RICHARDSON
Wealth

Built to Grow

the brand of choice
for Canada's top advisors.

Report to Shareholders

RF Capital Group Inc. | For the three and nine months ended September 30, 2024

A Message from our President & CEO

This is my first quarterly letter as CEO of Richardson Wealth. After 10 months as COO, I continue to be very enthusiastic about our future and confident our team is on track to position Richardson Wealth as the best independent choice in Canada.

Financial Results

We closed the quarter at a record high AUA of $39.0 billion. Our revenues were $91.9 million, $4.0 million higher than Q2 2023. Adjusted EBITDA was $12.5 million, down from $16.9 million in Q2 2023 mainly due to one-time costs related to our leadership transition.

Three Pillar Strategy

When I joined last January as COO, I was positive that the three-pillar strategy was the right one for this company. My conviction remains unchanged. Our company focus continues to be on three pillars: doubling down on advisor support, supercharging recruiting and acquiring or partnering with like-minded firms. However, for the immediate and short-term, we are driving hard on advisor support and recruiting.

Our focused three-pillar strategy:

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

Pillar One

My overarching goal is to ensure our advisors feel valued and respected. This includes giving them the tools and technology and products and services to build and grow strong practices and provide superior client advice and service. Specifically, we are concentrating on creating mid-office excellence through our Advisor Service Center and our partnership with Fidelity.

Last quarter, Marcus Chun joined us as Head, Enterprise Technology and Architecture. Marcus and his team are designing capabilities to optimize end-to-end processes to help us achieve the level of excellence we are pursuing. Our partnership with Fidelity continues to strengthen. In fact, some recent wins were applauded by our advisory teams.

As we double down on advisor support, we are in the process of reviewing our corporate teams to ensure we are structured in a way that allows everyone to do their best work for our advisors and their teams.

Pillar Two

Last quarter, we enjoyed more success with our recruiting efforts welcoming Troiani Wealth Management to our Burlington office from Scotia Wealth Management; Simpson & Partners to our Pointe-Claire office; and Riddell Wealth Management, formerly from IG Private Wealth to our Victoria office. We continue to maintain a robust pipeline of advisors who are drawn to our culture and our brand.

Great Place to Work®

In September, we became certified for the seventh consecutive year as a "great place to work". 87% of our participants agreed they would tell others they are proud to work here, up from 84% in 2023. 86% of our employees agreed that "taking all things into account, I would say Richardson Wealth is a great place to work," up from 80% in 2023. Keeping in mind this survey was conducted during our leadership transition, this tells me our company handled major organizational change very well.

Leadership Searches

Our CFO search has been very successful, and we are well positioned to announce our incoming incumbent in the coming weeks. We have also been engaged in a search for a National Sales Leader. Working closely with me, this individual will oversee the business goals and revenue of all our branches and lead sales operations to drive long-term profitability for the firm.

In closing, I would like to extend my thanks to our advisory teams and the corporate team for their transparency, encouragement and support – and mostly for their collective vote of confidence. My new journey, serving shareholders, clients, advisors, and our teams is one that I will invest in whole-heartedly. I also want to thank Kish Kapoor for his leadership in rebuilding our foundation and positioning us for growth. Our firm is built and ready to grow, and I'm excited to be leading the next leg of this journey.

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. (the Company) as at and for the three and nine months ended September 30, 2024.

This MD&A, dated November 7, 2024, should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes as at and for the three and nine months ended September 30, 2024 (Third Quarter 2024 Financial Statements). This document as well as additional information relating to the Company, including our annual MD&A (2023 Annual MD&A), our audited consolidated financial statements and related notes as at and for the year ended December 31, 2023 (2023 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 Third Quarter 2024 Financial Statements, which we have prepared in accordance with International Accounting Standard 34.

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

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

Forward-Looking Information

This MD&A contains forward-looking information as defined under applicable Canadian securities laws. This information includes, but is not limited to, statements concerning objectives and strategies to achieve those objectives, as well as statements made with respect to management's beliefs, plans, estimates, projections and intentions and similar statements concerning anticipated future events, results, circumstances, performance, or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans" or "continue", or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement.

The forward-looking statements included in this MD&A, including statements regarding our recruiting pipeline and 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, legal and regulatory risks, and other risk factors, including variations in the market value of securities, dependence on key personnel, and sustainability of fees.

Our results can also be influenced by other factors, such as general economic conditions, including interest rate and exchange rate fluctuations, and natural disasters or other unanticipated events. For a description of additional risks that could cause actual results to differ materially from current expectations, see the "Risk Management" section of our 2023 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 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					As at or for the nine months ended		
($000s, except as otherwise indicated)	**September 30, 2024**	June 30, 2024	Increase/ (decrease)	September 30, 2023	Increase/ (decrease)	**September 30, 2024**	September 30, 2023	Increase/ (decrease)
Key performance drivers[1]:								
AUA - ending[2] ($ millions)	**39,004**	37,125	5%	34,726	12%	**39,004**	34,726	12%
AUA - average[2] ($ millions)	**38,065**	36,974	3%	35,630	7%	**37,037**	35,793	3%
Fee revenue	**70,906**	67,514	5%	66,046	7%	**204,566**	193,670	6%
Fee revenue[3] (%)	**91**	90	+120 bps	92	(160) bps	**91**	90	+50 bps
Adjusted operating expense ratio[4] (%)	**75.8**	71.9	+396 bps	67.3	+850 bps	**74.0**	71.0	+302 bps
Adjusted EBITDA margin[5] (%)	**13.6**	16.5	(292) bps	19.3	(568) bps	**15.1**	17.0	(193) bps
Asset yield[6] (%)	**0.85**	0.86	(1) bps	0.87	(2) bps	**0.86**	0.86	—
Advisory teams[7] (#)	**155**	154	1%	157	(1%)	**155**	157	(1%)
Operating Performance								
Reported results:								
Revenue	**91,871**	91,216	1%	87,836	5%	**272,448**	264,366	3%
Operating expenses[1,8]	**39,195**	38,496	2%	34,892	12%	**116,920**	114,486	2%
EBITDA[1]	**12,493**	15,070	(17%)	16,932	(26%)	**41,102**	40,468	2%
Income (loss) before income taxes	**(558)**	2,462	n/m	2,092	n/m	**1,967**	(3,341)	n/m
Net income (loss) from continuing operations	**(2,309)**	2,714	n/m	(189)	n/m	**(722)**	(6,946)	(90%)
Net income (loss) from discontinued operations[9]	**—**	—	n/a	—	n/a	**—**	(2,064)	(100%)
Net loss per common share from continuing operations - diluted	**(0.22)**	0.10	n/m	(0.10)	120%	**(0.26)**	(0.82)	(68%)
Adjusted results[1]:								
Operating expenses[8]	**39,195**	38,496	2%	34,892	12%	**116,920**	109,972	6%
EBITDA	**12,493**	15,070	(17%)	16,932	(26%)	**41,102**	44,982	(9%)
Income (loss) before income taxes	**2,705**	5,725	(53%)	5,355	(49%)	**11,756**	10,961	7%
Net income (loss)	**89**	5,112	(98%)	2,209	(96%)	**6,472**	3,592	80%
Adjusted earnings (loss) per common share - diluted	**(0.06)**	0.26	n/m	0.07	n/m	**0.21**	0.02	950%
Select balance sheet information:								
Total assets	**1,402,410**	1,424,915	(2%)	1,390,770	1%	**1,402,410**	1,390,770	1%
Debt	**110,922**	110,922	—	110,922	—	**110,922**	110,922	—
Shareholders' equity	**327,087**	330,326	(1%)	335,513	(3%)	**327,087**	335,513	(3%)
Net working capital[1,10]	**94,941**	92,268	3%	90,949	4%	**94,941**	90,949	4%
Common share information:								
Book value per common share ($)	**13.65**	13.85	(1%)	14.15	(4%)	**13.65**	14.15	(4%)
Closing share price ($)	**7.34**	7.81	(6%)	5.13	43%	**7.34**	5.13	43%
Common shares outstanding (millions)	**15.7**	15.8	(0%)	15.8	(0%)	**15.7**	15.8	(0%)
Common share market capitalization ($ millions)	**115**	123	(7%)	81	42%	**115**	81	42%
Cash flow:								
Cash provided by (used in) operating activities	**15,977**	5,163	209%	16,624	(4%)	**9,314**	(271,333)	n/m
Free cash flow available for growth[1]	**6,242**	8,620	(28%)	11,180	(44%)	**22,318**	27,087	(18%)
Free cash flow[1]	**3,857**	2,011	92%	6,151	(37%)	**9,756**	7,047	38%

