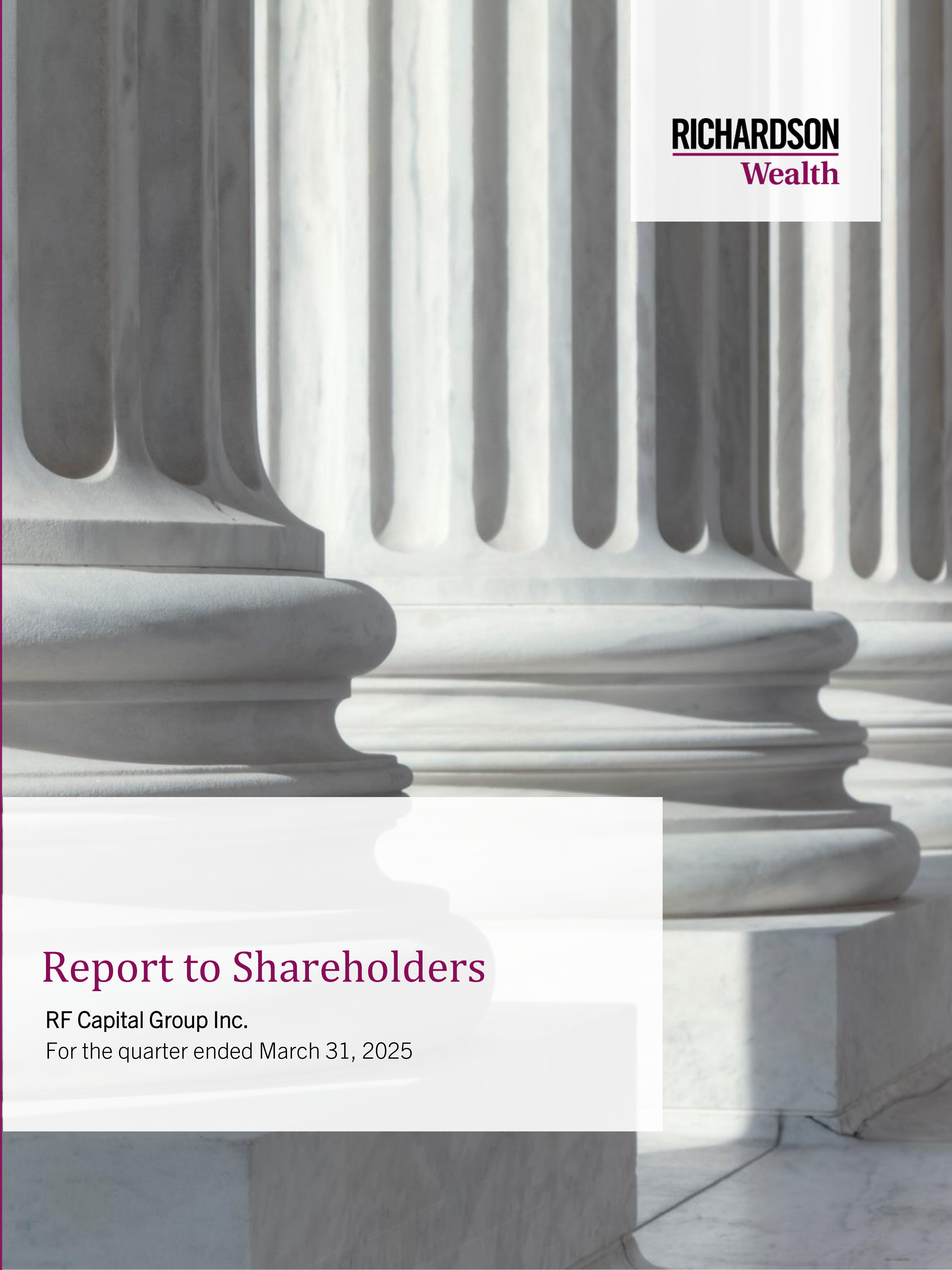

RICHARDSON Wealth

Report to Shareholders

RF Capital Group Inc.

For the quarter ended March 31, 2025

A Message from our President & CEO

The first quarter of 2025 has presented a complex economic environment with slower growth and persistent uncertainties coupled with the ongoing threat of a global tariff war. While we have no control over the political and macroeconomic situation, we do control our opportunities to create growth in our advisors' practices and within the business. That control comes through the diligent execution of our three-pillar strategy.

Our focused three-pillar strategy:

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

In 2025, we are continuing to focus on the first two pillars. Under pillar one, we have been leading the work to strengthen our support for advisor teams. When we make it easier for our teams to work here by creating operational excellence, they will be able to enhance the superior advice and client service they offer, especially in these challenging markets. When we give our teams the tools to strengthen their practices, their businesses become stronger and more valuable. When we partner and align on our overall growth objectives, we all become pointed in the same direction. In Q1, we have been making steady progress on these priorities.

Under pillar two, we also have significant growth opportunity. In 2024, we experienced tremendous momentum helping us build a recruitment pipeline of over $33 billion AUA. In 2025, we have been refining our process and leveraging a "by invitation only" mindset targeting teams who directly connect with our vision and business objectives. We are confident that the traction we experienced last year will be in full force this year.

Kevin Shubley
SVP, Head of Advisor Experience and Growth

Also, in Q1 we announced the leadership appointment of Kevin Shubley to SVP, Head of Advisor Experience and Growth. An accomplished leader, Kevin is focused on creating operational excellence and leading the work to help our advisors grow and make their practices more valuable.

Finally, for Q1 and the remainder of 2025, my overarching goal has been ensuring our advisor teams feel valued and respected and that they have the products, services, and tools they need to do their best work. With our corporate teams, advisor teams, and the Executive Committee aligned, we are the best independent choice for Canada's top advisors and their clients.

Dave Kelly

Dave Kelly

Contents

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 three months ended March 31, 2025.

This MD&A, dated April 30, 2025, should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes as at and for the three months ended March 31, 2025 (First Quarter 2025 Financial Statements). This document as well as additional information relating to the Company, including our annual MD&A (2024 Annual MD&A), our audited consolidated financial statements and related notes as at and for the year ended December 31, 2024 (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 First Quarter 2025 Financial Statements, which we have prepared in accordance with IFRS.

Certain prior period amounts have been reclassified to correspond to the current period presentation.

