

Report to Shareholders

RF Capital Group Inc.

For the three and six months ended June 30, 2025

A Message from our President & CEO

While we remain in a complex economic environment with ongoing market volatility, we continue to focus on the opportunities within our control that drive growth. Those opportunities are centered on the diligent execution of our three-pillar growth strategy. As I have previously shared, for 2025, we are concentrating on the first two pillars — strengthening support for our advisory teams and refining recruitment.

Under pillar one this quarter, we gained traction in making it easier for our teams to work here and enabling them to grow stronger practices. Our commitment to middle office excellence is materializing in ways that are positively impacting our teams. By removing barriers and giving them more time to do the activities that grow their practices and deepen their client relationships, our advisors are beginning to see the benefit of our dedicated effort and feeling cautiously optimistic about our path forward.

Our focused three-pillar strategy:

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

We also are filling gaps in our digital platform. This quarter we entered into agreements with vendors to add a prospecting tool and a market data tool. We took a major first step with Salesforce as well, setting us on course to deliver a fully integrated advisor digital workstation by the end of 2026. This workstation will increase efficiency, lower operational risk, create a higher ROI on digital tools, enable faster and personalized client service, and give us a competitive advantage.

Under pillar two, while we did not onboard any teams in Q2, we had many highly productive discussions with advisors who we anticipate we will invite to join Richardson Wealth soon. Our pipeline remains robust with \$33 billion in potential AUA.

Furthermore, in Q2, Kevin Shubley SVP, Head of Advisor Experience and Growth, and our regional leaders, joined me on a cross-country tour visiting branches. We had open and transparent dialogues with our advisors, their teams and our branch management. There were two overriding feedback themes — we are focused on the right things, and there’s lots yet to be done, so keep going! Most importantly, the feeling of partnership was apparent with the advisors, and that is one of the biggest wins for this quarter.

Lastly, on July 28, 2025, we announced that we have entered into a definitive agreement for iA Financial to acquire the Company. This marks an exciting new chapter for us. By joining forces with iA, we unlock powerful opportunities across technology, product innovation, and operational scale — enhancing the advisor value proposition through expanded capabilities and support. Our advisors will continue to operate independently under the Richardson Wealth brand, backed by the financial strength and stability of iA Financial Group, and remain fully dedicated to delivering trusted, personalized advice to their clients.

As a reminder and in conclusion, my overarching goal as President & CEO is ensuring our advisory teams feel valued and respected and they have the products, services, and tools they need to do their best work. With all our teams aligned and working together as partners, we are, and will continue to be, the best independent choice in Canada. We are also very excited about what the future holds in the next chapter of our evolution.

Dave Kelly

Dave Kelly

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About this Management's Discussion and Analysis

The purpose of this management's discussion and analysis (MD&A) is to help readers understand the consolidated financial condition and results of the consolidated operations of RF Capital Group Inc. (RF Capital or the Company) as at and for the three and six months ended June 30, 2025.

This MD&A, dated July 31, 2025, should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes as at and for the three and six months ended June 30, 2025 (Second 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 Second 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 recruitment 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

(\$ thousands, except as otherwise indicated)	As at or for the three months ended					As at or for the six months ended		
	June 30, 2025	March 31, 2025	Increase/ (decrease)	June 30, 2024	Increase/ (decrease)	June 30, 2025	June 30, 2024	Increase/ (decrease)
Key performance drivers¹:								
AUA - ending ² (\$ millions)	40,373	39,152	3%	37,125	9%	40,373	37,125	9%
AUA - average ² (\$ millions)	39,117	39,746	(2%)	36,976	6%	39,432	36,518	8%
Fee revenue	71,329	77,496	(8%)	67,514	6%	148,826	133,660	11%
Operating expense ratio ³ (%)	78.4	82.9	(450) bps	71.9	+650 bps	80.7	73.1	+760 bps
EBITDA margin ⁴ (%)	12.0	9.5	+250 bps	16.5	(450) bps	10.8	15.8	(500) bps
Asset yield ⁵ (%)	0.80	0.89	(9) bps	0.86	(6) bps	0.84	0.87	(3) bps
Advisory teams ⁶ (#)	143	147	(3%)	150	(5%)	143	150	(5%)
Operating Performance								
Reported results:								
Revenue	89,261	99,393	(10%)	91,216	(2%)	188,654	180,577	4%
Gross margin ⁷	49,339	55,417	(11%)	53,566	(8%)	104,756	106,334	(1%)
Operating expenses ^{1,8}	38,660	45,951	(16%)	38,496	0%	84,612	77,725	9%
EBITDA ¹	10,679	9,466	13%	15,070	(29%)	20,144	28,609	(30%)
Income/(loss) before income taxes	(1,930)	(3,301)	(42%)	2,462	n/m	(5,231)	2,525	n/m
Net income/(loss)	(2,109)	(4,112)	(49%)	2,714	n/m	(6,221)	1,587	n/m
Net income/(loss) per common share	(0.21)	(0.33)	(36%)	0.11	n/m	(0.54)	(0.04)	n/m
Net income/(loss) per common share - diluted	(0.21)	(0.33)	(36%)	0.10	n/m	(0.54)	(0.04)	n/m
Adjusted results¹:								
Income/(loss) before income taxes	1,333	(38)	n/m	5,725	(77%)	1,295	9,051	(86%)
Net income/(loss)	289	(1,714)	n/m	5,112	(94%)	(1,425)	6,383	n/m
Net income/(loss) per common share - diluted	(0.05)	(0.18)	(72%)	0.26	n/m	(0.23)	0.27	n/m
Cash flow:								
Cash provided by/(used in) operating activities	5,517	5,401	2%	5,162	7%	10,918	(6,664)	n/m
Free cash flow available for growth ¹	1,825	1,981	(8%)	8,019	(77%)	3,806	(5,316)	n/m
Free cash flow ¹	(228)	(1,808)	(87%)	1,859	n/m	(2,036)	(13,807)	(85%)

						As at
(\$ thousands, except as otherwise indicated)	June 30, 2025	March 31, 2025	Increase/ (decrease)	December 31, 2024	Increase/ (decrease)	
Select balance sheet information:						
Total assets	1,375,213	1,400,887	(2%)	1,458,681	(6%)	
Debt	110,922	110,922	-	110,922	-	
Shareholders' equity	318,626	321,803	(1%)	326,982	(3%)	
Net working capital ^{1, 9}	89,919	86,665	4%	88,729	1%	
Common share information:						
Book value per common share (\$)	13.13	13.32	(1%)	13.65	(4%)	
Closing share price (\$)	10.39	10.01	4%	7.51	38%	
Weighted-average number of common shares outstanding - diluted (millions)	15.72	15.73	(0%)	15.73	(0%)	
Common share market capitalization (\$ millions)	163	157	4%	118	38%	

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 operating expenses divided by gross margin.
4. Calculated as EBITDA divided by revenue.
5. Calculated as fee revenue, trading commissions, and interest on cash, divided by average AUA.
6. Prior periods have been revised to reflect the internal consolidation of certain teams, including two amalgamations in Q2 2025 and two amalgamations in Q1 2025.
7. Calculated as revenue less variable advisor 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.
8. Operating expenses include employee compensation and benefits; selling, general, and administrative expenses; and any transformation costs and other provisions (none since Q2 2023).
9. Commencing Q1 2025, we 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.
10. 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.

