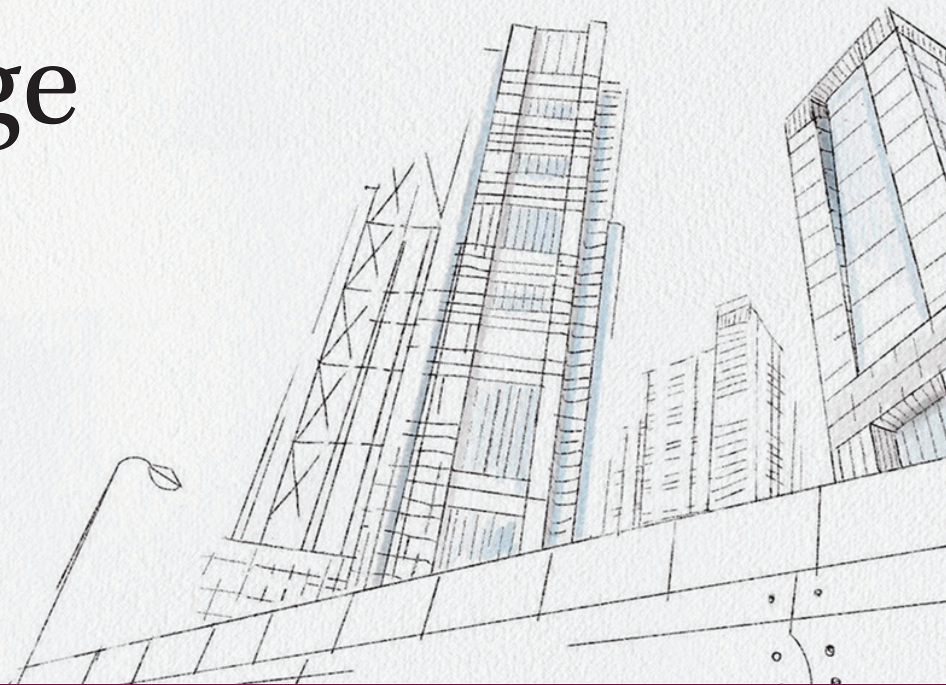
The courage to rebuild



"Infinite players play to be better than themselves."

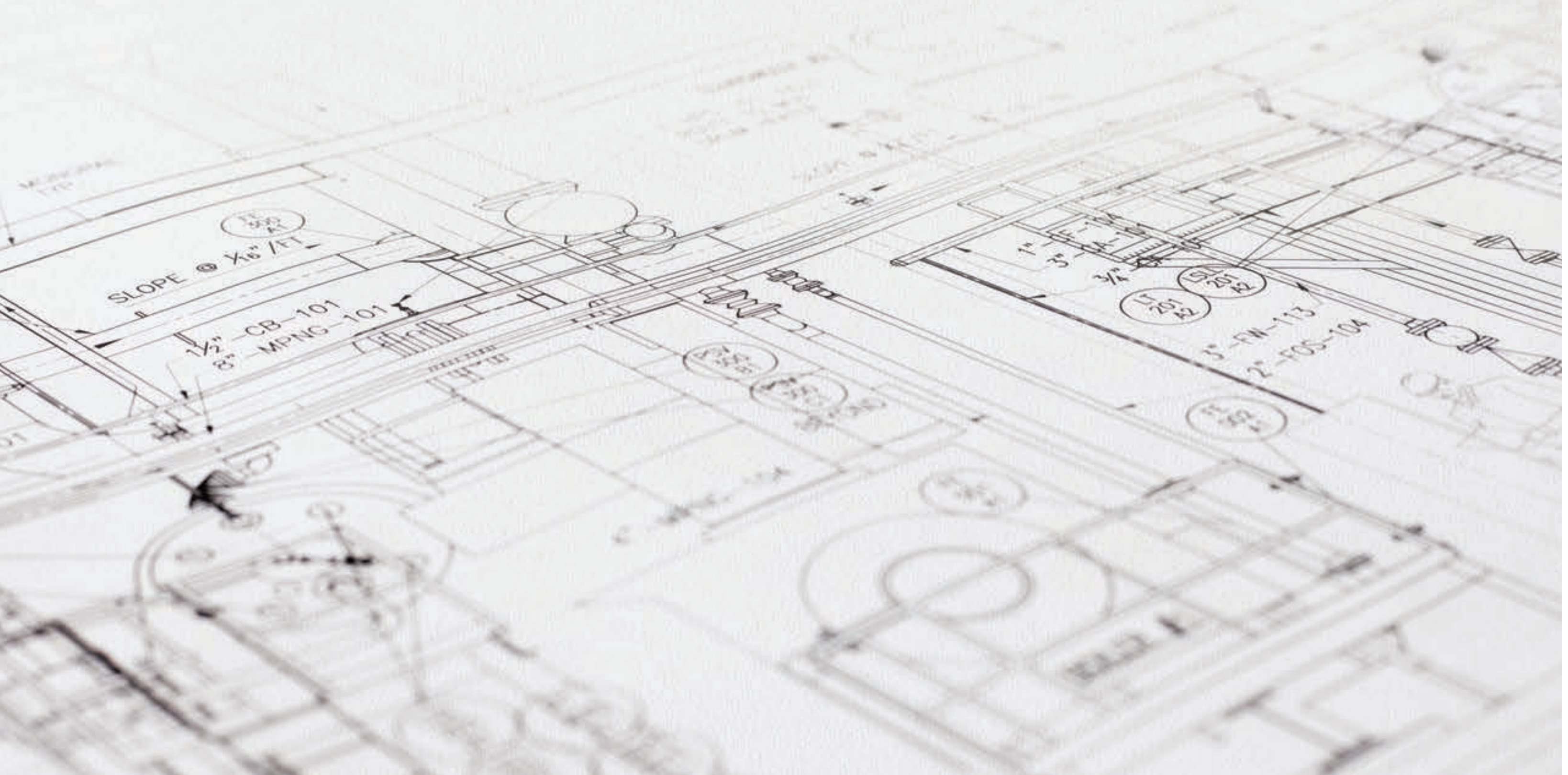
— Simon Sinek, 'The Infinite Game', Author

RF CAPITAL ANNUAL REPORT 2022

Our blueprint for success is built on our proud history

Since 1857, the Richardson brand has had an untarnished reputation for entrepreneuralism, stability and community. One hundred and sixty-six years later, our iconic name on the door continues to symbolize adaptability, resilience and innovation.

We are striving for new horizons. We leverage the knowledge and experience that comes with having a long history, while, at the same time, we confidently and responsibly trailblaze our way into the future.



We have laid the foundation on which we build today's results and tomorrow's aspirational growth

Revenue

$354MM

up 8% from $328mm in 2021

Adjusted EBITDA[1]

$62MM

up 21% from $51mm in 2021

Adjusted EBITDA[1] margin

17.4%

up 197 basis points from 15.4% in 2021

[1]Considered to be a non-GAAP financial measure. Such 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. For further information, please see the 2022 Annual MD&A.

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[1] (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[1].

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

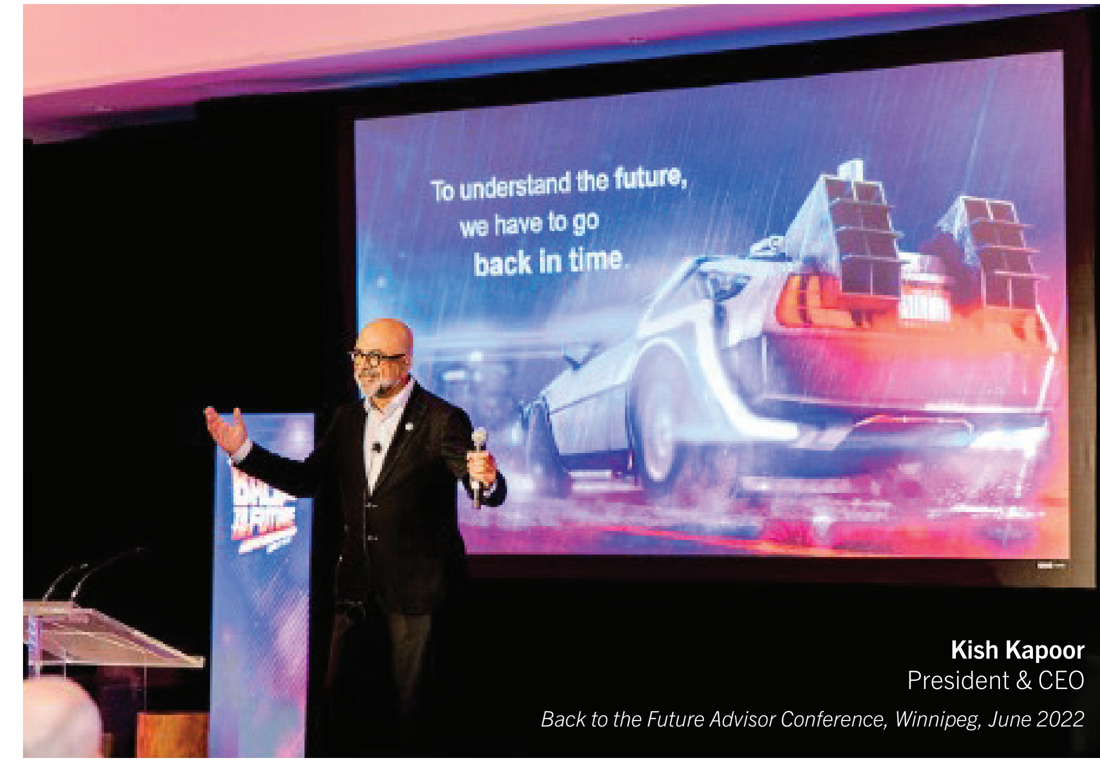
Our focused three-pillar strategy:

1. **Double down on advisor support**

2. **Supercharge advisor recruitment**

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

[1]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[1]

$23B
Recruitment pipeline

31,000
Households

161
Advisor teams

$217MM
AUA per advisor team[1]

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

[1]Considered to be a supplemental financial measure and does not have any standardized meaning prescribed by GAAP under IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the 2022 Annual MD&A.

> "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[2], 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[2] 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[2] 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 entrepreneurism 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

[1]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.

Every solid structure starts with a strategically placed cornerstone

A cornerstone is the fundamental piece on which a structure exists and succeeds. A cornerstone represents strength and longevity. Buildings rise and endure from that one important point. Cornerstones that are not placed with precision create weakness or instability.

Cornerstones signify a new era. They indicate prosperity and opportunity, embodying a sense of pride for what is possible at the time of construction.

In 2022, we cemented our cornerstone at Richardson Wealth — thoughtfully, methodically, and carefully — based on the blueprint we developed in 2021. This cornerstone is the three-pillar strategy that will strengthen our foundation, stabilize our walls, and reinforce our roof. It will ensure we triple our business in the medium-term, driving top-line growth, operating margin improvement and shareholder value.

With our courage to rebuild — starting with a rebrand to update the name on our door — we believe these three strategic pillars are a perfect representation of our future, our stamina, our resilience, and our infinite opportunities.

Our cornerstone has been laid and when our work is done to further strengthen it in 2023, Richardson Wealth will be built to last.

Our strategic pillars

Our growth strategy rests on three key strategic pillars that we believe will drive considerable growth, improve our operating margin and generate meaningful shareholder value.

