

GMP CAPITAL INC. REPORTS THIRD QUARTER 2020 RESULTS

- Ushers in a new era of growth in wealth management with completion of RGMP Transaction
- Richardson GMP AUA¹ of \$28.9 billion as at September 30, 2020
- Company to be re-named RF Capital Group Inc. and to trade on the TSX under ticker symbol "RCG"
- Resumed payment of quarterly preferred share dividends
- Commences \$40 million substantial issuer bid at \$2.42 per Common Share

For further information about GMP Capital Inc., our results for third quarter 2020 and the meaning of certain references, this earnings release should be read in conjunction with our unaudited interim condensed consolidated financial statements as at and for the three and nine months ended September 30, 2020 (Third Quarter 2020 Financial Statements) and our management's discussion and analysis for the three and nine months ended September 30, 2020 (Third Quarter 2020 MD&A) and our annual information form, which can be accessed on our website at gmpcapital.com and on SEDAR at sedar.com. Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and have been taken from our Third Quarter 2020 Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS).

Toronto, November 6, 2020 – GMP Capital Inc. (GMP) (TSX: GMP) today reported a net loss from continuing operations of \$5.8 million in third quarter 2020 compared with a net loss of \$8.1 million in third quarter 2019. The net loss in the third quarter 2020 included \$2.4 million and \$1.5 million in costs incurred in connection with the Company's contested annual and special shareholder meeting ("**Proxy Contest Costs**") and other professional fees related to the closing of the RGMP Transaction ("**RGMP Transaction Costs**") respectively.

"The results for the quarter were affected by significant one-time costs incurred in connection with the milestone transaction to consolidate 100% of our wealth management business," said Kish Kapoor, President and Chief Executive Officer, GMP. "With that behind us, and with the strong support of all our investment advisors who have responsibility for managing \$28.9 billion in client assets, we are now focusing exclusively in serving our 32,000 clients across Canada, recruiting top advisors and pursuing other growth strategies to strengthen our leadership position in wealth management."

Commenting further, Mr. Kapoor said, "While it has been a long and difficult journey to get here, we are well positioned to create sustainable value for our clients and shareholders for generations to come."

Following the closing of the RGMP Transaction, Richardson GMP became a wholly owned subsidiary of the Company. Richardson GMP reported revenues and adjusted EBITDA¹ of \$199 million and \$31.4 million for the nine months ended September 30, 2020, respectively. This compares with \$204 million in revenues and \$36.8 million in adjusted EBITDA¹ in the corresponding period in 2019. In the fourth quarter 2020, we will account for these results using the acquisition method.

Discontinued Operations

Net loss from Discontinued Operations was \$0.2 million in third quarter 2020 compared with a net loss of \$17.3 million in third quarter 2019, which included notable contractual remuneration payments and other professional and advisory costs related to the sale of our former Capital Markets business and other restructuring costs. For further information relating to Discontinued Operations, please refer to Note 6 to the Third Quarter 2020 Financial Statements.

Consolidated Results

Net loss in third quarter 2020 was \$6.0 million compared with a net loss of \$25.4 million in third quarter 2019. The change was largely due to a \$17.3 million lower net loss from Discontinued Operations recorded in third quarter 2020 and a \$2.3 million lower net loss from continuing operations, which included \$2.4 million in Proxy Contest Costs and \$1.5 million in RGMP Transaction Costs recorded in third quarter 2020.

1. Considered to be a non-GAAP financial measure. This measure 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.

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MANAGEMENT'S DISCUSSION & ANALYSIS

For the Three and Nine Months Ended September 30, 2020

About this Management's Discussion and Analysis

Management's discussion and analysis (MD&A) is provided to enable readers to assess the financial condition and results of operations of GMP Capital Inc. (GMP or the Company) as at and for the three and nine months ended September 30, 2020.

This MD&A has been prepared with an effective date of November 5, 2020, and should be read in conjunction with the unaudited interim condensed consolidated financial statements and related notes of GMP as at and for the three and nine months ended September 30, 2020 (Third Quarter 2020 Financial Statements), GMP's MD&A for fiscal 2019 (2019 Annual MD&A) and GMP's audited consolidated financial statements and related notes as at and for the year ended December 31, 2019 (2019 Annual Financial Statements). These documents as well as additional information relating to GMP, including GMP's annual information form (AIF), can be accessed at gmppcapital.com and at sedar.com. Certain comparative amounts have been reclassified to conform to the current year's presentation.

All references to we, our, us and GMP Group refer to GMP, together with its consolidated operations controlled by it. All references to shareholders refer collectively to holders of common shares of GMP (Common Shares), holders of Cumulative 5-Year Rate Reset Preferred Shares, Series B of GMP (Series B Preferred Shares), and Cumulative Floating Rate Preferred Shares, Series C of GMP (Series C Preferred Shares). References to Preferred Shares refer to the Series B Preferred Shares and Series C Preferred Shares, collectively.

GMP's audit committee (Audit Committee) has reviewed this document and, prior to its release, the GMP board of directors (Board of Directors) approved it, on the Audit Committee's recommendation.

Certain numbers contained in this MD&A are subject to rounding.

Presentation of Financial Information and Non-GAAP Measures

Unless otherwise specified herein, financial results, including related historical comparatives, contained in this MD&A, are based on our Third Quarter 2020 Financial Statements, which have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The Canadian dollar is our functional and reporting currency for purposes of preparing the Company's consolidated financial statements and accordingly, all dollar references in this MD&A are in Canadian dollars, unless otherwise specified herein.

IFRS 5 – DISCONTINUED OPERATIONS

In accordance with IFRS 5, the sale of the company's U.S. fixed income business in January 2019 and the sale of substantially all of the assets of its capital markets business to Stifel Nicolaus Canada Inc. (Stifel) in December 2019 (the Sale Transaction), were both accounted for as Discontinued Operations as at December 31, 2019.

Certain previously reported figures have been retroactively restated to show the Discontinued Operations separately from Continuing Operations.

For further information relating to Discontinued Operations, please refer to Note 6 to the Third Quarter 2020 Financial Statements.

REPORTING SEGMENTS

Commencing in third quarter 2019, the Company changed the composition of its business segment disclosure to better reflect its go-forward organizational structure to provide readers enhanced understanding of management's views of GMP's core performance:

Previous Reporting Segments	Current Reporting Segments
Capital Markets	Operations Clearing
Wealth Management	Wealth Management
Corporate	Corporate

The results for prior periods have been restated to conform with the changes to reporting segments.

NON-GAAP MEASURES

We use certain measures to assess our financial performance that are not generally accepted accounting principles (GAAP) measures under IFRS. These measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of GMP's performance, liquidity, cash flows and profitability.

Annualized Return on Common Equity

We evaluate the performance of our consolidated operations using annualized return on common equity (ROE) which we calculate based on net income attributable to common shareholders divided by total average common shareholder equity for the period, which are measures derived from information contained in our Third Quarter 2020 Financial Statements.

Assets Under Administration

Assets under administration (AUA) is a non-GAAP financial measure of client assets that is common to the wealth management business. AUA represents the market value of client assets managed and administered by Richardson GMP from which it earns commissions and fees. This measure includes funds held in client accounts as well as the aggregate market value of long and short security positions. Richardson GMP's method of calculating may differ from the methods used by other companies and therefore may not be comparable to other companies. Management uses these measures to assess Richardson GMP's operational performance.

Transaction Costs

Third quarter and first nine months 2020 results were both impacted by \$2.4 million in incremental costs incurred in connection with GMP's contested annual and special meeting of common shareholders on October 6, 2020 (the "**Proxy Contest Costs**"), and \$1.5 million and \$3.0 million, respectively, in incremental professional and advisory fees (the "**RGMP Transaction Costs**") in connection with the closing of the transaction to consolidate 100% of the ownership in Richardson GMP under GMP (the "**RGMP Transaction**") compared with \$0.5 million and \$0.8 million recorded in third quarter and first nine months 2019, respectively. Both the Proxy Contest Costs and the RGMP Transaction Costs were recorded in the Corporate Segment.

The following table provides a reconciliation of GMP's reported results to its adjusted measures including the composition of the adjusted measures for the periods presented:

(\$'000, except as otherwise noted)	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
Reported Results				
Loss before income taxes from continuing operations	(5,755)	(3,075)	(10,158)	(4,622)
Net loss from continuing operations	(5,760)	(8,123)	(10,584)	(8,423)
Net loss	(5,977)	(25,407)	(11,245)	(44,696)
Net income (loss) attributable to common shareholders from continuing operations	(5,760)	(9,227)	(12,767)	(11,724)
Net income (loss) attributable to common shareholders	(5,977)	(26,511)	(13,428)	(47,997)
Reported Measures				
Net loss per Common Share (dollars) from continuing operations				
Basic	(0.08)	(0.13)	(0.17)	(0.17)
Diluted	(0.08)	(0.13)	(0.17)	(0.17)
Net income (loss) per common share (dollars):				
Basic	(0.08)	(0.38)	(0.18)	(0.69)
Diluted	(0.08)	(0.38)	(0.18)	(0.69)
ROE ¹ from continuing operations	(28.6)%	(31.3)%	(20.4)%	(11.8)%
Pre-Tax Impact of Adjusting Items:				
RGMP Transaction Costs	1,477	515	3,039	1,077
Proxy Contest Costs	2,424	-	2,424	-
Restructuring Charge	-	1,975	-	1,975
Impact of adjusting items on income (loss) before taxes	3,901	2,490	5,463	3,052
After-Tax Impact of Adjusting Items:				
RGMP Transaction Costs	1,477	327	3,039	1,077
Proxy Contest Costs	2,424	-	2,424	-
Restructuring Charge	-	1,975	-	1,975
Deferred tax asset write-down	-	8,031	-	8,031
Impact of adjusting items on net (loss)/income	3,901	10,333	5,463	11,083
Adjusted Results¹				
Loss before income taxes from continuing operations	(1,854)	(585)	(4,695)	(1,570)
Net loss from continuing operations	(1,859)	2,210	(5,121)	2,660
Net loss	(2,076)	(15,074)	(5,782)	(33,613)
Net (loss) income attributable to common shareholders from continuing operations	(1,859)	1,106	(7,304)	(641)
Net (loss) income attributable to common shareholders	(2,076)	(16,178)	(7,965)	(36,914)
Adjusted Measures¹				
Net (loss) income per common share (dollars) from continuing operations:				
Basic	(0.03)	0.02	(0.10)	(0.01)
Diluted	(0.02)	0.01	(0.10)	(0.01)
Net (loss) income per common share (dollars) from continuing operations:				
Basic	(0.03)	(0.23)	(0.11)	(0.53)
Diluted	(0.03)	(0.21)	(0.11)	(0.49)

1. Considered to be non-GAAP financial measures. These measures 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.

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 our objectives, our 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 the RGMP Transaction, the nature of GMP’s growth strategy going forward and execution of any of its 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 in the forward-looking statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this MD&A.

Risks and uncertainties related to the RGMP Transaction include, but are not limited to: the risk that the RGMP Transaction may involve unexpected costs, liabilities or delays; the risk that, as a result of the completion of the RGMP Transaction, the business of GMP and/or Richardson GMP may experience significant disruptions, including loss of clients or employees due to transaction-related uncertainty, industry conditions or other factors; risks relating to employee retention; the risk that legal proceedings may be instituted against GMP or Richardson GMP; risks related to the diversion of management’s attention from GMP’s ongoing business operations; and risks related to the COVID-19 global pandemic. For a description of additional risks that could cause our actual results to materially differ from our current expectations, see the “Risk Management” and “Risk Factors” sections of GMP’s 2019 MD&A and the “Risk Factors” section in the Company’s AIF. For additional information on the risk factors related to the RGMP Transaction, see “The RGMP Transaction – Reasons for the RGMP Transaction” and “Risk Factors” in the Company’s September 8, 2020 management information circular (the September Circular). GMP’s 2019 MD&A and the September Circular are filed under the Corporation’s profile on SEDAR at www.sedar.com.

Although forward-looking information contained in this MD&A is provided based on management’s reliance on certain assumptions it considers reasonable, there can be no assurance that such expectations will prove to be correct. Certain statements included in this press release may be considered a “financial outlook” for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other

than this MD&A. 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.

The forward-looking information contained in this MD&A is made as of the date of this MD&A, and should not be relied upon as representing GMP’s views as of any date subsequent to the date of this MD&A. Except as required by applicable law, management and the Board undertake no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

COVID-19

The duration and full impact of the COVID-19 outbreak, including the current second wave, is unknown at this time, as is the efficacy of the continued government and central bank interventions and measures. These measures, which include a continuation of travel bans, quarantine periods and social distancing, may cause further material disruption to businesses globally. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries or business affiliates in future periods.