(\$ thousands, except as otherwise indicated)	2025				2024		2023	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Key performance drivers¹:								
AUA - ending ² (\$ millions)	40,373	39,152	39,527	39,004	37,125	37,010	35,236	34,726
AUA - average ² (\$ millions)	39,117	39,746	39,760	38,065	36,976	36,060	34,926	35,630
Fee revenue	71,329	77,496	73,821	70,906	67,514	66,146	64,146	66,046
Operating expense ratio ³ (%)	78.4	82.9	70.5	75.8	71.9	74.3	71.5	67.3
EBITDA margin ⁴ (%)	12.0	9.5	16.8	13.6	16.5	15.2	16.7	19.3
Asset yield ⁵ (%)	0.80	0.89	0.84	0.85	0.86	0.88	0.87	0.87
Advisory teams ⁶ (#)	143	147	148	151	150	149	149	153
Operating Performance:								
Reported results:								
Revenue	89,261	99,393	96,887	91,871	91,216	89,361	86,752	87,836
Variable advisor compensation	39,922	43,976	41,814	40,183	37,650	36,593	35,866	36,012
Gross margin ⁷	49,339	55,417	55,073	51,688	53,566	52,768	50,886	51,824
Operating expenses ^{1,8}	38,660	45,951	38,835	39,195	38,496	39,229	36,368	34,892
EBITDA ¹	10,679	9,466	16,238	12,493	15,070	13,539	14,518	16,932
Advisor award and loan amortization	3,022	3,125	3,211	3,103	2,909	3,161	5,844	4,457
Interest	3,191	3,322	3,649	3,725	3,413	3,750	3,994	3,527
Amortization and depreciation of premises and equipment	2,770	2,694	2,677	2,660	2,749	3,049	3,385	3,414
Amortization of intangibles	3,626	3,626	3,607	3,563	3,537	3,516	3,464	3,442
Income/(loss) before income taxes	(1,930)	(3,301)	3,094	(558)	2,462	63	(2,169)	2,092
Net income/(loss)	(2,109)	(4,112)	1,290	(2,309)	2,714	(1,127)	(2,882)	(189)
Net income/(loss) per common share	(0.21)	(0.33)	0.01	(0.22)	0.11	(0.14)	(0.26)	(0.10)
Net income/(loss) per common share - diluted	(0.21)	(0.33)	0.01	(0.22)	0.10	(0.14)	(0.26)	(0.10)
Adjusted results¹:								
Operating expenses	38,660	45,951	38,835	39,195	38,496	39,229	36,368	34,892
EBITDA	10,679	9,466	16,238	12,493	15,070	13,539	14,518	16,932
Income/(loss) before income taxes	1,333	(38)	6,357	2,705	5,725	3,326	1,094	5,355
Net income/(loss)	289	(1,714)	3,688	89	5,112	1,271	(483)	2,209
Cash flow:								
Cash provided by/(used in) operating activities	5,517	5,401	14,442	15,977	5,162	(11,826)	2,836	16,624
Free cash flow available for growth ¹	1,825	1,981	11,466	18,208	8,019	(13,335)	12,149	13,716
Free cash flow ¹	(228)	(1,808)	9,731	11,803	1,859	(15,666)	(139)	13,384

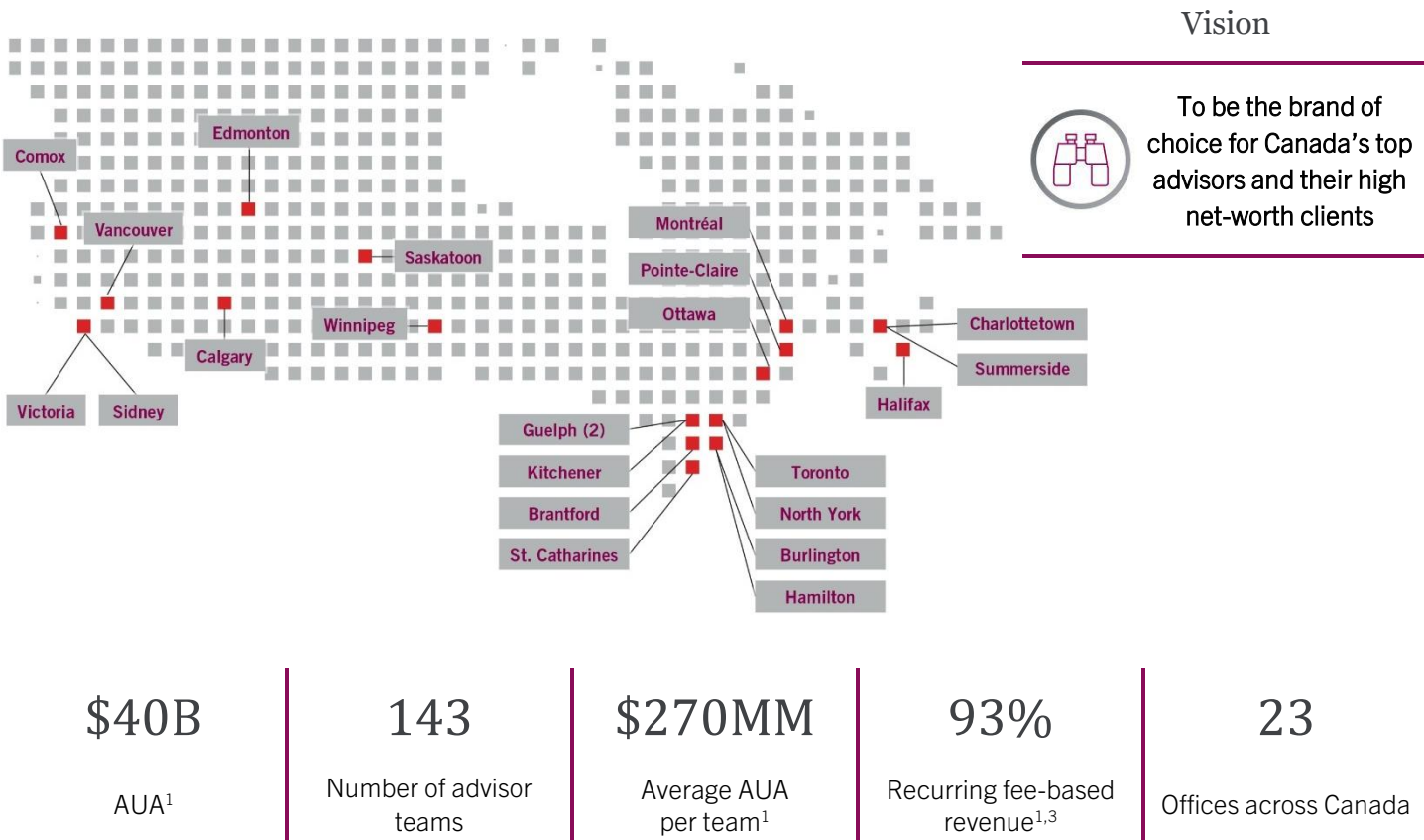
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2. AUA is a measure of client assets and is common in the wealth management industry. It represents the market value of client assets that we administer.
3. Calculated as operating expenses divided by gross margin.
4. Calculated as EBITDA divided by revenue.
5. Calculated as fee revenue, trading commissions, and interest on cash, divided by average AUA.
6. Prior periods have been revised to reflect the internal consolidation of certain teams, including two amalgamations in Q2 2025, two in Q1 2025, one in Q2 2024, two in Q1 2024, and one team separation in Q1 2024.
7. Calculated as revenue less variable advisor 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.
8. Operating expenses include employee compensation and benefits; selling, general, and administrative expenses; and any transformation costs and other provisions (none since Q2 2023).
9. Commencing Q1 2025, we 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 143 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 \$40 billion in client assets¹ as at June 30, 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 Card². 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.