1. **Double down on advisor support**

2. **Supercharge advisor recruitment**

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

"My promise is that it will all be worth it."

— Kish Kapoor

Change is disruptive, and rebuilding is demanding. It takes stamina, endurance, and courage to see it through to the end. We took something that was good, and served our purposes, tore it down and started with a new cornerstone to build something that will be even better. In the end, it will all be worth it. We will look back with relief and gratitude knowing our courage to endure was worth the energy we spent and the frustration it caused, for the benefits we will realize. That is our promise.

Our advisors choose how they run their practices

At Richardson Wealth, our advisors are in full control of their businesses. They make decisions about their practices, their teams, and their clients. We help them grow through our Masterclass coaching, practice management consultations, best practices sharing and the entire top-shelf suite of wealth management offerings.

"The Action Desk provides advisors with streamlined access to investment insights and thought leadership by using the breadth and depth of resources available at our firm."

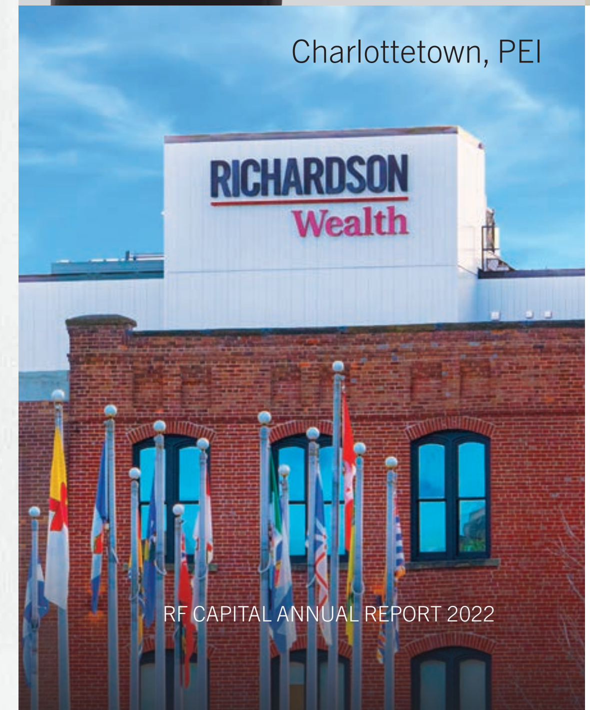
An Nguyen
VP, Investment Services

Edmonton, AB

Christina Clement
VP, Growth & Execution

Vancouver, BC

Charlottetown, PEI



Investing in our advisors

We are continually innovating, anticipating, learning, and transforming so we can offer our advisors everything they need to be at their very best. We invest thoughtfully, strategically and courageously, making our business the destination for top advisors and their clients.

"I am proud to work at Richardson Wealth, a company that has such a unique culture — one that puts advisors first, every time. This lets them put their clients' best interests first, every time."

Asmita Kanungo
VP, Business Acquisition

Gamechangers National Conference, Winnipeg, June 2022

Donald Wright
Independent Chair of the Board

Fellow shareholders,

2022 has been a year of change, disruption and progress. We expanded and enhanced our physical footprint. We outsourced our back office and technology needs. We endured challenging markets while posting record results in the last three quarters. We transformed a significant portion of our cost structure from fixed to variable. Our diversified revenues now include recurring fee-based revenues, corporate finance, interest income and insurance revenue.

We also inspired the best talent in the industry to believe in our long-term vision and their unquestionable ability to overcome significant disruption. We aligned our people to help us build the brand of choice for Canada's top advisors and their clients. It's been a year of herculean effort of so many extraordinary people helping to lay the foundation for long-term success. These people have moved mountains.

Gaining momentum

This success has not yet translated into a higher share price. But we are confident you will be rewarded. You own an interest in one of the largest and fastest growing independent wealth management firms in Canada, in a $5 trillion industry expected to double in the next decade. We are home to some of the best advisors in the country. Thirty-two were recently recognized as a Top Wealth Advisor by Shook Research and The Globe and Mail. We are gaining the attention of many who intend to leave the big banks – our pipeline is up by 50% of last year. And with our recent transition to Fidelity, we now have built the foundation to drive organic growth, supercharge advisor recruitment and pursue opportunities to acquire, or partner with, like-minded firms.

> "To know our future, we must understand the past."

Creating excitement

Last spring, we hosted our Back to the Future advisor conference in Winnipeg, home of the Richardson family and James Richardson & Sons, Limited. Our message was simple – to know our future, we must understand our past. Over 80% of our business attended in person and hundreds more across our firm logged in virtually. In the summer, we held board meetings in Montréal and heard directly from advisors on how excited they were to contribute to the company's success.

Ensuring engagement

We also created excitement with a highly unique internal process to elect the successor IA Nominee Director upon the incumbent, Marc Dalpé's, board retirement. Six advisors self-nominated, campaigned and stood for election. More than 50% of employees voted in the first round. With a strong showing in the runoff vote, David Porter, an Edmonton-based advisor, was selected. With employees owning 31% of the shares in our company, this level of engagement highlights the very best of our entrepreneurial advisor-centric culture.

Listening closely

Our President & CEO established a CEO Advisory Council. This creates an important forum for 16 selected advisors to provide guidance on key strategic and business issues – staying true to our promise to have advisors' voices heard.

Continuing our pursuit of ESG

The Governance Committee of our board, which has a formal mandate for the Company's environmental, social and governance (ESG) activities, approved an ESG roadmap in 2022 that included the adoption of the Sustainability Accounting Standards Board (SASB) reporting framework for asset managers. SASB is a leading ESG framework endorsed globally by institutional investors. We are well on our way to adopting many of the ESG principles as evidenced by our longstanding commitment to giving back to our communities, our focus on diversity, equity, and inclusion, increasing the diversity of our advisor base, and the construction of our LEED-certified flagship corporate office.

Giving thanks

I would like to extend sincere gratitude to our advisor teams, clients, employees and shareholders. This company is innovating rapidly, we are building to be the best and we are steadily showing our true potential. We are on a long-term journey, and I thank all those that are committed to helping it unfold. *The future has never been more promising.*

Thank you.

D.A. Wright

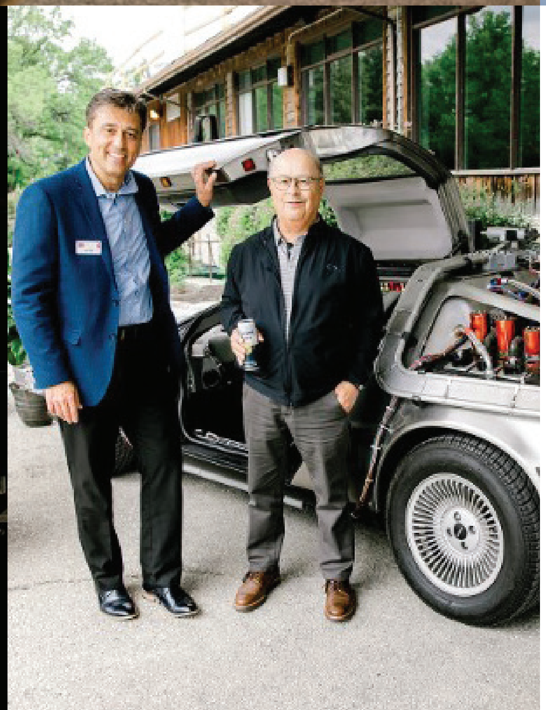
Donald Wright

> "Renewal is not just innovation and change. It is also the process of bringing the results of change into line with our purposes."
>
> — John W. Gardner
> *Author & Presidential Advisor*

"The voice of the advisor has always been uniquely strong here, and this role ensures that we will continue to elevate our culture of truly valuing and supporting our advisors and teams."

David Porter
IA Nominee Director

Last June, we hosted our advisor conference in Winnipeg, home of James Richardson & Sons, Limited. It's also the place where it all began for Richardson Wealth. That is why we chose ***Back to the Future*** as our conference theme, the title of the 1985 American sci-fi blockbuster, starring another iconic Canadian name, Michael J. Fox. At this event, we went back to our roots and discussed what our future holds.



Back to the Future

Our conference had something for everyone. We showcased our board with a panel discussion. We introduced some of the Richardson's, including two from the sixth generation, to our advisors. We heard from an impressive group of our advisors who shared best practices, and we had an incredible private concert from Winnipeg born and raised Chantal Kreviazuk. But most of all, we had fun! Here's some feedback we got.

"We've got this engine fired up! It's like the troops who know it's their time with a leader that recognizes their potential. Never seen it more than right now."

Kim McCartney
Investment Advisor
Winnipeg

"My best conference in 32 years of being an advisor. Content and presenters were all excellent. Variety of subjects simply fantastic."

Marc Dalpé
Portfolio Manager,
Investment Advisor
Montréal

"For me, after 53 years in the business, this proved to be by far the best such event ever! The organization was impeccable and the content illuminating, pertinent, and inspiring."

Robert Caldwell
Business Development
Kitchener

"You can't really know where you are going until you know where you have been."

— Maya Angelou

Advisors are drawn to the name on our door, a name that has always been known for integrity, trust, leadership, and excellence. Knowing our values that were formed so many years ago is foundational to how we will navigate what's ahead. Our remarkable past dictates our promising future.

The future of wealth is female

Goal: 50%

FEMALE ADVISOR POPULATION AT RICHARDSON WEALTH BY 2027

Susan Daley
Portfolio Manager, Investment Advisor

Maria Miletic
Associate Portfolio Manager, Investment Advisor

Nancy Nicol
Portfolio Manager, Investment Advisor

"Having a gamechanging culture of trust and openness was a big contributor to winning our Great Place to Work® award and that is definitely an advantage of being a smaller, independent boutique firm with people-first values."

Lynne Brejak
SVP, Chief People Officer

About Canada's Best Workplaces Award:
For the third time since 2018, we have been named one of the Top 50 Best Workplaces™ for Canadian organizations with 100-999 employees by Great Place to Work®. This speaks to Richardson Wealth's uncompromising values that are driven by our caring people and our rich history.

Supercharging recruitment

Goal: $2.5B

PER ANNUM

"The opportunity we are pursuing is significant, and we are well positioned to capture share of this fast-expanding industry. Our plan enables us to build a robust, diverse advisor base and play a key role in becoming the brand of choice for Canada's top advisors and their high-net-worth clients."

Natalie Bisset
SVP, Head of Corporate Development

Building exceptional advisor support & enhanced client experience

A bold digital blueprint for our business

Fidelity's uniFide™ is a fully integrated platform that supports business functions including account opening and maintenance, and straight-through transaction processing. With personalized alerts and access anytime, anywhere, the uniFide platform will enable our advisors to create capacity by transforming the way they work. Leveraging Fidelity's custodial, clearing and trade settlement capabilities provides our advisors with high-touch support.

"The Fidelity uniFide™ offering is a scalable, flexible and comprehensive digital platform that will transform how traditional back office administration is conducted in Canada."

Scott Stennett
SVP, Chief Operating Officer

Jan Sampson
Director, Operations

Mobilizing our brand

In November, our marketing team designed a new corporate website that earned an AVA Digital Platinum Award in five categories: Design, Redesign, Creativity, Financial and Business to Business. The awards distinguish our digital presence as a wealth management firm and how we set ourselves apart in providing an exceptional experience to our advisors and clients in a competitive marketplace.

