents the market value of client assets managed and administered by us.
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 year has 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.

Non-GAAP and Supplemental Financial Measures

In addition to GAAP prescribed measures, we use a variety of non-GAAP financial measures, non-GAAP ratios and supplemental financial measures 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 supplemental financial measures 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.

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 2022 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 document are:

EBITDA

The use of EBITDA is common in the wealth management industry. We believe it provides a more accurate measure of our core operating results, is a proxy for operating cash flow, 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 term debt and preferred share liability;
- Income tax expense/(benefit);
- Depreciation and amortization expense, which we record primarily in connection with intangible assets, leases, equipment, and leasehold improvements; and
- 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.

The table in the “Quarterly Non-GAAP Information” section below reconciles our reported net income/(loss) to adjusted EBITDA.

Operating Expenses

Operating expenses include:

- Employee compensation and benefits
- Selling, general, and administrative expenses
- Transformation costs and other provisions

These are the expense categories that factor into the EBITDA calculation discussed above.

Fee Revenue

Fee revenue represents the fees that our advisors generate for providing wealth management services and investment advice to their clients. The majority of fee revenue is fees charged to clients as a percentage of AUA. It is often referred to as recurring fee revenue because of the fact that the revenue tends to be less volatile than other types of revenue. Fee revenue also includes performance fees, which are charged by several of our advisors in the first quarter of each year based on performance in the prior calendar year and therefore experience more volatility.

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.

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.

Adjusted EBITDA Margin

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

Adjusting items in this document include the following:

- Transformation costs and other provisions: charges in connection with the ongoing transformation of our business and other matters. These charges have encompassed 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 our new strategy across the Company.
- Amortization of acquired intangible assets: amortization of intangible assets created on the acquisition of Richardson Wealth.

All adjusting items affect reported expenses.

Adjusted Operating Expenses

Adjusted operating expenses are defined as total reported expenses less interest, advisor award and loan amortization, depreciation and amortization, and transformation costs and other provisions.

The table in the "Quarterly Non-GAAP Information" section below reconciles our reported total expenses to adjusted operating expenses.

Adjusted Operating Expense Ratio

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

Adjusted Net Income

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

The table in the “Quarterly Non-GAAP Information” section below reconciles our reported net income/(loss) to adjusted net income/(loss).

Free Cash Flow Available for Growth

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 transformation charges, the income (loss) from discontinued operations, or dividends.

Free Cash Flow

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 *less* cash outlays to recruit new advisors to the firm, capital expenditures on growth initiatives, transformation costs, and the net change in balance sheet provisions.

The table in the “Quarterly Non-GAAP Information” section below reconciles our reported cash provided by (used in) operating activities to free cash flow for growth and free cash flow.