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 2025 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 first and 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.

Q2 2025 Financial Performance Summary

With growing equity markets and a deliberate shift to higher yielding fee-based accounts, our Q2 results reflected growing AUA compared to prior year Q2, resulting in increased fee revenue. However, declining interest rates and trading volumes provided headwinds to our revenue. Volatility in equity markets, particularly during the month of April 2025, resulted in lower average AUA compared to Q1 2025, even as markets recovered throughout the period to end at a higher spot AUA. Although the Company's continued focus on cost control has resulted in decreased discretionary spending, operating expenses were flat to prior year Q2 as we saw increases to carrying broker costs and salaries driven by annual merit-based increases and headcount. Q2 2025 EBITDA benefited from the change in fair value of balance sheet items (balance sheet revaluation adjustments) compared to prior year, as gains from mark-to-market adjustments on restricted and deferred share units (RSUs and DSUs) were partly offset by losses from FX translation adjustments. EBITDA increased from Q1 as balance sheet revaluation adjustments related to RSUs and DSUs and a seasonal decrease in statutory benefit costs reduced operating expenses, outpacing the decline in gross margin driven in particular by lower fee revenue.

vs Q2 2024

- Ending AUA increased \$3.2 billion or 9% since Q2 2024 as rising equity markets more than offset the effect of advisor team departures.
- Net loss of \$2.1 million worsened from net income of \$2.7 million in Q2 2024 primarily due to lower gross margin driven by lower revenue.
- EBITDA decreased \$4.4 million or 29% from prior year as flat operating expenses were more than offset by gross margin decline of 8%. Excluding balance sheet revaluation adjustments, EBITDA decreased 33% from prior year to \$9.8 million driven by the gross margin decline from non-commissionable revenue.
- Revenue decreased \$2.0 million or 2% from prior year due to 30% lower corporate finance revenue, 24% lower insurance income, 22% lower trading commissions, and 21% lower interest income, partly offset by a 6% increase in fee revenue.
- Operating expenses were flat to prior year, as an increase in carrying broker expenses and a \$1.5 million insurance recovery recognized in Q2 2024 were offset by balance sheet revaluation adjustments and decreased discretionary spending. Excluding these revaluation adjustments, operating expenses were \$1.2 million or 3% higher than prior year.
- Free cash flow of negative \$0.2 million worsened from free cash flow of \$1.9 million in Q2 2024. This \$2.1 million change was driven largely by higher spending on office buildouts.

vs Q1 2025

- Ending AUA increased \$1.2 billion or 3% between Q1 2025 and Q2 2025 driven by market growth, partly offset by the impact of advisor departures.
- Net loss of \$2.1 million improved from a net loss of \$4.1 million in Q1 2025, primarily due to lower operating expenses, including balance sheet revaluation adjustments.
- EBITDA increased \$1.2 million or 13% from prior quarter as operating expenses declined by 16%, partly offset by a decline in gross margin of 11%. Excluding balance sheet revaluation adjustments, EBITDA decreased 22% from prior quarter as the decline in gross margin outpaced the decline in operating expenses.

- Revenue decreased \$10.1 million or 10% from prior quarter due to declines in fee revenue of 8%, trading commissions of 19%, interest income of 11%, and insurance income of 30%. While spot AUA increased 3% from prior quarter, average AUA declined by 2% driving the decrease in fee revenue.
- Operating expenses were \$7.3 million or 16% lower than prior quarter primarily driven by a seasonal decrease in statutory benefit costs and balance sheet revaluation adjustments. Excluding these revaluation adjustments, operating expenses were \$2.8 million or 7% lower than prior quarter.
- Free cash flow of negative \$0.2 million improved from free cash flow of negative \$1.8 million in Q1 2025. This \$1.6 million change was driven largely by a decline in net advisor loans issued.

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 recruitment and attrition.
- Interest revenue is impacted by prime rate trends, which economists expect to decline throughout the rest of the year, as well as client cash balances and margin loans.
- 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.
- Operating expenses are expected to be impacted by share price fluctuations, as mark-to-market adjustments on share-based compensation can create volatility in our results.
- Free cash flow available for growth is expected to be deployed towards strengthening our support for our advisory teams and recruitment.

Financial Performance

(\$ thousands)	For the three months ended			For the six months ended		
	June 30, 2025	March 31, 2025	Increase/ (decrease)	June 30, 2024	Increase/ (decrease)	June 30, 2024
Fee revenue	71,329	77,496	(8%)	67,514	6%	148,826
Trading commissions	3,965	4,921	(19%)	5,081	(22%)	8,886
Corporate finance	1,827	1,876	(3%)	2,613	(30%)	3,702
Interest	8,270	9,342	(11%)	10,411	(21%)	17,612
Insurance	2,990	4,270	(30%)	3,933	(24%)	7,260
Other	880	1,488	(41%)	1,664	(47%)	2,368
Revenue	89,261	99,393	(10%)	91,216	(2%)	188,654
Variable advisor compensation	39,922	43,976	(9%)	37,650	6%	83,898
Gross margin ¹	49,339	55,417	(11%)	53,566	(8%)	104,756
Employee compensation and benefits	21,212	25,159	(16%)	21,502	(1%)	46,372
Selling, general and administrative	17,448	20,792	(16%)	16,994	3%	38,240
Operating expenses ^{2,3}	38,660	45,951	(16%)	38,496	0%	84,612
EBITDA ²	10,679	9,466	13%	15,070	(29%)	20,144
Advisor award and loan amortization	3,022	3,125	(3%)	2,909	4%	6,147
Interest	3,191	3,322	(4%)	3,413	(7%)	6,512
Amortization and depreciation of premises and equipment	2,770	2,694	3%	2,749	1%	5,464
Amortization of intangibles	3,626	3,626	-	3,537	3%	7,252
Income/(loss) before income taxes	(1,930)	(3,301)	(42%)	2,462	n/m	(5,231)
Net income/(loss)	(2,109)	(4,112)	(49%)	2,714	n/m	(6,221)
Adjusted results ² :						
Income/(loss) before income taxes	1,333	(38)	n/m	5,725	(77%)	1,295
Net income/(loss)	289	(1,714)	n/m	5,112	(94%)	(1,425)
Cash flow:						
Cash provided by/(used in) operating activities	5,517	5,401	2%	5,162	7%	10,918
Free cash flow available for growth ²	1,825	1,981	(8%)	8,019	(77%)	3,806
Free cash flow ²	(228)	(1,808)	(87%)	1,859	n/m	(2,036)