The board of directors of the Company (Board of Directors) 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 equity market, interest rate and foreign exchange (FX) rate fluctuations, as well as the occurrence of geopolitical developments that impact such conditions including U.S. trade and tariff policy, 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 our 2024 Annual 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 of Directors 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 Financial Information

	As at or for the three months ended				
($ thousands, except as otherwise indicated)	**March 31, 2025**	December 31, 2024	Increase/ (decrease)	March 31, 2024	Increase/ (decrease)
Key performance drivers[1]:					
AUA - ending[2] ($ millions)	**39,152**	39,527	(1%)	37,010	6%
AUA - average[2] ($ millions)	**39,746**	39,760	(0%)	36,060	10%
Fee revenue	**77,496**	73,821	5%	66,146	17%
Fee revenue[3] (%)	**91**	90	+100 bps	92	(50.0)
Operating expense ratio[4] (%)	**82.9**	70.5	+1,240 bps	74.3	+860 bps
EBITDA margin[5] (%)	**9.5**	16.8	(730) bps	15.2	(570) bps
Asset yield[6] (%)	**0.89**	0.84	+5 bps	0.88	+1 bps
Advisory teams[7] (#)	**149**	150	(1%)	151	(1%)
Operating Performance					
Reported results:					
Revenue	**99,393**	96,887	3%	89,361	11%
Gross margin[8]	**55,417**	55,073	1%	52,768	5%
Operating expenses[1,9]	**45,951**	38,835	18%	39,229	17%
EBITDA[1]	**9,466**	16,238	(42%)	13,539	(30%)
Income/(loss) before income taxes	**(3,301)**	3,094	n/m	63	n/m
Net income/(loss)	**(4,112)**	1,290	n/m	(1,127)	265%
Net income/(loss) per common share	**(0.33)**	0.01	n/m	(0.14)	136%
Net income/(loss) per common share - diluted	**(0.33)**	0.01	n/m	(0.14)	136%
Adjusted results[1]:					
Income/(loss) before income taxes	**(38)**	6,357	n/m	3,326	n/m
Net income/(loss)	**(1,714)**	3,688	n/m	1,271	n/m
Net income/(loss) per common share - diluted	**(0.18)**	0.17	n/m	0.01	n/m
Cash flow:					
Cash provided by/(used in) operating activities	**5,401**	14,442	(63%)	(11,826)	n/m
Free cash flow available for growth[1, 10]	**1,981**	11,466	(83%)	(13,335)	n/m
Free cash flow[1, 10]	**(1,808)**	9,731	n/m	(15,666)	(88%)

	As at		
($ thousands, except as otherwise indicated)	**March 31, 2025**	December 31, 2024	Increase/ (decrease)
Select balance sheet information:			
Total assets	**1,400,887**	1,458,681	(4%)
Debt	**110,922**	110,922	-
Shareholders' equity	**321,803**	326,982	(2%)
Net working capital[1,11]	**86,665**	88,729	(2%)
Common share information:			
Book value per common share ($)	**13.32**	13.65	(2%)
Closing share price ($)	**10.01**	7.51	33%
Weighted-average number of common shares outstanding - diluted (millions)	**15.73**	15.73	—
Common share market capitalization ($ millions)	**157**	118	33%

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 operating expenses divided by gross margin. There have been no adjusting items impacting operating expenses beyond Q2 2023.
5. Calculated as EBITDA divided by revenue. There have been no adjusting items impacting EBITDA beyond Q2 2023.
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.
10. Commencing Q1 2025, we have updated our free cash flow available for growth and free cash flow calculations. Prior period amounts have been revised to conform with the change. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.
11. Calculated as current assets less current liabilities. For further information, please see the "Liquidity and Share Capital" section of this MD&A.

Quarterly Results

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

	2025				2024			2023
($ thousands, except as otherwise indicated)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Key performance drivers[1]:								
AUA - ending[2] ($ millions)	**39,152**	39,527	39,004	37,125	37,010	35,236	34,726	35,788
AUA - average[2] ($ millions)	**39,746**	39,760	38,065	36,976	36,060	34,926	35,630	35,880
Fee revenue[3] (%)	**91**	90	91	90	92	89	92	90
Adjusted operating expense ratio[4] (%)	**82.9**	70.5	75.8	71.9	74.3	71.5	67.3	70.9
Adjusted EBITDA margin[5] (%)	**9.5**	16.8	13.6	16.5	15.2	16.7	19.3	16.9
Asset yield[6] (%)	**0.89**	0.84	0.85	0.86	0.88	0.87	0.87	0.86
Advisory teams[7] (#)	**149**	150	153	152	151	153	155	154
Operating Performance:								
Reported results:								
Revenue	**99,393**	96,887	91,871	91,216	89,361	86,752	87,836	88,832
Variable advisor compensation	**43,976**	41,814	40,183	37,650	36,593	35,866	36,012	37,305
Gross margin[8]	**55,417**	55,073	51,688	53,566	52,768	50,886	51,824	51,527
Operating expenses[1,9]	**45,951**	38,835	39,195	38,496	39,229	36,368	34,892	36,946
EBITDA[1]	**9,466**	16,238	12,493	15,070	13,539	14,518	16,932	14,581
Advisor award and loan amortization	**3,125**	3,211	3,103	2,909	3,161	5,844	4,457	3,884
Interest	**3,322**	3,649	3,725	3,413	3,750	3,994	3,527	3,675
Amortization and depreciation of premises and equipment	**2,694**	2,677	2,660	2,749	3,049	3,385	3,414	3,366
Amortization of intangibles	**3,626**	3,607	3,563	3,537	3,516	3,464	3,442	3,439
Income/(loss) before income taxes	**(3,301)**	3,094	(558)	2,462	63	(2,169)	2,092	217
Net income/(loss) from continuing operations	**(4,112)**	1,290	(2,309)	2,714	(1,127)	(2,882)	(189)	(1,425)
Net income/(loss) from discontinued operations[10]	-	-	-	-	-	-	-	(2,064)
Net income/(loss)[10]	**(4,112)**	1,290	(2,309)	2,714	(1,127)	(2,882)	(189)	(3,489)
Net income/(loss) per common share from continuing operations	**(0.33)**	0.01	(0.22)	0.11	(0.14)	(0.26)	(0.10)	(0.20)
Net income/(loss) per common share from continuing operations - diluted	**(0.33)**	0.01	(0.22)	0.10	(0.14)	(0.26)	(0.10)	(0.20)
Net income/(loss) per common share[10]	**(0.33)**	0.01	(0.22)	0.11	(0.14)	(0.26)	(0.10)	(0.37)
Net income/(loss) per common share - diluted[10]	**(0.33)**	0.01	(0.22)	0.10	(0.14)	(0.26)	(0.10)	(0.37)
Adjusted results[1]:								
Operating expenses[9]	**45,951**	38,835	39,195	38,496	39,229	36,368	34,892	36,533
EBITDA	**9,466**	16,238	12,493	15,070	13,539	14,518	16,932	14,994
Income/(loss) before income taxes	**(38)**	6,357	2,705	5,725	3,326	1,094	5,355	3,893
Net income/(loss)	**(1,714)**	3,688	89	5,112	1,271	(483)	2,209	1,279
Cash flow:								
Cash provided by/(used in) operating activities	**5,401**	14,442	15,977	5,162	(11,826)	2,836	16,624	25,741
Free cash flow available for growth[1, 11]	**1,981**	11,466	18,208	8,019	(13,335)	12,149	13,716	21,532
Free cash flow[1, 11]	**(1,808)**	9,731	11,803	1,859	(15,666)	(139)	13,384	20,922