1. Considered to be non-GAAP or supplementary financial measures, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.
2. AUA is a measure of client assets and is common in the wealth management industry. It represents the market value of client assets that we administer.
3. Calculated as fee revenue divided by commissionable revenue. Commissionable revenue includes fee revenue, trading commissions, and commissions earned in connection with the placement of new issues and the sale of insurance products.
4. Calculated as adjusted operating expenses divided by gross margin
5. Calculated as Adjusted EBITDA divided by revenue
6. Calculated as fee revenue, trading commissions, and interest on cash, divided by average AUA
7. Prior periods have been revised to reflect the internal consolidation of certain teams
8. 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.
9. 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.
10. Calculated as current assets less current liabilities. For further information, please see the "Liquidity" section of this MD&A.

Quarterly Results

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

			2024				2023	2022
($000s, except as otherwise indicated)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Key performance drivers[1]:								
AUA - ending[2] ($ millions)	**39,004**	37,125	37,010	35,236	34,726	35,788	35,965	34,948
AUA - average[2] ($ millions)	**38,065**	36,974	36,060	34,926	35,630	35,880	35,872	34,788
Fee revenue	**70,906**	67,514	66,146	64,145	66,046	64,581	63,042	63,150
Fee revenue[3] (%)	**91**	90	92	89	92	90	88	90
Adjusted operating expense ratio[4] (%)	**75.8**	71.9	74.3	71.5	67.3	70.9	74.7	68.1
Adjusted EBITDA margin[5] (%)	**13.6**	16.5	15.2	16.7	19.3	16.9	14.9	19.2
Asset yield[6] (%)	**0.85**	0.86	0.88	0.87	0.87	0.86	0.87	0.87
Advisory teams[7] (#)	**155**	154	153	155	157	156	158	162
Operating Performance:								
Reported results:								
Revenue	**91,871**	91,216	89,361	86,752	87,836	88,832	87,700	88,531
Variable advisor compensation	**40,183**	37,650	36,593	35,866	36,012	37,305	36,095	35,276
Gross margin[8]	**51,688**	53,566	52,768	50,886	51,824	51,527	51,605	53,255
Operating expenses[1,9]	**39,195**	38,496	39,229	36,368	34,892	36,946	42,647	38,867
EBITDA[1]	**12,493**	15,070	13,539	14,518	16,932	14,581	8,958	14,388
Interest	**3,725**	3,413	3,750	3,994	3,527	3,675	3,511	3,294
Depreciation and amortization	**6,223**	6,286	6,565	6,849	6,856	6,805	6,895	7,851
Advisor award and loan amortization	**3,103**	2,909	3,161	5,844	4,457	3,884	4,201	4,634
Income (loss) before income taxes	**(558)**	2,462	63	(2,169)	2,092	217	(5,649)	(1,391)
Net income (loss) from continuing operations	**(2,309)**	2,714	(1,127)	(2,882)	(189)	(1,425)	(5,332)	(990)
Net income (loss) from discontinued operations[10]	**—**	—	—	—	—	(2,064)	—	—
Adjusted results[1]:								
Operating expenses[9]	**39,195**	38,496	39,229	36,368	34,892	36,533	38,546	36,246
EBITDA	**12,493**	15,070	13,539	14,518	16,932	14,994	13,059	17,009
Income (loss) before income taxes	**2,705**	5,725	3,326	1,094	5,355	3,893	1,715	4,493
Net income (loss)	**89**	5,112	1,271	(483)	2,209	1,279	105	3,501
Cash flow:								
Cash provided by (used in) operating activities	**15,977**	5,163	(11,826)	2,834	16,624	25,741	(313,698)	(93,752)
Free cash flow available for growth[1]	**6,242**	8,620	7,455	8,312	11,180	8,746	7,162	10,761
Free cash flow[1]	**3,857**	2,011	3,888	(9,612)	6,151	7,206	(6,309)	(4,011)

1. Considered to be non-GAAP or supplementary financial measures, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.
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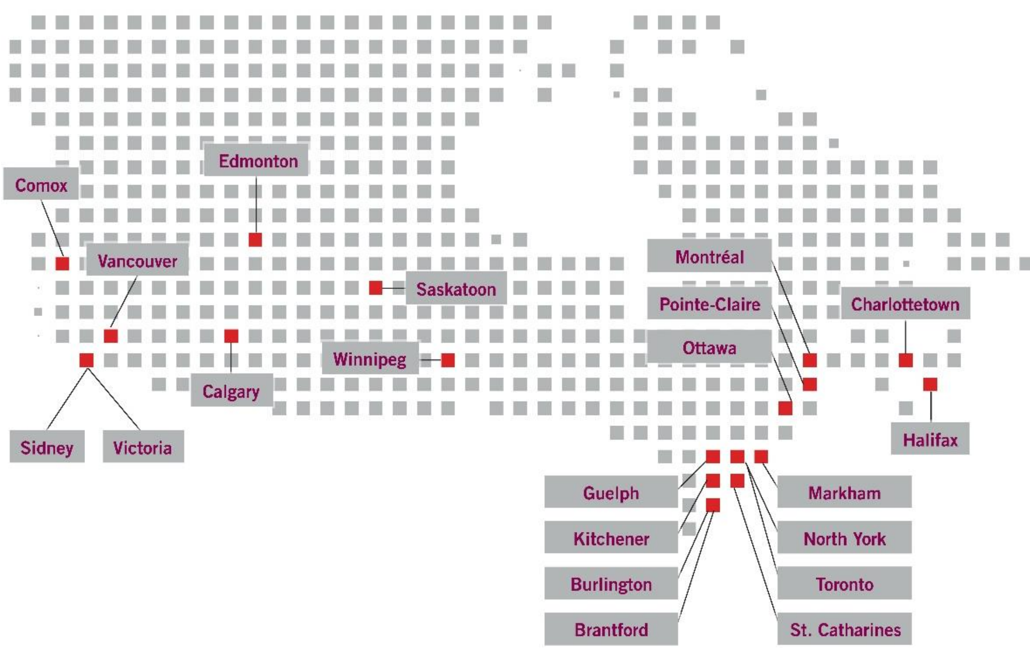
4. Calculated as adjusted operating expenses divided by gross margin
5. Calculated as Adjusted EBITDA divided by revenue
6. Calculated as fee revenue, trading commissions, and interest on cash, divided by average AUA
7. Prior periods have been revised to reflect the internal consolidation of certain teams
8. Calculated as revenue less advisor variable compensation. We use gross margin to measure operating profitability on the revenue that accrues to the Company after making advisor payments that are directly linked to revenue.
9. Operating expenses include employee compensation and benefits, selling, general, and administrative expenses, and transformation costs and other provisions. Adjusted operating expenses are calculated as operating expenses less transformation costs and other provisions.
10. In Q2 2023, we recorded a provision for a legacy employment litigation matter related to the 2019 sale of our capital markets business to Stifel Nicolaus Canada Inc. See Note 25 to the 2023 Annual Financial Statements.