About GMP

GMP (soon to be re-named RF Capital Group Inc.) is a public company listed on the Toronto Stock Exchange (TSX). GMP’s Common Shares, Series B Preferred Shares, and Series C Preferred Shares are listed on the TSX under the symbols GMP, GMP.PR.B, and GMP.PR.C, respectively.

As at September 30, 2020, GMP operated through the following business segments: Operations Clearing, Wealth Management and a Corporate segment.

OPERATIONS CLEARING

Operations Clearing provides carrying broker services to Richardson GMP and, commencing December 6, 2019, to Stifel’s Canadian capital markets business. Services provided include trade execution, clearing and settlement of securities transactions, custody and other administrative services. Effective December 6, 2019, in connection with the Sale Transaction, GMP’s carrying broker business was re-named RF Securities Clearing LP (formerly GMP Securities L.P.).

WEALTH MANAGEMENT

Wealth Management consists of GMP’s non-controlling ownership interest in Richardson GMP, one of Canada’s largest independent wealth management firms. Richardson GMP is focused on providing exclusive and comprehensive wealth management and investment services delivered by an experienced team of investment professionals. GMP’s non-controlling ownership interest in Richardson GMP as at September 30, 2020, was approximately 34.1% (December 31, 2019 – 34.4%).

For the three and nine months ended September 30, 2020, Richardson GMP was considered an associate of GMP under IFRS and, accordingly, GMP's share of Richardson GMP's results were accounted for using the equity method. Wealth Management also includes dividend revenue recognized by GMP on its preferred share investments in Richardson GMP.

CORPORATE

The Corporate segment primarily comprises enterprise-wide items, corporate functions and public company costs.

For further descriptions of our business segments and our Corporate segment, refer to "Segment Results from Continuing Operations" in this MD&A.

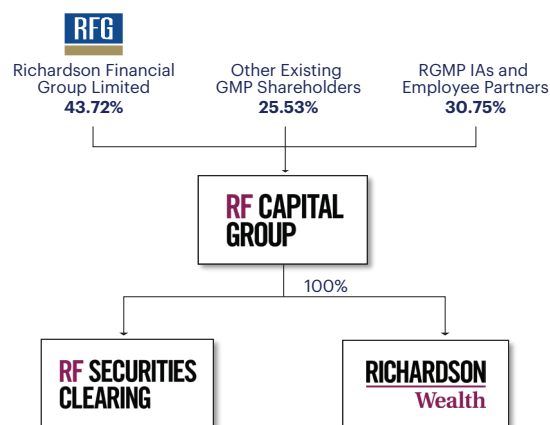
RGMP Transaction

On October 6, 2020, GMP's shareholders overwhelmingly approved, among other things:

- the acquisition by GMP of all the common shares of Richardson GMP that were not owned by the Company for a purchase price of 1.76 common shares of GMP (Common Shares) for each common share of Richardson GMP (the "RGMP Transaction"). In consideration, GMP agreed to issue 100,517,533 Common Shares to former Richardson GMP shareholders at closing (the Issuance). Of this amount, 10% of the Issuance are to be freely tradeable shortly after closing of the substantial issuer bid noted below and the remaining 90% held in escrow to be released in equal amounts on the first three anniversaries following closing;
- changing the name of the Company from GMP Capital Inc. to RF Capital Group Inc. Concurrent with this change, the Company also announced that Richardson GMP will also be renamed Richardson Wealth and Patrimoine Richardson for the anglophone and francophone markets, respectively; and
- conditional upon the completion of the RGMP Transaction, the purchase pursuant to a substantial issuer bid ("SIB") of up to 16,528,926 of GMP's outstanding Common Shares at \$2.42 per Common Share for an aggregate purchase price of approximately \$40 million. If more than 16,528,926 Common Shares are validly deposited under the SIB, then the deposited Common Shares are to be purchased on a *pro rata* basis according to the total number of Common Shares validly deposited under the SIB (subject to certain exceptions for "odd lot" holders). The SIB is expected to be completed, with all common shares required to be purchased thereunder taken up and paid for, no later than November 20, 2020. RFGL has agreed not to participate in the SIB and no shares being issued under the RGMP Transaction will be entitled to participate in the SIB. Accordingly, the full \$40 million under the SIB will be available to the minority GMP Common Shareholders.

The illustration below shows the percentage ownership for all three of GMP's common shareholder groups following the closing of the RGMP Transaction and the completion of the SIB.

Commencing in fourth quarter 2020, Richardson GMP's (to be renamed Richardson Wealth) results will be accounted for using the acquisition method.



Go-Forward Strategy

The RGMP Transaction is the culmination of a three-year journey to transform GMP into a dominant wealth management firm in Canada. The market for retail financial wealth in Canada is expected to grow from \$4.4 trillion to \$7.7 trillion by 2028 (source: *Investor Economics*), creating a considerable opportunity for an independent competitor or independent firm with national scale. The Company believes that demographic trends driving a generational shift have created a growing degree of complexity and sophistication of wealth solutions, supporting the long-term value proposition of face-to-face advice.

By completing the RGMP Transaction and associating with the Richardson brand which has a successful 90-year history in financial services, the Company's mission is to be the destination of choice for:

- Canada's top investment advisors, who share our entrepreneurial spirit, independent culture and philosophy to deliver unparalleled face-to-face advice to Canadians seeking non-bank points of access for holistic wealth management solutions across the entire household balance sheet; and
- For third-party providers of innovative wealth management branded and co-branded solutions for our advisors and clients.

To realize its mission, the Company intends to grow Richardson GMP's 164 investment advisory teams, current \$28.9 billion in AUA and \$199.3 million in revenue as at and for the nine-month period ending September 30, 2020 and its earnings by:

- Investing in Richardson GMP's highly talented investment advisors and platform to better serve advisors and their clients;
- Proactively recruiting top advisors, offering cash incentive payments in exchange for long-term commitments to be employed at Richardson GMP;
- Exploring potential acquisition of like-minded high-quality wealth management businesses;
- Adding complementary asset management and insurance capabilities through acquisitions or alliances;

- Enhancing operating margins;
- Realizing operating synergies with our carrying broker platform including through addition of new clients to our platform; and
- Expanding, originating and offering greater choice of third-party products and services, including branded and co-branded solutions with industry-leading providers of funds, ETFs, alternatives, structured products, deposits, insurance, banking solutions and more.

The key drivers and three pillars of future success to this growth strategy include:



To learn more about the Company's growth strategy please review the Company's Annual Report and the Company's Proxy Circular dated September 8, 2020. Both documents can be found at <https://gmpcapital.com/Investor-Relations/Shareholder-Meetings>.

Third Quarter and First Nine Months 2020 Financial Highlights

SELECTED FINANCIAL INFORMATION

(\$'000, except as otherwise noted)	Three months ended September 30			Nine months ended September 30		
	2020	2019	% increase/ (decrease)	2020	2019	% increase/ (decrease)
Revenue	7,506	10,558	(29)	23,404	28,473	(18)
Investment banking and principal transactions	–	999	(100)	–	3,451	(100)
Interest	2,463	6,360	(61)	8,279	14,108	(41)
Other	5,043	3,199	58	15,125	10,914	39
Expenses	12,846	14,220	(10)	32,788	34,764	(6)
Employee compensation and benefits	2,804	4,940	(43)	8,335	11,081	(25)
Non-compensation expenses	10,042	9,280	8	24,453	23,683	3
Share of net (loss) income of associate²	(415)	587	(171)	(774)	1,669	(146)
Loss before income taxes	(5,755)	(3,075)	(87)	(10,158)	(4,622)	(120)
Net loss from continuing operations	(5,760)	(8,123)	29	(10,584)	(8,423)	(26)
Net loss from discontinued operations	(217)	(17,284)	99	(661)	(36,273)	98
Net loss	(5,977)	(25,407)	76	(11,245)	(44,696)	75
Net loss per Common Share (dollars) from continuing operations:						
Basic	(0.08)	(0.13)	38	(0.17)	(0.17)	–
Diluted	(0.08)	(0.13)	38	(0.17)	(0.17)	–
Net loss per Common Share (dollars):						
Basic	(0.08)	(0.38)	79	(0.18)	(0.69)	74
Diluted	(0.08)	(0.38)	79	(0.18)	(0.69)	74
Regular cash dividend declared per Common Share (dollars):	–	0.025	(100)	0.025	0.050	(50)
ROE¹ from continuing operations	(28.6)%	(31.3)%	9	(20.4)%	(11.8)%	(73)

1. Considered to be non-GAAP financial measures. These measures 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. This data should be read in conjunction with the "Presentation of Financial Information and Non-GAAP Measures" section of this MD&A.

2. Share of net (loss) income of associate reflects our share of Richardson GMP's net (loss) income attributable to common shareholders. For more information on Richardson GMP's third quarter and first nine months 2020 financial performance, refer to the "Supplemental Information – Richardson GMP" section within this MD&A.

FINANCIAL PERFORMANCE

Third Quarter 2020 vs Third Quarter 2019

Continuing Operations

Revenues

Revenue from continuing operations of \$7.5 million in third quarter 2020 was down 29% from the \$10.6 million reported in third quarter 2019 led largely by lower interest income in connection with reduced activity in our stock borrowing and lending business and lower investment banking and principal transaction revenue. Third quarter 2019 included \$0.6 million in investment banking and principal transactions in our former Emerging Markets business, which was not acquired in connection with the Sale Transaction and is being wound down. Partly offsetting these decreases was higher other revenue in connection with providing carrying broker services to Stifel, which commenced December 6, 2019, and higher foreign exchange revenue.

Net Loss

Net loss from continuing operations was \$5.8 million in third quarter 2020 compared with a net loss of \$8.1 million in third quarter 2019. The \$2.3 million change from third quarter last year was due largely to several factors including:

- \$5.0 million in lower tax expenses which primarily reflects a non-cash deferred tax expense of \$8.0 million recorded in third quarter 2019 relating to a write-down of deferred tax assets;
- \$2.0 million restructuring provision recorded in third quarter 2019; and
- \$0.5 million increase in dividend revenue in connection with our preferred share investment in Richardson GMP.

These declines were partly offset by:

- \$2.4 million in Proxy Contest Costs;
- \$1.0 million in higher RGMP Transaction costs; \$1.5 million recorded in third quarter 2020 compared with \$0.5 million in third quarter 2019;
- \$1.0 million decrease in GMP's proportionate share of Richardson GMP's results;
- \$0.3 million decline in the net contribution from our former Emerging Markets operations this quarter compared with third quarter 2019; and
- \$0.3 million decrease in net contribution from our stock borrowing and lending business.

Discontinued Operations

Discontinued operations reflect substantially all of GMP's former capital markets business, excluding Emerging Markets, which is recorded in the Company's Corporate segment. Net loss from Discontinued Operations was \$0.2 million in third quarter 2020 compared with a net loss of \$17.3 million in third quarter 2019, which included notable contractual remuneration payments and other professional and advisory costs related to the Sale Transaction and other restructuring costs.

For further information relating to Discontinued Operations, please refer to Note 6 to the Third Quarter 2020 Financial Statements.

Consolidated Results

Net loss in third quarter 2020 was \$6.0 million compared with a net loss of \$25.4 million in third quarter 2019. The change was largely due to a \$17.3 million lower net loss from Discontinued Operations recorded in third quarter 2020 and a \$2.4 million lower net loss from continuing operations, which included \$1.5 million in RGMP Transaction and \$2.4 million in Proxy Contest Costs recorded in third quarter 2020.

First Nine Months 2020 vs First Nine Months 2019

Continuing Operations

Revenues

Revenue from continuing operations of \$23.4 million in first nine months 2020 was down 18% from the \$28.5 million reported in first nine months 2019 led largely by lower interest revenue in connection with reduced activity in our stock borrowing and lending business and lower investment banking and principal transaction revenue. First nine months 2019 included \$2.4 million in investment banking and other revenue in our former Emerging Markets business compared with mark-to-market loss on an inventory position of \$0.4 million for the same period in 2020. Partly offsetting these decreases was higher first nine months 2020 other revenue in connection with providing carrying broker services to both Richardson GMP and Stifel, which commenced December 6, 2019, and higher foreign exchange revenue. Other revenue also reflects \$1.7 million in dividends received in first nine months 2020 on our preferred share investments in Richardson GMP compared with \$1.8 million in first nine months 2019.

Net Loss

Net loss from continuing operations was \$10.6 million in first nine months 2020 compared with a net loss of \$8.4 million in first nine months 2019. The \$2.2 million change was due largely to several factors including:

- \$2.3 million in higher RGMP Transaction Costs recorded in first nine months 2020; \$3.1 million recorded in first nine months 2020 compared with \$0.8 million in first nine months 2019;
- \$2.4 million in Proxy Contest Costs recorded in first nine months 2020;
- \$2.4 million decrease in GMP's proportionate share of Richardson GMP's net income/loss; and
- \$0.8 million decrease in net contribution from our stock borrowing and lending business.