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.
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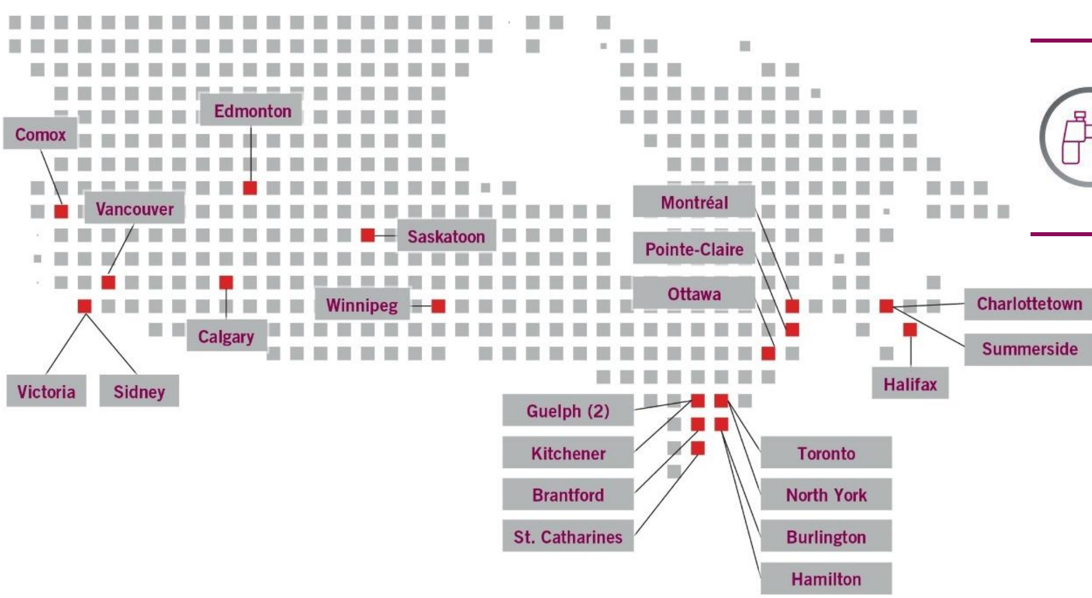
4. Calculated as adjusted operating expenses divided by gross margin. There have been no adjusting items impacting operating expenses beyond Q2 2023.
5. Calculated as adjusted EBITDA divided by revenue. There have been no adjusting items impacting EBITDA beyond Q2 2023.
6. Calculated as fee revenue, 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. Commencing Q1 2025, we have updated our free cash flow available for growth and free cash flow calculations. Prior period amounts have been revised to conform with the change. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.

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 149 investment advisor teams serving nearly 30,000 households out of 23 offices. Richardson Wealth operates as Patrimoine Richardson in francophone markets. Richardson Wealth advisors collectively managed $39 billion in client assets[1] as at March 31, 2025 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[2]. 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

$39B	149	$260MM	91%	23
AUA[1]	Number of advisor teams	Average AUA per team[1]	Recurring fee-based revenue[1,3]	Offices across Canada

[1] Considered to be non-GAAP or SFMs, 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] For more information, please see Investment Executive's 2024 Advisors' Report Card at www.investmentexecutive.com.
[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.

Our Growth Strategy

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 advisor 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 our 2024 Annual MD&A.

Double down on support for advisor teams

This is the most important pillar in 2025. To ensure our advisor 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 advisor team experience and 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 are focused on our processes to attract like-minded advisor 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.

Q1 2025 Financial Performance Summary

Our Q1 results showed growth in average AUA compared to Q1 prior year with an increase in fee revenue from prior quarter despite steady AUA, reflecting our deliberate approach towards higher yielding fee-based accounts. Despite the headwinds from declining interest rates, growth from equity markets and recruiting drove revenue to increase from prior year while performance fee revenue earned in connection with 2024 AUA growth led to an increase in revenue from prior quarter. Although discretionary costs decreased from Q1 prior year, operating expenses increased primarily due to mark-to-market adjustments on restricted and deferred share units (RSUs and DSUs) and FX translation adjustments, both of which represent gains or losses from the change in fair value of balance sheet items (balance sheet revaluation adjustments). Seasonality of statutory benefits further contributed to elevated operating expenses compared to prior quarter. Excluding balance sheet revaluation adjustments, EBITDA increased from Q1 prior year due to the impact of higher AUA outpacing the increase in operating expenses.

vs Q1 2024

- AUA increased $2.1 billion between Q1 2024 and Q1 2025 as rising equity markets, recruiting, and net new asset gains more than offset the effect of advisor team departures.
- Net loss of $4.1 million compared to $1.1 million in Q1 2024 primarily due to balance sheet revaluation adjustments.
- EBITDA decreased 30% from prior year as gross margin grew 5% while operating expenses rose 17%. Excluding balance sheet revaluation adjustments, EBITDA increased 3% from prior year to $12.7 million as gross margin growth outpaced operating expense growth.
- Revenue increased 11% from prior year due to 17% higher fee revenue and despite a 14% decrease in interest revenue.
- Operating expenses were 17% higher than prior year mainly driven by balance sheet revaluation adjustments. Excluding these revaluation adjustments, operating expenses were 7% higher than prior year.
- Free cash flow of negative $1.8 million improved from negative free cash flow of $15.7 million in Q1 2024. This $13.9 million change was driven largely by higher operating cash flows, which increased mainly due to fee revenue.

vs Q4 2024

- AUA decreased $0.4 billion between Q4 2024 and Q1 2025 driven by the effect of one advisor departure.
- Net loss of $4.1 million compared to net income of $1.3 million in Q4 2024, primarily due to balance sheet revaluation adjustments and seasonality in statutory benefits costs.
- EBITDA decreased 42% from prior quarter as gross margin increased by 1% while operating expenses rose 18%. Excluding balance sheet revaluation adjustments, EBITDA decreased 16% from prior quarter as operating expense growth outpaced gross margin growth. This sequential decrease was due to seasonality of statutory benefits.
- Revenue increased 3% from prior quarter as a 5% increase in fee revenue offset a 30% decline in corporate finance revenue.
- Operating expenses were 18% higher than prior quarter primarily driven by a seasonal increase in statutory benefit costs and balance sheet revaluation adjustments.
- Free cash flow of negative $1.8 million declined from positive free cash flow of $9.7 million in Q4 2024. This $11.5 million change was driven largely by timing of bonus payouts and expenditure on office build outs.

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 and bond market movements which are inherently difficult to predict and can be impacted by broader economic conditions. We expect to see increased volatility in these markets as a result of the new U.S. trade and tariff policies and their global ramifications. However, AUA will also be impacted by growth in our existing advisors' client assets and by recruiting and attrition.
- 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 Bank of Canada's target range for 2025, although there is uncertainty due to the new U.S. trade and tariff policies. 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