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 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, is one of the largest independent wealth management firms in Canada with 155 investment advisor teams serving over 30,000 households out of 22 offices. It operates as Patrimoine Richardson in the francophone market. Richardson Wealth advisors collectively managed $39 billion in client assets as at 30 September, 2024 and provide a comprehensive suite of wealth management services including investment, financial planning, insurance, and tax and estate planning services.

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

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



Vision

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

$39B	155	$250MM	91%	22
AUA	Number of advisory teams	Average AUA per team	Recurring fee-based revenue[1]	Offices across Canada

[1] 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.

Q3 2024 Financial Performance Summary

Our Q3 results reflected growing AUA and fee revenue including a continued shift towards higher yielding fee-based accounts. Equity markets and recruiting activity provided a tailwind to our growth by driving AUA higher. We incurred expenses this quarter associated with our leadership transition, partly offset by a related compensation recovery. Discretionary costs were managed tightly, although costs related to our leadership transition and mark-to-market adjustments on restricted and deferred share units (RSUs and DSUs) caused reported operating expenses to be elevated from last year.

vs Q3 2023

- Quarter-end AUA was up $4.3 billion as rising equity markets, recruiting, and net new asset gains more than offset the effect of advisor team departures
- Net loss from continuing operations of $2.3 million compared to $0.2 million last year because of lower adjusted EBITDA driven by costs incurred related to our leadership transition
- Adjusted EBITDA was down $4.4 million, as revenue growth was offset by higher adjusted operating expenses
- Revenue increased by $4.0 million due to 7% higher fee revenue and despite an 18% decline in interest income
- Adjusted operating expenses were up $4.3 million due to costs associated with our leadership transition and lower mark-to-market *recoveries* on RSUs and DSUs
- *Free cash flow available for growth* was $6.2 million, down $4.9 million from last year due to lower adjusted EBITDA which was driven by a provision related to our leadership transition. *Free cash flow* was $3.9 million, down $2.3 million primarily because of higher advisor recruiting payments.

vs Q2 2024

- Quarter-end AUA was up $1.9 billion, as rising equity markets and recruiting more than offset the effect of advisor team departures
- Net loss from continuing operations of $2.3 million compared to a net income of $2.7 million last quarter because of lower adjusted EBITDA, driven by costs incurred related to our leadership transition, and higher tax expenses. Tax expenses were higher as a reduction in tax provision related to prior periods was recorded last quarter.
- Adjusted EBITDA was down $2.6 million as higher adjusted operating expenses and higher variable advisor compensation more than offset revenue growth. Q2 contained a large insurance sale that did not attract variable advisor compensation, and there was a shift in our revenue mix towards commissionable revenue as AUA increased and interest revenue declined.
- Revenue increased by $0.7 million, due to 5% higher fee revenue and despite a 7% decline in interest income
- Adjusted operating expenses were up $0.7 million primarily driven by costs associated with our leadership transition
- *Free cash flow available for growth* was down $2.4 million from last quarter mainly due to lower adjusted EBITDA because of the leadership transition provision. As such, there was no corresponding decrease to *free cash flow* which grew by $1.8 million because of lower advisor recruiting payments.

Outlook and Key Performance Drivers

Our current view on the drivers of our financial performance and profitability for the remainder of 2024 is as follows:

- AUA is highly correlated with equity market movements but will also be supported by growth in our existing advisors' client assets and by recruiting. We expect to maintain recruiting momentum over the coming quarters.
- Interest revenue is impacted by prime rate trends, which economists expect to continue declining from current levels throughout the rest of this year
- Transaction activity underlying our corporate finance revenue could rebound later this year but is more likely to remain subdued
- We expect inflation to remain in the target range for the rest of this year, and we remain committed to finding operating cost savings and efficiencies in our business
- Free cash flow available for growth is expected to be deployed towards advisor recruitment

Financial Performance

	For the three months ended					For the nine months ended		
($000s)	September 30, 2024	June 30, 2024	Increase/ (decrease)	September 30, 2023	Increase/ (decrease)	September 30, 2024	September 30, 2023	Increase/ (decrease)
Fee revenue	70,906	67,514	5%	66,046	7%	204,566	193,670	6%
Trading commissions	4,542	5,081	(11%)	4,111	10%	14,392	13,266	8%
Corporate finance	1,757	2,613	(33%)	1,314	34%	5,762	4,661	24%
Interest	9,711	10,411	(7%)	11,901	(18%)	31,036	37,662	(18%)
Insurance	4,220	3,933	7%	3,126	35%	12,479	10,528	19%
Other	735	1,664	(56%)	1,338	(45%)	4,213	4,579	(8%)
Revenue	91,871	91,216	1%	87,836	5%	272,448	264,366	3%
Variable advisor compensation	40,183	37,650	7%	36,012	12%	114,426	109,412	5%
Gross margin[1]	51,688	53,566	(4%)	51,824	(0%)	158,022	154,954	2%
Employee compensation and benefits	19,354	21,502	(10%)	18,545	4%	62,522	58,812	6%
Selling, general and administrative	19,841	16,994	17%	16,347	21%	54,398	51,160	6%
Transformation costs and other provisions	—	—	n/a	—	n/a	—	4,514	(100%)
Operating expenses[2,3]	39,195	38,496	2%	34,892	12%	116,920	114,486	2%
EBITDA[2]	12,493	15,070	(17%)	16,932	(26%)	41,102	40,468	2%
Interest	3,725	3,413	9%	3,527	6%	10,888	10,712	2%
Depreciation and amortization	6,223	6,286	(1%)	6,856	(9%)	19,074	20,555	(7%)
Advisor award and loan amortization	3,103	2,909	7%	4,457	(30%)	9,173	12,542	(27%)
Income (loss) before income taxes	(558)	2,462	n/m	2,092	n/m	1,967	(3,341)	n/m
Net income (loss) from continuing operations	(2,309)	2,714	n/m	(189)	n/m	(722)	(6,946)	(90%)
Adjusted results[2]:								
Operating expenses[3]	39,195	38,496	2%	34,892	12%	116,920	109,972	6%
EBITDA	12,493	15,070	(17%)	16,932	(26%)	41,102	44,982	(9%)
Income (loss) before income taxes	2,705	5,725	(53%)	5,355	(49%)	11,756	10,961	7%
Net income (loss)	89	5,112	(98%)	2,209	(96%)	6,472	3,592	80%
Cash flow:								
Cash provided by (used in) operating activities	15,977	5,163	209%	16,624	(4%)	9,314	(271,333)	n/m
Free cash flow available for growth[2]	6,242	8,620	(28%)	11,180	(44%)	22,318	27,087	(18%)
Free cash flow[2]	3,857	2,011	92%	6,151	(37%)	9,756	7,047	38%

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 supplementary financial measures, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.
3. Operating expenses include employee compensation and benefits, selling, general, and administrative expenses, and transformation costs and other provisions. Adjusted operating expenses are calculated as operating expenses less transformation costs and other provisions.