These declines were partly offset by:

- \$3.4 million in lower tax expense which primarily reflects a non-cash deferred tax expense of \$8.0 million recorded in first nine months 2019 relating to a write-down of deferred tax assets (income tax expense of \$0.4 million recorded in first nine months 2020 largely in connection with Part VI.1 tax relating to dividends paid on GMP's preferred shares compared with income tax expense of \$3.8 million in first nine months 2019); and

- \$2.7 million in lower employee compensation and benefits expense largely due to a \$2.0 million restructuring provision recorded in third quarter 2019 and lower salaries expense in first nine months 2020.

Discontinued Operations

Discontinued Operations reflect substantially all GMP's former capital markets business, excluding Emerging Markets, which was not sold in connection with the Sale Transaction and is recorded in our Corporate segment. Net loss from Discontinued Operations was \$0.7 million in first nine months 2020 compared with a net loss of \$36.3 million in first nine months 2019. The change was largely due to lower capital markets revenues, a \$28.5 million non-cash goodwill impairment charge recorded in Discontinued

Operations in second quarter 2019 and \$16.6 million in contractual remuneration payments, other professional and advisory costs and restructuring provisions related to the Sale Transaction.

For further information relating to Discontinued Operations, please refer to Note 6 to the Third Quarter 2020 Financial Statements.

Consolidated Results

Net loss in first nine months 2020 was \$11.2 million compared with a net loss of \$44.7 million in first nine months 2019. The \$33.5 million change was largely due to a \$36.3 million decrease in net loss from Discontinued Operations recorded in first nine months 2019.

Segment Results from Continuing Operations

The following section highlights the financial results of our two business segments and the Corporate segment, on a continuing basis, for third quarter and first nine months 2020 compared with third quarter and first nine months 2019. These segments are based upon the products and services provided and the types of customers served and reflect the manner in which financial information is evaluated by management.

OPERATIONS CLEARING

The following table shows the financial results of the Operations Clearing segment for the periods presented.

(\$000, except as otherwise noted)	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% increase/ (decrease)	2020	2019	% increase/ (decrease)
Revenue	6,515	9,377	(31)	21,991	24,318	(10)
Expenses	6,262	9,842	(36)	20,661	24,223	(15)
Employee compensation and benefits	1,516	2,119	(28)	4,874	5,167	(6)
Selling, general and administrative	3,006	2,252	33	9,299	7,259	28
Interest	1,609	5,088	(68)	6,100	10,538	(42)
Depreciation and amortization	131	383	(66)	388	1,259	(69)
Income (loss) before income taxes	253	(465)	154	1,330	95	1,300

FINANCIAL PERFORMANCE

Third Quarter 2020 vs Third Quarter 2019

Operations Clearing reported income before income taxes of \$0.3 million in third quarter 2020 compared with a loss before income taxes of \$0.5 million in third quarter 2019.

Revenues

Revenue in third quarter 2020 was \$6.5 million; down 31% compared with \$9.4 million in third quarter 2019. The decrease in revenue was led largely by lower interest revenue in connection with reduced activity in our stock borrowing and lending business, with a largely corresponding offset in lower interest expense. Partly offsetting this decrease was:

- higher carrying broker services provided to both Richardson GMP and to Stifel's Canadian capital markets business this quarter, following the completion of the Sale Transaction on December 6, 2019; and
- higher foreign exchange revenue compared with the same period a year ago.

Expenses

Expenses of \$6.3 million decreased 36% or \$3.6 million in third quarter 2020 compared with third quarter 2019 largely due to lower interest expense of \$3.5 million in connection with reduced activity in our stock borrowing and lending business this quarter compared to the same period in 2019 and lower employee compensation expense. This was partly offset by \$0.8 million or 33% increase in selling, general and administrative expenses from third quarter 2019 largely reflecting incremental trade clearing and settlement costs in connection with providing carrying broker services to both Richardson GMP and Stifel.

FINANCIAL PERFORMANCE

First Nine Months 2020 vs First Nine Months 2019

Operations Clearing reported net income before income taxes of \$1.3 million in first nine months 2020 compared with \$0.1 million in first nine months 2019.

Revenues

Revenue in first nine months 2020 was \$22.0 million; down 10% from \$24.3 million recorded in first nine months 2019. The decrease was led largely by lower interest revenue largely in connection with reduced activity in our stock borrowing and lending business, with a commensurate offset in interest expense. Partly offsetting the decreases was higher carrying broker services provided to both Richardson GMP and Stifel in first nine months 2020, following the completion of the Sale Transaction on December 6, 2019, and higher foreign exchange revenue over the comparable periods.

Expenses

Expenses of \$20.7 million in first nine months 2020 was 15% or \$3.6 million lower than the \$24.2 million recorded in first nine months 2019. The decrease was largely due to:

- 42% decrease in interest expense in first nine months 2020 compared with first nine months 2019 in connection with reduced activity in our stock borrowing and lending business in first nine months 2020 (largely offset by lower other revenue); and
- 6% decrease in employee compensation and benefits expense in first nine months 2020 largely due to \$0.3 million in restructuring costs recorded in first quarter 2020.

Partly offset by:

- A 28% increase in selling, general and administrative expenses reflecting incremental trade clearing and settlement costs in connection with providing carrying broker services to both Richardson GMP and Stifel.

WEALTH MANAGEMENT

The following table sets forth an overview of the financial results of the Wealth Management segment for the periods presented.

(\$000, except as otherwise noted)	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% increase/ (decrease)	2020	2019	% increase/ (decrease)
Revenue	1,071	603	78	1,715	1,773	(3)
Expenses	1	22	(95)	51	44	16
Share of net (loss) income of associate ²	(415)	587	(171)	(774)	1,669	(146)
Income before income taxes	655	1,168	(44)	890	3,398	(74)

2. GMP's non-controlling ownership interest in Richardson GMP as at September 30, 2020, was approximately 34.1% (December 31, 2019 – 34.4%). Richardson GMP is considered an associate of GMP under IFRS and, accordingly, GMP's share of Richardson GMP's results are accounted for using the equity method. Following the completion of the RGMP Transaction on October 20, 2020, Richardson GMP became a wholly owned subsidiary of GMP.

As at September 30, 2020, Richardson GMP had 2.6 million RSUs outstanding. In connection with the closing of the RGMP Transaction, Richardson GMP recorded a one-time expense of \$3.0 million related to the accelerated vesting of all outstanding RSUs in third quarter 2020 (the "Accelerated RSU Costs"). As at September 30, 2020, GMP's proportionate ownership interest in Richardson GMP was 34.1%. GMP's proportionate ownership of this aggregate amount is reflected in the Share of Net (loss)/income of associate on the Company's income statement in the Third Quarter 2020 Financial Statements and financial highlights table in this MD&A. For further information please see "Supplemental Information – Richardson GMP – Restricted Share Units" section in this MD&A.

FINANCIAL PERFORMANCE

Third Quarter and First Nine Months 2020 vs Third Quarter and First Nine Months 2019

Wealth Management reported income before income taxes of \$0.7 million and \$0.9 million in third quarter and first nine months 2020, respectively, compared with income before income taxes of \$1.2 million and \$3.4 million in third quarter and first nine months 2019, respectively. These decreases largely reflect a reduction in GMP's proportionate share of Richardson GMP's net income/loss attributable to common shareholders.

Total revenue reflects dividends declared on our preferred share investments in Richardson GMP which were \$1.1 million in third quarter 2020 compared with \$0.6 million in third quarter 2019, and \$1.7 million and \$1.8 million in first nine months 2020 and first nine months 2019, respectively.

For more information on Richardson GMP's third quarter and first nine months 2020 financial performance, refer to the "Supplemental Information – Richardson GMP" section within this MD&A.

CORPORATE

The Corporate segment primarily comprises enterprise-wide items, corporate functions and public company costs. This segment also included the results of the Company's former Emerging Markets business, which is being wound down. The following table sets forth the financial results for the Corporate segment for the periods presented.

(\$000, except as otherwise noted)	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% increase/ (decrease)	2020	2019	% increase/ (decrease)
Revenue	(80)	578	(114)	(302)	2,382	(113)
Expenses	6,583	4,356	51	12,076	10,497	15
Employee compensation and benefits	1,288	2,821	(54)	3,461	5,914	(41)
Non-compensation expenses	5,295	1,535	245	8,615	4,583	88
Loss before income taxes – reported	(6,663)	(3,778)	(76)	(12,378)	(8,115)	(53)
Pre-tax impact of adjusting items						
RGMP Transaction Costs	1,477	515	n.m.	3,039	823	n.m.
Proxy Contest Costs	2,424	–	n.m.	2,424	–	n.m.
Loss before income taxes – adjusted¹	(2,762)	(3,263)	(15)	(6,915)	(7,292)	(5)

n.m. = not meaningful

1. Considered to be a non-GAAP financial measure. This measure 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. The majority of revenue in the Corporate segment reflects GMP's Emerging Markets business that was not acquired in connection with the Sale Transaction and is being wound down.

FINANCIAL PERFORMANCE

Third Quarter and First Nine Months 2020 vs Third Quarter and First Nine Months 2019

Third quarter and first nine months 2019 revenue includes \$1.2 million and \$1.8 million in investment banking and mark-to-market gains on an inventory position in our former Emerging Markets business.

Expenses of \$6.6 million and \$12.1 million in third quarter and first nine months 2020, respectively, increased 51% and 15% compared with third quarter and first nine months 2019. The increase in each respective comparable period was led largely by RGMP Transaction

and Proxy Contest Costs. Third quarter and first nine months 2020 included \$2.4 million Proxy Contest Costs, and \$1.5 million and \$3.0 million, respectively, in RGMP Transaction Costs. RGMP Transaction Costs were \$0.5 million and \$0.8 million in third quarter and first nine months 2019, respectively. Partly offsetting this increase was lower variable compensation in Emerging Markets, which was commensurate with lower revenue generation in that business. First nine months 2020 included \$2.0 million in restructuring charge in connection with the wind-down of our former Emerging Markets business.

Quarterly Results

The following table sets forth selected quarterly financial information for the eight most recently completed fiscal quarters.

(\$000, except as otherwise noted)	2020			2019				2018
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	7,506	7,070	8,828	8,367	10,558	8,737	9,180	6,978
Investment banking and principal transactions	–	–	–	533	999	1,527	926	419
Interest	2,463	2,177	3,639	4,575	6,360	4,007	3,741	2,836
Other	5,043	4,893	5,189	3,259	3,199	3,203	4,513	3,723
Expenses	12,846	8,566	11,376	11,248	14,220	10,383	10,162	9,889
Share of (loss) income of associate	(415)	(473)	114	603	587	137	945	541
(Loss) income before income taxes from continuing operations	(5,755)	(1,969)	(2,434)	(2,278)	(3,075)	(1,509)	(37)	(2,370)
Net (loss) income from continuing operations	(5,760)	(1,787)	(3,037)	(5,288)	(8,123)	(464)	165	1,106
Net (loss) income from discontinued operations	(217)	(564)	120	(3,175)	(17,284)	(3,345)	(15,645)	(6,057)
Net loss	(5,977)	(2,351)	(2,917)	(8,463)	(25,407)	(3,809)	(15,480)	(4,951)
Net loss per Common Share (dollars) from continuing operations:								
Basic	(0.08)	(0.04)	(0.06)	(0.09)	(0.13)	(0.02)	(0.01)	–
Diluted	(0.08)	(0.04)	(0.06)	(0.09)	(0.13)	(0.02)	(0.01)	–
Net loss per Common Share (dollars):								
Basic	(0.08)	(0.05)	(0.06)	(0.13)	(0.38)	(0.07)	(0.23)	(0.09)
Diluted	(0.08)	(0.05)	(0.06)	(0.13)	(0.38)	(0.07)	(0.23)	(0.09)

QUARTERLY TREND AND ANALYSIS

GMP's revenues and expenses from continuing operations are generated primarily by our Operations Clearing segment, which includes stock borrowing and lending activity and carrying broker and other administrative services.

Specified Items Affecting Our Reported Results from Continuing Operations

- \$2.4 million of Proxy Contest Costs recorded in third quarter 2020.
- Professional and other fees recorded in connection with the RGMP Transaction include: \$1.5 million in third quarter 2020, \$1.6 million in first quarter 2020, \$1.3 million in fourth quarter 2019 and \$0.8 million in third quarter 2019.
- First quarter 2020 and fourth quarter 2019 include a \$0.5 million and \$1.8 million tax expense, respectively, in connection with Part VI.1 tax relating to GMP's preferred shares outstanding.
- Third quarter 2019 included a non-cash deferred tax expense of \$8.0 million relating to a write-down of deferred tax assets, and also included \$2.0 million in restructuring charges recorded in the Corporate segment.