1. Calculated as revenue less variable advisor 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 any transformation costs and other provisions (none since Q2 2023).

Net Income/(Loss)

Q2 2025 vs Q2 2024

Net loss was \$2.1 million compared to net income of \$2.7 million in Q2 2024. Adjusted net income was \$0.3 million compared to an adjusted net income of \$5.1 million in Q2 2024. These metrics declined due to lower EBITDA.

Q2 2025 vs Q1 2025

Net loss was \$2.1 million in Q2 2025 compared to a net loss of \$4.1 million in Q1 2025. Adjusted net income was \$0.3 million compared to an adjusted net loss of \$1.7 million in the prior quarter. Both metrics improved due to increased EBITDA.

YTD 2025 vs YTD 2024

For the six months ended June 30, 2025, net loss was \$6.2 million compared to a net income of \$1.6 million in prior year. Adjusted net loss was \$1.4 million, a decrease of \$7.8 million from an adjusted net income of \$6.4 million in prior year. The decline was due to lower EBITDA.

EBITDA

Q2 2025 EBITDA was \$10.7 million, representing a \$4.4 million decrease from \$15.1 million in prior year Q2 and a \$1.2 million increase from \$9.5 million in the prior quarter. For the six months ended June 30, 2025, EBITDA decreased \$8.5 million or 30% from prior year. Excluding balance sheet revaluation adjustments, Q2 2025 EBITDA decreased \$4.7 million compared to prior year and \$2.8 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 commissionable revenue, including wealth management and revenue earned on the sale of insurance products, and can fluctuate based on seasonality and our revenue mix.

Revenue

Q2 2025 vs Q2 2024

Revenue decreased \$2.0 million or 2% primarily as a result of the following factors:

(all figures in \$ millions)

Categories of Revenue	Change	Explanation
Fee revenue	3.8	Increased due to higher fee-based AUA and a continued shift in our AUA mix towards higher yielding fee-based AUA. The increase in AUA was driven by growth from markets and recruitment exceeding the impact of advisor attrition.
Trading commissions	(1.1)	Decreased due to lower trading volumes.
Interest	(2.2)	Decreased due to declining benchmark interest rates.
Various other	(2.5)	Decreased due to lower insurance income, lower corporate finance revenue, and balance sheet revaluation adjustments related to translation of our U.S. dollar cash balances.

Q2 2025 vs Q1 2025

Revenue decreased \$10.1 million or 10% primarily as a result of the following factors:

(all figures in \$ millions)

Categories of Revenue	Change	Explanation
Fee revenue	(6.2)	Decreased primarily due to annual performance fees recognized in Q1 from select sub-advised products and lower average fee-based AUA as a result of advisor departures and equity market volatility. The sharp market decline at the beginning of Q2 recovered throughout the quarter, contributing to the decrease in average AUA but rise in spot AUA.
Trading commissions	(1.0)	Decreased due to lower trading volumes.
Interest	(1.1)	Decreased primarily due to lower benchmark rates and client cash balances.
Various other	(1.8)	Decreased mainly due to lower insurance income and balance sheet revaluation adjustments related to translation of our U.S. dollar cash balances.

YTD 2025 vs YTD 2024

Revenue increased \$8.1 million or 4% primarily as a result of the following factors:

(all figures in \$ millions)

Categories of Revenue	Change	Explanation
Fee revenue	15.2	Increased primarily due to annual performance fees and higher fee-based AUA. AUA growth was primarily driven by strong market growth and advisor recruitment, partly offset by an increase in advisor attrition.
Trading commissions	(1.0)	Decreased due to lower trading volumes.
Interest	(3.7)	Decreased primarily due to lower benchmark interest rates.
Various other	(2.4)	Decreased mainly due to lower insurance income and balance sheet revaluation adjustments related to translation of our U.S. dollar cash balances.

Operating Expenses

Q2 2025 vs Q2 2024

Operating expenses were relatively flat, increasing \$0.2 million or 0% primarily as a result of the following factors:

(all figures in \$ millions)

Categories of Expense	Change	Explanation
SG&A	0.5	Increased due to a \$1.5 million insurance recovery recognized in Q2 2024 related to a legacy legal matter, as well as higher carrying broker costs. These were partly offset by decreased discretionary spending, legal fee recoveries, and balance sheet revaluation adjustments. There was a \$0.4 million mark-to-market recovery on DSUs in Q2 2025 compared to an expense of \$0.1 million recorded in Q2 2024.
Compensation	(0.3)	Decreased primarily due to balance sheet revaluation adjustments as we recorded a \$0.9 million mark-to-market recovery on RSUs in Q2 2025 compared to \$0.4 million recovery in Q2 2024. Lower bonus accruals also contributed to the decline which was partly offset by higher salaries, driven by headcount and annual merit-based increases.

Q2 2025 vs Q1 2025

Operating expenses decreased \$7.3 million or 16% primarily as a result of the following factors:

(all figures in \$ millions)

Categories of Expense	Change	Explanation
SG&A	(3.3)	Decreased primarily due to lower legal expenses and balance sheet revaluation adjustments. There was a mark-to-market recovery on DSUs of \$0.4 million in Q2 2025 compared to a \$1.3 million expense in Q1 2025.
Compensation	(4.0)	Decreased primarily due to the seasonality in statutory benefits costs, largely recognized in Q1, and balance sheet revaluation adjustments. We booked a \$0.9 million mark-to-market recovery on RSUs in Q2 2025 compared to a \$1.9 million expense in Q1 2025.