Net income (loss) from continuing operations

Q3 2024 vs Q3 2023

The Company reported net loss from continuing operations of $2.3 million in Q3 2024, compared to $0.2 million last year. Adjusted net income, which excludes amortization on acquired intangibles, was $0.1 million, down from $2.2 million last year. The decrease in these metrics was primarily due to lower adjusted EBITDA which was driven by costs related to our leadership transition.

Q3 2024 vs Q2 2024

Net loss from continuing operations for this quarter was $2.3 million, compared to net income of $2.7 million last quarter. Adjusted net income was down by $5.0 million, from $5.1 million last quarter. Both metrics weakened largely due to lower adjusted EBITDA, which was driven by costs related to our leadership transition, and higher tax expenses. Tax expenses were comparatively higher as we had a reduction in tax provisions last quarter that related to prior years.

YTD 2024 vs YTD 2023

Net loss from continuing operations was $0.7 million, compared to $6.9 million last year. This metric improved partly due to lower transformation costs as we substantially completed our transformation journey in the first half of 2023. Adjusted net income was $6.5 million, up by $2.9 million from $3.6 million last year. Both metrics improved because of lower amortization, including that related to advisor awards and loans.

Adjusted EBITDA

Adjusted EBITDA of $12.5 million was down $4.4 million compared to last year and by $2.6 million compared to last quarter. For the nine months ended September 30, 2024, adjusted EBITDA was down $3.9 million or 9% from last year. The main drivers of the change in adjusted EBITDA are discussed below.

Revenue

Q3 2024 vs Q3 2023

Revenue was up $4.0 million or 5%, primarily due to the following factors:

(all figures in $millions)

Categories of Revenue	Change	Explanation
Fee revenue	4.9	Grew due to higher fee-based AUA. AUA was up as growth from markets, recruiting, and net new assets exceeded the impact of advisor attrition. Fee revenue growth also reflected a continued shift in our AUA mix towards higher yielding fee-based AUA.
Insurance	1.1	Improved due to higher sales activity
Interest	(2.2)	Declined due to lower client cash balances and a decrease in benchmark rates

Q3 2024 vs Q2 2024

Revenue was up $0.7 million or 1%, primarily as a result of the following factors:

(all figures in $millions)

Categories of Revenue	Change	Explanation
Fee revenue	3.4	Growth was driven by higher assets from advisor recruiting and market growth more than offsetting advisor attrition
Other revenue	(0.9)	Was down driven by lower foreign exchange revenues
Corporate finance	(0.9)	Decreased due to reduced new issue activity
Interest	(0.7)	Declined due to the reasons described above in the Q3 2024 vs Q3 2023 commentary

YTD 2024 vs YTD 2023

Revenue was up $8.1 million or 3%, primarily because of the following factors:

(all figures in $millions)

Categories of Revenue	Change	Explanation
Fee revenue	10.9	Grew for the same reasons as described above in the Q3 2024 vs Q3 2023 commentary
Insurance	2.0	Increased due to higher sales activity
Trading commissions	1.1	Rose due to an increase in trading activity in client accounts
Corporate finance	1.1	Improved due to higher structured note-related fees
Interest	(6.6)	Declined due to lower average client cash and margin loan balances

Adjusted Operating Expenses

Q3 2024 vs Q3 2023

Adjusted operating expenses were up $4.3 million or 12%, primarily due to the following factors:

(all figures in $millions)

Categories of Expense	Change	Explanation
SG&A	3.5	Increased mainly because lower discretionary costs were more than offset by our leadership transition, higher carrying broker charges as a function of higher trading activity, and mark-to-market adjustments on DSUs. DSU mark-to-market *recoveries* were lower this quarter as we booked $0.3 million of recoveries this year compared to $1.0 million last year.
Compensation	0.8	Was up due to mark-to-market adjustments on RSUs ($1.2 million of *recoveries* this year compared to $2.5 million last year), higher bonus accruals, and annual inflationary increases to salaries, partly offset by recoveries related to our leadership transition

Q3 2024 vs Q2 2024

Adjusted operating expenses were up $0.7 million or 2%, primarily as a result of the following factors:

(all figures in $millions)

Categories of Expense	Change	Explanation
SG&A	2.8	Increased due to leadership transition costs and because we booked a $1.5 million insurance recovery *last* quarter, partly offset by a one-time technology expense recovery as well as mark-to-market adjustments on DSUs. We booked $0.3 million of *recoveries* this quarter compared to $0.1 million of *expenses* last quarter.
Compensation	(2.1)	Declined mainly due to mark-to-market adjustments on RSUs ($1.2 million of *recoveries* this quarter compared to $0.4 million last quarter) and recoveries associated with the leadership transition

YTD 2024 vs YTD 2023

Adjusted operating expenses were up $6.9 million or 6%, primarily because of the following factors:

(all figures in $millions)

Categories of Expense	Change	Explanation
Compensation	3.7	Was up largely for the reasons described in the Q3 2024 vs Q3 2023 commentary above. We had incremental RSU costs of $1.7 million ($2.3 million of mark-to-market *recoveries* this year compared to $4.0 million last year).
SG&A	3.2	Increased mainly for the same reasons described in the Q3 2024 vs Q3 2023 commentary above. Additional offsets included a $1.5 million insurance recovery recorded in Q2 this year and lower office costs as 2023 expenses were elevated by the move of our head office and a return to in-person work. The impact of mark-to-market adjustments on DSUs was $1.1 million ($0.3 million of *recoveries* this year compared to $1.4 million last year).

Cash Flow

Q3 2024 vs Q3 2023

Free cash flow available for growth was down $4.9 million or 44% mainly due to lower adjusted EBITDA, which was driven by a provision related to our leadership transition. *Free cash flow* was down $2.3 million primarily because of higher advisor recruiting payments and partly offset by a net change in provisions due to payments recorded last year relating to legacy leg al matters.

Q3 2024 vs Q2 2024

Free cash flow available for growth was down $2.4 million or 28% mainly due to lower adjusted EBITDA because of the leadership transition provision. As such, there was no corresponding decrease to *free cash flow*, which grew by $1.8 million from last quarter.

YTD 2024 vs YTD 2023

Free cash flow available for growth was down $4.8 million or 18% primarily due to lower adjusted EBITDA. *Free cash flow* increased by $2.7 million as reduced capital expenditures for office build out, a change in provisions from legacy legal payments recorded last year, and lower transformation costs were partly offset by higher payments for advisor recruiting.

Financial Condition

Capital and balance sheet strength are key priorities for us. We had conservative levels of working capital and debt on our balance sheet at the end of Q3 2024.

					As at
($000s, except as otherwise indicated)	September 30, 2024	June 30, 2024	Increase/ (decrease)	December 31, 2023	Increase/ (decrease)
Selected highlights:					
Total assets	1,402,410	1,424,915	(2%)	1,379,983	2%
Shareholders' equity	327,087	330,326	(1%)	330,539	(1%)
Debt	110,922	110,922	—	110,922	—
Net working capital[1]	94,941	92,268	3%	81,208	17%
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	—
Ratios[1]:					
Total debt to Adjusted EBITDA	2.2	1.8	21%	1.9	19%
Adjusted EBITDA to interest[2]	4.3	5.9	(27%)	5.2	(18%)

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

Q3 2024 vs Q2 2024

Shareholders' equity decreased by 1% as we reported $2.3 million of net loss for the period ended September 30, 2024, and paid $1.1 million of preferred share dividends.

Q3 2024 vs Q4 2023

Total assets increased 2% from December 31, 2023, largely as a result of growth in margin loans.