($ thousands)	March 31, 2025	December 31, 2024	Increase/ (decrease)	March 31, 2024	Increase/ (decrease)
				For the three months ended	
Fee revenue	**77,496**	73,821	5%	66,146	17%
Trading commissions	**4,921**	4,925	(0%)	4,769	3%
Corporate finance	**1,876**	2,686	(30%)	1,392	35%
Interest	**9,342**	9,100	3%	10,914	(14%)
Insurance	**4,270**	4,293	(1%)	4,326	(1%)
Other	**1,488**	2,062	(28%)	1,814	(18%)
Revenue	**99,393**	96,887	3%	89,361	11%
Variable advisor compensation	**43,976**	41,814	5%	36,593	20%
Gross margin[1]	**55,417**	55,073	1%	52,768	5%
Employee compensation and benefits	**25,159**	20,556	22%	21,666	16%
Selling, general and administrative	**20,792**	18,279	14%	17,563	18%
Operating expenses[2,3]	**45,951**	38,835	18%	39,229	17%
EBITDA[2]	**9,466**	16,238	(42%)	13,539	(30%)
Advisor award and loan amortization	**3,125**	3,211	(3%)	3,161	(1%)
Interest	**3,322**	3,649	(9%)	3,750	(11%)
Amortization and depreciation of premises and equipment	**2,694**	2,677	1%	3,049	(12%)
Amortization of intangibles	**3,626**	3,607	1%	3,516	3%
Income/(loss) before income taxes	**(3,301)**	3,094	n/m	63	n/m
Net income/(loss)	**(4,112)**	1,290	n/m	(1,127)	265%
Adjusted results[2]:					
Income/(loss) before income taxes	**(38)**	6,357	n/m	3,326	n/m
Net income/(loss)	**(1,714)**	3,688	n/m	1,271	n/m
Cash flow:					
Cash provided by/(used in) operating activities	**5,401**	14,442	(63%)	(11,826)	n/m
Free cash flow available for growth[2,4]	**1,981**	11,466	(83%)	(13,335)	n/m
Free cash flow[2,4]	**(1,808)**	9,731	n/m	(15,666)	(88%)

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. There have been no adjusting items, including transformation costs and other provisions, impacting operating expenses beyond Q2 2023.
4. Commencing Q1 2025, we have updated our free cash flow available for growth and free cash flow calculations. Prior period amounts have been revised to conform with the change. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.

Net Income/(Loss)

Q1 2025 vs Q1 2024

Net loss was $4.1 million compared to $1.1 million in Q1 2024. Adjusted net loss was $1.7 million compared to an adjusted net income of $1.3 million in Q1 2024. These metrics declined due to lower EBITDA.

Q1 2025 vs Q4 2024

Net loss was $4.1 million this quarter compared to a net income of $1.3 million in Q4 2024. Adjusted net loss was $1.7 million compared to an adjusted net income of $3.7 million in the prior quarter. The sequential decline in net income is due to lower EBITDA.

EBITDA

EBITDA was $9.5 million, representing a $4.1 million decrease from $13.5 million in prior year Q1 and a $6.8 million decrease from $16.2 million in the prior quarter. Excluding balance sheet revaluation adjustments, EBITDA increased $0.4 million compared to prior year and decreased $2.4 million compared to prior quarter. The drivers of EBITDA are revenue, variable advisor compensation, and operating expenses. The changes in revenue and operating expenses are discussed below, while variable advisor compensation is largely driven by revenue and can fluctuate based on seasonality and our revenue mix.

Revenue

Q1 2025 vs Q1 2024

Revenue increased $10.0 million or 11% primarily as a result of the following factors:

(all figures in $ millions)

Categories of Revenue	Change	Explanation
Fee revenue	11.3	Increased due to higher fee-based AUA, a continued shift in our AUA mix towards higher yielding fee-based AUA, and performance fees. The increase in AUA was driven by growth from markets, recruiting, and net new assets exceeding the impact of advisor attrition, and there was an increase in annual performance fees from select sub-advised products.
Various other	0.3	Increased largely due to higher corporate finance revenue. This was partly offset by a decrease in FX revenue from the translation of our U.S. dollar cash balances.
Interest	(1.6)	Decreased due to lower benchmark rates.

Q1 2025 vs Q4 2024

Revenue increased $2.5 million or 3% primarily as a result of the following factors:

(all figures in $ millions)

Categories of Revenue	Change	Explanation
Fee revenue	3.7	Increased primarily due to performance fees, partly offset by lower fee revenue as a result of fewer days this quarter and despite stable fee-based AUA.
Interest	0.2	Increased primarily due higher cash balances, partly offset by lower benchmark rates.
Various other	(1.4)	Decreased mainly due to lower corporate finance revenue and lower FX revenue from the translation of our U.S. dollar cash balances.

Operating Expenses

Q1 2025 vs Q1 2024

Operating expenses increased $6.7 million or 17% primarily as a result of the following factors:

(all figures in $ millions)

Categories of Expense	Change	Explanation
Compensation	3.5	Increased primarily due to balance sheet revaluation adjustments as we recorded a $1.9 million mark-to-market *expense* in Q1 2025 compared to a $0.8 million *recovery* in Q1 2024. Salaries also contributed to the growth, driven by headcount and annual inflationary increases.
SG&A	3.2	Increased mainly due to balance sheet revaluation adjustments, higher legal fees, and higher carrying broker charges. There was a $1.3 million mark-to-market *expense* this quarter compared to a *recovery* of $0.1 million recorded in Q1 2024. These increases were partly offset by lower discretionary costs.

Q1 2025 vs Q4 2024

Operating expenses increased $7.1 million or 18% primarily as a result of the following factors:

(all figures in $ millions)

Categories of Expense	Change	Explanation
Compensation	4.6	Increased primarily due to the seasonality in statutory benefits costs and balance sheet revaluation adjustments. We booked a $1.9 million mark-to-market *expense* this quarter compared to a $0.4 million *recovery* in Q4 2024.
SG&A	2.5	Increased primarily due to balance sheet revaluation adjustments, higher legal fees, and higher carrying broker charges. There was a mark-to-market *expense* of $1.3 million this quarter compared to nil in Q4 2024. Partly offsetting this growth was an expense recorded in Q4 related to an increase in legal provision.

Cash Flow

We have updated our free cash flow available for growth and free cash flow calculations. Prior period amounts have been revised to conform with the change. For detailed cash flow calculations or further information on this change, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.

Q1 2025 vs Q1 2024

Free cash flow available for growth was positive $2.0 million compared to negative $13.3 million in prior year Q1, primarily due to increased operating cash flow driven by higher fee revenue. Free cash flow was negative $1.8 million compared to negative $15.7 million in Q1 2024 mainly due to increased free cash flow available for growth and partly offset by higher expenditure on office build outs.

Q1 2025 vs Q4 2024

Free cash flow available for growth was $2.0 million, a decrease of $9.5 million compared to Q4 2024. This decrease was primarily due to lower operating cash flow as a result of annual bonus payouts which occur in Q1 of each year. Free cash flow of negative $1.8 million compared to a positive cash flow of $9.7 million in Q4 2024, mainly from lower free cash flow available for growth and higher expenditure on office build outs.

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 Q1 2025.

($ thousands, except as otherwise indicated)	March 31, 2025	December 31, 2024	As at Increase/ (decrease)
Selected highlights:			
Total assets	**1,400,887**	1,458,681	(4%)
Shareholders' equity	**321,803**	326,982	(2%)
Debt	**110,922**	110,922	-
Net working capital[1]	**86,665**	88,729	(2%)
Debt:			
Revolving credit facility	**80,500**	80,500	-
Preferred share liability	**30,422**	30,422	-
	110,922	110,922	-
Ratios[1]:			
Debt to EBITDA[2]	**2.9**	1.7	71%
EBITDA to interest[3]	**3.6**	5.6	(36%)

1. Considered to be non-GAAP or SFMs, 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 debt divided by annualized quarterly EBITDA.
3. Includes interest expense on debt, lease liabilities, and client accounts.