YTD 2025 vs YTD 2024

Operating expenses increased \$6.9 million or 9% primarily as a result of the following factors:

(all figures in \$ millions)

Categories of Expense	Change	Explanation
SG&A	3.7	Increased primarily due to balance sheet revaluation adjustments, higher carrying broker costs, and a \$1.5 million insurance recovery recognized in 2024. There was a mark-to-market expense on DSUs of \$0.9 million this period compared to nil in the six-months ended June 30, 2024. Partly offsetting this growth was a reduction in discretionary expenses, including consulting and conferences.
Compensation	3.2	Increased primarily due higher salaries, driven by annual merit-based increases and increased headcount, and balance sheet revaluation adjustments. We booked a \$0.9 million mark-to-market expense on RSUs this period compared to a \$1.2 million recovery in the six-months ended June 30, 2024. These increases were partly offset by lower bonus accruals.

Cash Flow**Q2 2025 vs Q2 2024**

Free cash flow available for growth was \$1.8 million compared to \$8.0 million in prior year Q2, decreasing primarily due to lower EBITDA. Free cash flow was negative \$0.2 million compared to positive \$1.9 million in Q2 2024 mainly due to lower free cash flow for growth, higher expenditures on office buildouts, and partly offset by lower advisor loans issued.

Q2 2025 vs Q1 2025

Free cash flow available for growth worsened by \$0.1 million compared to Q1 2025 to \$1.8 million. This decline was primarily due to a change in non-cash operating items and partly offset by lower maintenance capital expenditures. Free cash flow of negative \$0.2 million improved from negative \$1.8 million in Q1 2025, mainly due to lower net advisor loans issued.

YTD 2025 vs YTD 2024

For the six months ended June 30, 2025, free cash flow available for growth was \$3.8 million, an improvement of \$9.1 million compared to prior year. This increase was primarily due to higher operating cash flow due to a change in non-cash operating items. Free cash flow of negative \$2.0 million compared to negative \$13.8 million in prior year mainly from higher free cash flow available for growth and lower net advisor loans issues which were partly offset by lower expenditures on office buildouts.

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 Q2 2025.

	June 30, 2025	March 31, 2025	As at Increase/ (decrease)	December 31, 2024	As at Increase/ (decrease)
(\$ thousands, except as otherwise indicated)					
Selected highlights:					
Total assets	1,375,213	1,400,887	(2%)	1,458,681	(6%)
Shareholders' equity	318,626	321,803	(1%)	326,982	(3%)
Debt	110,922	110,922	-	110,922	-
Net working capital ¹	89,919	86,665	4%	88,729	1%
Debt:					
Revolving credit facility	80,500	80,500	-	80,500	-
Preferred share liability	30,422	30,422	-	30,422	-
	110,922	110,922	-	110,922	-
Ratios¹:					
Debt to EBITDA ²	2.3	2.1	10%	1.9	21%
EBITDA to interest ³	4.5	4.8	(6%)	5.1	(12%)

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 trailing 12-month EBITDA.

3. Calculated as trailing 12-month EBITDA divided by trailing 12-month interest expense, which includes interest on debt, lease liabilities, and client accounts.

Q2 2025 vs Q1 2025

Total assets decreased by 2% from March 31, 2025 primarily due to lower receivables from brokers, which was largely offset by a related decrease in payable to clients. Shareholders' equity decreased by \$3.2 million from March 31, 2025, including Q2 2025 net loss of \$2.1 million and preferred share dividends of \$1.1 million.

Q2 2025 vs Q4 2024

Total assets decreased by 6% from December 31, 2024 primarily due to lower receivables from brokers, largely offset by lower payables to clients, and lower advisor loans receivable. Shareholders' equity decreased by \$8.4 million or 2.6% from December 31, 2024, as we reported a net loss of \$6.2 million for the six months ended June 30, 2025 and paid preferred share dividends of \$2.1 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 in Q2 2025. As of June 30, 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, recruitment, 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 June 30, 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 was 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 position. 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 June 30, 2025, we had net working capital¹ of \$89.9 million. Net working capital increased by \$1.2 million compared to December 31, 2024 due to the decrease in current liabilities outpacing the decrease in current assets. 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 \$87.4 million of liquid assets⁴ at June 30, 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 Q2 2025.

Share Capital

At the date of this report, July 31, 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.

⁴ 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.

Subsequent Events

Subsequent to the end of the fiscal second quarter, on July 28, 2025, the Company and IA Financial Corporation Inc. ("iA"), a Canadian insurance and wealth management company, entered into a definitive agreement ("Arrangement Agreement") for iA to acquire (the "Transaction") all issued and outstanding common shares of the Company, its revolving debt and preferred shares.

The entering into the Transaction followed a comprehensive strategic review process overseen by a special committee of the Board of Directors comprised exclusively of independent directors (the "Special Committee"). In its review, the Special Committee considered numerous alternatives and recommended to the Board of Directors that the Transaction is in the best interest of the Company and its shareholders. The closing of the Transaction is expected to occur during the fourth quarter of 2025. Dave Kelly will continue to serve as President and CEO of RF Capital through completion of the transaction and remains committed to executing the company's strategic plan and ensuring a smooth transition of the business following the closing. For further information, please refer to Note 1 and Note 12 of the Second Quarter 2025 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 and six months ended June 30, 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 and six months ended June 30, 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 June 30, 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 June 30, 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 recruitment 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

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.

Current assets include the non-client portion of cash and cash equivalents, securities owned by the Company, the non-client portion of net receivable from brokers, the current portion of employee loans and other receivables, and other assets.

Current liabilities include accounts payable and accrued liabilities, the current portion of provisions, and the current portion of lease liabilities.

The table in the “Quarterly Non-GAAP Information” section below provides our net working capital calculation.