- Fourth quarter 2018 included a recognition of a deferred tax asset of \$2.6 million in connection with previously unrecognized losses.

Interest revenue in our Operations Clearing segment has generally benefited from increased stock borrowing and lending activity in 2019 and first quarter of 2020. Other revenue largely reflects carrying broker and administrative support fees charged largely to Richardson GMP, and commencing on December 6, 2019, to Stifel. Other revenue also includes dividends declared from our preferred share investment in Richardson GMP.

Total expenses over the past five quarters reflect charges in connection with the restructuring of continuing operations, and professional and other fees incurred in connection with the closing of the RGMP Transaction on October 20, 2020. Commencing December 6, 2019, expenses also reflect incremental trade clearing and settlement costs in connection with providing carrying broker services to Stifel's Canadian capital markets business, more than offset in other revenue.

Share of net (loss) income of associate reflects our share of Richardson GMP's net income (loss) attributable to common shareholders.

Financial Condition

The table below sets forth select consolidated balance sheet items as at the dates presented and is followed by a discussion of the change in these balances from December 31, 2019 to September 30, 2020.

(\$000)	September 30, 2020	December 31, 2019	\$ increase/ (decrease)	% increase/ (decrease)
TOTAL ASSETS	1,753,592	1,357,862	395,730	29
<i>Selected asset balances:</i>				
Cash and cash equivalents	506,224	516,601	(10,377)	(2)
Securities owned	59,309	65,441	(6,132)	(9)
Receivable from:				
Clients	450,371	256,075	194,296	76
Brokers	197,707	67,876	129,831	191
Other assets	452,731	362,887	89,844	25
Promissory note receivable	2,754	2,754	–	–
TOTAL LIABILITIES	1,565,684	1,155,002	410,682	36
<i>Selected liability balances:</i>				
Payable to:				
Clients	1,240,739	958,354	282,385	29
Brokers	268,914	124,308	144,606	116
Promissory Note	15,603	15,603	–	–

Total assets increased \$395.7 million or 29% in first nine months 2020. The increase primarily relates to higher client and broker receivables. Higher other assets reflect an increase in funds deposited in trust. Partly offsetting these increases was a decrease in cash and cash equivalents of \$10.4 million during first nine month of 2020.

The receivable from clients balance as at September 30, 2020, included loans receivable from clients of \$348.1 million (December 31, 2019 – \$192.7 million) and open security transactions of \$102.3 million (December 31, 2019 – \$63.3 million). The level of open security transactions pending settlement with clients may fluctuate significantly on a day-to-day basis based on client trading activity and the balance represents the level of unsettled transactions outstanding.

Total liabilities increased \$410.7 million or 36% in first nine months 2020 compared with December 31, 2019. Amounts payable to clients increased 29% compared with the prior year while amounts payable to brokers increased 116%. As at September 30, 2020, amounts payable to clients included client deposits of \$1.1 billion (December 31, 2019 – \$0.9 billion) and open security transactions of \$0.1 billion (December 31, 2019 – \$0.1 billion). The level of open security transactions pending settlement with brokers and clients may fluctuate significantly on a day-to-day basis based on trading activity and the balance represents the level of unsettled transactions outstanding.

The Company also has promissory notes payable to former shareholders of FirstEnergy in the amount of \$15.6 million. These notes are, in part, offset by promissory notes receivable from Stifel in the amount of \$2.8 million, for a net amount of \$12.8 million as at September 30, 2020. Both the promissory notes payable and receivable are due in September 2021, previously classified as non-current. For further information on promissory notes please see Note 9 to the Third Quarter 2020 Financial Statements.

Liquidity and Capital Resources

GMP requires capital and liquidity to fund existing and future operations, future cash payments to our shareholders and to satisfy regulatory requirements. GMP's policy is to maintain sufficient and appropriate levels of capital and liquidity through a variety of sources, at a reasonable cost. This serves to maintain balance sheet strength under normal market conditions and through periods of financial stress. Capital and balance sheet strength are always key priorities for GMP.

GMP currently derives liquidity from its working capital and its credit facilities. As at September 30, 2020, GMP has credit facilities with Canadian Schedule I banks of approximately \$710.9 million (December 31, 2019 – \$710.9 million) that are used to facilitate the day-to-day securities settlement process primarily for client transactions. These facilities are collateralized by either unpaid client securities and/or securities owned and do not represent a source of cash to GMP for payment of dividends, or funding of business initiatives. There were no amounts outstanding under these facilities as at September 30, 2020, and December 31, 2019.

GMP holds its cash and cash equivalent balances with a number of financial institutions with high credit ratings. All cash and cash equivalent balances are short term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less. GMP considers Canadian federal government debt (such as treasury bills) with original maturities from three to six months as highly liquid investments. Although these securities are not classified as cash equivalents on the consolidated balance sheets, they form an important part of GMP's overall cash management practices to address liquidity risk. There were no significant changes made to GMP's cash management practices during 2020. GMP's inventory of trading assets is recorded at market value. Receivables and payables from brokers and dealers represent open transactions which generally settle within the normal two-day settlement cycle and include collateralized securities borrow and/or lend transactions that can be closed on demand within a few days. Client receivables are secured by securities and are reviewed on an ongoing basis for impairment in value and collectability.

Management believes GMP's working capital provides it with an appropriate level of liquidity and capital for existing operating and regulatory purposes for the reasonably foreseeable future assuming no significant adverse changes in the markets in which we operate. We continually assess our dividend policy, initiatives and expense structure. If capital markets deteriorate, adversely impacting our ability to generate cash flow, we will need to assess and potentially make changes to our dividend policy, initiatives, and expense structure. We may also seek borrowings and/or equity financing to maintain or increase our productive capacity. There can be no assurance that such borrowings and/or equity financing will be available to GMP or available on terms and in an amount sufficient to meet our needs.

Substantial Issuer Bid

On October 13, 2020, GMP announced the commencement of its SIB under which the Company will purchase up to 16,528,926 of its outstanding Common Shares at \$2.42 per Common Share for an aggregate purchase price of approximately \$40 million. The only condition to the closing of the SIB was the completion of the RGMP Transaction. The SIB will expire at 5:00 p.m. (Eastern time) on November 18, 2020, unless extended or withdrawn by the Company. GMP reserves the right, subject to applicable laws, to withdraw or amend the SIB if, at any time prior to the payment of deposited Common Shares, certain events occur. GMP intends to fund any purchases of Common Shares pursuant to the SIB from cash on hand and short-term investments. For further information relating to SIB, please see "Outstanding Share Data and Dividends – Substantial Issuer Bid" in this MD&A.

Subordinated Loans

On March 20, 2020, GMP provided written notice to terminate its \$17.5 million committed standby subordinated loan facility, that was scheduled to mature October 25, 2020. This facility was formally terminated by the Company on July 1, 2020. The facility was undrawn for the period from January 1, 2020 until its termination on July 1, 2020 and was also undrawn as at December 31, 2019.

Subsidiary Capital Requirements

Certain of GMP's subsidiaries are subject to regulatory capital requirements designed to provide notice to the relevant regulatory authority of possible liquidity concerns. Regulatory capital levels fluctuate daily based on margin requirements in respect of outstanding trades and/or working capital requirements. Compliance with these requirements may require GMP to keep sufficient cash and other liquid assets on hand to maintain regulatory capital requirements rather than using these liquid assets in connection with its business or paying them out in the form of a cash dividend. During first nine months 2020 and as at September 30, 2020, GMP's subsidiaries were in compliance with all regulatory capital requirements.

Recognition Plan

Concurrent with the closing of the RGMP Transaction, Richardson GMP implemented a recognition program (the "Recognition Plan") for all Richardson GMP advisors. Under the terms of the Recognition Plan, existing Richardson GMP investment advisors and employees were entitled to elect

to receive all of their recognition awards either in cash or in Richardson GMP common shares, immediately prior to closing of the RGMP Transaction, or a combination thereof. Under the Recognition Plan, the Company intends to pay \$32.9 million, in cash, during fourth quarter 2020, net of any GMP common shares that may be issued to Richardson GMP investment advisors and employees as part of the Recognition Plan.

Richardson GMP investment advisors and employees who elected to receive their Recognition Plan payment in cash were granted a three-year loan awarded on performance-based criteria. Upon satisfaction of certain conditions, including continued employment, the loan will be repaid over a prescribed term of three years from cash bonus amounts awarded on each applicable anniversary date from the initial advance of the loan as they satisfy the performance-based criteria. Under the terms of the loan, an investment advisor will be required to repay any outstanding loan balance if they leave Richardson GMP at any time prior to the end of the loan period. The Recognition Plan is customary for transactions involving wealth management firms of similar size and scale.

Cash Flow Summary

(\$000)	Nine months ended September 30,	
	2020	2019
Operating activities	(6,625)	(64,327)
Financing activities	(5,097)	(8,835)
Investing activities	874	6,140
Effect of foreign exchange on cash balances	471	(469)
Net decrease in cash and cash equivalents	(10,377)	(67,491)

Operating Activities

Cash used by operating activities was \$6.6 million in first nine months 2020 compared with cash used by operations of \$64.3 million in first nine months 2019. Excluding non-cash operating items, cash used by operations was \$10.1 million in first nine months 2020 compared with cash used by operations of \$12.9 million in first nine months 2019. For further detail on non-cash operating items, please refer to Note 15 of the Third Quarter 2020 Financial Statements.

Financing Activities

Financing activities consumed \$5.1 million and \$8.8 million of cash in first nine months 2020 and first nine months 2019, respectively. Financing activities in first nine months 2020 and first nine months 2019 included \$3.3 million in dividends paid on Preferred Shares. On April 29, 2020, in response to the disruption caused by COVID-19, GMP's Board of Directors decided to temporarily suspend the Company's quarterly common share dividend. As such, dividends paid on Common Shares were \$1.9 million and \$5.7 million in first nine months 2020 and 2019, respectively. Principal elements of lease payment obligations consumed \$1.0 million in first nine months 2020.

Investing Activities

First nine months 2020 investing activities provided \$0.9 million of cash largely due to a common share dividend of \$0.7 million on our equity investment in Richardson GMP received in first quarter 2020. First nine months 2019 investing activities provided \$6.1 million of cash largely due to \$10.8 million in proceeds from the sale of GMP's U.S. fixed income business in January 2019, and common share dividends of \$2.0 million on our equity investment in Richardson GMP. These amounts were partly offset by an additional \$4.4 million equity investment made in Richardson GMP and \$2.3 million in equipment and leasehold improvements in the first nine months of 2019.

Outstanding Share Data and Dividends

GMP is authorized to issue an unlimited number of Common Shares. GMP is also authorized to issue an unlimited number of preferred shares (other than the Series A Preferred Shares, Series B Preferred Shares and Series C Preferred Shares) issuable at any time and from time to time in one or more series.

The following table shows GMP's outstanding equity and securities convertible into equity as of the dates presented.

(# 000)	September 30, 2020	December 31, 2019
Common Shares	74,120	74,162
Common Shares held by the SIP Trust	1,272	1,272
Common Share options – vested	320	753
Series B Preferred Shares	3,565	3,565
Series C Preferred Shares	1,035	1,035

SIP Trust is a Share Incentive Plan Trust established by GMP for the purpose of purchasing Common Shares in the open market and delivering them to the SIP participants upon vesting.

RGMP TRANSACTION

In connection with the completion of the RGMP transaction, the Company issued 100,517,533 Common Shares to former Richardson GMP shareholders at closing, 10% of the Issuance being freely tradeable shortly after closing and the remaining 90% will be held in escrow to be released in equal amounts on the first three anniversaries following closing. After giving effect to the closing of the RGMP Transaction the Company has 175,909,049 Common Shares issued and outstanding.

SUBSTANTIAL ISSUER BID

On October 13, 2020, GMP announced the commencement of its SIB under which the Company will purchase up to 16,528,926 of its outstanding Common Shares at \$2.42 per Common Share for an aggregate purchase price of approximately \$40 million. The only condition to the closing of the SIB was the completion of the RGMP Transaction. The SIB will expire at 5:00 p.m. (Eastern time) on November 18, 2020, unless extended or withdrawn by the Company. Other than customary conditions, the only condition for take-up will be the closing of the RGMP Transaction. The SIB is not conditional upon any minimum number of Common Shares being tendered. Immediately following the completion of the SIB, assuming the SIB is fully subscribed, GMP will have 159,380,335 Common Shares issued and outstanding.

If more than 16,528,926 Common Shares are validly deposited under the SIB, then the deposited Common Shares will be purchased on a *pro rata* basis according to the total number of Common Shares validly deposited under the SIB (subject to certain exceptions for "odd lot" holders).