2023 AVA DIGITAL AWARDS PLATINUM WINNER

$1MM+

RICHARDSON Wealth | KidneyMarch

Title Sponsor for the September 8-10th, 2023
100km Walk from Kananaskis to Calgary

$400K+

donated to charitable organizations in 2022 by advisors and employees

$170K+

employee donations were matched by the firm

SNAP
OCT 13@ MAJOR TOM

$37K+

raised for Dress for Success as the presenting sponsor of SNAP

THE MILLION REASONS RUN

$110K+

raised in the past two years for children's hospitals across Canada

Committed to ESG

We are guided by what we believe is right for our business, our community and our clients.

RF Capital is committed to integrating an environmental, social, and governance (ESG) lens into every aspect of our business. A thoughtful application of ESG principles will help our business, advisors, and their clients thrive in a socially responsible manner. As a regulated wealth management firm, we have always operated with the highest standards of ethical behaviour.

Please refer to our 2022 Management Information Circular for more information on our ESG philosophy.

Our 2022 ESG milestones:

Environmental

- Relocated our Toronto offices to a new LEED Platinum certified building
- Migrated legacy paper-based records into electronic format

Social

- Launched a Core Leadership Development program for all corporate executives
- Recognized as a Great Place to Work ® for the fifth consecutive year
- Based on Investment Executive's 2022 Brokerage Report Card, scored:

  8.8/10 overall, ranking fifth out of 14 firms surveyed

  9.3/10 on our Diversity, Equity & Inclusion Policies
- Through our Diversity, Equity & Inclusion efforts, we supported: National Day for Truth and Reconciliation, Black Opportunity Fund, Pride at Work Canada, Black, African & Caribbean and Pride Employee Resources Groups, and Women's Executive Network
- Supported community mental health with a multi-year financial commitment to the CAMH Foundation

Governance

- Developed succession plans for company executives
- Completed Health & Safety training for all new employees and people managers
- Enhanced our rigorous risk management frameworks and processes with the guidance of our newly established Board Risk Committee

$20K

donated to True North Aid, a Canadian charity dedicated to remote and northern Indigenous communities

Richardson Wealth also hosted a firm-wide conversation with Canadian actor and activist Adam Beach.

We are dedicated to diversity

Richardson Wealth
Pride Employee Committee

We have renewed our partnership with Pride at Work Canada, and we are committed to building workplaces that celebrate all employees regardless of their gender expression, gender identity, and sexual orientation.

$50K

donated to the Black Opportunity Fund

Black Opportunity Fund

"As a founding member of the Black Opportunity Fund, I am proud of Richardson Wealth's continued commitment to elevating Black communities in Canada."

Michael Williams
SVP, Chief Risk & Compliance Officer

WXN

$100K

sponsoring Woman of Courage Award

"Richardson Wealth is attracting strong, talented women because they are seeing that we recognize the immense value of diverse perspectives and experiences. With our alignment to the Women's Executive Network, and our sponsorship of the *Women of Courage Award*, we will continue to redefine what it means to be courageous; and in doing so, we will attract even more women to our incredible company."

Lynne Brejak
SVP, Chief People Officer

Tracking our progress:

Category	Criteria	Our Result
Environmental		
	Proportion of our office space that is Gold or Platinum LEED certified	226,536 square feet or 72%
	Percentage of client communications in electronic form	80-87%
Transparent Information and Fair Advice for Consumers		
	Percentage of registered employees with a record of investigations, litigations, or regulatory proceedings	1.8%
	Monetary losses as a result of marketing, fee, or sales practice related complaints or litigations	$1,324,691
Social		
	Representation of women across our company	47% executive management 57% middle management 51% all employees
	Investment in training our people	$328,000, an average of $1,250 per corporate employee
	Voluntary turnover rate	9.3%
Business Ethics		
	Monetary losses as a result of litigation related to fraud, insider trading, anti-competitive behaviour of other contravention of other financial industry laws or regulations	$nil
	Sponsorships and donations to programs and communities across the country	Over $400,000
	Dollar value of political contributions in 2022	$nil
	Total AUA managed by registered advisors	100%
	Percentage of employees who have attested to our Code of Business Conduct and Ethics	91%
	Percentage of registered employees who completed conflicts of interest training	95%
Governance		
	Percentage of directors who are independent	80%
	Percentage of independent directors who are women	25%
	Percentage of employees who have received training on data privacy and security	100%

Building with the best, leading the way

REPORT ON BUSINESS 2022 SHOOK
CANADA'S TOP WEALTH ADVISORS

Thirty-two of our outstanding advisors received recognition by Shook Research and The Globe and Mail last fall when they were awarded as one of Canada's Top Wealth Advisors, either nationally or provincially. This annual list ranks advisors based on in-depth independent research and various criteria. From quantitative data such as revenue and assets under management to qualitative facts such as their client experience and community involvement, a fulsome range of information is collected to make this decision. We're so proud of all our advisors. But we take great pride in celebrating these extraordinary individuals for the highest form of recognition an advisor can receive from one of the most credible sources in Canada. Their exemplary work and unending dedication to their clients is exceptional.

Rahim Chatur
Portfolio Manager,
Investment Advisor
Calgary

Tim Conlin
Portfolio Manager,
Investment Advisor
Calgary

Marc Dalpé
Portfolio Manager,
Investment Advisor
Montréal

Alexandra Horwood
Portfolio Manager,
Investment Advisor
Toronto

Ida Khajadourian
Portfolio Manager,
Investment Advisor
Toronto

Neil Kumar
Portfolio Manager,
Investment Advisor
Vancouver

Kyle Richie
Investment Advisor
Toronto

Tyler Steele
Portfolio Manager,
Investment Advisor
Vancouver

The best in the business from coast to coast

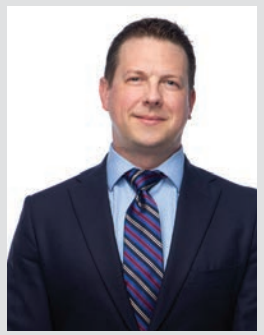
REPORT ON BUSINESS 2022 SHOOK

CANADA'S TOP WEALTH ADVISORS

BEST IN PROVINCE

BRITISH COLUMBIA

Rory O'Connor
Potfolio Manager,
Investment Advisor
Vancouver



Greg Phillips
Portfolio Manager,
Investment Advisor
Vancouver

MANITOBA

Benji Miles
Wealth Advisor, Portfolio
Manager, Investment Advisor
Winnipeg

ALBERTA

Rob Campbell
Portfolio Manager,
Investment Advisor
Edmonton

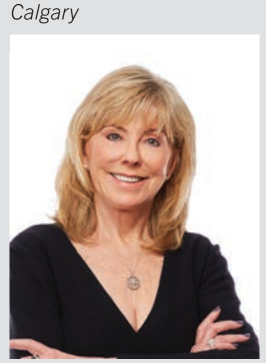
Marshall Drozduk
Portfolio Manager,
Investment Advisor
Calgary

Brad Gustafson
Portfolio Manager,
Investment Advisor
Calgary

Brad Hunter
Portfolio Manager,
Investment Advisor
Calgary

Tricia Leadbeater
Portfolio Manager,
Investment Advisor
Calgary

Jeffrey Mackie
Portfolio Manager,
Investment Advisor
Calgary



Kathy McMillan
Wealth Advisor,
Investment Advisor,
Associate Portfolio Manager
Calgary

Susan O'Brien
Investment Advisor,
Wealth Advisor
Calgary

QUEBEC

Joseph Bakish
Wealth Advisor, Portfolio
Manager, Investment Advisor
Pointe-Claire

Cielo Carin
Wealth Advisor, Portfolio
Manager, Investment Advisor
Montréal

Antoine Niding
Investment Advisor
Montréal

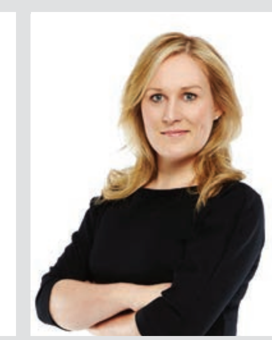
Mark Tetrault
Investment Advisor,
Wealth Advisor
Pointe-Claire

ONTARIO

Fred Banwell
Portfolio Manager,
Investment Advisor
North York

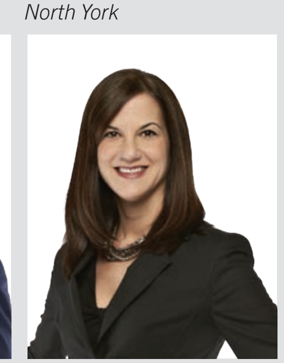
Ty Cooke
Wealth Advisor, Portfolio
Manager, Investment Advisor
Burlington

Andrew Feindel
Portfolio Manager,
Investment Advisor
Toronto

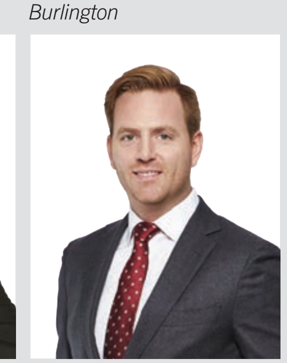


Rosemary Horwood
Portfolio Manager,
Investment Advisor
Toronto

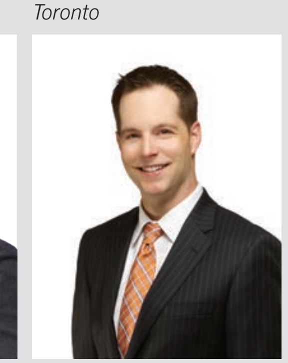
Craig Machel
Portfolio Manager,
Investment Advisor
Toronto