Free Cash Flow

Commencing Q1 2025, we 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 plus 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)	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
EBITDA:								
Net income/(loss) from continuing operations - reported	(2,109)	(4,112)	1,290	(2,309)	2,714	(1,127)	(2,882)	(189)
Income tax expense/(recovery)	179	811	1,804	1,751	(252)	1,190	713	2,281
Income/(loss) before income taxes - reported	(1,930)	(3,301)	3,094	(558)	2,462	63	(2,169)	2,092
Interest	3,191	3,322	3,649	3,725	3,413	3,750	3,994	3,527
Advisor award and loan amortization	3,022	3,125	3,211	3,103	2,909	3,161	5,844	4,457
Amortization and depreciation of premises and equipment	2,770	2,694	2,677	2,660	2,749	3,049	3,385	3,414
Amortization of intangibles	3,626	3,626	3,607	3,563	3,537	3,516	3,464	3,442
EBITDA	10,679	9,466	16,238	12,493	15,070	13,539	14,518	16,932
Operating expenses:								
Total expenses - reported	51,269	58,718	51,979	52,246	51,104	52,705	53,055	49,732
Interest	3,191	3,322	3,649	3,725	3,413	3,750	3,994	3,527
Advisor award and loan amortization	3,022	3,125	3,211	3,103	2,909	3,161	5,844	4,457
Amortization and depreciation of premises and equipment	2,770	2,694	2,677	2,660	2,749	3,049	3,385	3,414
Amortization of intangibles	3,626	3,626	3,607	3,563	3,537	3,516	3,464	3,442
Operating expenses	38,660	45,951	38,835	39,195	38,496	39,229	36,368	34,892
Adjusted net income:								
Net income/(loss) from continuing operations - reported	(2,109)	(4,112)	1,290	(2,309)	2,714	(1,127)	(2,882)	(189)
After-tax adjusting items:								
Transformation costs and other provisions	-	-	-	-	-	-	-	-
Amortization of acquired intangibles	2,398	2,398	2,398	2,398	2,398	2,398	2,399	2,398
Adjusted net income/(loss)	289	(1,714)	3,688	89	5,112	1,271	(483)	2,209
Net income/(loss) per common share from continuing operations:								
Basic	(0.21)	(0.33)	0.01	(0.22)	0.11	(0.14)	(0.26)	(0.10)
Diluted	(0.21)	(0.33)	0.01	(0.22)	0.10	(0.14)	(0.26)	(0.10)
Adjusted net income/(loss) per common share:								
Basic	(0.05)	(0.18)	0.17	(0.06)	0.26	0.01	(0.10)	0.09
Diluted	(0.05)	(0.18)	0.17	(0.06)	0.26	0.01	(0.10)	0.07
Cash flow:								
Cash provided by/(used in) operating activities	5,517	5,401	14,442	15,977	5,162	(11,826)	2,836	16,624
Add/(less):								
Advisor loans net of repayments	199	1,820	1,270	6,290	7,088	2,249	13,224	557
Capital expenditures - maintenance	(644)	(1,995)	(1,004)	(790)	(901)	(419)	(797)	(348)
Lease payments	(2,174)	(2,172)	(2,169)	(2,196)	(2,257)	(2,266)	(2,041)	(2,044)
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	1,825	1,981	11,466	18,208	8,019	(13,335)	12,149	13,716
Advisor loans net of repayments	(199)	(1,820)	(1,270)	(6,290)	(7,088)	(2,249)	(13,224)	(557)
Capital expenditures - growth (net of lease inducements)	(1,854)	(1,969)	(465)	(115)	928	(82)	936	225
Free cash flow	(228)	(1,808)	9,731	11,803	1,859	(15,666)	(139)	13,384

			As at		As at
	June 30, 2025	March 31, 2025	Increase/ (decrease)	December 31, 2024	Increase/ (decrease)
(\$ thousands, except as otherwise indicated)					
Net working capital:					
Current assets:					
Cash and cash equivalents (non-client portion)	86,520	86,748	(0%)	88,556	(2%)
Securities owned	854	820	4%	1,593	(46%)
Net receivable from brokers (non-client portion)	59,209	60,034	(1%)	61,125	(3%)
Employee and other loans receivable (current portion)	1,035	1,113	(7%)	1,244	(17%)
Other assets	17,840	15,156	18%	14,758	21%
Current liabilities:					
Accounts payable and accrued liabilities	58,154	60,500	(4%)	60,261	(3%)
Provisions (current portion)	12,364	12,030	3%	13,587	(9%)
Lease liabilities (current portion)	5,021	4,676	7%	4,699	7%
Net working capital	89,919	86,665	4%	88,729	1%

YTD Non-GAAP Information

The following table presents select year-to-date non-GAAP financial information for the current and prior fiscal years.

(\$ thousands, except as otherwise indicated)	For the six months ended	
	June 30, 2025	June 30, 2024
EBITDA:		
Net income/(loss) from continuing operations - reported	(6,221)	1,587
Income tax expense/(recovery)	990	938
Income/(loss) before income taxes - reported	(5,231)	2,525
Interest	6,512	7,163
Advisor award and loan amortization	6,147	6,070
Amortization and depreciation of premises and equipment	5,464	5,798
Amortization of intangibles	7,252	7,053
EBITDA	20,144	28,609
Operating expenses:		
Total expenses - reported	109,987	103,809
Interest	6,512	7,163
Advisor award and loan amortization	6,147	6,070
Amortization and depreciation of premises and equipment	5,464	5,798
Amortization of intangibles	7,252	7,053
Operating expenses	84,612	77,725
Adjusted net income:		
Net income/(loss) from continuing operations - reported	(6,221)	1,587
After-tax adjusting items:		
Transformation costs and other provisions	-	-
Amortization of acquired intangibles	4,796	4,796
Adjusted net income/(loss)	(1,425)	6,383
Net income/(loss) per common share from continuing operations:		
Basic	(0.54)	(0.04)
Diluted	(0.54)	(0.04)
Adjusted net income/(loss) per common share:		
Basic	(0.23)	0.27
Diluted	(0.23)	0.27
Cash flow:		
Cash provided by/(used in) operating activities	10,918	(6,664)
Add/(less):		
Advisor loans net of repayments	2,019	9,337
Capital expenditures - maintenance	(2,640)	(1,320)
Lease payments	(4,345)	(4,523)
Preferred share dividends	(2,146)	(2,146)
Free cash flow available for growth	3,806	(5,316)
Advisor loans net of repayments	(2,019)	(9,337)
Capital expenditures - growth (net of lease inducements)	(3,823)	846
Free cash flow	(2,036)	(13,807)

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	June 30, 2025	December 31, 2024
ASSETS			
Cash and cash equivalents		86,520	88,556
Securities owned	9	854	1,593
Receivable from:			
Clients		434,880	341,164
Brokers		398,042	568,061
Employee and other loans receivable		54,316	57,546
Equipment and leasehold improvements		30,583	29,261
Right-of-use assets		36,504	37,004
Other assets		17,840	14,758
Deferred tax assets		6,460	6,511
Goodwill and intangible assets	4	309,214	314,227
		1,375,213	1,458,681
LIABILITIES			
Payable to:			
Clients		773,713	845,601
Brokers		-	2,499
Accounts payable and accrued liabilities	6	72,006	69,972
Provisions	7	15,368	15,978
Debt	10	110,922	110,922
Lease liabilities		49,019	49,439
Deferred tax liability		35,559	37,288
		1,056,587	1,131,699
EQUITY			
Common shares	5	461,452	461,652
Preferred shares	5	112,263	112,263
Contributed surplus		46,977	46,766
Accumulated other comprehensive income		20,293	20,293
Accumulated deficit		(322,359)	(313,992)
Shareholders' equity		318,626	326,982
		1,375,213	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)	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
REVENUE					
Wealth management		75,295	72,595	157,712	143,510
Corporate finance		1,827	2,613	3,702	4,005
Interest		8,270	10,411	17,612	21,325
Other income		3,869	5,597	9,628	11,737
Total Revenue	3	89,261	91,216	188,654	180,577
Variable advisor compensation		39,922	37,650	83,898	74,243
Gross Margin		49,339	53,566	104,756	106,334
EXPENSES					
Employee compensation and benefits		21,212	21,502	46,372	43,168
Selling, general and administrative		17,448	16,994	38,240	34,557
Advisor award and loan amortization		3,022	2,909	6,147	6,070
Interest		3,191	3,413	6,512	7,163
Amortization and depreciation of premises and equipment		2,770	2,750	5,464	5,798
Amortization of intangibles		3,626	3,536	7,252	7,053
		51,269	51,104	109,987	103,809
Income/(loss) before income taxes		(1,930)	2,462	(5,231)	2,525
Income tax expense/(recovery)					
Current		951	522	2,668	1,062
Deferred		(772)	(774)	(1,678)	(124)
		179	(252)	990	938
Net income/(loss)		(2,109)	2,714	(6,221)	1,587
Weighted-average number of common shares outstanding:					
(in thousands)					
Basic	8	15,486	15,417	15,487	15,415
Diluted		15,723	15,750	15,728	15,750
Net income/(loss) per common share (dollars):					
Basic	8	(0.21)	0.11	(0.54)	(0.04)
Diluted		(0.21)	0.10	(0.54)	(0.04)