Q1 2025 vs Q4 2024

Total assets decreased by 4% from December 31, 2024 primarily due to lower receivables from brokers, which was largely offset by a related decrease in payable to clients.

Shareholders' equity decreased by $5.2 million from December 31, 2024, including Q1 2025 net loss of $4.1 million and preferred share dividends granted of $1.1 million.

Revolving Credit Facility

The Company has a $200 million revolving credit facility (Facility) with a syndicate of lenders, of which $125 million was available this quarter. As of March 31, 2025, we had drawn $80.5 million against the Facility, unchanged from the end of 2024. The Facility, in addition to our operating cash flows, provides us with funding and flexibility to pursue initiatives that 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 the Company is required to meet certain financial covenants. As at March 31, 2025, the Company was compliant with the covenants associated with the Facility.

On April 16, 2025, the Company entered into an agreement with its lenders to extend the term of its Facility for an additional year. Effective May 5, 2025, the renewal date has been extended from May 4, 2026 to May 4, 2027.

Liquidity and Share Capital

Management and the Board of Directors 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 March 31, 2025, we had net working capital[1] of $86.7 million. Working capital decreased by $2.1 million as the reduction in liquid assets more than offset the decrease 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.

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 $87.6 million of liquid assets[1] at March 31, 2025, compared to $90.1 million at December 31, 2024.

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 Q1 2025.

Share Capital

At the date of this report, April 30, 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.

[1] Considered to be non-GAAP or SFMs, 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.

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 three months ended March 31, 2025, are the same as those applied by us as at and for the year ended December 31, 2024. 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.

Risk Management

The Company is exposed to risks that are similar to those of other financial institutions, including the symptoms and effects of both domestic and global economic conditions and other factors that could adversely affect the business, financial condition, and operating results, such as the occurrence of geopolitical developments including the U.S. trade and tariff policy. For a complete description of risk factors, please see Note 18 to the 2024 Annual Financial Statements and the "Risk Management" section of our 2024 Annual MD&A dated February 27, 2025. Both documents can be found on our website at *www.richardsonwealth.com/investor-relations*.

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 three months ended March 31, 2025.

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 March 31, 2025, 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.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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. There have been no transformation costs recorded since Q2 2023.
- 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:

- Balance sheet revaluation adjustments such as mark-to-market adjustments on our share-based compensation (RSUs and DSUs) and FX translation
- 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)
- Amortization and 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 table in the "Quarterly Non-GAAP Information" section below reconciles 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, amortization and depreciation of premises and equipment, and amortization of intangibles. These are the expenses that factor into the EBITDA calculation discussed above.

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

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 table in the "Quarterly Non-GAAP Information" section below reconciles 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 table in the "Quarterly Non-GAAP Information" section below reconciles 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

Commencing Q4 2024, we updated our calculation to exclude the non-repayable portion of employee and other loans receivable from current assets.

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 "Quarterly Non-GAAP Information" section below provides our net working capital calculation.

Free Cash Flow

Commencing Q1 2025, we have updated our free cash flow available for growth and free cash flow calculations to consider cash impacts of non-cash operating items and RF Capital preferred share dividends. Comparative periods have been revised to conform with the current period presentation.

Free cash flow available for growth is the cash flow that the Company generates from its continuing operations before any investments in growth and transformation initiatives. We use this metric to evaluate the efficiency of our operations and assess the capital available to reinvest in growth activities. It is calculated as cash provided by/(used in) operating activities per the Consolidated Statement of Cash Flows *add* adjusting items and net outlays to attract new advisors to the firm, *less* lease payments, RF Capital preferred share dividends, and maintenance capital expenditures.

Free cash flow is the net cash flow that the Company generates from its continuing operations after investments in growth and transformation initiatives. We use free cash flow to evaluate the efficiency of our growth initiatives and assess the capital available after investments in growth. It is calculated as free cash flow available for growth *less* net outlays to attract new advisors to the firm, capital expenditures on growth initiatives, and adjusting items.

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 non-GAAP financial information for our eight most recently completed financial quarters.

	2025				2024			2023
($ thousands, except as otherwise indicated)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Adjusted EBITDA:								
Net income/(loss) from continuing operations - reported	**(4,112)**	1,290	(2,309)	2,714	(1,127)	(2,882)	(189)	(1,425)
Income tax expense/(recovery)	**811**	1,804	1,751	(252)	1,190	713	2,281	1,642
Income/(loss) before income taxes - reported	**(3,301)**	3,094	(558)	2,462	63	(2,169)	2,092	217
Interest	**3,322**	3,649	3,725	3,413	3,750	3,994	3,527	3,675
Advisor award and loan amortization	**3,125**	3,211	3,103	2,909	3,161	5,844	4,457	3,884
Amortization and depreciation of premises and equipment	**2,694**	2,677	2,660	2,749	3,049	3,385	3,414	3,366
Amortization of intangibles	**3,626**	3,607	3,563	3,537	3,516	3,464	3,442	3,439
EBITDA	**9,466**	16,238	12,493	15,070	13,539	14,518	16,932	14,581
Transformation costs and other provisions	**-**	-	-	-	-	-	-	413
Adjusted EBITDA	**9,466**	16,238	12,493	15,070	13,539	14,518	16,932	14,994
Adjusted operating expenses:								
Total expenses - reported	**58,718**	51,979	52,246	51,104	52,705	53,055	49,732	51,310
Interest	**3,322**	3,649	3,725	3,413	3,750	3,994	3,527	3,675
Advisor award and loan amortization	**3,125**	3,211	3,103	2,909	3,161	5,844	4,457	3,884
Amortization and depreciation of premises and equipment	**2,694**	2,677	2,660	2,749	3,049	3,385	3,414	3,366
Amortization of intangibles	**3,626**	3,607	3,563	3,537	3,516	3,464	3,442	3,439
Operating expenses	**45,951**	38,835	39,195	38,496	39,229	36,368	34,892	36,946
Transformation costs and other provisions	**-**	-	-	-	-	-	-	413
Adjusted operating expenses	**45,951**	38,835	39,195	38,496	39,229	36,368	34,892	36,533
Adjusted net income:								
Net income/(loss) from continuing operations - reported	**(4,112)**	1,290	(2,309)	2,714	(1,127)	(2,882)	(189)	(1,425)
After-tax adjusting items:								
Transformation costs and other provisions	**-**	-	-	-	-	-	-	306
Amortization of acquired intangibles	**2,398**	2,398	2,398	2,398	2,398	2,399	2,398	2,398
Adjusted net income/(loss)	**(1,714)**	3,688	89	5,112	1,271	(483)	2,209	1,279
Net income/(loss) per common share from continuing operations:								
Basic	**(0.33)**	0.01	(0.22)	0.11	(0.14)	(0.26)	(0.10)	(0.20)
Diluted	**(0.33)**	0.01	(0.22)	0.10	(0.14)	(0.26)	(0.10)	(0.20)
Adjusted net income/(loss) per common share:								
Basic	**(0.18)**	0.17	(0.06)	0.26	0.01	(0.10)	0.09	0.02
Diluted	**(0.18)**	0.17	(0.06)	0.26	0.01	(0.10)	0.07	0.01
Cash flow:								
Cash provided by/(used in) operating activities	**5,401**	14,442	15,977	5,162	(11,826)	2,836	16,624	25,741
Add/(less):								
Transformation costs and other provisions (pre-tax)	**-**	-	-	-	-	-	-	413
Advisor loans net of repayments	**1,820**	1,270	6,290	7,088	2,249	13,224	557	(657)
Capital expenditures - maintenance	**(1,995)**	(1,004)	(790)	(901)	(419)	(797)	(348)	(619)
Lease payments	**(2,172)**	(2,169)	(2,196)	(2,257)	(2,266)	(2,041)	(2,044)	(2,273)
Preferred share dividends	**(1,073)**	(1,073)	(1,073)	(1,073)	(1,073)	(1,073)	(1,073)	(1,073)
Free cash flow available for growth	**1,981**	11,466	18,208	8,019	(13,335)	12,149	13,716	21,532
Transformation costs and other provisions (pre-tax)	**-**	-	-	-	-	-	-	(413)
Advisor loans net of repayments	**(1,820)**	(1,270)	(6,290)	(7,088)	(2,249)	(13,224)	(557)	657
Capital expenditures - growth (net of lease inducements)	**(1,969)**	(465)	(115)	928	(82)	936	225	(854)
Free cash flow	**(1,808)**	9,731	11,803	1,859	(15,666)	(139)	13,384	20,922