The directors and management of the Company have advised that they do not intend to tender shares under the SIB. Pursuant to the terms of a previously announced settlement agreement disclosed on September 28, 2020, RFG, which based on publicly available information holds 18,170,575 Common Shares, has also agreed not to tender to the SIB. In addition, no Common Shares issued in connection with the RGMP Transaction will be permitted to be deposited under the SIB. As a result, the full \$40 million will be available to minority GMP common shareholders.

The table below shows the percentage ownership for all three of GMP's common shareholder groups following the closing of the RGMP Transaction and the completion of the SIB.

Common Shareholder Group	Common Share Ownership ¹	Common Share Ownership ²
GMP Minority Shareholders	32.53%	25.53%
Richardson Financial Group Limited	39.61%	43.72%
RGMP Investment Advisors and Employees	27.86%	30.75%
Total	100%	100%

1. Immediately following the completion of the RGMP Transaction.
2. Assumes SIB is fully subscribed.

GMP reserves the right, subject to applicable laws, to withdraw or amend the SIB if, at any time prior to the payment of deposited Common Shares, certain events occur. GMP intends to fund any purchases of Common Shares pursuant to the SIB from cash on hand and short-term investments.

The formal offer to purchase and this issuer bid circular (the Offer Document) containing the terms and conditions of the SIB and instructions for tendering Common Shares has been filed with the applicable securities regulators and mailed to shareholders. The Offer Document and related materials are also available under the Company's SEDAR profile at www.sedar.com.

Neither the Company nor its Board of Directors makes any recommendation to shareholders as to whether to tender or refrain from tendering any or all of their Common Shares to the SIB. This is neither an offer to purchase nor a solicitation of an offer to sell any Common Shares. The solicitation and the offer to purchase Common Shares by the Company is being made only pursuant to the Offer Document. Shareholders of the Company are urged to read the Offer Document and related materials carefully and to consult with their own financial, tax and legal advisors prior to making any decision with respect to the SIB.

There have been no further changes to the above table since September 30, 2020.

NORMAL COURSE ISSUER BID

GMP's normal course issuer bid (NCIB) expired on May 4, 2019 and was not renewed by the Company. During first nine months 2019, GMP did not purchase for cancellation any Common Shares under its approved NCIB.

DIVIDENDS

Common Shares

On April 29, 2020, in response to the disruption caused by COVID-19, GMP's Board of Directors decided to temporarily suspend the Company's quarterly common share cash dividend. The decision was made out of abundance of caution and conservative approach to capital and risk management.

Preferred Shares

On October 20, 2020, immediately following the closing of the RGMP Transaction, the Board approved the resumption of the Company's quarterly dividend on its preferred shares commencing with the payment of accrued but unpaid dividends of \$0.2257 per Cumulative 5-Year Rate Reset Preferred Share, Series B, and \$0.193803 per Cumulative Floating Rate Preferred Shares, Series C, payable on November 16, 2020, to preferred shareholders of record on October 30, 2020. These amounts represent the dividend that would normally have been paid on September 30, 2020.

On November 5, 2020, the Board approved the payment of a quarterly dividend of \$0.2257 per Cumulative 5-Year Rate Reset Preferred Share, Series B, and \$0.190410 per Cumulative Floating Rate Preferred Shares, Series C, each payable on December 31, 2020, to preferred shareholders of record on December 15, 2020.

Dividends, when declared on the Common Shares and Preferred Shares, are designated as "eligible dividends" for purposes of the Income Tax Act (Canada) and any similar provincial and territorial legislation unless indicated otherwise.

For more information on dividends, refer to Note 11 to the Third Quarter 2020 Financial Statements.

Related-Party Transactions

Our related parties include the following persons and/or entities: associates, or entities which are controlled or significantly influenced by GMP, which currently include Richardson GMP; and key management personnel, which are comprised of directors and/or officers of GMP and those persons having authority and responsibility for planning, directing and controlling the activities of GMP. Other than the completion of the RGMP Transaction, our policies and procedures and the nature of our related-party transactions have not changed materially since December 31, 2019, as described under "Related-Party Transactions" in the 2019 Annual MD&A.

The RGMP Transaction constituted a "related party transaction" under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") due to RFGL's ownership of approximately 24.1% of GMP common shares and the voting rights attached to those shares, and approximately one-third ownership of Richardson GMP. In July 2019, an independent special committee of the Board, (the "Special Committee") retained RBC Capital Markets ("RBC") on a fixed fee basis to provide an independent formal valuation of both GMP and Richardson GMP common shares pursuant to the requirements of MI 61-101. RBC also provided its opinion as to the fairness of the RGMP Transaction.

All minority shareholder approvals required in accordance with MI 61-101 and the rules of the Toronto Stock Exchange were obtained in connection with the RGMP Transaction. For further information on the aggregate number of GMP common shares excluded from the calculation of the requisite approval of the RGMP Transaction Resolution in accordance with the minority approval requirements under MI 61-101, please refer to the Company's management information circular dated September 8, 2020.

Critical Accounting Policies and Estimates

The preparation of the Third Quarter 2020 Financial Statements in accordance with IFRS required management to make estimates and exercise judgment that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and judgments are made based on information available as at the date of issuance of financial statements. Accordingly, actual results may differ from these amounts. Accounting policies that require management's estimates and judgments have not changed during first nine months 2020 and are discussed under "Critical Accounting Policies and Estimates" in our 2019 Annual MD&A and Notes 1 and 2 to the Third Quarter 2020 Financial Statements.

Financial Instruments

A significant portion of the GMP Group's assets and liabilities are composed of financial instruments. There have been no significant changes in GMP's use of financial instruments, or types of financial instruments employed in its trading and non-trading activities during first nine months 2020.

Refer to "Financial Instruments" in the 2019 Annual MD&A and Notes 1 and 13 to the Third Quarter 2020 Financial Statements for more information. For significant assumptions made in determining the valuation of financial and other instruments, refer to the "Critical Accounting Policies and Estimates" section in the 2019 Annual MD&A.

Controls and Procedures

DISCLOSURE CONTROLS AND PROCEDURES

Management has designed disclosure controls and procedures to provide reasonable assurance that material information relating to GMP is accumulated and communicated to GMP's Chief Executive Officer (CEO) and Interim Chief Financial Officer (CFO) to allow for timely decisions regarding required disclosure and to ensure that information required to be disclosed in GMP's annual and interim filings and other reports filed or submitted under Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified therein. As of September 30, 2020, management evaluated the effectiveness of our disclosure controls and procedures as defined under the Canadian Securities Administrators' National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. This evaluation was performed under the supervision of, and with the participation of, GMP's CEO and CFO. Based on the evaluation conducted as at September 30, 2020, the CEO and CFO concluded that GMP's disclosure controls and procedures were effective as of September 30, 2020.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management is responsible for establishing and maintaining adequate internal control over financial reporting for GMP.

As of September 30, 2020, management evaluated the effectiveness of GMP's internal control over financial reporting taking into account the nature and size of GMP's business and using the framework and criteria established in the *Internal Control – Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that GMP's internal control over financial reporting was effective as of September 30, 2020, and that there were no material weaknesses that have been identified in our internal control over financial reporting as of September 30, 2020.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

To the best of the knowledge and belief of GMP's CEO and CFO, no changes were made in GMP's internal control over financial reporting in first nine months 2020 that have materially affected, or are reasonably likely to affect materially, GMP's internal control over financial reporting.

Risk Management

The securities business is, by its nature, subject to numerous and substantial risks, particularly in volatile or illiquid markets. Management believes that effective risk management is of primary importance to the ongoing success of the GMP Group. We have risk management processes in place to monitor, evaluate and manage the principal risks related to the conduct of our activities. These risks include market, credit, liquidity, operational, legal, cyber and regulatory risk.

We seek to monitor and control our risk exposure through a variety of separate but complementary financial, credit, operational and compliance processes. GMP's exposure to, and management of, risk has not changed significantly from that described in the "Risk Management" section of the 2019 Annual MD&A.

Risk Factors

For a description of risk factors associated with the Company, refer to the "Risk Factors" section of the Company's AIF dated February 28, 2020 and management information circular dated September 8, 2020, which are available on SEDAR at www.sedar.com. GMP's risk factors have not changed significantly from those described in the Company's latest AIF and management information circular.

Supplemental Information – Richardson GMP

COMPLETION OF RGMP TRANSACTION

On October 6, 2020, GMP's shareholders overwhelmingly approved the RGMP Transaction and on October 20, 2020, the Company announced that it had successfully completed the RGMP Transaction. Under the RGMP Transaction, GMP acquired all the common shares of Richardson GMP that were not owned by the Company for a purchase price of 1.76 common shares of GMP ("Common Shares") for each common share of Richardson GMP. In consideration, GMP issued 100,517,533 Common Shares to former Richardson GMP shareholders at closing, 10% of the Issuance being freely tradeable shortly after closing and the remaining 90% will be held in escrow to be released in equal amounts on the first three anniversaries following closing.

For the three and nine months ended September 30, 2020, Richardson GMP was considered an associate of GMP under IFRS and, accordingly, GMP's share of Richardson GMP's results were accounted for using the equity method. Effective immediately upon the closing of the RGMP Transaction on October 20, 2020, Richardson GMP became a wholly owned subsidiary of GMP and, as such, commencing in fourth quarter 2020, Richardson GMP's results will be accounted for using the acquisition method.

The following supplemental information reflects how Richardson GMP's management assesses the financial performance of Richardson GMP.

Richardson GMP's management assesses performance on both a reported and an adjusted non-GAAP basis and considers both bases to be useful in assessing underlying, ongoing business performance. Presenting results on both bases also permits readers to assess the impact of specified items on financial results. Richardson GMP presents earnings before interest, income tax, depreciation and amortization (EBITDA) which excludes:

- Interest expense recorded primarily in connection with subordinated loan financing arrangements;
- Income tax expense (benefit) recorded;
- Depreciation and amortization expense recorded primarily in connection with leases, equipment and leasehold improvements; and
- Transition assistance loan amortization in connection with investment advisor loan programs. Richardson GMP views these loans as an effective recruiting and retention tool, the cost of which is assessed by management upfront when the loan is provided rather than over its term.

Richardson GMP also presents adjusted EBITDA¹ which excludes share-based compensation costs recorded in connection with awards granted to employees and investment advisors of Richardson GMP ("adjusted EBITDA").

EBITDA and adjusted EBITDA¹ do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. These non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of Richardson GMP's performance, liquidity, cash flows and profitability. Richardson GMP's management believes adjusting results by excluding the impact of the specified items is more reflective of ongoing financial performance and cash-generating capabilities and provides readers with an enhanced understanding of how management views Richardson GMP's core performance.

RESTRICTED SHARE UNITS ("RSUs")

As at September 30, 2020, Richardson GMP had 2.6 million RSUs outstanding. In connection with the closing of the RGMP Transaction, a one-time expense of \$3.0 million related to the accelerated vesting of all outstanding RSUs was recorded in third quarter 2020.

The following tables set forth an overview of the consolidated financial results of Richardson GMP for the periods indicated, on a 100% basis; noting, however, that GMP owns an approximate 34.1% non-controlling interest of Richardson GMP as at September 30, 2020. Following the closing of the RGMP Transaction on October 20, 2020, Richardson GMP became a wholly owned subsidiary of GMP.

FINANCIAL PERFORMANCE

(\$'000, except as otherwise noted)	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% increase/ (decrease)	2020	2019	% increase/ (decrease)
Revenue	67,446	66,941	1	199,278	203,724	(2)
Commissions	7,539	6,577	15	23,310	22,596	3
Investment management and fee income	53,229	51,879	3	155,148	151,260	3
Interest	2,686	6,050	(56)	11,269	19,644	(43)
Other	3,706	2,564	45	9,054	10,352	(13)
Principal transactions	286	(129)	(322)	497	(128)	(488)
Expenses	66,223	62,577	6	195,486	190,778	2
Employee compensation and benefits	49,958	44,706	12	144,922	135,281	7
Non-compensation expenses	16,265	17,871	(9)	50,563	55,497	(9)
Income before income tax	1,223	4,364	(72)	3,793	12,946	(71)
Net (loss) income – reported	(228)	2,925	(108)	845	8,575	(90)
Pre-tax impact of adjusting items						
Interest	1,290	1,962	(34)	4,547	6,000	(24)
Income tax	1,451	1,439	1	2,948	4,371	(33)
Depreciation and amortization	2,987	3,115	(4)	9,225	9,618	(4)
Transition assistance loan amortization	2,304	2,065	12	7,288	6,049	20
EBITDA ¹	7,804	11,506	(32)	24,853	34,613	(28)
Share-based compensation	4,042	653	519	6,606	2,194	201
Adjusted EBITDA¹	11,846	12,159	(3)	31,459	36,807	(15)
Number of advisory teams	164	160	3			
AUA ¹ at period-end (\$ millions)	28,855	28,634	1			

1. Considered to be a non-GAAP financial measure. This measure 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.

Third Quarter 2020 vs. Third Quarter 2019

Richardson GMP reported:

- a net loss of \$0.2 million in third quarter 2020 compared with net income of \$2.9 million in third quarter 2019; third quarter 2020 results were affected by the Accelerated RSU Costs;
- adjusted EBITDA¹ was \$11.8 million in third quarter 2020; down 3% compared with \$12.2 million recorded in third quarter 2019;
- net loss attributable to common shareholders was \$1.2 million this quarter compared with net income attributable to common shareholders of \$1.7 million in the same period last year;
- revenues of \$67.4 million in third quarter 2020, an increase of 1% compared with the same period a year ago driven largely by an increase in fee-based and commission revenue, which was partly offset by lower interest income amid a low interest rate environment; and
- expenses, net of Accelerated RSU Costs, were \$63.2 million, an increase of 1% in third quarter 2020 compared with third quarter 2019.