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 June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income/(loss)	(2,109)	2,714	(6,221)	1,587
Total other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss) attributable to shareholders	(2,109)	2,714	(6,221)	1,587

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

Consolidated Statements of Changes in Equity

(\$ thousands)	Note	For the three months ended June 30,		For the six months ended June 30,	
		2025	2024	2025	2024
Common shares	5				
Common shares, opening		461,452	461,523	461,652	461,523
Common shares cancelled and forfeited		-	(273)	(200)	(273)
Common shares, closing		461,452	461,250	461,452	461,250
Preferred shares	5				
Preferred shares, opening		112,263	112,263	112,263	112,263
Preferred shares, closing		112,263	112,263	112,263	112,263
Contributed surplus					
Contributed surplus, opening		46,972	46,902	46,766	46,726
Common shares cancelled and forfeited	5	-	273	200	273
Share-based compensation (equity-settled)		5	170	11	346
Contributed surplus, closing		46,977	47,345	46,977	47,345
Accumulated other comprehensive income					
Accumulated other comprehensive income, opening		20,293	20,293	20,293	20,293
Accumulated other comprehensive income, closing		20,293	20,293	20,293	20,293
Accumulated deficit					
Accumulated deficit, opening		(319,177)	(312,466)	(313,992)	(310,266)
Preferred share dividends	5	(1,073)	(1,073)	(2,146)	(2,146)
Net income/(loss)		(2,109)	2,714	(6,221)	1,587
Accumulated deficit, closing		(322,359)	(310,825)	(322,359)	(310,825)
Total shareholders' equity		318,626	330,326	318,626	330,326

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

Consolidated Statements of Cash Flows

		Three months ended June 30,		Six months ended June 30,	
(\$ thousands)	Note	2025	2024	2025	2024
OPERATING ACTIVITIES					
Net income/(loss)		(2,109)	2,714	(6,221)	1,587
Add/(deduct) items not involving cash:					
Amortization and depreciation of premises and equipment		2,770	2,750	5,464	5,798
Amortization of intangibles		3,626	3,536	7,252	7,053
Advisor award and loan amortization		3,022	2,909	6,147	6,070
Accretion of lease liability expense		934	644	1,864	1,535
Deferred income taxes		(772)	(774)	(1,678)	(124)
		7,471	11,779	12,828	21,919
Net change in non-cash operating items	11	(1,954)	(6,616)	(1,910)	(28,582)
Cash provided by/(used in) operating activities		5,517	5,163	10,918	(6,663)
FINANCING ACTIVITIES					
Dividends paid on preferred shares	5	(1,073)	(1,073)	(2,146)	(2,146)
Lease payments		(2,174)	(2,257)	(4,345)	(4,523)
Cash provided by/(used in) financing activities		(3,247)	(3,330)	(6,491)	(6,669)
INVESTING ACTIVITIES					
Intangibles		(1,296)	(810)	(2,239)	(1,180)
Equipment and leasehold improvements, net of inducements		(1,202)	836	(4,224)	705
Cash provided by/(used in) investing activities		(2,498)	26	(6,463)	(475)
Net change in cash and cash equivalents		(228)	1,859	(2,036)	(13,807)
Cash and cash equivalents, beginning of period		86,748	65,163	88,556	80,829
Cash and cash equivalents, end of period		86,520	67,022	86,520	67,022
Supplemental cash flow information relating to operating activities					
Interest paid		2,497	1,201	5,057	4,063
Interest received		10,346	10,200	19,064	21,390
Taxes paid		429	429	859	859

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.

On July 27, 2025, the Company entered into a definitive agreement with iA Financial Corporation Inc. ("iA") (TSX: IAG) pursuant to which iA will acquire all of the issued and outstanding common shares of the Company for \$20.00 per share in cash (the "Transaction"). Please refer to Note 12 for more information.

Note 2 – Basis of Preparation

a. Basis of Presentation

These unaudited 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 July 31, 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.

Note 3 – Revenue

The following table presents disaggregated revenue information of the Company for the three and six months ended June 30, 2025 and 2024.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Fee revenue	71,330	67,514	148,826	133,660
Commissions	3,965	5,081	8,886	9,850
Corporate finance	1,827	2,613	3,702	4,005
Other customer revenue	2,990	4,055	7,272	8,460
Revenue - contracts with customers	80,112	79,263	168,686	155,975
Interest revenue	8,270	10,411	17,612	21,325
Other revenue	879	1,542	2,356	3,277
Total revenue	89,261	91,216	188,654	180,577
	2025	2024	2025	2024
Timing of revenue recognition:				
Point in time	8,782	11,628	19,860	5,596
Over time	71,330	67,635	148,826	150,379
Revenue - contracts with customers	80,112	79,263	168,686	155,975
Interest revenue	8,270	10,411	17,612	21,325
Other revenue	879	1,542	2,356	3,277
Total revenue	89,261	91,216	188,654	180,577

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 restated to conform to this presentation.

Other Income

The following table presents a breakdown of the Company's other income for the three and six months ended June 30, 2025 and 2024.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Insurance commissions	2,990	3,933	7,261	8,259
Foreign exchange	810	1,397	1,998	3,125
Other	69	267	369	353
	3,869	5,597	9,628	11,737

Note 4 – Goodwill and Intangible Assets

The following table presents a breakdown of the Company's goodwill and finite life intangible assets as at June 30, 2025 and December 31, 2024.

Cost	Intangible Assets			Total
	Goodwill	Customer relationships	Other intangible assets ¹	
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	-	-	2,239	2,239
As at June 30, 2025	164,957	197,503	10,719	373,179
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	-	6,566	686	7,252
As at June 30, 2025	-	61,490	2,475	63,965
Net book value				
As at December 31, 2024	164,957	142,579	6,691	314,227
As at June 30, 2025	164,957	136,013	8,244	309,214

¹ Other intangible assets is comprised of internally developed software and platforms, brand, and other.