Shareholders' equity decreased $3.5 million as we reported $0.7 million of net loss for the nine months ended September 30, 2024 and paid $3.2 million of preferred share dividends.

Revolving Credit Facility

We have a $200 million revolving credit facility with a syndicate of lenders. As of September 30, 2024, we had drawn $80.5 million against the facility, unchanged from the end of 2023. Combined with our strong current and expected future operating cash flows and our excess working capital, the facility provides us with funding and flexibility to accelerate our organic growth, recruiting and other strategic initiatives. For further information, see Note 21 to the 2023 Annual Financial Statements.

The facility contains clauses whereby we are required to meet four financial covenants. As at September 30, 2024, we complied with all four covenants.

Liquidity

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

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 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 September 30, 2024, we had working capital[1] of $94.9 million.

Liquid Assets

Liquid assets are comprised of cash, cash equivalents, and certain government securities. We hold our cash across several financial institutions, all of which have high credit ratings. We had $79.5 million of liquid assets[1] at September 30, 2024, as compared to $81.4 million at December 31, 2023.

Capital Requirements of Subsidiaries

Our Richardson Wealth subsidiary is subject to regulatory capital requirements. These requirements are designed to assess the sufficiency of its 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 Q3 2024.

Share Information

At the date of this report, November 7, 2024, we had 15.7 million common shares issued and outstanding (Common Shares). In addition, there were 55,000 unexercised stock 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 supplementary financial measures, which does not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this MD&A.

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 13 to the 2023 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. The accounting policies applied by us as at and for the three and nine months ended September 30, 2024, are the same as those applied by us as at and for the year ended December 31, 2023. Please refer to Note 3 to the 2023 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 Note 2 to the 2023 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. For a complete description of risk factors, please see Note 20 to the 2023 Annual Financial Statements and the "Risk Management" section of our 2023 Annual MD&A dated February 29, 2024. 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 nine months ended September 30, 2024.

Please refer to Note 3 to the 2023 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 2023 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 September 30, 2024, management evaluated the effectiveness of disclosure controls and procedures as defined under *National Instrument 52-109*. Based on that evaluation, the CEO and acting 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 September 30, 2024, 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.

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 Third Quarter 2024 Financial Statements and 2023 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

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

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

Operating Expenses

Operating expenses include:

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

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

Fee Revenue

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

Commissionable Revenue

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

Adjusted Results

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

Adjusted EBITDA Margin

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

Adjusting items in this MD&A include the following:

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

All adjusting items affect reported expenses.

Adjusted Operating Expenses

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

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

Adjusted Operating Expense Ratio

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

Adjusted Net Income

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

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

Free Cash Flow Available for Growth

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

Free Cash Flow

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

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

Quarterly Non-GAAP Information

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

			2024				2023	2022
($000s, except as otherwise indicated)	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Adjusted EBITDA:								
Net income (loss) from continuing operations - reported	(2,309)	2,714	(1,127)	(2,882)	(189)	(1,425)	(5,332)	(990)
Income tax expense (recovery)	1,751	(252)	1,190	713	2,281	1,642	(317)	(401)
Income (loss) before income taxes - reported	(558)	2,462	63	(2,169)	2,092	217	(5,649)	(1,391)
Interest	3,725	3,413	3,750	3,994	3,527	3,675	3,511	3,294
Advisor award and loan amortization	3,103	2,909	3,161	5,844	4,457	3,884	4,201	4,634
Depreciation and amortization	6,223	6,286	6,565	6,849	6,856	6,805	6,895	7,851
EBITDA	12,493	15,070	13,539	14,518	16,932	14,581	8,958	14,388
Transformation costs and other provisions	—	—	—	—	—	413	4,101	2,621
Adjusted EBITDA	12,493	15,070	13,539	14,518	16,932	14,994	13,059	17,009
Adjusted operating expenses:								
Total expenses - reported	52,246	51,104	52,705	53,055	49,732	51,310	57,254	54,646
Interest	3,725	3,413	3,750	3,994	3,527	3,675	3,511	3,294
Advisor award and loan amortization	3,103	2,909	3,161	5,844	4,457	3,884	4,201	4,634
Depreciation and amortization	6,223	6,286	6,565	6,849	6,856	6,805	6,895	7,851
Operating expenses	39,195	38,496	39,229	36,368	34,892	36,946	42,647	38,867
Transformation costs and other provisions	—	—	—	—	—	413	4,101	2,621
Adjusted operating expenses	39,195	38,496	39,229	36,368	34,892	36,533	38,546	36,246
Adjusted net income:								
Net income (loss) from continuing operations - reported	(2,309)	2,714	(1,127)	(2,882)	(189)	(1,425)	(5,332)	(990)
After-tax adjusting items:								
Transformation costs and other provisions	—	—	—	—	—	306	3,039	2,093
Amortization of acquired intangibles	2,398	2,398	2,398	2,399	2,398	2,398	2,398	2,398
Adjusted net income (loss)	89	5,112	1,271	(483)	2,209	1,279	105	3,501
Earnings per common share from continuing operations:								
Basic	(0.22)	0.11	(0.14)	(0.26)	(0.10)	(0.20)	(0.51)	(0.21)
Diluted	(0.22)	0.10	(0.14)	(0.26)	(0.10)	(0.20)	(0.51)	(0.21)
Adjusted earnings per common share:								
Basic	(0.06)	0.26	0.01	(0.10)	0.09	0.02	(0.08)	0.25
Diluted	(0.06)	0.26	0.01	(0.10)	0.07	0.01	(0.08)	0.15
Cash flow:								
Cash provided by (used in) operating activities	15,977	5,163	(11,826)	2,834	16,624	25,741	(313,698)	(93,752)
Net change in non-cash operating items	(6,749)	6,616	21,966	8,315	(3,052)	(16,580)	319,577	105,331
Capital expenditures - maintenance	(790)	(902)	(419)	(797)	(348)	(619)	(555)	(1,247)
Lease payments	(2,196)	(2,257)	(2,266)	(2,040)	(2,044)	(2,273)	(2,263)	(2,192)
Net loss from discontinued operations	—	—	—	—	—	2,064	—	—
Transformation costs and other provisions (pre-tax)	—	—	—	—	—	413	4,101	2,621
Free cash flow available for growth	6,242	8,620	7,455	8,312	11,180	8,746	7,162	10,761
Advisor loans net of repayments	(6,290)	(7,088)	(2,249)	(13,224)	(557)	657	(2,961)	(3,519)
Capital expenditures - office build outs (net of lease inducements)	(113)	928	(82)	936	225	(854)	(3,175)	(8,737)
Net loss from discontinued operations	—	—	—	—	—	(2,064)	—	—
Transformation costs and other provisions (pre-tax)	—	—	—	—	—	(413)	(4,101)	(2,621)
Net change in provisions	4,018	(449)	(1,236)	(5,636)	(4,697)	1,134	(3,234)	105
Free cash flow	3,857	2,011	3,888	(9,612)	6,151	7,206	(6,309)	(4,011)