First Nine Months 2020 vs First Nine Months 2019

Richardson GMP reported:

- net income of \$0.8 million in first nine months of 2020 compared with net income of \$8.6 million in the same period in 2019; excluding the Accelerated RSU Costs, third quarter net income would have been \$3.8 million.

- adjusted EBITDA¹ of \$31.5 million in first nine months of 2020 compared to \$36.8 million reported for the same period in 2019;
- net loss attributable to common shareholders was \$2.3 million in the first nine months of 2020 compared with net income attributable to common shareholders of \$5.0 million in the same period last year;
- revenues of \$199.3 million in first nine months of 2020, down 2% compared with the same period a year ago as a decline in interest revenue led by a 150-basis point drop in the prime rate more than offset higher fee-based and commission revenue; and
- expenses, net of Accelerated RSU Costs, of \$192.5 million in the first nine months of 2020, increased 1% compared with first nine months of 2019.

Richardson GMP Highlights

- AUA¹ as at September 30, 2020, was \$28.9 billion; up 1% compared with the same period a year ago.
- Third quarter 2020 ended with 164 advisory teams; up four from the same period a year ago.
- Average AUA per advisory team ended the quarter at approximately \$176 million per team, one of the highest in the industry in Canada.
- On October 20, 2020, GMP announced the completion of the transaction to consolidate 100% ownership of Richardson GMP under GMP.

The following table is Richardson GMP's balance sheet without adjusting for GMP's proportionate interest:

As at,	September 30, 2020	December 31, 2019
Assets		
Cash	86,510	67,901
Securities owned	1,703	997
Due from carrying broker	546	10,328
Other assets	9,367	7,310
Deposit with carrying broker	500	496
Equipment and leasehold improvements, net	12,331	14,418
Right-of-use asset	21,415	24,949
Advisor loans receivable	29,591	30,858
Deferred Tax Asset	25,678	28,494
Goodwill and intangible assets, net	145,324	145,267
Total assets	332,965	331,018
Liabilities and shareholders' equity		
Accounts payable and accrued liabilities	44,501	39,281
Other liabilities	36	79
Securities sold short	44	-
Due to issuer/broker	3,322	-
Lease liability	24,093	27,404
Provisions	9,308	10,382
Subordinated loans	67,000	71,000
Total liabilities	148,304	148,146
Shareholders' equity		
Share capital:		
Common shares	141,250	134,891
Preferred shares	61,517	61,517
Share capital	202,767	196,408
Contributed surplus	2,688	2,793
Accumulated deficit	(20,794)	(16,329)
Total shareholders' equity	184,661	182,872
Total liabilities and shareholders' equity	332,965	331,018

Unaudited Interim Condensed Consolidated Balance Sheets

As at, (thousands of Canadian dollars)	Note	September 30, 2020	December 31, 2019
ASSETS			
Cash and cash equivalents		506,224	516,601
Securities owned	4	59,309	65,441
Receivable from:			
Clients		450,371	256,075
Brokers		197,707	67,876
Employee and other loans receivable		1,824	1,903
Other assets	5	452,731	362,887
Promissory note receivable	9	2,754	2,754
Investment in associate		81,380	82,853
Right of use assets		1,292	1,472
Total assets		1,753,592	1,357,862
LIABILITIES			
Obligations related to securities sold short	4	13,648	11,399
Lease liabilities		2,705	3,603
Payable to:			
Clients		1,240,739	958,354
Brokers		268,914	124,308
Accounts payable and accrued liabilities		13,215	21,723
Provisions and other liabilities	8	10,860	20,012
Promissory note	9	15,603	15,603
Total liabilities		1,565,684	1,155,002
EQUITY			
Shareholders' equity		187,908	202,860
Total liabilities and equity		1,753,592	1,357,862

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

Unaudited Interim Condensed Consolidated Statements of Loss

(thousands of Canadian dollars, except as noted)	Note	Three months ended September 30,		Nine months ended September 30,	
		2020	2019	2020	2019
	1		(Restated)		(Restated)
REVENUE					
Investment banking and principal transactions		–	999	–	3,451
Interest		2,463	6,360	8,279	14,108
Other income		5,043	3,199	15,125	10,914
		7,506	10,558	23,404	28,473
EXPENSES					
Employee compensation and benefits		2,804	4,940	8,335	11,081
Selling, general and administrative	14	8,124	3,814	17,431	11,565
Interest		1,786	5,083	6,631	10,866
Depreciation and amortization		132	383	391	1,252
		12,846	14,220	32,788	34,764
Share of net (loss) income of associate		(415)	587	(774)	1,669
Loss before income taxes from continuing operations		(5,755)	(3,075)	(10,158)	(4,622)
Income tax expense (recovery)					
Current		5	(1,846)	426	(1,051)
Deferred		–	6,894	–	4,852
		5	5,048	426	3,801
Net loss from continuing operations		(5,760)	(8,123)	(10,584)	(8,423)
Net loss from discontinued operation	6	(217)	(17,284)	(661)	(36,273)
Net loss		(5,977)	(25,407)	(11,245)	(44,696)
Weighted-average number of common shares outstanding (in thousands):					
	12				
Basic		73,081	69,793	73,069	69,788
Diluted		75,434	75,446	75,434	75,446
Net loss per common share (dollars) from continuing operations:					
	12				
Basic		(0.08)	(0.13)	(0.17)	(0.17)
Diluted		(0.08)	(0.13)	(0.17)	(0.17)
Net loss per common share (dollars):					
	12				
Basic		(0.08)	(0.38)	(0.18)	(0.69)
Diluted		(0.08)	(0.38)	(0.18)	(0.69)

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

Unaudited Interim Condensed Consolidated Statements of Comprehensive (Loss) Income

(thousands of Canadian dollars)	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
		(Restated)		(Restated)
Net loss	(5,977)	(25,407)	(11,245)	(44,696)
Other comprehensive income (loss):				
Item that may be subsequently reclassified to net loss				
Foreign currency translation gain (loss) from continuing operations	22	18	362	(416)
Total other comprehensive income (loss)	22	18	362	(416)
Total comprehensive loss	(5,955)	(25,389)	(10,883)	(45,112)
Total comprehensive loss attributable to GMP shareholders				
Continuing operations	(5,738)	(8,105)	(10,222)	(8,839)
Discontinued operation	(217)	(17,284)	(661)	(36,273)

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

Unaudited Interim Condensed Consolidated Statements of Changes In Equity

	Note	Preferred shares #	Preferred shares \$	Common shares #	Common shares \$	Share purchase loans \$	Deferred share-based awards \$	Contributed surplus \$	Accumulated comprehensive income \$	Accumulated deficit \$	Shareholders' equity \$
Balance, December 31, 2018	4,600	112,263	72,721	322,848	(327)	(14,598)	48,818	18,395	(197,369)	290,030	
Change in accounting policy	1	-	-	-	-	-	-	-	(32)	(32)	
Restated balance at January 1, 2019	-	-	-	-	-	-	-	(447)	(197,401)	289,998	
Net foreign currency translation loss	-	-	-	-	-	-	-	-	-	-	
Reclassification of cumulative currency translation	-	-	-	-	-	-	-	(9,661)	-	(9,661)	
Share-based compensation	-	-	1,453	3,021	327	9,073	(3,545)	-	-	8,876	
Common shares purchased for cancellation	-	-	(12)	(59)	-	-	-	-	-	(59)	
Common share return of capital distribution	-	-	-	-	-	-	-	-	(20,744)	(20,744)	
Common share dividends	-	-	-	-	-	-	-	-	(7,544)	(7,544)	
Series B Preferred Share dividends	-	-	-	-	-	-	-	-	(3,219)	(3,219)	
Series C Preferred Share dividends	-	-	-	-	-	-	-	-	(1,182)	(1,182)	
Net loss	-	-	-	-	-	-	-	-	(53,158)	(53,158)	
Balance, December 31, 2019	4,600	112,263	74,162	325,810	-	(5,525)	45,273	8,287	(283,248)	202,860	
Net foreign currency translation gain	-	-	-	-	-	-	-	362	-	362	
Share-based compensation	-	-	-	-	-	-	5,525	(5,525)	-	-	
Common shares forfeited	-	-	(43)	(216)	-	-	216	-	-	-	
Common share dividends	-	-	-	-	-	-	-	-	-	(1,886)	
Series B Preferred Share dividends	-	-	-	-	-	-	-	-	-	(1,610)	
Series C Preferred Share dividends	-	-	-	-	-	-	-	-	-	(573)	
Net loss	-	-	-	-	-	-	-	-	-	(11,245)	
Balance, September 30, 2020	4,600	112,263	74,119	325,594	-	-	39,964	8,649	(298,562)	187,908	

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

Unaudited Interim Condensed Consolidated Statements of Cash Flows

(thousands of Canadian dollars)	Note	Nine months ended September 30,	
		2020	2019
OPERATING ACTIVITIES			
Net loss		(11,245)	(44,696)
Add (deduct) items not involving cash:			
Depreciation and amortization		391	2,287
Goodwill impairment		-	28,541
Intangible impairment		-	1,229
Right of use asset impairment		-	767
Change in accounting policy		-	(32)
Reclassification of cumulative foreign currency translation		-	(9,661)
Lease inducement amortization		-	(116)
Deferred tax expense		-	4,852
Share-based compensation expense		-	4,959
Accretion expense		-	592
Share of net loss (income) of associate		774	(1,669)
		(10,080)	(12,947)
Net change in non-cash operating items	15	3,455	(51,380)
Cash used in operating activities		(6,625)	(64,327)
FINANCING ACTIVITIES			
Dividends paid on common shares		(1,886)	(5,658)
Dividends paid on Series B Preferred Shares		(1,610)	(2,414)
Dividends paid on Series C Preferred Shares		(573)	(887)
Principal elements of lease payments		(1,028)	124
Cash used in financing activities		(5,097)	(8,835)
INVESTING ACTIVITIES			
Proceeds from sale of discontinued operation		-	10,792
Common share dividend received from associate		698	2,045
Equity investment in associate		-	(4,382)
Equipment and leasehold improvements, net expenditures		176	(2,315)
Cash provided by investing activities		874	6,140
Effect of foreign exchange on cash balances		471	(469)
Net decrease in cash and cash equivalents		(10,377)	(67,491)
Cash and cash equivalents, beginning of period ¹		516,601	517,724
Cash and cash equivalents, end of period		506,224	450,233
Supplemental cash flow information			
Interest paid		6,706	8,936
Interest received		8,144	11,243
Taxes paid		(3,325)	8,227

1. Cash and cash equivalents, beginning of period include \$1,769 classified as held for sale at December 31, 2018.

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

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(thousands of Canadian dollars and shares, except where noted and per share information)

Note 1. Basis of Preparation

A. BASIS OF PREPARATION

These unaudited interim condensed consolidated financial statements of GMP Capital Inc. (GMP or the Company) have been prepared by management in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and are presented in compliance with International Accounting Standard 34, *Interim Financial Reporting*. Certain information and disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed.

These unaudited interim condensed consolidated financial statements should be read in conjunction with GMP's audited annual financial statements as at and for the year ended December 31, 2019 (2019 Annual Financial Statements). All defined terms used herein are consistent with those terms as defined in the 2019 Annual Financial Statements. Certain comparative amounts have been reclassified to conform to the current period's presentation. Unless otherwise indicated, all amounts are expressed in thousands of Canadian dollars and rounded to the nearest thousand.

On December 6, 2019, GMP completed the sale of substantially all of its capital markets business. The results of discontinued operations are presented separately in the consolidated statements of income (loss) and consolidated statements of comprehensive income (loss) with comparative information restated accordingly.