Diana Orlic
Wealth Advisor,
Portfolio Manager,
Investment Advisor
Burlington

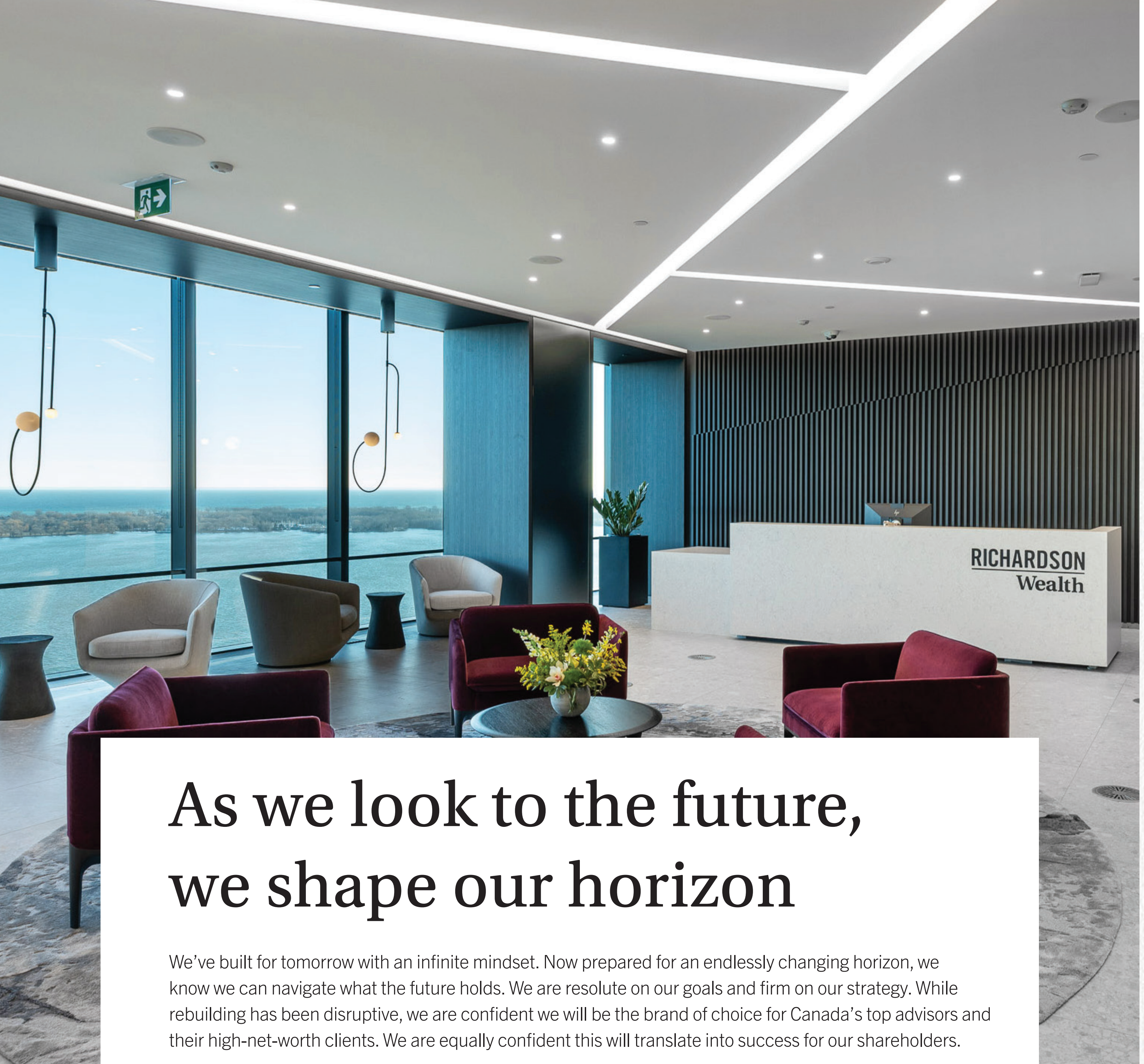


Simon Partington
Wealth Advisor,
Portfolio Manager,
Investment Advisor
Toronto



Tim Pritchard
Wealth Advisor,
Portfolio Manager,
Investment Advisor
Toronto

Dustin Van Der Hout
Portfolio Manager,
Investment Advisor
North York



As we look to the future, we shape our horizon

We've built for tomorrow with an infinite mindset. Now prepared for an endlessly changing horizon, we know we can navigate what the future holds. We are resolute on our goals and firm on our strategy. While rebuilding has been disruptive, we are confident we will be the brand of choice for Canada's top advisors and their high-net-worth clients. We are equally confident this will translate into success for our shareholders.

AUA[1]

Grow from $36B to $100B

Revenue

Drive from $354MM to $1B

Adj. EBITDA[1]

Increase from $62MM to $200-300MM

[1]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.

RICHARDSON
Wealth

RF Capital Group Inc.

Management's Discussion & Analysis

For the year ended December 31, 2022

Contents

About this Management's Discussion and Analysis

The purpose of this management's discussion and analysis (MD&A) is to help readers understand the consolidated financial condition and results of the consolidated operations of RF Capital Group Inc. (the Company) as at and for the year ended December 31, 2022.

This MD&A, dated March 2, 2023, should be read in conjunction with the audited consolidated financial statements and related notes as at and for the year ended December 31, 2022 (2022 Annual Financial Statements). This document as well as additional information relating to the Company, including our audited consolidated financial statements and related notes as at and for the year ended December 31, 2022 (2022 Annual Financial Statements), and our latest annual information form (AIF), can be accessed at *www.rfcapgroup.com* and under our profile at *www.sedar.com*, and are incorporated by reference herein.

This MD&A refers to certain non-GAAP and supplemental financial measures (including non-GAAP ratios), which we believe are useful in assessing our financial performance. Readers are cautioned that these measures do not have any standard meaning prescribed by GAAP under International Financial Reporting Standards (IFRS) and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information related to adjusted results and a reconciliation to their nearest IFRS measures, please read the "Non-GAAP and Supplemental Financial Measures" section at the end of this MD&A.

Unless otherwise specified herein, financial results contained in this MD&A, including related historical comparatives, are based on our 2022 Annual Financial Statements, which we have prepared in accordance with IFRS.

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

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

Forward-Looking Information

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

The forward-looking statements included in this MD&A, including statements regarding our normal course issuer bid (NCIB), the project to outsource our carrying broker operations to Fidelity Clearing Canada (Fidelity), our recruiting pipeline, the nature of our growth strategy and execution of any of our potential plans, are not guarantees of future results and involve numerous risks and uncertainties that may cause actual results to differ materially from the potential results discussed or anticipated in the forward-looking statements, including those described in this MD&A and our AIF. Such risks and uncertainties include, but are not limited to, market, credit, liquidity, operational and legal and regulatory risks, and other risk factors, including variations in the market value of securities, dependence on key personnel and sustainability of fees.

Our results can also be influenced by other factors, such as general economic conditions, including interest rate and exchange rate fluctuations, and natural disasters, or other unanticipated events (including the novel coronavirus and variants thereof (COVID-19 pandemic)). For a description of additional risks that could cause actual results to differ materially from current expectations, see the "Risk Management" section of this MD&A.

Although we attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information.

Certain statements included in this MD&A may be considered a "financial outlook" for purposes of applicable Canadian securities laws. The financial outlook may not be appropriate for purposes other than this MD&A.

Forward-looking information contained in this MD&A is:

- based on our reliance on certain assumptions we consider reasonable; however, there can be no assurance that such expectations will prove correct. As such, readers should not place undue reliance on the forward-looking statements and information contained in this MD&A. When relying on forward-looking statements to make decisions, readers should carefully consider the foregoing factors, the list of which is not exhaustive;
- made as of the date of this MD&A and should not be relied upon as representing our view as of any date subsequent to the date of this MD&A. Except as required by applicable law, our management and Board undertake no obligation to update or revise any forward-looking information publicly, whether as a result of new information, future events or otherwise; and
- expressly qualified in its entirety by the foregoing cautionary statements.

Basis of Presentation

Effective Q4 2022, we have discontinued the use of segmented reporting and are presenting only consolidated financial results. This change reflects the outsourcing of our carrying broker operations, the continued evolution of the Company, and the manner in which management views the business.

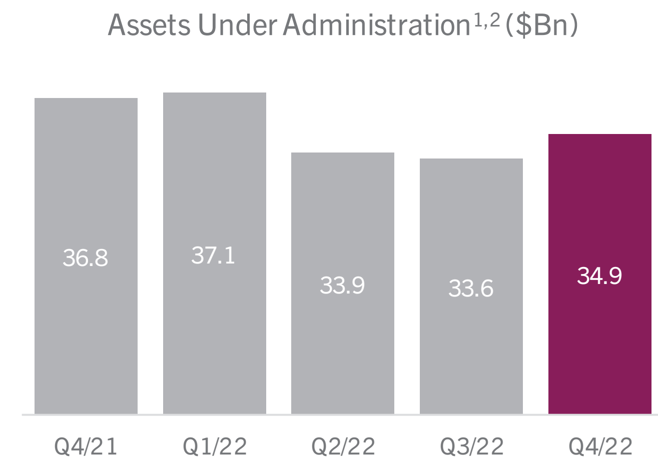
In order to replace our former Corporate segment and provide continued transparency into the costs of operating the public company, we will present those costs as a discrete expense line item in our discussion of the business' results.

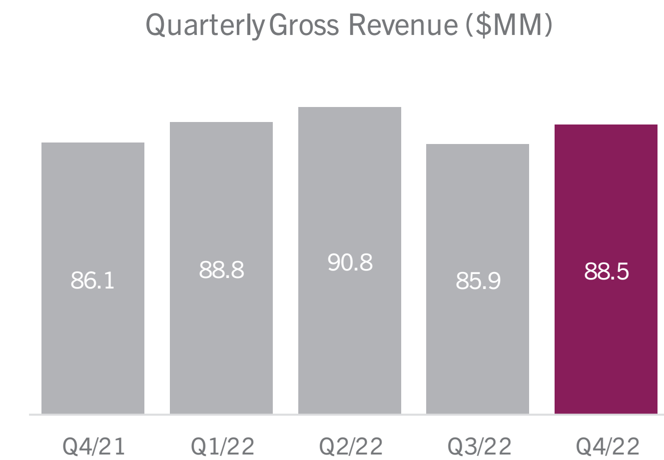
2022 - Select Financial Information

($000s, except as otherwise indicated)	2022	2021	2020	2022 vs. 2021	2021 vs. 2020
				% Increase/(decrease)	
Key Performance Drivers[1,2]:					
AUA - ending ($ millions)[3]	34,948	36,847	30,846	(5)	19
Fee revenue	254,802	242,916	n/a	5	n/a
Fee based revenue (%)[4]	88	86	n/a	+162 bps	n/a
Adjusted operating expense ratio[5] (%)	69.8	72.7	n/a	(289) bps	n/a
Adjusted EBITDA margin (%)	17.4	15.4	n/a	+197 bps	n/a
Asset yield (%)[6]	0.85	0.82	n/a	+3 bps	n/a
Operating Performance[1]					
Reported Results:					
Revenue	353,972	328,519	84,119	8	n.m.
Variable advisor compensation	149,748	142,611	23,726	5	n.m.
Gross margin[7]	204,224	185,908	60,393	10	n.m.
Operating expenses[2,8]	151,207	156,543	60,553	(3)	n.m.
Share of loss of associate	—	—	(2,365)	n.m.	n.m.
Gain on investment in associate	—	—	45,734	n.m.	n.m.
EBITDA[2]	53,017	29,365	43,209	81	n.m.
Income (loss) before income taxes	(3,111)	(19,805)	33,533	(84)	n.m.
Net income (loss)	(4,803)	(20,152)	28,747	(76)	n.m.
Earnings per common share - diluted	(0.95)	(3.33)	2.65	n.m.	n.m.
Adjusting Items[9]:					
Transformation costs and other provisions (pre-tax)	8,634	21,390	n/a	(60)	n.m.
Amortization of acquired intangibles (pre-tax)	13,052	13,052	n/a	0	n.m.
Transformation costs and other provisions (after-tax)	6,309	17,835	n/a	(65)	n.m.
Amortization of acquired intangibles (after-tax)	9,594	9,673	n/a	(1)	n.m.
Adjusted Results[2]:					
Operating expenses[8]	142,573	135,153	53,889	5	n.m.
EBITDA	61,651	50,755	4,139	21	n.m.
Income (loss) before income taxes	18,575	14,637	(529)	27	n.m.
Net income (loss)	11,100	7,356	(6,001)	51	n.m.
Adjusted earnings per common share - diluted	0.43	0.20	(1.39)	n.m.	n.m.
Select balance sheet information:					
Total assets	1,699,654	2,216,015	2,119,919	(23)	5
Term debt	110,922	110,922	109,494	—	1
Shareholders' equity	346,921	354,890	379,863	(2)	(7)
Net working capital[2]	95,224	105,991	87,881	(10)	21
Common share information:					
Book value per common share ($)	14.80	15.25	16.80		
Closing share price ($)	11.50	19.00	17.40		
Common shares outstanding[10] (millions)	15.9	15.9	15.9		
Common share market capitalization ($ millions)	182	302	277		

1. Operating results pre-October 20, 2020 are shown for reference purposes only as Richardson Wealth was not fully consolidated into RF Capital's financial statements.
2. Considered to be non-GAAP or supplemental financial measures, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplemental Financial Measures" section of this MD&A.
3. AUA is a measure of client assets and is common to the wealth management business. It represents the market value of client assets managed and administered by us
4. Calculated as fee revenue divided by commissionable revenue. Commissionable revenue includes Wealth management revenue and commissions earned in connection with the placement of new issues and the sale of insurance products.
5. Calculated as adjusted operating expenses divided by gross margin
6. Calculated as Wealth management revenue plus interest on cash divided by average AUA
7. Gross margin is calculated as revenue less advisor variable compensation. We use gross margin to measure operating profitability on the revenue that accrues to the Company after making advisor payments that are directly linked to revenue.
8. Operating expenses include employee compensation and benefits, selling, general and administrative expenses, and transformation costs and other provisions. Adjusted operating expenses are calculated as operating expenses less transformation costs and other provisions.
9. For further information, please see "2022 – Items of Note" in this MD&A.
10. In 2022, we consolidated our common shares at a 10:1 ratio. Prior period common share information has been adjusted to reflect this consolidation.