YTD Non-GAAP Information

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

($000s, except as otherwise indicated)	For the nine months ended September 30, 2024	September 30, 2023
Adjusted EBITDA:		
Net income (loss) from continuing operations - reported	(722)	(6,946)
Income tax expense (recovery)	2,689	3,605
Income (loss) before income taxes - reported	1,967	(3,341)
Interest	10,888	10,712
Advisor award and loan amortization	9,173	12,542
Depreciation and amortization	19,074	20,555
EBITDA	41,102	40,468
Transformation costs and other provisions	—	4,514
Adjusted EBITDA	41,102	44,982
Adjusted operating expenses:		
Total expenses - reported	156,055	158,295
Interest	10,888	10,712
Advisor award and loan amortization	9,173	12,542
Depreciation and amortization	19,074	20,555
Operating expenses	116,920	114,486
Transformation costs and other provisions	—	4,514
Adjusted operating expenses	116,920	109,972
Adjusted net income:		
Net income (loss) from continuing operations - reported	(722)	(6,946)
After-tax adjusting items:		
Transformation costs and other provisions	—	3,344
Amortization of acquired intangibles	7,194	7,194
Adjusted net income (loss)	6,472	3,592
Earnings per common share from continuing operations:		
Basic	(0.26)	(0.82)
Diluted	(0.26)	(0.82)
Adjusted earnings per common share:		
Basic	0.21	0.03
Diluted	0.21	0.02
Cash flow:		
Cash provided by (used in) operating activities	9,314	(271,333)
Net change in non-cash operating items	21,833	299,944
Capital expenditures - maintenance	(2,110)	(1,522)
Lease payments	(6,719)	(6,580)
Net loss from discontinued operations	—	2,064
Transformation costs and other provisions (pre-tax)	—	4,514
Free cash flow available for growth	22,318	27,087
Advisor loans net of repayments	(15,627)	(2,861)
Capital expenditures - office build outs (net of lease inducements)	732	(3,804)
Net loss from discontinued operations	—	(2,064)
Transformation costs and other provisions (pre-tax)	—	(4,514)
Net change in provisions	2,333	(6,797)
Free cash flow	9,756	7,047

Supplementary Financial Measures

An SFM is a financial measure that is not reported in our Financial Statements, and is, or is intended to be, reported periodically to represent historical or expected future financial performance, financial position, or cash flows. The Company's key SFMs disclosed in this MD&A include AUA, working capital, recruiting pipeline, and net new and recruited assets. 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	September 30, 2024	December 31, 2023
ASSETS			
Cash and cash equivalents		78,826	80,829
Securities owned	8	699	613
Receivable from:			
Clients		346,699	254,989
Brokers		509,917	560,387
Employee and other loans receivable		58,414	48,597
Equipment and leasehold improvements		30,148	34,801
Right-of-use assets		38,301	47,433
Other assets		14,611	15,092
Deferred tax assets		7,937	11,622
Goodwill and intangible assets	4	316,858	325,620
		1,402,410	1,379,983
LIABILITIES			
Payable to clients		796,559	764,592
Accounts payable and accrued liabilities	6	64,421	61,207
Provisions	9	14,634	12,301
Debt	10	110,922	110,922
Lease liabilities		50,634	59,675
Deferred tax liability		38,153	40,747
		1,075,323	1,049,444
EQUITY			
Common shares		461,227	461,523
Preferred shares		112,263	112,263
Contributed surplus		47,511	46,726
Accumulated other comprehensive income		20,293	20,293
Accumulated deficit		(314,207)	(310,266)
Shareholders' equity		327,087	330,539
		1,402,410	1,379,983

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 Statement of Income (Loss)

($ thousands)	Note	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
REVENUE					
Wealth management		**75,448**	70,157	**218,958**	206,936
Corporate finance		**1,757**	1,314	**5,762**	4,661
Interest		**9,711**	11,901	**31,036**	37,662
Other Income	3	**4,955**	4,464	**16,692**	15,107
Total Revenue	3	**91,871**	87,836	**272,448**	264,366
Variable advisor compensation		**40,183**	36,012	**114,426**	109,412
Gross Margin		**51,688**	51,824	**158,022**	154,954
EXPENSES					
Employee compensation and benefits		**19,354**	18,545	**62,522**	59,634
Selling, general and administrative		**19,841**	16,347	**54,398**	54,852
Advisor award and loan amortization		**3,103**	4,457	**9,173**	12,542
Interest		**3,725**	3,527	**10,888**	10,712
Depreciation and amortization		**6,223**	6,856	**19,074**	20,555
		52,246	49,732	**156,055**	158,295
Income/(loss) before income taxes		**(558)**	2,092	**1,967**	(3,341)
Income tax expense/(recovery)					
Current		**535**	530	**1,597**	1,512
Deferred		**1,216**	1,751	**1,092**	2,093
		1,751	2,281	**2,689**	3,605
Net income/(loss) from continuing operations		**(2,309)**	(189)	**(722)**	(6,946)
Net income/(loss) from discontinued operations	12	**—**	—	**—**	(2,064)
Net income/(loss)		**(2,309)**	(189)	**(722)**	(9,010)
Weighted-average number of common shares outstanding: (in thousands)					
Basic	7	**15,418**	12,449	**15,416**	12,453
Diluted	7	**15,734**	15,773	**15,744**	15,778
Net loss per common share (dollars) from continuing operations:					
Basic	7	**(0.22)**	(0.10)	**(0.26)**	(0.82)
Diluted	7	**(0.22)**	(0.10)	**(0.26)**	(0.82)
Net loss per common share (dollars):					
Basic	7	**(0.22)**	(0.10)	**(0.26)**	(0.99)
Diluted	7	**(0.22)**	(0.10)	**(0.26)**	(0.99)

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

Consolidated Statement of Comprehensive Income (Loss)

($ thousands)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Net income/(loss)	**(2,309)**	(189)	**(722)**	(9,010)
Total other comprehensive income/(loss)	**—**	—	**—**	—
Total comprehensive income/(loss) attributable to shareholders	**(2,309)**	(189)	**(722)**	(9,010)

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

Consolidated Statement of Changes in Equity

($ thousands)	Note	Preferred shares #	Preferred shares $	Common shares #	Common shares $	Contributed surplus $	Accumulated other comprehensive income $	Accumulated deficit $	Shareholders' equity $
As at December 31, 2022		4,600	112,263	15,570	462,935	46,151	19,652	(294,080)	346,921
Common shares purchased, cancelled and forfeited	5	—	—	(27)	(1,063)	—	641	—	(422)
Share-based compensation		—	—	—	—	349	—	—	349
Preferred share dividends	5	—	—	—	—	—	—	(1,073)	(1,073)
Net income/(loss)		—	—	—	—	—	—	(5,332)	(5,332)
As at and for the period ended March 31, 2023		4,600	112,263	15,543	461,872	46,500	20,293	(300,485)	340,443
Share-based compensation		—	—	—	—	430	—	(1)	429
Preferred share dividends	5	—	—	—	—	—	—	(1,073)	(1,073)
Net income/(loss)		—	—	—	—	—	—	(3,489)	(3,489)
As at and for the period ended June 30, 2023		4,600	112,263	15,543	461,872	46,930	20,293	(305,048)	336,310
Share-based compensation		—	—	—	—	465	—	—	465
Preferred share dividends	5	—	—	—	—	—	—	(1,073)	(1,073)
Net loss		—	—	—	—	—	—	(189)	(189)
As at and for the period ended September 30, 2023		4,600	112,263	15,543	461,872	47,395	20,293	(306,310)	335,513
As at December 31, 2023		4,600	112,263	15,566	461,523	46,726	20,293	(310,266)	330,539
Share-based compensation		—	—	—	—	176	—	—	176
Preferred share dividends	5	—	—	—	—	—	—	(1,073)	(1,073)
Net income/(loss)		—	—	—	—	—	—	(1,127)	(1,127)
As at and for the period ended March 31, 2024		4,600	112,263	15,566	461,523	46,902	20,293	(312,466)	328,515
Common shares cancelled and forfeited	5	—	—	(14)	(273)	273	—	—	—
Share-based compensation	6	—	—	4	—	170	—	—	170
Preferred share dividends	5	—	—	—	—	—	—	(1,073)	(1,073)
Net income/(loss)		—	—	—	—	—	—	2,714	2,714
As at and for the period ended June 30, 2024		4,600	112,263	15,556	461,250	47,345	20,293	(310,825)	330,326
Common shares cancelled and forfeited	5	—	—	(2)	(23)	—	—	—	(23)
Share-based compensation		—	—	—	—	166	—	—	166
Preferred share dividends	5	—	—	—	—	—	—	(1,073)	(1,073)
Net income (loss)		—	—	—	—	—	—	(2,309)	(2,309)
As at and for the period ended September 30, 2024		4,600	112,263	15,554	461,227	47,511	20,293	(314,207)	327,087