On October 20, 2020, GMP completed the acquisition of all the common shares of Richardson GMP ("RGMP") that were not owned by the Company. The acquisition of RGMP will be reflected in the fourth quarter financial statements. Please refer to note 16 for further details.

These unaudited interim condensed consolidated financial statements were authorized for issuance by GMP's board of directors (Board of Directors) on November 5, 2020.

Note 2. Changes in Accounting Policy and Disclosures

The accounting policies applied in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2019, except for the adoption of the following new standards effective as at January 1, 2020.

AMENDMENTS TO IFRS 3: DEFINITION OF A BUSINESS

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all the inputs and processes needed to create outputs. These amendments had no impact on the unaudited interim condensed consolidated financial statements of GMP but may impact future periods should the Company enter into any business combinations.

AMENDMENTS TO IAS 1 AND IAS 8: DEFINITION OF MATERIAL

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the unaudited interim condensed consolidated financial statements of GMP, nor is there expected to be any future impact to GMP.

CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING ISSUED ON MARCH 29, 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the International Accounting Standards Board ("IASB") in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. The revised Conceptual Framework contains new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the unaudited interim condensed consolidated financial statements of GMP.

Note 3. Revenue from Contracts with Customers

The following table presents disaggregated revenue information for each reportable segment.

	Operations Clearing		Wealth Management		Corporate		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Three months ended September 30,								
Investment banking	-	-	-	-	-	473	-	473
Carrying broker fees	3,287	2,077	-	-	-	-	3,287	2,077
Revenue – contracts with customers	3,287	2,077	-	-	-	473	3,287	2,550
Timing								
Point in time	-	-	-	-	-	473	-	473
Over time	3,287	2,077	-	-	-	-	3,287	2,077
Other revenue ¹	3,228	7,300	1,071	603	(80)	105	4,219	8,008
Total revenue	6,515	9,377	1,071	603	(80)	578	7,506	10,558

	Operations Clearing		Wealth Management		Corporate		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Nine months ended September 30,								
Investment banking	-	-	-	-	-	1,789	-	1,789
Carrying broker fees	9,494	6,618	-	-	-	-	9,494	6,618
Revenue – contracts with customers	9,494	6,618	-	-	-	1,789	9,494	8,407
Timing								
Point in time	-	-	-	-	-	1,789	-	1,789
Over time	9,494	6,618	-	-	-	-	9,494	6,618
Other revenue ¹	12,497	17,700	1,715	1,773	(302)	593	13,910	20,066
Total revenue	21,991	24,318	1,715	1,773	(302)	2,382	23,404	28,473

1. Included in Other revenue is interest revenue and foreign exchange gains which are earned at a point in time.

Note 4. Securities Owned and Obligations Related to Securities Sold Short

As at,	September 30, 2020		December 31, 2019	
	Trading assets	Securities sold short	Trading assets	Securities sold short
Debt securities:				
Canadian and U.S. federal government debt	37,708	11,580	47,045	6,999
Canadian provincial and municipal government debt	7,204	45	6,275	3,109
Corporate and other debt	14,259	2,023	11,514	1,291
Equity securities	138	-	562	-
Derivative financial instruments	-	-	45	-
	59,309	13,648	65,441	11,399

Note 5. Other Assets

As at,	September 30, 2020	December 31, 2019
Accounts receivable	6,509	4,814
Income taxes recoverable	1,835	6,077
Funds deposited in trust	442,353	348,553
Finance lease receivable	1,484	2,127
Prepaid deposits and other	374	952
Equipment and leasehold improvements	176	364
	452,731	362,887

Note 6. Discontinued Operation

SALE TRANSACTION

On December 6, 2019, GMP completed the sale of substantially all of its capital markets business in an all-cash transaction to Stifel Financial Corp. (the Sale Transaction). The Sale Transaction was structured as an asset sale of substantially all of the Capital Markets operating segment, which historically represented the vast majority of the Company's operating business. Pursuant to the Sale Transaction, cash consideration was determined at closing based on the tangible book value of the capital markets business (less cash) plus \$40,000. Total cash consideration was determined to be \$42,179. Loss on sale amounted to \$15,499 and included transaction costs of \$34,404 and goodwill write-off of \$21,095.

Transaction costs associated with the transaction were primarily comprised of contractual remuneration payments, restructuring charges, legal, advisory and other professional fees. The Sale Transaction included customary non-solicitation covenants.

SALE OF GMP SECURITIES, LLC

In January 2019, GMP announced that it had completed the sale of GMP Securities, LLC (GMP USA), GMP's institutional fixed income trading operations. A non-cash gain of \$8,310 was realized in first quarter 2019, comprising the reclassification of cumulative foreign currency translation adjustments to net income, recorded in discontinued operations.

The following table presents the financial performance of the discontinued operation:

	Nine months ended September 30,	
	2020	2019
Revenues	1,361	63,183 (Restated)
Expenses	2,022	69,881
Impairment Charge	-	28,541
Income (loss) before income taxes from discontinued operation	(661)	(35,239)
Income tax expense	-	1,034
Income (loss) from discontinued operation	(661)	(36,273)

Note 7. Securities Borrowed and Lent

	Borrowed		Lent	
	Cash delivered as collateral	Securities borrowed	Cash received as collateral	Securities lent
As at September 30, 2020	126,802	126,420	141,083	135,663
As at December 31, 2019	44,135	45,949	27,923	27,626

Note 8. Other Liabilities

As at,	September 30, 2020	December 31, 2019
Restructuring provision	10,734	19,768
Other	126	244
	10,860	20,012

Note 9. Promissory Note

In connection with the acquisition of FirstEnergy Capital Holdings Corp. (FirstEnergy), GMP issued to former FirstEnergy shareholders an unsecured promissory note bearing interest at 3.61% compounded annually. The promissory note is subject to adjustment and is to be repaid based upon certain financial metrics over a maximum five-year period pursuant to the terms of the purchase agreement. During the nine months ended September 30, 2020, GMP recorded accretion expense of nil (September 30, 2019 – \$526). During the nine months ended September 30, 2020, there were no payments of principal on the promissory note (September 30, 2019 – nil). As at September 30, 2020, the promissory note liability is \$15,603 (December 31, 2019 – \$15,603).

Promissory note receivable represents a receivable of \$2,754 from Stifel for the promissory notes held by certain former FirstEnergy shareholders in the UK that require the noteholders consent to assign.

A summary of the status of GMP's SIP as at September 30, 2020 and the changes during the nine months then ended is as follows:

	Number of RSUs (thousands)
Balance, December 31, 2019	794
Dividends credited	9
Forfeited	(315)
Balance, September 30, 2020	488

OTHER SHARE-BASED AWARDS

Other share-based awards represent the unamortized value of share awards granted to certain employees of GMP in connection with the acquisition of FirstEnergy. In 2016, GMP issued 11,162 common shares of which 7,442 were subject to vesting conditions with a fair value of \$37,433 to former shareholders of FirstEnergy. Holders of these shares are entitled to receive dividends as and

Note 10. Deferred Share-Based Awards

SHARE INCENTIVE PLAN (SIP)

GMP adopted the SIP to provide eligible employees (Participants) with compensation opportunities to encourage ownership of common shares, to attract, retain and motivate key personnel and reward officers and employees of GMP for significant performance. Pursuant to the terms of the SIP, GMP may award restricted share units (RSUs) and performance share units (PSUs) to certain Participants. The RSUs awarded are subject to service vesting conditions. The PSUs awarded are subject to market and non-market performance vesting conditions including both absolute and relative shareholder return, return on equity, and adjusted net income (loss) per common share with a minimum performance factor of zero and maximum performance factor of 150% of the original grant. The expense related to the PSUs varies based on GMP's performance and is determined based on a probability-weighted average of outcomes at each reporting date. During the vesting period, dividend equivalents accrue to the Participants in the form of additional share units.

when declared by the Board of Directors and have voting rights consistent with those of other common shareholders. Such shares are subject to an escrow agreement with vesting occurring over a four-year period ending in September 2020. The fair value of the common shares issued is expensed over the vesting period with a corresponding increase to contributed surplus.

Note 11. Share Capital

A. SIP TRUST

In connection with the SIP, GMP has established an employee benefit plan trust (the SIP Trust) for the purpose of purchasing GMP common shares in the open market and delivering the common shares to the SIP Participants upon vesting. GMP consolidates the SIP Trust in accordance with IFRS 10, *Consolidated Financial Statements*. Consideration paid for GMP common shares held by the SIP Trust is deducted from shareholders' equity and the common shares are treated as cancelled in GMP's basic income per share calculation.

During the nine months ended September 30, 2020, there was no activity related to common shares in the SIP Trust. As at September 30, 2020, the SIP Trust held 1,272 common shares (December 31, 2019 – 1,272).

B. DIVIDENDS

Common Share Dividends

Record date	Payment date	Cash dividend per common share	Total dividend amount
March 16, 2020	March 31, 2020	\$ 0.025	\$ 1,886

On April 29, 2020, in response to the disruption caused by COVID-19, GMP's Board of Directors decided to temporarily suspend the Company's quarterly common share cash dividend.

Preferred Share Dividends

The dividend rate for the 3,565 Series B Preferred Shares is \$0.2257 for the five-year period commencing April 1, 2016 and ending on March 31, 2021. The quarterly floating dividend rate on the 1,035 Series C Preferred Shares is reset every quarter.

Record date	Payment date	Cash dividend per Series B Preferred Share	Cash dividend per Series C Preferred Share	Total dividend amount
March 16, 2020	March 31, 2020	\$ 0.2257	\$ 0.2828	\$ 1,097
June 15, 2020	June 30, 2020	\$ 0.2257	\$ 0.272005	\$ 1,086

Effective October 20, 2020, following the completion of the RGMP Transaction, the Board approved the resumption of the Company's quarterly dividend on its preferred shares commencing with the payment of accrued but unpaid dividends of \$0.2257 per Cumulative 5-Year Rate Reset Preferred Share, Series B, and \$0.193803 per Cumulative Floating Rate Preferred Shares, Series C, payable on November 16, 2020, to preferred shareholders of record on October 30, 2020.

Note 12. Net Loss Per Common Share

Net loss per common share consists of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019 (Restated)	2020	2019 (Restated)
Net loss from continuing operations	(5,760)	(8,123)	(10,584)	(8,423)
Less: Dividends on Series B Preferred Shares	-	(805)	(1,610)	(2,415)
Less: Dividends on Series C Preferred Shares	-	(299)	(573)	(886)
Net loss attributable to common shareholders from continuing operations	(5,760)	(9,227)	(12,767)	(11,724)
Net loss from discontinued operation	(217)	(17,284)	(661)	(36,273)
Net loss attributable to common shareholders	(5,977)	(26,511)	(13,428)	(47,997)

Weighted-average number of common shares outstanding

Basic

Common shares	75,434	75,446	75,434	75,446
Common shares pledged on share purchase loans	-	(35)	-	(35)
Common shares held by the SIP Trust	(1,272)	(2,725)	(1,272)	(2,725)
Contingently returnable common shares awarded to employees	(1,081)	(2,893)	(1,093)	(2,898)
	73,081	69,793	73,069	69,788

Diluted

Dilutive effect of common shares pledged on share purchase loans	-	35	-	35
Dilutive effect of shares held by the SIP Trust	1,272	2,725	1,272	2,725
Dilutive effect of contingently returnable common shares awarded to employees	1,081	2,893	1,093	2,898
	75,434	75,446	75,434	75,446

Net loss per common share – Basic

Continuing operations	\$	(0.08)	\$	(0.13)	\$	(0.17)	\$	(0.17)
Discontinued operation	\$	-	\$	(0.25)	\$	(0.01)	\$	(0.52)
Total	\$	(0.08)	\$	(0.38)	\$	(0.18)	\$	(0.69)

Net loss per common share – Diluted¹

Continuing operations	\$	(0.08)	\$	(0.13)	\$	(0.17)	\$	(0.17)
Discontinued operation	\$	-	\$	(0.25)	\$	(0.01)	\$	(0.52)
Total	\$	(0.08)	\$	(0.38)	\$	(0.18)	\$	(0.69)

1. In the case of a net loss, the impact of shares pledged on share purchase loans and other common shares subject to vesting conditions under share-based compensation programs on diluted net loss per common share will be anti-dilutive; therefore, basic and diluted net loss per common share will be the same.

Note 13. Financial Assets and Liabilities

A. FINANCIAL INSTRUMENTS

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 to the valuation of an asset or a liability as of the measurement date.

Level 1. Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 assets and liabilities generally include debt and equity securities that are traded on an active exchange, as well as certain Canadian and U.S. Treasury bills that are highly liquid and are actively traded in over-the-counter markets.