2022 – Operating Highlights





2022 Select Financial Highlights

Net New Assets[2]

Our advisors brought in new assets of $2.2 billion from existing and new clients

Recurring Fee Revenue[2]

88% of commissionable revenue, up from 86% last year

Increased Profitability

Adjusted EBITDA margin[2] increased to 17.4%, from 15.4% in 2021

$25.4 Million

or 8% increase in total revenue compared with last year

137%

Growth in interest revenue over 2021

$17.0 Million

Record quarterly Adjusted EBITDA[2] in Q4 2022; 3 record quarters during the year

289 bps

Year-over-year improvement in our Adjusted operating expense ratio[2]

1. AUA is a measure of client assets and is common to the wealth management business. It represents the market value of client assets managed and administered by us from which we earn commissions and fee revenue.
2. Considered to be non-GAAP or Supplemental Financial Measures, which do not have any standardized meaning prescribed under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplemental Financial Measures" section at the end of this MD&A.

Business Overview

RF Capital is a wealth management-focused company. Our common and preferred shares trade on the Toronto Stock Exchange (TSX) under the following ticker symbols (TSX: RCG, RCG.PR.B). We operate under the Richardson Wealth and Patrimoine Richardson brands and are one of Canada's largest independent wealth management firms, with total AUA of $34.9 billion (December 31, 2022). We have 162 advisor teams operating out of 20 offices, serving over 31,000 clients across Canada.

Richardson Wealth was founded almost two decades ago based on a belief that Canadians wanted an alternative to the banks for their wealth management needs. Many of the nation's top advisors have joined our firm because their voices are heard, their diverse perspectives are valued, our open architecture and advisor-centric culture supports their success, and the name on the door is synonymous with integrity and excellence.

A Great Place To Work™

We strive to make our Company a great place to work for our advisors and employees. Independent recognition of our workplace culture inspires us to work even harder.

We are focused on delivering an exceptional service experience to our entrepreneurial advisors – our clients. Our company supports our advisor teams as they provide strategic wealth advice and innovative investment solutions to their high-net worth clients across Canada. A culture of entrepreneurship means there is no standard formula for success; within the boundaries of our comprehensive risk framework, our advisors can determine how best to run their practices.

We offer advisors a holistic suite of wealth management solutions that enables them to deliver value to existing clients and attract new ones. A team of tax, estate, and wealth planning experts is available to assist advisors with complex client needs.

Until the end of 2022, we operated a carrying broker business that focused on serving the needs of our advisors. Following the close of business on December 31, 2022, Fidelity Clearing Canada began to provide custody, clearing and trade settlement services to Richardson Wealth and our advisors, and our proprietary carrying broker will no longer conduct active business. We believe that over the long-term, once we work through an initial adjustment period, Fidelity will provide a technology platform that will accelerate our digital ambitions and maintain service quality at the high level that our advisors expect.

Our Growth Strategy

Our advisor-centric growth plan was developed with the belief that our focus should be on providing our advisors with best-in-class service and platforms that would enable them to grow their practices. By executing this strategy, we believe we will build a great business for the long-term and achieve our aspirational goal of tripling our AUA and revenue – and more than tripling our Adjusted EBITDA. Through that plan, we hope to create significant value for our shareholders.

Our Vision

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

Our original intent was to achieve our aspirational growth objectives by 2025; but we have now revised it to be three to five years from today. Management and the Board reset that timeline because of ongoing turbulence in the financial markets, which has had a negative impact on our AUA and Corporate Finance revenues. We believe that slightly deferring our timeline is more prudent than making aggressive – and potentially risky – investments to achieve it.

We expect a favourable long-term market outlook to support our growth, as retail financial wealth is projected to grow from approximately $5.6 trillion in 2021 to nearly $10 trillion by 2030[1]. With a 0.7% market share at present, we believe there is ample opportunity for us to gain share of this rapidly growing industry as an independent wealth management firm with national scale.

In 2022, we made significant progress against our three-pillar strategy by broadening the range of services and support we provide our advisors, growing new sources of revenue such as insurance, and leveraging our platform to drive operating efficiencies.

The most significant strategic milestones that we achieved in 2022 were the launch of the Envestnet Portfolio Management Platform and conversion to Fidelity Clearing Canada's carrying broker platform. Envestnet provides advisors with a state-of-the-art managed account platform that is used by over 108,000 advisors across more than 6,000 companies and supports US$5.2 trillion of assets. Fidelity provides access to a digital platform that currently supports over US$14 trillion of assets, global scale and expertise, and a commitment to continuous technological innovation. These transitions ticked all three of our strategic pillars, as they will enhance the overall advisor and client experience, help to accelerate our recruiting agenda, and enable acquisitions by making us more scalable.

[1] Investor Economics – Household Balance Sheet Report 2021

Additional strategic highlights from 2022 include:

Recent Milestones

Launched a **succession planning** program aimed at cultivating the 'next generation' of advisors	Completed the rollout of our **Richardson Wealth Masterclass** practice management and training series	Held a successful election and transition process for the **new advisor representative** to our Board of Directors
Recruited **four advisor teams**, before pausing onboarding in late spring ahead of our Fidelity conversion	Hosted a 'Back to the Future' themed best practices conference that received **outstanding reviews** from advisors	**Increased recruiting pipeline** to almost $23 billion, from $15 billion last year
Completed the **build out of our flagship Toronto office** and renovated our Calgary office	Established a **new Burlington office**, consolidating our previous locations in Mississauga and Oakville	Launched a **renewed website** that has already received five awards from AVA Digital Awards

Looking Forward

We remain committed to our three-pillar strategic framework and to collaborating with our advisor teams to optimize their experience at our firm:

Aspirational Goals:

$100 Billion in AUA and $200-300 Million in EBITDA

and over the next 3-5 years

Three Strategic Pillars

Double-down on support for advisors	Supercharge recruiting	Acquire or partner with like-minded firms

Anticipated Contribution to EBITDA Growth

20%	20%	60%
• Provide support for existing advisors to improve their productivity and grow their practices efficiently • Digital transformation and continuous technological innovation • Requires the least amount of capital of any of our three growth pillars	• Dedicated and experienced four-person team focused on recruitment • Added 13 teams since we launched our growth strategy • Strive to add 12-14 advisor teams/year • ~$23 Billion[1] recruiting pipeline; expected conversion rate of 10%-15% every year	• Add capabilities, talent and/or scale • Pursue M&A when share price better reflects business value • Expected time frame - late 2023 or early 2024

1. Represents conversations with advisors that have advanced beyond a certain probability threshold, with AUA measured as of the date the advisor was added to the recruiting pipeline and is not adjusted for market volatility. This measure is used by management to assess outside advisors' interest in our firm. We expect to convert only a portion of this pipeline.

Our near-term focus has been on organic initiatives. As our investments in organic growth continue to take hold and our valuation multiple better reflects our business' value, we will embark on a deliberate agenda to acquire or partner with like-minded firms, likely in early 2024. In the near term, we will look at M&A opportunistically and lay the groundwork for future acquisitions.

Organic Initiatives – Doubling-down on support for advisors

Our plan begins with strengthening our platform to provide advisors with a high-touch, boutique experience. Doubling-down on support for advisors is all about giving them the tools they require to meet and exceed the expectations of their existing clients – and to attract new ones. When our advisors are working with the right tools, they are able to service their clients efficiently and provide advice to help their clients meet their long-term financial goals.

Our unique advisor-centric and entrepreneurial culture is critical to our success

A significant portion of the incremental revenue from organic initiatives drops to the bottom line and drives higher operating margins, given that our fixed costs have already been covered. These extra points of operating margin will result in enhanced shareholder value. Helping our existing advisors to grow organically is also the strategic pillar that requires the least capital of the three.

Organic Initiatives - Supercharging recruitment

We have invigorated our recruitment mindset and are intent on attracting a significant number of new advisors to our brand every year. To reach that goal, we have added top talent to our Corporate Development team, implemented a more rigorous recruiting process, and enhanced the financial and non-financial elements of our advisor value proposition. We will also better leverage our Board, advisors, employees, and partners in promoting our brand with their peers across the country. We believe that these initiatives, in concert with the investments we have made in our platform, will make us more attractive to entrepreneurial advisors from other institutions.

We delayed our recruiting plans beginning in the middle of the year, and as a result brought fewer new advisors into the Company than we had originally expected. Our team made this decision so that new advisors joined us only after our conversion to the Fidelity platform and we were at a point that we could provide a seamless onboarding experience. We are now through that conversion and are attacking the recruiting pillar of our strategy with renewed intensity.

Inorganic Initiatives – Acquiring and partnering with like-minded firms

An important part of our growth story involves acquiring like-minded wealth management firms aligned with our holistic approach to wealth management or other organizations that can enhance the advisor value proposition in areas such as banking, digital lead generation, business succession planning, or capital markets. Recent volatility in the capital markets and our share price have limited our ability to use our common shares as a currency to unlock value. However, acquisitions and strategic partnerships are often opportunistic in nature, so we continue to position the Company to act quickly when the right opportunity surfaces.

Strategic Priorities

Our focus in 2023 will be delivering on the promises that we have made to our advisors, recruits, and other stakeholders, including our shareholders. Most importantly, we are committed to ensuring the successful adoption of the Fidelity and Envestnet platforms across our organization. Our key priorities in 2023 are:

1. Ensure a smooth adoption of the Envestnet and Fidelity platforms
2. Apply a renewed focus and more resources to recruiting new advisors
3. Continue to build our advisor-centric culture to maintain high levels of retention
4. Enhance profitability through new revenue opportunities, cost management, and operating efficiencies
5. Increase interest in our Company and demand for our shares through a systematic investor relations program
6. Begin laying the groundwork for acquisitions in early 2024

Outlook

Adjusted EBITDA

We expect 2023 Adjusted EBITDA to increase at a rate of just over 10% compared with 2022 as a result of continued growth in our AUA and a high level of interest income.

