

# *The courage to rebuild*

“A corporation is a living organism; it has to continue to shed its skin. Methods have to change. Focus has to change. Values have to change. The sum total of those changes is transformation.”

— Andrew S. Grove, ‘Only the Paranoid Survive,’ Author

## Letter from the President & CEO

Fellow shareholders,

Beginning in 2020, we set out to ambitiously change the game. We set out to innovate, with world-class advisors and business partners by our side, and to rebuild a company that would be meaningful and lasting. We promised to create an environment that would enable our advisors to always be at their very best, because when our advisors are successful, our clients and our shareholders are too. We pledged to build a stronger, more inspiring, and ultimately more profitable organization.

We also knew we had to do the hard work to construct a better foundation upon which to rebuild that organization and reach our goal of tripling assets under administration<sup>1</sup> (AUA) to \$100 billion, even if that meant risking short-term disruption to create long-term strength.

We accepted the challenge to transform. Thanks to the perseverance, resourcefulness and incredible effort of everyone at Richardson Wealth, all the pieces are now in place.

While it’s still early days, we are beginning to see the value of our decisions. We see them in our people utilizing our new technologies and processes. We see them in the response to bringing insurance in-house. We see them in recruits drawn to what we can now offer. And we see them in the numbers: resilient AUA in difficult markets and higher 2022 revenue and adjusted EBITDA<sup>1</sup>.

As we look to the future, we can even more confidently accelerate growth toward \$100 billion of AUA through our focused three-pillar strategy.

## *Our focused three-pillar strategy:*

**1.**

**Double down on  
advisor support**

**2.**

**Supercharge  
advisor  
recruitment**

**3.**

**Acquire or  
partner with  
like-minded firms**

<sup>2</sup> <sup>1</sup>Considered to be non-GAAP or supplemental financial measures and do not have any standardized meaning prescribed by GAAP under IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the 2022 Annual MD&A.



**Kish Kapoor**  
President & CEO

*Back to the Future Advisor Conference, Winnipeg, June 2022*

*“It’s incredibly audacious and bold to tear down a system that functions, and still delivers good results. But we knew we could be better, so as the brave, we tore down that system, went through all that pain, and rebuilt knowing that there is something so much better on the other side.”*

**Tim Conlin**

Portfolio Manager, Investment Advisor  
Calgary

## Investing in advisors

At Richardson Wealth, our strategy and strength begins with our advisor-centric culture. From premises to technology to talent, we have been thoughtfully investing in our advisor teams’ future success. There is nothing more critical to our vision than how we treat advisors as our clients, giving them everything they need to serve their own clients, and to do so, exceptionally.

In 2022, we doubled down on advisor support by bringing the power of Envestnet and Fidelity to our platform. These world-class resources give our advisors new tools and functionality, and make our business more scalable.

It took courage to undergo this major transformation and to endure the disruption that comes with migrating to new systems. It has not been easy.

To our advisor teams, the pain of learning these platforms is rewarded by the gain of building something exceptional. You deserve enormous credit for withstanding this suffering and simultaneously ensuring service to your clients remained exceptional. When the hardest work is behind us, my promise is that it will all be worth it.

Select 2022  
performance highlights:

**\$35B**

AUA<sup>1</sup>

**\$23B**

Recruitment pipeline

**31,000**

Households

**161**

Advisor teams

**\$217MM**

AUA per advisor team<sup>1</sup>

### *2022 in a snapshot:*

- Outsourced our back-office and technology needs to world-class brands to enable our ambitious goals
- Formalized advisor succession to cultivate our next generation
- Received Great Place to Work™ recognition for fifth consecutive year
- Won five AVA Digital Platinum Awards for our corporate website refresh
- Engaged employees to vote for our Board of Directors advisor representative
- Deepened our recruiting pipeline by 50% YOY
- Relocated our Toronto offices to a new LEED Platinum certified building in Harbourfront
- Renovated branches and moved others to premier environments
- 32 advisors received Canada's Top Wealth Advisor awards, presented by Shook Research and The Globe and Mail

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**“Groups that adopt an infinite mindset enjoy vastly higher levels of trust, cooperation and innovation, and all the subsequent benefits.”**

— Simon Sinek, ‘The Infinite Game,’ Author

## Driving results

As our strategy began to take hold in 2022, our financial performance improved despite ongoing volatility in the capital markets. AUA<sup>2</sup>, the primary driver of our financial results, was down just 5% in a year when the S&P/TSX Composite and S&P 500 indices were down 8.7% and 19.5%, respectively. The difficult markets masked growth in AUA<sup>2</sup> from advisors bringing new assets into the firm and from recruiting.

Rising interest rates and insurance revenues helped to advance our results, as revenue was up by 8% and Adjusted EBITDA<sup>2</sup> by 21%. We also achieved many non-financial milestones that have strengthened the foundation of our business.

## Built with an infinite mindset

As we move ahead, we will do so with what Simon Sinek refers to as the mindset to play an “infinite game” – where companies must constantly adapt and change because there is no finish line.

To do that, we will maintain our ongoing pursuit of continuous improvement. We will consistently challenge the status quo and innovate. We will adapt and learn as an organization, but stay true to our long-term strategy. We will continue to make conscious choices and take assertive action, which is rarely easy and often unsettling.

And we will do this all with the guidance of my new CEO advisory council, which is comprised of 16 exceptional advisors from each one of our offices across the country.

Everyone at Richardson Wealth has shown the courage to change and build something sustainable, profitable, and of the highest quality, something that will last for generations to come. This has not yet translated into success for our shareholders, but it will.

Our independence, focus and entrepreneurship are some of our greatest assets. But our people are the greatest of all. Our teams are more aligned and cohesive than ever because we are creating an environment for them to do their very best work. The boldness of our corporate team, the support of our Board, and the commitment of our advisors has been inspiring. Because we had the courage to rebuild, we will become the brand of choice for Canada’s top advisors and their high-net-worth clients.



**Kish Kapoor**

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