Level 2. Fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 assets and liabilities include equity and debt securities that are not listed on an active exchange.

Level 3. Inputs for the asset or liability that are not based on observable market data.

The following tables present the level within the fair value hierarchy of GMP's continuing financial assets and liabilities carried at fair value:

As at September 30, 2020	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Securities owned				
Debt securities				
Canadian and U.S. federal government debt	35,346	2,362	–	37,708
Provincial and municipal government debt	–	7,204	–	7,204
Corporate and other debt	–	14,259	–	14,259
Equity securities	138	–	–	138
Financial assets at fair value through profit or loss	35,484	23,825	–	59,309
Preferred share investments in associate				
Class B preferred shares	–	–	30,422	30,422
Special preference shares	–	–	673	673
Financial assets at fair value through other comprehensive income				
	–	–	31,095	31,095
Financial assets carried at fair value	35,484	23,825	31,095	90,404
Financial liabilities				
Obligations related to securities sold short				
Debt securities				
Canadian and U.S. federal government debt	477	11,103	–	11,580
Provincial and municipal government debt	–	45	–	45
Corporate and other debt	–	2,023	–	2,023
Financial liabilities at fair value through profit or loss	477	13,171	–	13,648
Financial liabilities carried at fair value	477	13,171	–	13,648

As at December 31, 2019	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Securities owned				
Debt securities				
Canadian and U.S. federal government debt	45,395	1,650	–	47,045
Provincial and municipal government debt	–	6,275	–	6,275
Corporate debt and other	–	11,514	–	11,514
Equity securities	518	44	–	562
Derivative financial assets	–	–	45	45
Financial assets at fair value through profit or loss	45,913	19,483	45	65,441
Preferred share investments in associate				
Investments in associate				
Class B preferred shares	–	–	30,422	30,422
Special preference shares	–	–	673	673
Financial assets at fair value through other comprehensive income	–	–	31,095	31,095
Financial assets carried at fair value	45,913	19,483	31,140	96,536
Financial liabilities				
Obligations related to securities sold short				
Debt securities				
Canadian and U.S. federal government debt	–	6,999	–	6,999
Provincial and municipal government debt	–	3,109	–	3,109
Corporate debt and other	–	1,291	–	1,291
Financial liabilities at fair value through profit or loss	–	11,399	–	11,399
Financial liabilities carried at fair value	–	11,399	–	11,399

Key assumptions contemplated in the valuation on the Class B Preferred Shares include the RGMP Transaction, comparable market yields and estimated term to maturity.

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

Balance, December 31, 2019	31,140
Net unrealized loss before income taxes on broker warrants	(45)
Balance, September 30, 2020	31,095

B. CAPITAL MANAGEMENT

GMP requires capital to fund existing and future operations, future dividends and regulatory capital requirements. The liquidity of GMP's main operating subsidiaries is continually evaluated, factoring in business requirements, market conditions and regulatory capital requirements. GMP's policy is to maintain sufficient and appropriate levels of capital through a variety of sources.

The following table sets forth GMP's capital resources at the dates indicated:

As at,	September 30, 2020	December 31, 2019
Preferred shares	112,263	112,263
Common shares	325,594	325,810
Deferred share-based awards	–	(5,525)
Contributed surplus	39,964	45,273
Accumulated deficit	(298,562)	(283,248)
	179,259	194,573

Certain of GMP's subsidiaries are subject to regulatory capital requirements designed to provide notice to the regulatory authorities of possible liquidity concerns. As at and during the nine months ended September 30, 2020, GMP's subsidiaries were in compliance with their respective capital requirements.

Note 14. Segmented Information

The Company's operating results are categorized into two business segments, Operations Clearing and Wealth Management, and a Corporate segment.

The Operations Clearing segment includes revenue received in relation to carrying broker and other administrative support services provided by RF Securities Clearing LP (RF Securities) to Richardson GMP Limited (Richardson GMP) and Stifel Nicolaus Canada Inc. (Stifel). Additionally, related employee compensation and benefits, clearing and execution costs and other expenses associated with providing such services to Richardson GMP

and Stifel's Canadian capital markets business are included in this segment.

The Wealth Management segment consists of GMP's non-controlling ownership interest in Richardson GMP. This segment also includes dividend revenue recognized by GMP on its investment in Richardson GMP Preference Shares following dividend declarations made by Richardson GMP from time to time.

The Corporate segment includes head office expenses, other enterprise-wide items, and investment banking revenues in certain jurisdictions that were not acquired in connection with the Sale Transaction.

Results for prior periods have been restated. The following table presents selected financial results of continuing operations by segment:

	Operations Clearing		Wealth Management		Corporate		Total	
Three months ended September 30,	2020	2019	2020	2019	2020	2019	2020	2019
Revenue¹	6,515	9,377	1,071	603	(80)	578	7,506	10,558
Expenses								
Employee compensation and benefits	1,516	2,119	-	-	1,288	2,821	2,804	4,940
Selling, general and administrative ²	3,006	2,252	1	22	5,117	1,540	8,124	3,814
Interest	1,609	5,088	-	-	177	(5)	1,786	5,083
Depreciation and amortization	131	383	-	-	1	-	132	383
	6,262	9,842	1	22	6,583	4,356	12,846	14,220
Share of net income (loss) of associate	-	-	(415)	587	-	-	(415)	587
Income (loss) before income taxes	253	(465)	655	1,168	(6,663)	(3,778)	(5,755)	(3,075)

	Operations Clearing		Wealth Management		Corporate		Total	
Nine months ended September 30,	2020	2019	2020	2019	2020	2019	2020	2019
Revenue¹	21,991	24,318	1,715	1,773	(302)	2,382	23,404	28,473
Expenses								
Employee compensation and benefits	4,874	5,167	-	-	3,461	5,914	8,335	11,081
Selling, general and administrative ²	9,299	7,259	51	44	8,081	4,262	17,431	11,565
Interest	6,100	10,538	-	-	531	328	6,631	10,866
Depreciation and amortization	388	1,259	-	-	3	(7)	391	1,252
	20,661	24,223	51	44	12,076	10,497	32,788	34,764
Share of net income (loss) of associate	-	-	(774)	1,669	-	-	(774)	1,669
Income (loss) before income taxes	1,330	95	890	3,398	(12,378)	(8,115)	(10,158)	(4,622)

1. The majority of revenues in the Corporate segment relate to GMP Emerging Markets Corp (Emerging Markets).

2. Included in selling, general and administrative expenses in the Corporate segment, are one-time charges related to the transaction to consolidate the ownership of Richardson GMP. During the three and nine months ended September 30, 2020, GMP recorded \$3,901 (of which \$2,424 were related to Proxy Contest Costs) and \$5,463 in transaction costs (September 30, 2019 - \$515 and \$823).

Note 15. Net Change in Non-Cash Operating Items

	Nine months ended September 30,	
	2020	2019
Securities owned	6,132	89,910
Receivable from clients and brokers	(324,127)	34,492
Employee and other loans receivable	79	481
Other assets	(90,208)	73,708
Obligations related to securities sold short	2,249	1,810
Payable to clients, brokers and issuers	426,991	(205,937)
Net assets held for sale	-	(18,031)
Accounts payable and accrued liabilities and other liabilities	(17,661)	(27,813)
	3,455	(51,380)

Note 16. Subsequent Events

On October 6, 2020, GMP's shareholders overwhelmingly approved the acquisition by GMP of all the common shares of Richardson GMP that were not owned by the Company for a purchase price of 1.76 common shares of GMP for each common share of Richardson GMP (the "RGMP Transaction"). In consideration, GMP agreed to issue 100,517,533 Common Shares to former Richardson GMP shareholders at closing. Of this amount, 10% are to be freely tradeable shortly after closing of the substantial issuer bid ("SIB") and the remaining 90% will be held in escrow to be released in equal amounts on the first three anniversaries following closing.

On October 13, 2020, GMP announced the commencement of a SIB under which the Company will purchase up to 16,528,926 of its outstanding common shares at \$2.42 per Common Share for an aggregate purchase price of approximately \$40 million. The

only condition to the closing of the SIB was the completion of the RGMP Transaction. The SIB will expire at 5:00 p.m. (Eastern time) on November 18, 2020, unless extended or withdrawn by the Company.

On October 20, 2020, GMP completed the RGMP Transaction. After giving effect to the closing of the RGMP Transaction and SIB, the Company expects to have 159,380,123 Common Shares issued and outstanding. The acquisition enables the Company to capitalize on the compelling opportunities in the wealth management industry.

The acquisition will be accounted for using the acquisition method. For accounting purposes, the fair value of the purchase consideration for the RGMP Transaction is preliminarily calculated to be \$322,605 based on a closing price of GMP common shares of \$1.93 per common share ("Closing Price") on October 20, 2020 and is as follows:

	\$
Consideration Paid	
GMP Common shares	193,999
Fair value of pre-existing interest – RGMP common shares	96,376
Fair value of pre-existing interest – RGMP preferred shares	31,095
Settlement of pre-existing trade amounts	1,135
Purchase consideration	322,605
Net tangible assets acquired	16,759
Remaining purchase price to be allocated to goodwill and intangibles	305,846

The fair value of the 100,517,533 Common Shares issued upon close of the RGMP Transaction is assumed to be \$193,999 calculated using the Closing Price.

The fair value of GMP's existing ownership interest in RGMP common shares is assumed to be \$96,376 determined using 28,372,616 RGMP common shares at \$3.40 per common share (which is the Closing Price multiplied by the 1.76 exchange ratio of GMP common shares for each RGMP common share).

The fair value of GMP's existing ownership interest in RGMP Class A preferred shares and Special Preference shares is the redemption price of \$31,095.

Settlement of pre-existing trade amounts of \$1,135 receivable from RGMP to GMP as at September 30, 2020 relates to the dividend receivable from RGMP net of amounts relating to the carrying broker agreement.

The following table illustrates RGMP's fair value of identifiable assets and liabilities as of September 30, 2020, inclusive of certain adjustments to reflect the completion of the RGMP Transaction and will be subsequently updated based on the closing date of October 20, 2020.

	\$
Cash and cash equivalents	86,510
Securities owned	2,203
Employee and other loans receivable ¹	36,300
Other assets	9,367
Equipment and leasehold improvements	12,331
Right-of-use assets	21,415
Deferred income tax assets	25,678
Goodwill and intangibles ¹	305,846
Obligations related to securities sold short	(44)
Payable to brokers	(3,322)
Lease liabilities	(24,093)
Accounts payable and accrued liabilities	(42,820)
Other liabilities ¹	(9,344)
Preferred shares liability	(30,422)
Loans and promissory notes	(67,000)
Purchase consideration	322,605

1. The goodwill recognized is primarily attributed to the expected growth and future cash flows on AUA. The Company is still completing the valuation for goodwill, intangible assets, employee and other loans receivable, and other liabilities including contingent liabilities.

Shareholder Information

TRANSFER AGENT AND REGISTRAR

AST Trust Company (Canada)
1 Toronto Street
Suite 1200
Toronto, ON
M5C 2VC

Toll Free: (800) 387-0825
Email:
inquiries@astfinancial.com
Website: www.astfinancial.com

CORPORATE HEAD OFFICE

GMP Capital Inc.
145 King Street West
Suite 200
Toronto, ON
M5H 1J8

Telephone: (416) 687-1300
Email:
investorrelations@gmpcapital.com

SHAREHOLDER INQUIRIES

For all other shareholder inquiries please contact GMP Investor Relations at investorrelations@gmpcapital.com

Telephone: (416) 941-0894

REGULATORY FILINGS

Canadian Securities Administrators at www.sedar.com.

INDEPENDENT AUDITORS

Ernst & Young LLP

LEGAL COUNSEL

Goodmans LLP

FISCAL YEAR-END

December 31

WEBSITE

www.gmpcapital.com

STOCK EXCHANGE LISTINGS

STOCK	LISTING	TICKER	CUSIP
Common Shares	Toronto Stock Exchange	GMP	380134106
Preferred Shares, Series B	Toronto Stock Exchange	GMP.PR.B	380134205
Preferred Shares, Series C	Toronto Stock Exchange	GMP.PR.C	380134304

Office Locations

GMP CAPITAL INC.

TORONTO

145 King Street West
Suite 200
Toronto, Ontario
Canada, M5H 1J8

Telephone: (416) 687-1300

RF SECURITIES CLEARING LP

TORONTO

145 King Street West
Suite 200
Toronto, Ontario
Canada, M5H 1J8

Telephone: (416) 687-1300

RICHARDSON GMP LIMITED

TORONTO (HEAD OFFICE)

145 King Street West
Suite 500
Toronto, Ontario
Canada, M5H 1J8

Telephone: (416) 943-6696
Toll Free: (866) 263-0818