($ thousands, except as otherwise indicated)	For the three months ended **March 31, 2025**	 December 31, 2024
Net working capital:		
Current assets:		
Cash and cash equivalents (non-client portion)	**86,748**	88,556
Securities owned	**820**	1,593
Net receivable from brokers (non-client portion)	**60,034**	61,125
Employee and other loans receivable (current portion)	**1,113**	1,244
Other assets	**15,156**	14,758
Current liabilities:		
Accounts payable and accrued liabilities	**60,500**	60,261
Provisions (current portion)	**12,030**	13,587
Lease liabilities (current portion)	**4,676**	4,699
Net working capital	**86,665**	88,729

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.

Consolidated Balance Sheets

($ thousands) As at	Note	March 31, 2025	December 31, 2024
ASSETS			
Cash and cash equivalents		86,748	88,556
Securities owned	9	820	1,593
Receivable from:			
Clients		363,472	341,164
Brokers		493,799	568,061
Employee and other loans receivable		56,085	57,546
Equipment and leasehold improvements		30,870	29,261
Right-of-use assets		35,841	37,004
Other assets		15,156	14,758
Deferred tax assets		6,552	6,511
Goodwill and intangible assets	4	311,544	314,227
		1,400,887	1,458,681
LIABILITIES			
Payable to:			
Clients		797,176	845,601
Brokers		37	2,499
Accounts payable and accrued liabilities	6	70,801	69,972
Provisions	7	15,410	15,978
Debt	10	110,922	110,922
Lease liabilities		48,314	49,439
Deferred tax liability		36,424	37,288
		1,079,084	1,131,699
EQUITY			
Common shares		461,452	461,652
Preferred shares	5	112,263	112,263
Contributed surplus		46,972	46,766
Accumulated other comprehensive income		20,293	20,293
Accumulated deficit		(319,177)	(313,992)
Shareholders' equity		321,803	326,982
		1,400,887	1,458,681

See accompanying notes, which are an integral part of these unaudited interim condensed consolidated financial statements.

"Dave Kelly"

Dave Kelly
President and Chief Executive Officer

"Donald Wright"

Donald Wright
Chair of the Board

Consolidated Statements of Income/(Loss)

($ thousands) Three months ended March 31,	Note	2025	2024
REVENUE			
Wealth management		82,417	70,915
Corporate finance		1,876	1,392
Interest		9,342	10,914
Other income	3	5,758	6,140
Total Revenue	3	99,393	89,361
Variable advisor compensation		43,976	36,593
Gross Margin		55,417	52,768
EXPENSES			
Employee compensation and benefits		25,159	21,666
Selling, general and administrative		20,792	17,563
Advisor award and loan amortization		3,125	3,161
Interest		3,322	3,750
Amortization and depreciation of premises and equipment		2,694	3,049
Amortization of intangibles		3,626	3,516
		58,718	52,705
Income/(loss) before income taxes		(3,301)	63
Income tax expense/(recovery)			
Current		1,717	540
Deferred		(906)	650
		811	1,190
Net income/(loss)		(4,112)	(1,127)
Weighted-average number of common shares outstanding: (in thousands)			
Basic	8	15,486	15,414
Diluted		15,732	15,750
Net income/(loss) per common share (dollars):			
Basic	8	(0.33)	(0.14)
Diluted		(0.33)	(0.14)

See accompanying notes, which are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated Statements of Comprehensive Income/(Loss)

($ thousands) Three months ended March 31,	2025	2024
Net income/(loss)	**(4,112)**	(1,127)
Total other comprehensive income/(loss)	-	-
Total comprehensive income/(loss) attributable to shareholders	**(4,112)**	(1,127)

See accompanying notes, which are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated Statements of Changes in Equity

($ thousands) As at and for the three months ended March 31,	Note	2025	2024
Preferred shares	5		
Preferred shares, opening		112,263	112,263
Preferred shares, closing		112,263	112,263
Common shares	5		
Common shares, opening		461,652	461,523
Common shares cancelled and forfeited		(200)	-
Common shares, closing		461,452	461,523
Contributed surplus			
Contributed surplus, opening		46,766	46,726
Common shares cancelled and forfeited		200	-
Share-based compensation (equity-settled)		6	176
Contributed surplus, closing		46,972	46,902
Accumulated other comprehensive income			
Accumulated other comprehensive income, opening		20,293	20,293
Accumulated other comprehensive income, closing		20,293	20,293
Accumulated deficit			
Accumulated deficit, opening		(313,992)	(310,266)
Preferred share dividends		(1,073)	(1,073)
Net income/(loss)		(4,112)	(1,127)
Accumulated deficit, closing		(319,177)	(312,466)
Total shareholders' equity		321,803	328,515

See accompanying notes, which are an integral part of these unaudited interim condensed consolidated financial statements.