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

Consolidated Statement of Cash Flows

($ thousands)	Note	Three months ended September 30, 2024	2023	Nine months ended September 30, 2024	2023
OPERATING ACTIVITIES					
Net income/(loss)		(2,309)	(189)	(722)	(9,010)
Add/(deduct) items not involving cash:					
Depreciation and amortization		6,223	6,856	19,074	20,555
Advisor loan amortization		3,103	4,457	9,173	12,542
Accretion of lease liability expense		995	697	2,530	2,431
Deferred income taxes		1,216	1,751	1,092	2,093
		9,228	13,572	31,147	28,611
Net change in non-cash operating items	11	6,749	3,052	(21,833)	(299,944)
Cash provided by (used in) operating activities		15,977	16,624	9,314	(271,333)
FINANCING ACTIVITIES					
Dividends paid on preferred shares	5	(1,073)	(1,073)	(3,219)	(3,219)
Purchase of shares for cancellation		—	—	—	(422)
Lease payments		(2,196)	(2,044)	(6,719)	(6,580)
Cash provided by (used in) financing activities		(3,269)	(3,117)	(9,938)	(10,221)
INVESTING ACTIVITIES					
Intangibles		(674)	(333)	(1,854)	(954)
Equipment and leasehold improvements, net of inducements		(230)	2,071	475	(4,372)
Cash provided by (used in) investing activities		(904)	1,738	(1,379)	(5,326)
Net change in cash and cash equivalents		11,804	15,245	(2,003)	(286,880)
Cash and cash equivalents, beginning of period		67,022	65,723	80,829	367,848
Cash and cash equivalents, end of period		78,826	80,968	78,826	80,968
Supplemental cash flow information relating to operating					
Interest paid		2,804	2,720	8,499	7,966
Interest received		10,288	12,180	31,678	38,236
Taxes paid		456	429	1,315	1,287

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 and a member of the Canadian Investor Protection Fund.

Note 2 – Basis of Preparation

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, 2023 (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.

Comparative periods were reclassified in the cash flow statement to conform to the current period presentation.

These Interim Financial Statements were authorized for issuance by the Company's Board of Directors on November 7, 2024.

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 other revenue information for the Company for the three and nine months ended September 30, 2024 and 2023.

	Three months ended September 30,		Nine months ended September 30,	
($ thousands)	**2024**	2023	**2024**	2023
Fee Revenue	**70,906**	66,046	**204,566**	193,670
Commissions	**4,542**	4,111	**14,392**	13,266
Corporate finance	**1,757**	1,314	**5,762**	4,661
Other customer revenue	**4,253**	3,176	**12,714**	10,855
Revenue - contracts with customers	**81,458**	74,647	**237,434**	222,452
Interest revenue	**9,711**	11,901	**31,036**	37,662
Other revenue	**702**	1,288	**3,978**	4,252
Total revenue	**91,871**	87,836	**272,448**	264,366
Timing of revenue recognition				
Point in time	**6,299**	5,424	**20,155**	17,927
Over time	**75,159**	69,223	**217,279**	204,525
Revenue - contracts with customers	**81,458**	74,647	**237,434**	222,452
Interest revenue	**9,711**	11,901	**31,036**	37,662
Other revenue	**702**	1,288	**3,978**	4,252
Total revenue	**91,871**	87,836	**272,448**	264,366

Comparative periods were reclassified to conform to the current period presentation.

Other Income

The following table presents disaggregated other income information for the Company for the three and nine months ended September 30, 2024 and 2023.

	Three months ended September 30,		Nine months ended September 30,	
($ thousands)	**2024**	2023	**2024**	2023
Insurance commissions	**4,220**	3,126	**12,479**	10,528
Foreign exchange	**617**	1,614	**3,742**	3,609
Other	**118**	(276)	**471**	970
	4,955	4,464	**16,692**	15,107

($ 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 September 30, 2024 and December 31, 2023.

		Intangible Assets		
Cost	Goodwill	Customer relationships	Other intangible assets[1]	Total
As at January 1, 2023	164,957	197,132	4,321	366,410
Additions	—	371	1,359	1,730
As at December 31, 2023	164,957	197,503	5,680	368,140
Additions	—	—	**1,854**	**1,854**
Disposals	—	—	**(30)**	**(30)**
As at September 30, 2024	**164,957**	**197,503**	**7,504**	**369,964**
Accumulated amortization				
As at January 1, 2023	—	28,704	125	28,829
Amortization	—	13,107	584	13,691
As at December 31, 2023	—	41,811	709	42,520
Amortization	—	**9,831**	**785**	**10,616**
Disposals	—	—	**(30)**	**(30)**
As at September 30, 2024	—	**51,642**	**1,464**	**53,106**
Net book value				
As at December 31, 2023	164,957	155,692	4,971	325,620
As at September 30, 2024	**164,957**	**145,861**	**6,040**	**316,858**

[1]Other intangible assets is comprised of the portfolio management platform, brand, and other.

As at September 30, 2024, there was no indication of impairment relating to the Company's goodwill or finite life intangible assets.

Note 5 – Share Capital

Preferred Share Dividends

On May 3, 2023, 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, 2023, to preferred shareholders of record on June 15, 2023.

On August 2, 2023, 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 30, 2023, to preferred shareholders of record on September 15, 2023.

On November 2, 2023, the Board of Directors approved a cash dividend of $0.233313 per Series B Preferred Share for a total of $1,073, payable on December 29, 2023, to preferred shareholders of record on December 15, 2023

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

On July 31, 2024, the Board of Directors approved a cash dividend of $0.233313 per Series B Preferred Share for a total of $1,073, payable on September 27, 2024, to preferred shareholders of record on September 13, 2024.

On November 7, 2024, the Board of Directors approved a cash dividend of $0.233313 per Series B Preferred Share for a total of $1,073, payable on December 30,2024, to preferred shareholders of record on December 13, 2024.

Share Cancellations and Forfeitures

During the first quarter of 2023, 23,692 common shares, with an aggregate cost of $704, were repurchased under the Company's normal course issuer bid (NCIB) and cancelled. In addition, the Company cancelled common shares purchased in 2022 under the NCIB for an aggregate cost of $270. The Company's NCIB ended on March 8, 2023 and was not renewed.

On March 17, 2023, 3,000 common shares were forfeited and cancelled in satisfaction of an employee loan, resulting in a share capital reduction of $89.

On June 24, 2024, 14,154 common shares that were held in escrow were forfeited and cancelled, resulting in a share capital reduction of $273.

On July 16, 2024, 1,782 common shares that were held in escrow were forfeited and cancelled in satisfaction of an employee loan, resulting in a share capital reduction of $23.