Revenue

We believe that AUA will increase as we recruit new advisors and as our existing advisors attract new assets to the firm. Recruiting activity should increase as we come through our conversion to the Fidelity platform and heighten our focus on this growth pillar. Our current assumption is that equity and debt markets will remain flat over the year so will not contribute to AUA growth.

The market expects interest rates to be steady through Q3 and then decrease in Q4 2023. Our interest revenue should follow the same pattern. It will be up on a full year basis from 2022, however, since it was low in the early part of last year.

Growing insurance revenue remains a strategic focus for us as we continue to expand our in-house capabilities. Insurance revenue will likely decrease from 2022 though, because of a record single insurance sale we recorded in Q2 2022. Excluding that sale, insurance represented only 3% of our total revenue in 2022 and we believe it could increase to 7%-8% over the next five years.

Also of note, until September of last year we had an arrangement to provide carrying broker services to a third party. That relationship contributed more than $2 million of revenue that we will not realize in 2023.

Operating Expenses

Adjusted operating expenses will increase in 2023 as we invest to support revenue generation and our key strategic initiatives, but even so we expect our expense ratio to decrease. A competitive job market has been putting some pressure on costs and we forecast that will continue. Newly recruited advisors also add to our costs as they bring over their teams and we incur the related compensation and benefits costs.

Fidelity Strategic Agreement

The Fidelity relationship should deliver almost $9 million of annualized EBITDA benefit, in addition to converting our costs from fixed to variable, reducing future technology investments, and making our Company more scalable. This benefit consists of two components: over $5 million of EBITDA uplift related to annualized run-rate expense savings net of revenue sharing, and $4 million of avoided expenses (i.e., we do not have to incur $4 million in expenses we would have incurred if we had kept the operations in-house). Our estimates have decreased slightly in recent months, partly because of changes in the interest rate environment and the effect on our revenue sharing with Fidelity.

We began to realize this benefit throughout 2022, as some employees left the firm in advance of the conversion date. Our estimate is that by the end of 2022 we had already achieved over $2 million of cost reductions. We expect to realize further run-rate expense savings of $7 million, which will be offset by interest revenue sharing of $4 million, beginning in Q1 2023.

Balance Sheet

We have a $200 million revolving credit facility that, together with operating cash flow and our excess working capital, provides us with ample funding to accelerate our key growth initiatives. These initiatives, as well as advisor recruitment, all require up-front outlays of cash but should generate significant EBITDA contributions over a multi-year horizon.

2022 - Items of Note

Pre-Tax Adjustments

The adjusted financial results presented in this MD&A exclude the impact of transformation program expenses and the amortization of acquired intangibles.

2022 included the following $21.7 million in pre-tax adjusting items ($15.9 million after-tax), and were down by $12.7 million or 37% compared with 2021:

- $8.6 million of pre-tax charges related to our ongoing transformation ($6.3 million after-tax). These charges relate largely to outsourcing our carrying broker operations to Fidelity, revitalizing our real estate footprint, and realigning our workforce.
- $13.1 million of pre-tax amortization of intangible assets ($9.6 million after-tax). The amortization arises from intangible assets created on the acquisition of Richardson Wealth. It will continue through 2035.

2021 included the following $34.4 million in pre-tax adjusting items ($27.5 million after-tax):

- $14.9 million in pre-tax charges related to our ongoing transformation ($11.6 million after-tax). This amount includes charges in connection with refining our organizational structure, developing and implementing our new strategy, and realigning parts of our real estate footprint.
- $6.4 million of pre-tax charges in connection with outsourcing our carrying broker operations ($6.2 million after-tax). These charges relate realigning our workforce and exiting certain technology provider relationships early.
- $13.1 million of pre-tax amortization of acquired intangible assets ($9.7 million after-tax)

Revenue Categorization

In 2022, we recategorized certain revenue lines during the year, for example those associated with securities lending activity, to provide more relevant disclosure to the readers of this MD&A. Comparative periods were realigned to conform to the current period presentation. Total revenue is unchanged in all periods.

Consolidated Financial Performance

($000s)	2022	2021	Increase/(decrease) $	%
Wealth management	278,319	272,482	5,837	2
Corporate finance	8,643	21,785	(13,142)	(60)
Interest	37,581	15,869	21,712	137
Other income	29,429	18,383	11,046	60
Revenue	353,972	328,519	25,452	8
Variable advisor compensation	149,748	142,611	7,138	5
Gross margin[1]	204,224	185,908	18,316	10
Employee compensation and benefits	74,157	73,146	1,011	1
Selling, general and administrative	60,449	53,629	6,819	13
Corporate costs[2]	7,967	8,378	(412)	(5)
Transformation costs and other provisions	8,634	21,390	(12,756)	(60)
Operating expenses[3,4]	151,207	156,543	(5,336)	(3)
EBITDA[4]	53,017	29,365	23,653	81
Interest	10,797	6,631	4,165	63
Depreciation and amortization	28,064	24,805	3,259	13
Advisor loan amortization	17,267	17,734	(467)	(3)
Income (loss) before income taxes	(3,111)	(19,805)	16,694	(84)
Adjusting items[5]:				
Transformation costs and other provisions	8,634	21,390	(12,756)	(60)
Total adjusting items	8,634	21,390	(12,756)	(60)
Adjusted results[4]:				
Operating expenses[3]	142,573	135,153	7,419	5
EBITDA	61,651	50,755	10,896	21
Income (loss) before income taxes	18,575	14,637	3,937	27

1. Gross margin is calculated as revenue less advisor variable compensation. We use gross margin to measure operating profitability on the revenue that accrues to the Company after making advisor payments that are directly linked to revenue.
2. Corporate costs refer to employee compensation and benefits and selling, general and administrative expenses related to our corporate functions
3. Operating expenses include employee compensation and benefits, selling, general and administrative expenses, and transformation costs and other provisions. Adjusted operating expenses are calculated as operating expenses less transformation costs and other provisions.
4. Considered to be non-GAAP financial measures, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplemental Financial Measures" section at the end of this MD&A.
5. For further information, please see "2022 – Items of Note" in this MD&A

2022 vs. 2021

Income (Loss) Before Income Taxes

Income before taxes increased largely due to a $12.8 million decline in costs related to our ongoing organizational transformation as well as the factors highlighted in the Adjusted EBITDA section below. Partly offsetting the improvement in transformation costs were $4.2 million in interest expense and $3.3 million in depreciation and amortization. Both interest and amortization increased primarily due to new lease commitments that were effective in 2022 for accounting purposes under IFRS16.

Adjusted EBITDA

Adjusted EBITDA was $10.9 million higher than last year benefiting from gross margin growth of $18.3 million or 10%, partly offset by higher adjusted operating expenses. The Adjusted EBITDA margin was 17.4% compared to 15.4% in 2021.

Revenue

Revenue was up by $25.5 million or 8% for the year as compared to 2021, led largely by higher interest revenue and record-setting revenue in our insurance business.

($000s, except as otherwise indicated)	2022	2021	Increase/(decrease) $/#	%
AUA[1] - average ($ millions)	35,418	33,925	1,494	4
Fee revenue[2]	254,802	242,916	11,886	5
Insurance revenue	17,807	5,363	12,444	232
New issue participation (# of deals)	224	575	(351)	(61)
Asset yield[3] (%)	0.85	0.82		+3 bps
Adjusted EBITDA[2] margin (%)	17.4	15.4		+197 bps
Adjusted operating expense ratio[4] (%)	69.8	72.7		(289) bps
Advisory teams[5] (#)	162	161	1	1

1. AUA is a measure of client assets and is common to the wealth management business. It represents the market value of client assets managed and administered by us from which we earn commissions and fee revenue.
2. Considered to be non-GAAP financial measures, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplemental Financial Measures" section at the end of this MD&A.
3. Calculated as Wealth management revenue and interest on cash balances divided by average AUA
4. Calculated as adjusted operating expenses divided by gross margin
5. Prior year has been revised to reflect the internal consolidation of certain teams

Fee revenue was up $11.9 million or 5% from 2021, in-line with average AUA growth. Average AUA increased 4% largely due to net new assets brought in by our existing advisors in 2021 and 2022 and due to recruiting success in late 2021 partly offset by soft capital market conditions.

Interest revenue increased $21.7 million or 137% from 2021 as a result of rising benchmark rates and higher cash balances. As benchmark rates rise, so does the yield we generate on client balances and margin loans.

Other income increased $11 million or 60% from 2021 largely due to record insurance revenue. Insurance commissions increased by $12.4 million from the same period last year, due to our strategic focus on that business and because of a large insurance sale recorded in Q2 2022.

Partly offsetting these increases were lower corporate finance revenues and client trading commissions, which decreased $13.1 million and $5.5 million respectively. These revenues were down because of ongoing market volatility.

Operating Expenses

Adjusted operating expenses were $7.4 million or 5% higher than last year. SG&A expenses increased primarily as a result of travel and office-related expenses returning to pre-pandemic levels, advisor conferences, and performance fees paid to third-party managers. Corporate costs, those that support our public company operations in addition to our core business, were down because of mark-to-market recoveries on deferred share units. Despite the growth in total operating expenses, our expense ratio decreased to 69.8% from 72.7% last year.

Quarterly Results

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

	2022				2021			
($000s, except as otherwise indicated)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Wealth management	67,481	67,064	68,493	75,280	71,873	67,869	65,976	66,763
Corporate finance	1,860	2,121	2,529	2,133	5,467	3,933	6,146	6,240
Interest	13,015	12,082	7,683	4,801	4,272	4,016	3,828	3,754
Other income	6,175	4,661	12,047	6,546	4,499	3,864	3,114	6,905
Revenue	88,531	85,928	90,753	88,760	86,111	79,682	79,064	83,662
Advisor variable compensation	35,276	34,555	39,078	40,839	38,285	34,714	34,138	35,474
Gross margin[1]	53,255	51,373	51,675	47,921	47,826	44,968	44,926	48,188
Operating expenses[2,3]	38,867	36,435	37,493	38,412	37,263	41,482	34,096	43,702
EBITDA[3]	14,388	14,938	14,182	9,509	10,564	3,486	10,829	4,486
Interest	3,294	3,015	2,348	2,140	1,543	1,687	2,048	1,353
Depreciation and amortization	7,851	6,936	6,743	6,534	6,510	5,982	6,231	6,082
Advisor loan amortization	4,634	4,381	4,240	4,012	4,054	4,257	4,485	4,938
Income (loss) before income taxes	(1,391)	606	851	(3,177)	(1,544)	(8,441)	(1,935)	(7,885)
Net income (loss)	(990)	(724)	58	(3,147)	(2,357)	(8,462)	(1,858)	(7,475)
Earnings per common share:								
Basic	(0.21)	(0.19)	(0.11)	(0.44)	(0.38)	(1.42)	(0.43)	(1.25)
Diluted	(0.21)	(0.19)	(0.11)	(0.44)	(0.38)	(1.42)	(0.43)	(1.25)
Adjusting items[4]:								
Transformation costs and other provisions	2,621	2,055	2,415	1,543	1,730	9,517	2,513	7,630
Amortization of acquired intangibles	3,263	3,263	3,263	3,263	3,263	3,263	3,263	3,263
Total adjusting items	5,884	5,318	5,678	4,806	4,995	12,780	5,776	10,893
Adjusted Results[3]:								
Operating expenses[2]	36,246	34,380	35,078	36,870	35,534	31,966	31,583	36,071
EBITDA	17,009	16,993	16,597	11,051	12,294	13,003	13,342	12,116
Income (loss) before income taxes	4,493	5,924	6,529	1,629	3,451	4,339	3,841	3,008
Net income (loss)	3,500	3,197	4,010	393	1,395	2,491	2,403	1,068

1. Gross margin is calculated as revenue less advisor variable compensation. We use gross margin to measure operating profitability on the revenue that accrues to the Company after making advisor payments that are directly linked to revenue.
2. Operating expenses include employee compensation and benefits, selling, general and administrative expenses, and transformation costs and other provisions. Adjusted operating expenses are calculated as operating expenses less transformation costs and other provisions.
3. Considered to be non-GAAP or supplemental financial measures, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplemental Financial Measures" section of this MD&A.
4. For further information, please see "2022 - Items of Note" in this MD&A.