Consolidated Statements of Cash Flows

($ thousands) Three months ended March 31,	Note	2025	2024
OPERATING ACTIVITIES			
Net income/(loss)		(4,112)	(1,127)
Add/(deduct) items not involving cash:			
Amortization and depreciation of premises and equipment		2,694	3,049
Amortization of intangibles		3,626	3,516
Advisor award and loan amortization		3,125	3,161
Accretion of lease liability expense		930	891
Deferred income taxes		(906)	650
		5,357	10,140
Net change in non-cash operating items	11	44	(21,966)
Cash provided by/(used in) operating activities		5,401	(11,826)
FINANCING ACTIVITIES			
Dividends paid on preferred shares	5	(1,073)	(1,073)
Lease payments		(2,172)	(2,266)
Cash provided by/(used in) financing activities		(3,245)	(3,339)
INVESTING ACTIVITIES			
Intangibles		(943)	(370)
Equipment and leasehold improvements, net of inducements		(3,021)	(131)
Cash provided by/(used in) investing activities		(3,964)	(501)
Net change in cash and cash equivalents		(1,808)	(15,666)
Cash and cash equivalents, beginning of period		88,556	80,829
Cash and cash equivalents, end of period		86,748	65,163
Supplemental cash flow information relating to operating activities			
Interest paid		2,559	2,911
Interest received		8,718	11,190
Taxes paid		429	429

See accompanying notes, which are an integral part of these unaudited interim condensed consolidated financial statements.

Note 1 – Corporate Information

RF Capital Group Inc. (RF Capital or the Company), is incorporated under the laws of the Province of Ontario, Canada and has its registered office and principal place of business located at 100 Queens Quay East, Suite 2500, Toronto, Ontario, M5E 1Y3. The Company's common shares and Series B preferred shares are listed on the Toronto Stock Exchange (TSX) under the symbols RCG and RCG.PR.B respectively. The Company is the parent company of its wholly owned operating subsidiary Richardson Wealth Limited (Richardson Wealth). Richardson Wealth is a member of the Canadian Investment Regulatory Organization (CIRO) and a member of the Canadian Investor Protection Fund.

Note 2 – Basis of Preparation

a. Basis of Presentation

These interim condensed consolidated financial statements (Interim Financial Statements) of the Company, have been prepared by management in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) using the same accounting policies as disclosed in the notes to the Company's audited annual consolidated financial statements for the year ended December 31, 2024 (Annual Financial Statements).

These Interim Financial Statements should be read in conjunction with the notes to the Company's Annual Financial Statements. Unless otherwise indicated, all amounts are expressed in thousands of Canadian dollars and rounded to the nearest thousand, except share and per share amounts. These Interim Financial Statements include the assets, liabilities, and results of operations of our wholly owned subsidiaries, after the elimination of intercompany transactions and balances.

These Interim Financial Statements were authorized for issuance by the Company's Board of Directors on April 30, 2025.

b. Critical Accounting Estimates and Use of Judgment

The preparation of these Interim Financial Statements in accordance with IFRS Accounting Standards (IFRS) requires management to make estimates and exercise judgment that affect reported amounts of certain assets and liabilities, certain revenue and expenses and other related disclosures. The areas of significant judgment, estimates and assumptions are revenue recognition, impairment of goodwill and intangible assets, income taxes and valuation of deferred taxes, share-based compensation, provisions and the fair value of financial instruments as detailed in Note 3 of the Annual Financial Statements.

(in $ thousands, except share and per share amounts)

Note 3 – Revenue

The following table presents disaggregated revenue information for the Company for the three months ended March 31, 2025 and 2024.

Three months ended March 31,	2025	2024
Fee revenue	77,496	66,146
Commissions	4,921	4,769
Corporate finance	1,876	1,392
Other customer revenue	4,281	4,405
Revenue - contracts with customers	88,574	76,712
Interest revenue	9,342	10,914
Other revenue	1,477	1,735
Total revenue	99,393	89,361

	2025	2024
Timing of revenue recognition:		
Point in time	11,068	10,487
Over time	77,506	66,225
Revenue - contracts with customers	88,574	76,712
Interest revenue	9,342	10,914
Other revenue	1,477	1,735
Total revenue	99,393	89,361

Certain revenue associated with commission payments related to insurance contracts has been categorized as Point in time to more appropriately reflect the timing of the performance obligations being satisfied rather than when cash is received. Prior period comparatives have been changed to conform to this presentation.

Other Income

The following table presents a breakdown of the Company’s other income for the three months ended March 31, 2025 and 2024.

Three months ended March 31,	2025	2024
Insurance commissions	4,270	4,326
Foreign exchange	1,189	1,728
Other	299	86
	5,758	6,140

(in $ thousands, except share and per share amounts)

Note 4 – Goodwill and Intangible Assets

The following table presents a breakdown of the Company's goodwill and finite life intangible assets as at March 31, 2025 and December 31, 2024.

		Intangible Assets		
Cost	Goodwill	Customer relationships	Other intangible assets[1]	Total
As at January 1, 2024	164,957	197,503	5,680	368,140
Additions	-	-	2,830	2,830
Disposals	-	-	(30)	(30)
As at December 31, 2024	164,957	197,503	8,480	370,940
Additions	**-**	**-**	**943**	**943**
As at March 31, 2025	**164,957**	**197,503**	**9,423**	**371,883**
Accumulated amortization				
As at January 1, 2024	-	41,811	709	42,520
Amortization	-	13,113	1,110	14,223
Disposals		-	(30)	(30)
As at December 31, 2024	-	54,924	1,789	56,713
Amortization	**-**	**3,283**	**343**	**3,626**
As at March 31, 2025	**-**	**58,207**	**2,132**	**60,339**
Net book value				
As at December 31, 2024	164,957	142,579	6,691	314,227
As at March 31, 2025	**164,957**	**139,296**	**7,291**	**311,544**

[1] Other intangible assets is comprised of internal systems and platforms, brand, and other.

As at March 31, 2025, there was no indication of impairment relating to the Company's goodwill or intangible assets.

Note 5 – Share Capital

Preferred Share Dividends

On April 30, 2025, 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 30, 2025, to preferred shareholders of record on June 13, 2025.

Share Cancellations and Forfeitures

On March 24, 2025, 10,382 common shares that were held in escrow were forfeited and cancelled, resulting in a share capital reduction of $200.

Common and Preferred Shares Outstanding

On March 31, 2025, there were 15,610,706 common shares and 4,600,000 preferred shares outstanding, compared to December 31, 2024 where there were 15,621,088 common shares and 4,600,000 preferred shares outstanding.

(in $ thousands, except share and per share amounts)

Note 6 – Share Based Compensation

Share Incentive Plan

On March 6, 2025, the Company granted 893,764 Restricted Share Units (RSUs) and 84,926 Performance Share Units (PSUs) to employees that entitle them to cash payments on December 1, 2027 and March 6, 2028, respectively. The RSUs and PSUs were granted at a price of $10.45 based on the weighted average closing price of the Company's common shares on the TSX for the 30 consecutive trading days immediately prior to the grant date and had a value of $10,227. The fair value of the RSUs and PSUs granted in March 2025 was $9,998 at the end of the reporting period; this is recognized as an expense with a corresponding increase in Accounts payable and accrued liabilities over the period during which the RSU or PSU vests.

Deferred Share Unit Plan (DSUs)

On March 6, 2025, the Company granted 17,430 DSUs to directors that entitle them to cash payments when they leave the Company or its Board. The DSUs were issued at a grant price of $10.29, based on the weighted average closing price of the Company's common shares on the TSX for the five consecutive trading days immediately prior to the grant date and had a value of $179. The fair value of the DSUs at the end of the reporting period is $178 and is included in Accounts payable and accrued liabilities.

Note 7 – Provisions

The following table presents the changes in the Company's provisions as at March 31, 2025 and December 31, 2024.