Note 6 – Share Based Compensation

Share Incentive Plan

On March 7, 2024, the Company granted 882,412 Restricted Share Units (RSUs) and 165,390 Performance Share Units (PSUs) to employees that entitle them to cash payments on December 1, 2026 and March 7, 2027, respectively. The RSUs and PSUs were granted at a price of $8.25 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. The fair value of the RSUs and PSUs granted in March 2024 was $7,632 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.

During June 2024, the Company delivered 3,818 vested common shares from its Share Incentive Plan Trust (SIP Trust) to employees.

On August 8, 2024, the Company granted 23,025 Restricted Share Units (RSUs) to employees that entitle them to cash payments on December 1, 2026. The RSUs were granted at a price of $7.60 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. The fair value of the RSUs granted in August 2024 was $168 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 vests.

Deferred Share Unit Plan (DSUs)

The DSU grants represent directors' fees earned during the quarter, which the individuals have elected to receive in lieu of cash. These DSUs vest immediately and are recorded as an increase in accounts payable and accrued liabilities. Remeasurements of the DSUs are conducted monthly, affecting selling, general, and administrative expenses in the Consolidated Statement of Income (Loss).

On March 7, 2024, the Company granted 36,618 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 $8.10, 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 $297. The fair value of the DSUs at the end of the reporting period is $267 and is included in Accounts payable and accrued liabilities.

On May 8, 2024, the Company granted 31,304 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 $7.44, 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 $233. The fair value of the DSUs at the end of the reporting period is $228 and is included in Accounts payable and accrued liabilities.

On August 8, 2024, the Company granted 45,894 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 $7.36, 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 $338. The fair value of the DSUs at the end of the reporting period is $334 and is included in Accounts payable and accrued liabilities.

Note 7 – Net Income (Loss) Per Common Share

Net income (loss) per common share consists of the following:

	Three months ended September 30,		Nine months ended September 30,	
($ thousands)	**2024**	2023	**2024**	2023
Net income/(loss)	**(2,309)**	(189)	**(722)**	(6,946)
Less: dividends on preferred shares	**(1,073)**	(1,073)	**(3,219)**	(3,219)
Net income/(loss) attributable to common shareholders from continuing operations	**(3,382)**	(1,262)	**(3,941)**	(10,165)
Net income/(loss) from discontinued operations	—	—	—	(2,064)
Net income/(loss) attributable to common shareholders	**(3,382)**	(1,262)	**(3,941)**	(12,229)
Weighted-average number of common shares outstanding (in thousands):				
Basic				
Common shares	**15,734**	15,773	**15,744**	15,778
Common shares held by the SIP Trust[1]	**(180)**	(230)	**(182)**	(230)
Contingently returnable common shares held in escrow	**(136)**	(3,094)	**(146)**	(3,095)
	15,418	12,449	**15,416**	12,453
Diluted				
Dilutive effect of shares held by the SIP Trust[1]	**180**	230	**182**	230
Dilutive effect of contingently returnable common shares held in escrow	**136**	3,094	**146**	3,095
	15,734	15,773	**15,744**	15,778
Net income/(loss) per common share - Basic				
Continuing operations	**(0.22)**	(0.10)	**(0.26)**	(0.82)
Discontinued operations	—	—	—	(0.17)
Total	**(0.22)**	(0.10)	**(0.26)**	(0.99)
Net income/(loss) per common share - Diluted[2]				
Continuing operations	**(0.22)**	(0.10)	**(0.26)**	(0.82)
Discontinued operations	—	—	—	(0.17)
Total	**(0.22)**	(0.10)	**(0.26)**	(0.99)

[1]The Company has a 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 8 – 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. Non-trading assets and liabilities are carried 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, employee and other loans receivable, other assets and liabilities, debt and provisions, 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.

($ Thousands, except share and per share amounts)

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

As at September 30, 2024	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Securities owned				
Equity securities	562	—	—	562
Derivative financial assets	—	—	137	137
Financial assets carried at fair value	562	—	137	699

As at December 31, 2023	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Securities owned				
Equity securities	450	—	—	450
Derivative financial assets	—	—	163	163
Financial assets carried at fair value	450	—	163	613

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, 2022	24
Net unrealized gain (loss) before income taxes	127
Additions	39
Disposals/expiries	(27)
As at December 31, 2023	163
Additions	101
Disposals/expiries	(124)
Net unrealized gain (loss) before income taxes	(3)
As at September 30, 2024	137

($ Thousands, except share and per share amounts)

Note 9 – Provisions

The following table presents the changes in the Company's provisions as at September 30, 2024 and December 31, 2023.

Balance, December 31, 2022	24,734
Additions	3,319
Payments[1]	(15,352)
Recoveries	(400)
As at December 31, 2023	12,301
Additions[2]	4,900
Payments	(1,962)
Recoveries	(605)
As at September 30, 2024	14,634

[1]Includes $400 relating to key management personnel.
[2]Includes $4,100 at present value, relating to a three-year contract for services with key management.

Note 10 – Debt

The following table presents a breakdown of the Company's debt obligations as at September 30, 2024 and December 31, 2023.

As at	September 30, 2024	December 31, 2023
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 with a syndicate of lenders. As of September 30, 2024, the Company has drawn $80.5 million against the facility.

The facility contains clauses whereby the Company is required to meet certain financial covenants. As at September 30, 2024 and December 31, 2023, the Company was compliant with the covenants associated with the facility.

On June 5, 2024, the Company amended its revolving credit facility agreement to reflect the change from Bankers' Acceptances to the daily compounded Canadian Overnight Repo Rate Average (CORRA).

On July 29, 2024, the Company received approval from the lenders to extend the term of its credit facility for an additional year. The renewal date has been extended from May 4, 2025 to May 4, 2026.

($ Thousands, except share and per share amounts)

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 nine months ending September 30, 2024 and 2023.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Securities owned	**45**	262	**(86)**	(388)
Receivable from clients and brokers	**25,706**	118,207	**(41,240)**	(388,919)
Client funds held in trust	**—**	—	**—**	367,316
Employee and other loans receivable	**(7,234)**	(1,132)	**(19,014)**	(3,406)
Other assets	**5,263**	10,004	**481**	16,292
Payable to clients	**(23,014)**	(123,607)	**31,967**	(292,048)
Accounts payable and accrued liabilities	**1,965**	4,015	**3,726**	8,006
Provisions	**4,018**	(4,697)	**2,333**	(6,797)
	6,749	3,052	**(21,833)**	(299,944)

Comparative periods were reclassified to conform to the current period presentation.

Note 12 – Discontinued Operations

On December 6, 2019, the Company completed the sale of substantially all of its capital markets business in an all-cash transaction to Stifel Nicolaus Canada Inc. In the second quarter of 2023, the Company recorded a $2,064 increase in legal provisions associated with this discontinued operation. This provision was subsequently settled in Q4 2023.

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

Q3 2024 Conference Call

A conference call and live audio webcast to discuss RF Capital's third quarter 2024 financial results will be held on Friday, November 8, 2024, at 10:00 a.m. (EST). Interested parties are invited to access the earnings conference call on a listen-only basis by dialing 416-340-2217 or 1-800-806-5484 (toll free) and entering participant passcode: 7715540#, or via live audio webcast at *https://www.richardsonwealth.com/investor-relations/financial-information*. A recording of the conference call will be available until Sunday, December 8, 2024, by dialing 905-694-9451 or 1-800-408-3053 (toll free) and entering access code 2618170#. The audio webcast will be archived at *https://www.richardsonwealth.com/investor-relations/financial-information*.