Q4 2022 Financial Performance

Q4 financial performance was just above the previous records set in the two previous quarters. It reflected further increases in benchmark interest rates, sales tax recoveries, and continued success building our insurance business.

Q4 Items of Note

Q4 2022 adjusting items included:

- $2.6 million of pre-tax charges related to our ongoing transformation ($2.1 million after-tax). The costs relate primarily to our migration to Fidelity's carrying broker platform.
- $3.3 million of pre-tax amortization of acquired intangibles ($2.4 million after-tax).

Q4 2021 adjusting items included:

- $1.7 million of pre-tax charges related to our ongoing transformation ($1.2 million after-tax). The charges encompass a range of transformation initiatives including refining our ongoing operating model and implementing our digital strategy, as well as other provisions.
- $3.3 million of pre-tax amortization of acquired intangible assets ($2.5 million after tax)

In addition, while not an adjusting item, Q4 2021 included an incremental $1.4 million of compensation expenses related to launching a new compensation program for our corporate finance team ($1.1 million after-tax). This change resulted in almost a full year of bonuses for that team being recorded in that quarter.

Q4 2022 vs. Q4 2021

Net Income/(Loss)

We reported a net loss of $1 million in Q4 2022, a decrease of $1.4 million as compared to the same period last year.

Adjusted EBITDA

Adjusted EBITDA was $17 million, an increase of $4.7 million from 2021.

Gross margin increased 11%, driven by an increase of 205% and 37% in interest and other income, respectively. Those increases were partly offset by a decrease in wealth management revenue and higher operating expenses. Even though expenses increased, we generated positive operating leverage and our expense ratio declined to 68.1% from 74.3% last year. The Adjusted EBITDA margin was 19.2% in Q4 2022 compared with 14.3% in the same period last year.

Q4 2022 vs. Q3 2022

Net Income/(Loss)

We reported a net loss of $1 million in Q4 2022, which was consistent with Q3 2022.

Adjusted EBITDA

Adjusted EBITDA was slightly above last quarter as an improvement in gross margin was offset by an increase in operating expenses.

Adjusted Operating Expenses

Adjusted operating expenses were 4% higher compared with Q3, mainly due to advisor conferences and investments in strategic initiatives, net of higher than normal sales tax recoveries.

Financial Condition

Capital and balance sheet strength are key priorities for us. We had conservative levels of working capital and debt on our balance sheet at the end of December 2022 and 2021.

As at December 31, ($000s)	2022	2021	Increase/(decrease) $	%
Selected highlights:				
Total assets	1,699,654	2,216,015	(516,361)	(23)
Goodwill and intangible assets	337,581	348,152	(10,571)	(3)
Shareholders' equity	346,921	354,890	(7,969)	(2)
Term debt[1]	110,922	110,922	—	—
Net working capital[2]	95,224	105,991	(10,767)	(10)

1. Includes revolving credit facility and preferred share liabilities.
2. Considered to be non-GAAP financial measure, which does not have any standardized meaning prescribed by GAAP under IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplemental Financial Measures" section at the end of this MD&A.

Total assets decreased by $516.4 million from December 31, 2021, largely due to lower cash balances and margin loans. Cash balances were lower as cash was deployed into higher yielding fixed income and other investments. Margin loans declined as clients delevered due to market volatility. Shareholders' equity decreased by $8.0 million mainly due to the $4.8 million net loss we reported for the year 2022 and $4.3 million of preferred share dividends.

Term Debt

As at December 31, ($000s, except as otherwise indicated)	2022	2021
Revolving credit facility	80,500	80,500
Preferred share liability	30,422	30,422
	110,922	110,922
Ratios:		
Total debt to Adjusted EBITDA [1]	1.8	2.2
Adjusted EBITDA [1] to interest[2]	7.4	10.9

1. Considered to be non-GAAP financial measures, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplemental Financial Measures" section at the end of this MD&A
2. Includes interest expense on term debt, lease liabilities and client accounts. Prior periods have been restated to conform to current period presentation.

Revolving Credit Facility

In September 2021, we secured a $200 million revolving credit facility with a syndicate of lenders. As of December 31, 2022, we had drawn $80.5 million against the facility, unchanged from the end of 2021. Combined with our strong current and expected future operating cash flows and our excess working capital, the facility provides us with ample funding and flexibility to accelerate our organic growth, recruiting and other strategic initiatives. For further information, see Note 20 to the 2022 Annual Financial Statements.

The facility contains clauses whereby we are required to meet four financial covenants. As at December 31, 2022 we complied with all but the interest coverage ratio. We notified our lenders and they promptly waived the covenant until March 30th. The non-compliance was primarily the result of funding capital expenditures – which were elevated in the latter half of 2022 – with cash rather than with debt. The issue did not result from a decrease in earnings or operating cash flow. We are working with the syndicate to revise the covenant or extend the waiver period, and are confident that we will achieve a positive resolution. Our capital expenditures should also return to more normal levels beginning in Q1 2023.

Liquidity

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

Working Capital and Cash Flow

We require liquidity to fund our day-to-day operations, growth initiatives, share repurchases under our NCIB, and cash distributions, as well as to manage the financial risks inherent in our business. Management believes that our current working capital, positive cash flow, and the undrawn amounts under our credit facilities provide us with more than enough liquidity to manage through periods of financial stress. If equity markets or other business conditions deteriorate to a level that adversely impacts our expected cash flow, we will take swift action to preserve our liquidity position.

As of December 31, 2022, we had net working capital of $95.2 million.

Operating Credit Facilities

We supplement the day-to-day liquidity provided by our cash flow and working capital with access to a variety of other cost-effective, short-term funding sources. These credit facilities are available solely to facilitate the securities settlement process, primarily for client transactions. Available credit facilities with Schedule I Canadian chartered banks were $389.6 million at December 31, 2022, compared with $427.7 million at December 31, 2021. Management considers the current level of credit availability to be sufficient. We had had no amounts outstanding under any of these operating facilities at December 31, 2022, or December 31, 2021.

The majority of these credit facilities were in place to support our carrying broker business. In light of the outsourcing of that business to Fidelity, we intend to scale back the aggregate size of these facilities during 2023. There are no standby fees on the facilities, so this reduction will not lead to any cost savings for the Company.

Liquid Assets

Liquid assets are comprised of cash, cash equivalents, and certain government securities. We hold our cash across several financial institutions, all of which have high credit ratings. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Certain government securities factor into our liquid asset and working capital balances and form an important part of our overall liquidity risk management framework. These government securities are classified as securities owned on our balance sheet. We had $367.9 million of liquid assets[2] at December 31, 2022 ($554.7 million at December 31, 2021).

Capital Requirements of Subsidiaries

Certain of our subsidiaries are subject to regulatory capital requirements. These requirements are designed to assess the sufficiency of their liquidity position and to provide indications to the relevant regulatory authority of possible concerns. Our capital levels complied with all regulatory requirements during Q4 2022.

[2] Considered to be non-GAAP financial measure, which does not have any standardized meaning prescribed by GAAP under IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplemental Financial Measures" section at the end of this MD&A

Share Information

At the date of this report, March 2, 2023, we had 15.8 million common shares issued and outstanding (Common Shares). In addition, there were 50 thousand unexercised stock options outstanding, with a weighted average exercise price of $20.00 per share. We also had 4.6 million Series B non-cumulative 5-year rate reset preferred shares issued and outstanding.

On March 25, 2022, we completed the consolidation of our Common Shares on the basis of ten (10) pre-consolidation Common Shares for every one (1) post-consolidation Common Share (the Consolidation). Immediately prior to the Consolidation, we had 158,714,254 Common Shares issued and outstanding. Following the Consolidation, we had 15,871,426 Common Shares issued and outstanding. The Common Shares began trading on a post-Consolidation basis on March 30, 2022.

Release of Escrowed Shares

In Q4 2022, and in accordance with the terms of the Richardson Wealth share purchase agreement and related escrow agreement, 30% of Common Shares subject to escrow were released and delivered to the vendor shareholders. The final 30% will be released from escrow in Q4 2023.

Normal Course Issuer Bid

On March 4, 2022, we announced that the TSX approved our notice of intention to make an NCIB to purchase up to a maximum of 548,571 Common Shares during the period from March 9, 2022, to March 8, 2023, or such earlier time as we complete our purchases pursuant to the bid or provide notice of termination. The NCIB was made in accordance with the requirements of the TSX. Any Common Shares purchased under the NCIB will be cancelled. The maximum number of shares that may be purchased under the NCIB represents approximately 10% of our Company's public float of approximately 5,485,719 Common Shares following the Consolidation. During 2022 we repurchased 61,102 Common Shares for cancellation under our NCIB, including 26,652 during Q4.

During Q2 2022, in connection with the NCIB, we entered into an automatic share purchase plan (ASPP) with a designated broker to allow for the repurchase of our Common Shares under the NCIB at times when we would ordinarily not be permitted to purchase our securities due to regulatory restrictions and customary self-imposed blackout periods. Pursuant to the ASPP, purchases are made by the designated broker based on pre-established purchasing parameters, without further instructions by the Company, in compliance with the rules of the TSX, applicable securities laws and the terms of the ASPP. The ASPP was pre-cleared by the TSX and was implemented on May 16, 2022. All purchases made under the ASPP are included in computing the number of Common Shares purchased under the NCIB.

Related-Party Transactions

Our related parties include the following persons and/or entities: (a) key management personnel, which are comprised of our directors and/or officers and entities that are controlled (directly or indirectly) by key management personnel; and (b) shareholers who can significantly influence our operations. For further information on Related-Party Transactions, please refer to Note 12 to the 2022 Annual Financial Statements.

Significant Accounting Policies and Estimates

Our significant accounting policies are essential to an understanding of our reported results of operations and financial position. Except as explained in Note 3 to the 2022 Annual Financial Statements, the accounting policies applied by us as at and for the year ended December 31, 2022, are the same as those applied by us as at and for the year ended December 31, 2021. Please refer to Note 3 to the 2022 Annual Financial Statements for further information.

The most significant areas for which we must make estimates and judgments include: goodwill and intangible assets; income taxes and deferred tax assets and liabilities; provisions, including legal and restructuring charges; share based compensation and financial instruments measured at fair value. We make judgments in assessing assets for impairment as well as assessing whether performance obligations have been fulfilled under revenue contracts. Please refer to Note 2 to the 2022 Annual Financial Statements for more information.