Balance, December 31, 2023	12,301
Additions[2]	7,031
Payments[1]	(2,475)
Recoveries	(879)
As at December 31, 2024	15,978
Additions	56
Payments[1]	(624)
As at March 31, 2025	15,410

[1] Includes $376 and $354 relating to key management personnel in 2025 and 2024 respectively.
[2] Includes $4,100 at present value, relating to a three-year contract with key management personnel.

Note 8 – Net Income/(Loss) Per Common Share

Net income/(loss) per common share for the three months ended March 31, 2025 and 2024 consists of the following:

	2025	2024
Net income/(loss)	(4,112)	(1,127)
Less: dividends on preferred shares	(1,073)	(1,073)
Net income/(loss) attributable to common shareholders	(5,185)	(2,200)
Weighted-average number of common shares outstanding (in thousands):		
Basic		
Common shares	15,732	15,750
Common shares held by the SIP Trust[1]	(112)	(184)
Contingently returnable common shares held in escrow	(134)	(152)
	15,486	15,414
Diluted		
Dilutive effect of shares held by the SIP Trust[1]	112	184
Dilutive effect of contingently returnable common shares held in escrow	134	152
	15,732	15,750
Net income/(loss) per common share - Basic	(0.33)	(0.14)
Net income/(loss) per common share - Diluted[2]	(0.33)	(0.14)

[1] The Company has the SIP Trust for the purposes of purchasing the Company's common shares in the open market and delivering the common shares to the eligible participants upon vesting, for RSUs that were granted before 2022.

[2] In the case of a net loss, the impact of the shares pledged and other common shares subject to vesting conditions under share-based compensation programs on diluted net loss per common share will not be dilutive, therefore basic and diluted net loss per common share are the same.

Note 9 – Fair Value of Financial Instruments

The Company records assets and liabilities held for trading, assets and liabilities designated at fair value, derivatives, certain equity and debt securities and securities sold short but not yet purchased at fair value, and non-trading assets and liabilities at amortized cost less allowances or write-downs for impairment.

For traded securities, quoted market value is considered to be fair value. Securities for which no active market exists are valued using all reasonably available market information. Securities are carried at fair value on the balance sheet.

The carrying value of certain financial assets and liabilities, such as receivables and payables due from or to clients and brokers, other loans receivable, other assets and liabilities, debt, is a reasonable estimate of fair value due to their short-term nature or because they are frequently repriced to current market rates. These financial instruments are carried at amortized cost on the balance sheet.

Financial Instruments – Fair Value Hierarchy

IFRS 13, Fair Value Measurement, as issued by the IASB requires disclosure of a three-level hierarchy for fair value measurement based upon transparency of inputs into the valuation of a financial asset or financial liability as of the measurement date.

The fair value hierarchy has the following levels:

Level 1. The Company's Level 1 assets and liabilities generally include debt and equity securities that are traded on an active exchange. They are valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2. The Company's Level 2 assets and liabilities include equity and debt securities that are not listed on an active exchange. They also include debt and money market securities that are priced using aggregated trade data or reference prices based on yield, maturity and risk rating. The fair value is based on inputs that are observable for the asset or liability, either directly or indirectly, other than quoted prices.

Level 3. The Company's Level 3 assets are broker warrants that are valued based on observable data of the underlying security. Some inputs used in the model for valuing the asset or liability are based on unobservable market data associated with the broker warrants themselves.

The objective of these valuation techniques is to arrive at a fair value determination that reflects the value of the financial instrument at the reporting date that would have been determined by arm's length market participants.

(in $ thousands, except share and per share amounts)

The following tables present the fair value hierarchy of the Company's financial assets and liabilities that are carried at fair value:

As at March 31, 2025	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Securities owned				
Equity securities	556	-	-	556
Derivative financial assets	-	-	264	264
Financial assets carried at fair value	556	-	264	820

As at December 31, 2024	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Securities owned				
Equity securities	1,507	-	-	1,507
Derivative financial assets	-	-	86	86
Financial assets carried at fair value	1,507	-	86	1,593

The following table presents the changes in fair value measurements of financial assets included in Level 3 of the fair value hierarchy.

	Level 3 fair value
As at December 31, 2023	163
Additions	54
Disposals/expiries	(125)
Net unrealized gain/(loss) before income taxes	(6)
As at December 31, 2024	86
Additions	216
Disposals/expiries	-
Net unrealized gain/(loss) before income taxes	(38)
As at March 31, 2025	264

(in $ thousands, except share and per share amounts)

Note 10 – Debt

The following table presents a breakdown of the Company's debt obligations as at March 31, 2025 and December 31, 2024.

As at	March 31, 2025	December 31, 2024
Revolving credit facility	80,500	80,500
Preferred shares	30,422	30,422
	110,922	110,922

Revolving Credit Facility

The Company has a $200 million syndicated revolving credit facility (Facility) with a syndicate of lenders. The initial authorized principal of the Facility is $125 million. The Facility also includes an accordion provision that will enable the Company to request increases in the total commitment, on the same terms, by an aggregate amount of up to $75 million, subject to certain conditions and the lenders' approval.

The Facility contains clauses whereby the Company is required to meet certain financial covenants. As at March 31, 2025 and December 31, 2024, the Company was compliant with the covenants associated with the Facility.

On April 16, 2025, the Company entered into an agreement with its lenders to extend the term of its Facility for an additional year. Effective May 5, 2025, the renewal date has been extended from May 4, 2026 to May 4, 2027.

Note 11 – Net Change in Non-Cash Operating Items

The following table presents a breakdown of the change in the Company's non-cash operating items for the three month period ending March 31, 2025 and 2024.

Three months ended March 31,	2025	2024
Securities owned	773	(110)
Receivable from clients and brokers	51,954	(55,771)
Employee and other loans receivable	(575)	(3,367)
Other assets	(398)	(1,247)
Payable to clients and brokers	(50,887)	48,813
Accounts payable and accrued liabilities	(255)	(9,048)
Provisions	(568)	(1,236)
	44	(21,966)

Shareholder Information

Transfer agent & registrar

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Shareholder inquiries

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investorrelations@rfcapgroup.com

Regulatory filings

Canadian Securities Administrators
sedarplus.com

Independent auditors

KPMG LLP

Independent legal counsel

Goodmans LLP

Fiscal year-end

December 31

Annual meeting of shareholders

Thursday, May 1, 2025
11:00 a.m. EST

Stock exchange listings

Stock	Listing	Ticker	CUSIP
Common shares	Toronto Stock Exchange	RCG	74971G401
Stock	**Listing**	**Ticker**	**CUSIP**
Preferred shares	Toronto Stock Exchange	RCG.PR.B	74971G203

Annual General Meeting

When:	Thursday, May 1, 2025, 11:00 a.m. EST
Where:	RF Capital Group Head Office 100 Queens Quay East 25th Floor, the Quay Toronto, ON M5E 1Y3

Interested parties are invited to access a live audio webcast of the meeting by joining the link through the Investor Relations section of the Company's website *https://richardsonwealth.com/investorrelations/shareholder-meetings/* at least 15 minutes before the scheduled meeting time.