Quarterly Non-GAAP Information

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

| (\$000s, except as otherwise indicated) | 2024 | | | | 2023 | | | 2022 |
|---|----------|----------|---------|----------|-----------|----------|-----------|-----------|
| | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 |
| Adjusted EBITDA: | | | | | | | | |
| Net income (loss) from continuing operations - reported | (1,127) | (2,882) | (189) | (1,425) | (5,332) | (990) | (724) | 58 |
| Income tax expense (recovery) | 1,190 | 713 | 2,281 | 1,642 | (317) | (401) | 1,330 | 793 |
| Income (loss) before income taxes - reported | 63 | (2,169) | 2,092 | 217 | (5,649) | (1,391) | 606 | 851 |
| Interest | 3,750 | 3,994 | 3,527 | 3,675 | 3,511 | 3,294 | 3,015 | 2,348 |
| Advisor award and loan amortization | 3,161 | 5,844 | 4,457 | 3,884 | 4,201 | 4,634 | 4,381 | 4,240 |
| Depreciation and amortization | 6,565 | 6,849 | 6,856 | 6,805 | 6,895 | 7,851 | 6,936 | 6,743 |
| EBITDA | 13,539 | 14,518 | 16,932 | 14,580 | 8,958 | 14,388 | 14,938 | 14,182 |
| Transformation costs and other provisions | — | — | — | 413 | 4,101 | 2,621 | 2,055 | 2,415 |
| Adjusted EBITDA | 13,539 | 14,518 | 16,932 | 14,993 | 13,059 | 17,009 | 16,993 | 16,597 |
| Adjusted operating expenses: | | | | | | | | |
| Total expenses - reported | 52,705 | 53,055 | 49,732 | 51,310 | 57,254 | 54,646 | 50,767 | 50,823 |
| Interest | 3,750 | 3,994 | 3,527 | 3,675 | 3,511 | 3,294 | 3,015 | 2,348 |
| Advisor award and loan amortization | 3,161 | 5,844 | 4,457 | 3,884 | 4,201 | 4,634 | 4,381 | 4,240 |
| Depreciation and amortization | 6,565 | 6,849 | 6,856 | 6,805 | 6,895 | 7,851 | 6,936 | 6,743 |
| Operating expenses | 39,229 | 36,368 | 34,892 | 36,947 | 42,647 | 38,868 | 36,435 | 37,493 |
| Transformation costs and other provisions | — | — | — | 413 | 4,101 | 2,621 | 2,055 | 2,415 |
| Adjusted operating expenses | 39,229 | 36,368 | 34,892 | 36,533 | 38,546 | 36,246 | 34,380 | 35,078 |
| Adjusted net income: | | | | | | | | |
| Net income (loss) from continuing operations - reported | (1,127) | (2,882) | (189) | (1,425) | (5,332) | (990) | (724) | 58 |
| After-tax adjusting items: | | | | | | | | |
| Transformation costs and other provisions | — | — | — | 306 | 3,039 | 2,093 | 1,522 | 1,554 |
| Amortization of acquired intangibles | 2,398 | 2,399 | 2,398 | 2,398 | 2,398 | 2,398 | 2,398 | 2,398 |
| Adjusted net income (loss) | 1,271 | (483) | 2,209 | 1,279 | 105 | 3,500 | 3,197 | 4,010 |
| Earnings per common share from continuing operations: | | | | | | | | |
| Basic | (0.14) | (0.26) | (0.10) | (0.20) | (0.51) | (0.21) | (0.19) | (0.11) |
| Diluted | (0.14) | (0.26) | (0.10) | (0.20) | (0.51) | (0.21) | (0.19) | (0.11) |
| Adjusted earnings per common share: | | | | | | | | |
| Basic | 0.01 | (0.10) | 0.09 | 0.02 | (0.08) | 0.25 | 0.22 | 0.31 |
| Diluted | 0.01 | (0.10) | 0.07 | 0.01 | (0.08) | 0.15 | 0.13 | 0.19 |
| Cash flow: | | | | | | | | |
| Cash provided by (used in) operating activities | (11,826) | 2,834 | 16,624 | 25,741 | (313,698) | (93,752) | (283,619) | 213,248 |
| Net change in non-cash operating items | 21,966 | 8,315 | (3,052) | (16,580) | 319,577 | 105,331 | 296,031 | (201,029) |
| Capital expenditures - maintenance | (419) | (797) | (348) | (619) | (555) | (1,247) | — | (891) |
| Lease payments | (2,266) | (2,040) | (2,044) | (2,273) | (2,263) | (2,192) | (2,110) | (2,232) |
| Net loss from discontinued operations | — | — | — | 2,064 | — | — | — | — |
| Transformation costs and other provisions (pre-tax) | — | — | — | 412 | 4,101 | 2,621 | 2,055 | 2,415 |
| Free cash flow available for growth | 7,455 | 8,312 | 11,180 | 8,746 | 7,162 | 10,761 | 12,357 | 11,511 |
| Advisor loans net of repayments | (2,249) | (13,224) | (557) | 657 | (2,961) | (3,519) | (956) | (6,194) |
| Capital expenditures - office build outs (net of lease inducements) | (82) | 936 | 225 | (854) | (3,175) | (8,737) | (9,514) | (6,146) |
| Net loss from discontinued operations | — | — | — | (2,064) | — | — | — | — |
| Transformation costs and other provisions (pre-tax) | — | — | — | (413) | (4,101) | (2,621) | (2,055) | (2,415) |
| Net change in provisions | (1,236) | (5,636) | (4,697) | 1,134 | (3,234) | 105 | (980) | (347) |
| Free cash flow | 3,888 | (9,612) | 6,151 | 7,206 | (6,309) | (4,011) | (1,148) | (3,591) |

Supplementary Financial Measures

A supplementary financial measure (SFM) is a financial measure that is not reported in our 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 the MD&A include AUA, recruiting pipeline, net new and recruited assets, and working capital. 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 a SFM is provided in the MD&A where the measure is first disclosed if the SFM's labelling is not sufficiently descriptive.

About RF Capital Group Inc.

RF Capital Group Inc. is a TSX-listed (TSX: RCG) wealth management-focused company. Operating under the Richardson Wealth brand, the Company is one of the largest independent wealth management firms in Canada with \$37.0 billion in assets under administration (as of March 31, 2024) and 22 offices across the country. The firm's Advisor teams are focused exclusively on providing strategic wealth advice and innovative investment solutions customized for high net worth or ultra-high net worth families and entrepreneurs. The Company is committed to maintaining exceptional fiduciary standards and has earned certification – determined annually – from the Centre for Fiduciary Excellence for its Separately Managed and Portfolio Management Account platforms. Richardson Wealth has also been recognized as a Great Place to Work®, a Best Workplace for Women, a Best Workplace in Canada and Ontario, a Best Workplace for Mental Wellness, for Financial Services and Insurance, and for Hybrid Work. For further information, please visit www.rfcapgroup.com and www.RichardsonWealth.com.

For Further Information Please Contact:

RF Capital Group Inc.

Tim Wilson, Chief Financial Officer

Tel: (416) 943-6169; e-mail twilson@rfcapgroup.com