As at June 30, 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.

On July 31, 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 September 29, 2025, to preferred shareholders of record on September 15, 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 June 30, 2025, there were 15,610,706 common shares and 4,600,000 preferred shares outstanding, as compared to 15,621,088 common shares and 4,600,000 preferred shares outstanding on December 31, 2024.

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 \$9,161 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.

The following tables present changes in the Company's Share Incentive Plans as at December 31, 2024 and June 30, 2025:

	Number of RSUs
Balance, December 31, 2023	1,224,026
Granted	913,985
Vested	(645,023)
Forfeited	(137,775)
Balance, December 31, 2024	1,355,213
Granted	893,764
Vested	(1,793)
Forfeited	(40,197)
Balance, June 30, 2025	2,206,987

	Number of PSUs
Balance, December 31, 2023	156,308
Granted	174,376
Forfeited	(53,594)
Balance, December 31, 2024	277,090
Granted	84,926
Expired	(77,798)
Balance, June 30, 2025	284,218

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 \$163 and is included in Accounts payable and accrued liabilities.

On May 8, 2025, the Company granted 18,630 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 \$8.01, 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 \$149. The fair value of the DSUs at the end of the reporting period is \$174 and is included in Accounts payable and accrued liabilities.

The following table presents changes in the Company's Deferred Share Unit Plan as at December 31, 2024 and June 30, 2025:

	Number of DSUs
Balance, December 31, 2023	358,803
Granted	135,963
Balance, December 31, 2024	494,766
Granted	36,060
Balance, June 30, 2025	530,826

Note 7 – Provisions

The following table presents the changes in the Company's provisions as at June 30, 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	423
Payments¹	(1,033)
As at June 30, 2025	15,368

¹ Includes \$784 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

The following table presents net income/(loss) per common share for the three and six months ended June 30, 2025 and 2024.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income/(loss)	(2,109)	2,714	(6,221)	1,587
Less: dividends on preferred shares	(1,073)	(1,073)	(2,146)	(2,146)
Net income/(loss) attributable to common shareholders	(3,182)	1,641	(8,367)	(559)
Weighted-average number of common shares outstanding (in thousands):				
Basic				
Common shares	15,723	15,750	15,728	15,750
Common shares held by the SIP Trust ¹	(112)	(183)	(112)	(184)
Contingently returnable common shares held in escrow	(125)	(150)	(129)	(151)
	15,486	15,417	15,487	15,415
Diluted				
Dilutive effect of shares held by the SIP Trust ¹	112	183	112	184
Dilutive effect of contingently returnable common shares held in escrow	125	150	129	151
	15,723	15,750	15,728	15,750
Net income/(loss) per common share - Basic	(0.21)	0.11	(0.54)	(0.04)
Net income/(loss) per common share - Diluted²	(0.21)	0.10	(0.54)	(0.04)

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.

For certain financial assets and liabilities, such as receivables and payables due from or to clients and brokers, other loans receivable, other assets and liabilities, and debt, the carrying value 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.

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

As at June 30, 2025	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Securities owned				
Equity securities	676	-	-	676
Derivative financial assets	-	-	178	178
Financial assets carried at fair value	676	-	178	854

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	138
Net unrealized gain/(loss) before income taxes	(46)
As at June 30, 2025	178

Note 10 – Debt

The following table presents a breakdown of the Company's debt obligations as at June 30, 2025 and December 31, 2024.

As at	June 30, 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 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 June 30, 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 maturity date by one year 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 and six months ending June 30, 2025 and 2024.

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Securities owned	(34)	(21)	739	(131)
Receivable from clients and brokers	24,349	(11,175)	76,303	(66,946)
Employee and other loans receivable	(233)	(8,413)	(808)	(11,780)
Other assets	(2,684)	(3,535)	(3,082)	(4,782)
Payable to clients and brokers	(23,500)	6,168	(74,387)	54,981
Accounts payable and accrued liabilities	190	10,809	(65)	1,761
Provisions	(42)	(449)	(610)	(1,685)
	(1,954)	(6,616)	(1,910)	(28,582)

Note 12 – Subsequent Events

On July 27, 2025, the Company and iA Financial Corporation Inc. (TSX: IAG) (the “Purchaser”), a Canadian insurance and wealth management company, entered into a definitive agreement (the “Arrangement Agreement”) to acquire all of the issued and outstanding common shares of the Company for \$20.00 per share in cash by way of a plan of arrangement under the Business Corporations Act (Ontario) (the “Transaction”). The total consideration of \$597 million which includes \$370 million for the acquisition of the issued and outstanding common shares and share based compensation, and \$227 million for the repayment of the outstanding portion of revolving debt and the acquisition of all the issued and outstanding cumulative 5-Year Rate Reset Preferred Shares, Series B (the “Series B Preferred Shares”) of the Company for \$25 per share in cash (plus all accrued and unpaid dividends and, to the extent closing occurs prior to March 31, 2026, a cash amount per series B Preferred Share equal to the amount of the dividends that would have been payable in respect of a Series B Preferred Share from (and including) closing to (and excluding) March 31, 2026, as if the Series B Preferred Shares had remained outstanding during this period).

Closing of the Transaction is expected to occur during the fourth quarter of 2025, subject to the receipt of the required approvals from the Company’s common shareholders and certain regulatory approvals, as well as the satisfaction of other customary closing conditions.

Upon the completion of the Transaction, the Company intends to cause its common shares, and to the extent the Transaction is approved by the holders of the Series B Preferred Shares, to be delisted from the TSX. If the Transaction is approved by the holders of the Series B Preferred Shares, following closing, the Purchaser intends to cause the Company to submit an application to cease to be reporting issuer under applicable Canadian securities laws.

Shareholder Information

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Regulatory filings

Canadian Securities Administrators
sedarplus.com

Independent auditors

KPMG LLP

Independent legal counsel

Goodmans LLP

Fiscal year-end

December 31

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

Second Quarter 2025 Earnings Conference Call and Webcast

An earnings conference call and audio webcast will be held on Friday, August 1 at 10:00 a.m. (EST). The call will be hosted by Francis Baillargeon, Chief Financial Officer. Interested parties are invited to **access the second quarter earnings conference call** on a listen-only basis by dialing **416-406-0743** or **1-800-898-3989** (toll free) and entering participant passcode: **3903524#**. The conference call will also be accessible as an audio webcast through the Investor Relations section of the Company's website at <https://richardsonwealth.com/investor-relations/financial-information/>. A recording of the conference call will be available until Sunday, August 31, 2025, by dialing 905-694-9451 or 1-800-408-3053 (toll free) and entering access code 2356231#. The webcast will be archived at <https://richardsonwealth.com/investor-relations/financial-information/>.