Financial Instruments

A significant portion of our assets and liabilities are composed of financial instruments. There were no material changes in our use of financial instruments, or the types of financial instruments employed in our trading and non-trading activities during the year ended December 31, 2022.

Please refer to Note 3 and Note 4 to the 2022 Annual Financial Statements for more information.

Future Changes in Accounting Policies or Estimates

We continuously monitor the changes proposed by the International Accounting Standards Board and analyze the effect that changes in the standards may have on the Company. For a summary of future changes in accounting policies or estimates refer to Note 3 to the 2022 Annual Financial Statements.

Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information relating to the Company is accumulated and communicated to our Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on a timely basis to enable appropriate decisions regarding required public disclosure. As of December 31, 2022, management evaluated the effectiveness of disclosure controls and procedures as defined under *National Instrument 52-109*. Based on that evaluation, the CEO and CFO concluded that the disclosure controls and procedures were effective.

Internal Control over Financial Reporting

Internal control over financial reporting is a process designed under the supervision of the CEO and CFO 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. These controls include policies and procedures that:

- Pertain to the maintenance of records that accurately and fairly reflect the transactions and dispositions of assets of the Company
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated statements in accordance with IFRS
- Are designed to provide reasonable assurance that any unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements is prevented or detected in a timely manner

Due to inherent limitations in any internal controls system, internal control over financial reporting can provide only reasonable assurance and may not prevent or detect all misstatements because of error or fraud.

Management has evaluated the effectiveness of internal control over financial reporting using the framework and criteria established in Internal Control – Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission in May 2013 (2013 COSO Framework). Based on this evaluation, management has concluded that internal control over financial reporting was effective as at December 31, 2022.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the year ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, the adequacy and effectiveness of our internal control over financial reporting.

Risk Management

The Company is exposed to risks that are similar to those of other financial institutions, including the symptoms and effects of both domestic and global economic conditions and other factors that could adversely affect the business, financial condition, and operating results. The Company has a fit-for-purpose risk governance structure under which the RF Capital Board (the Board) is accountable for setting the strategic direction of the Public Company, including its risk appetite. It oversees the Company's key risks through dedicated Board Committees, and is supported by the Company's regulated entity boards (REBs) and management-level risk committees.

Risk Committee

The Risk Committee operates under a Board-mandated charter and assists the Board in fulfilling its oversight and governance responsibilities related to existing and emerging risks. The mandate of the Risk Committee is outlined in its Charter and includes setting the Company's overall Risk Appetite. At present, the Risk Committee is comprised of independent directors and meets with management, including the CEO, the Chief Risk Officer (CRO), and the CFO at least quarterly. The CRO also has a direct line into the Chair of the Risk Committee.

Audit Committee

The Audit Committee operates under a Board-mandated charter, assisting the Board in fulfilling its oversight and governance responsibilities with respect to the quality and integrity of the Company's financial reporting processes. The Audit Committee is assisted in fulfilling its mandate by the Company's Finance department. At present, the Audit Committee is comprised of independent directors who meet at least quarterly with management, including the CEO, the CFO and the CRO.

Governance Committee

The Governance Committee operates under a Board-mandated charter and maintains oversight over the Company's legal and regulatory affairs. The Committee is also responsible for overall corporate governance which includes Board membership, Board effectiveness, and development of corporate governance guidelines, including the Company's Code of Conduct. At present, the Governance Committee is comprised of independent directors who meet at least quarterly with management, including the CEO and the General Counsel.

Management Resources and Compensation Committee

The Management Resources and Compensation Committee operates under a Board-mandated charter and assists the Board in ensuring that the Company's compensation policies and practices are aligned with our risk appetite and risk management frameworks. This ensures that the incentive for management to assume risks in the pursuit of business objectives is aligned with our risk appetite. At present, the Management Resources and Compensation Committee is comprised of independent directors meeting at least quarterly with management, including the CEO and the Chief People Officer.

Under the Company's risk management framework, senior management reports on all key risk issues to at least one of the above committees of the Board on a quarterly basis.

The Company's REBs, through the Executive Risk Management Committee (ERMC), are accountable for effectively managing our nine significant areas of risk (as described below), ensuring that each risk segment and the business overall meets the Company's risk appetite. The REBs are chaired by the CEO of RF Capital, who is also the Ultimate Designated Person (UDP) of the Regulated Entities.

The ERMC, which is chaired by the CRO, consists of members of senior management who are each directly accountable for managing one or more of the nine significant areas of risk. To ensure that all significant risks the Company faces are actively managed and monitored, the ERMC meets regularly to review and assess core and emerging risks, risk trends, relevant policies, and risk management action plans.

The Company's approach to enterprise-wide risk management aligns with the three lines of defense model: (I) Business Unit Leaders are the 'first line', and are primarily accountable for identifying, assessing, managing and reporting risk within their functional areas of responsibility, (ii) The Risk Oversight functions – which include the Finance, Risk, and Compliance departments – are accountable for independent oversight of the Business Unit operations from a 'second line' perspective, and are also accountable for specific areas of risk relevant to their functions, and (iii) The Internal Compliance Audit function is the third line, and is resourced internally but uses the support of external specialists to supplement internal capabilities where required.

The Company faces risks in formulating its business strategy and business objectives, in carrying on its business activities in the pursuit of its growth strategy, and from external factors such as changes in the economic, business, competitive and regulatory environments. In many cases, risks which are inherent to the Company's industry and its activities are beyond its control and are not easily detected or mitigated. If any such risks occur, the business, financial condition, or liquidity and results of operations of the Company could be materially adversely affected. The Company's risk management framework, and specifically our identification of significant areas of risk, seeks to capture forward-looking risks and if required mitigate them in a timely manner based on the likelihood and potential impact of adverse events. These risks may occur independently or in combination and may occur in an environment where one or more risks evolve rapidly.

The Company's risk factors have been grouped into nine categories: Strategic Risk; Advisor Risk; Investment Risk; Product Risk; Financial Risk; Legal Risk; Operational and Technology Risk; Human Capital Risk; and Compliance, Credit and Regulatory Risk. Some but not all these risks are highlighted below. This list is not exhaustive but includes specific areas of risks and sub-risks that management has chosen to reflect in this document.

Strategic Risk

The Company's growth is dependent on the successful execution of the identified organic, recruiting, and inorganic initiatives outlined in its five-year growth plan. There is no certainty that the Company will be successful in implementing its business strategies or that the identified strategic initiatives will achieve its aspirational growth objectives. If the Company's business strategies are not successful or are not executed effectively, it may not be able to achieve its growth objectives or react to market opportunities, which may have an adverse impact on its business and financial results.

Reliance on Attracting and Retaining AUA and Investment Advisors

The Company derives a large portion of its revenues from fees and commissions generated by its advisors. The Company's continued growth and success depends on its ability to attract and retain Canada's top investment advisors with the desired qualifications on terms that are consistent with the Company's compensation structure. The market for investment advisors is extremely competitive and is characterized by movement of investment advisors across firms. The Company has put in place a strategy that involves significant focus on advisor retention and recruiting, but there can be no assurance that the Company will be successful in recruiting and retaining investment enough advisors to achieve its growth objectives.

Failure to Protect the Company's Reputation Could Adversely Affect its Business

The Company views its reputation for integrity and client service as one of its most important assets. The Company's ability to attract and retain customers, investors, employees, and advisors is highly dependent upon external perceptions of the Company. Damage to its reputation could cause significant harm to its business and prospects. Reputational damage may arise from numerous sources including: litigation or regulatory actions; failing to deliver minimum standards of service and quality; compliance, regulatory or governance failures; any perceived or actual weakness in the Company's financial strength or liquidity; clients' or potential clients' perceived failure of how the Company addresses certain political, social or environmental topics; technological, cybersecurity, or other security breaches (including attempted or inadvertent breaches) resulting in improper disclosure of client or employee personal information; and unethical or improper behavior or the misconduct or error of the Company's employees, advisors and counterparties.

Notwithstanding the measures taken by the Company to detect, deter and prevent misconduct or fraud, there can be no assurance that regulatory sanctions or reputational harm will not arise because of employee misconduct or errors. Misconduct or errors by its employees and advisors could result in violations of law, regulatory sanctions, or serious reputational or financial harm. The Company cannot always deter misconduct by its employees and advisors and the precautions it takes to prevent and detect this activity may not be effective in all cases.

The Company's Financial Results are Sensitive to Global Economic, Political and Market Conditions

The Company's wealth management business is, by its nature, subject to numerous and substantial risks, including changes in global economic, political and market conditions that are beyond the Company's control. These or any conditions that could reduce AUA or AUA growth or investor confidence would cause revenue and EBITDA to decline. These factors are inherently difficult to predict and any or all such factors may adversely impact the Company's revenues, operating margins, compensation ratios and expense levels due to their potential negative impacts on market volumes, asset prices, volatility, or liquidity.

The Company May Not be Able to Achieve Performance Targets or Negotiate Target Acquisitions on Favourable Terms

As part of its growth strategy, the Company intends to diversify its revenues by expanding its product and service offerings and acquiring business operations related to or complementary to its wealth management business segment. Any such initiatives are accompanied by various risks, including: failure to retain or acquire key employees; failure to identify growth opportunities; failure to anticipate and respond to changes in the business environment; failure to maintain or develop key client relationships; the impact of economic growth or contraction and its potential negative effects on the initiative; exposure to unknown liabilities of the acquired business; increased regulatory scrutiny and related compliance efforts; higher than anticipated acquisition or expansion costs; increased investments in management and operational personnel; financial and management systems and facilities; the difficulty and expense of integrating operations and personnel of acquired companies; disruption of ongoing business; diversion of management's time and attention; the ability to successfully integrate acquired businesses and realize their intended benefits; and possible dilution to Shareholders. There is also the potential that any goodwill recorded in connection with acquisitions may be impaired if the economics of the transaction differ from expectations. The Company may not be able to successfully address all or some of these risks or other issues associated with acquisitions, divestitures, growth strategies, and competition, which could materially adversely affect Richardson Wealth's business, financial condition, or financial results.

Significant Industry Competition May Adversely Affect Results

The financial services industry is highly competitive. The Company competes with the wealth management divisions of major chartered banks in Canada, national independent wealth managers, insurance companies, mutual fund companies, private equity, investment management firms, and boutique wealth managers. Some of these competitors have, and potential future competitors may have, greater technical, financial, marketing, distribution, or other resources than the Company. Many of these competing entities have a greater number of personnel and better access to capital. Larger competitors may have a greater number and variety of distribution outlets for their products and services. Competition could have a material adverse effect on the Company's profitability, and there can be no assurance that the Company will maintain its competitive standing or market share, which may adversely affect its business, financial condition, or operating results.

Emergence of Non-Traditional Competitors

Competition from non-traditional channels has gained momentum in other jurisdictions and will likely become increasingly prevalent in the Canadian market. The wealth management industry has attracted a number of technology-based competitors, including emerging next-generation financial technology companies given the industry's relatively low capital requirements and considerable growth outlook. The emergence of non-traditional competitors offering wealth management solutions could result in a reduction in product and service offerings from more traditional financial planning and advice providers. While the Company believes that the value proposition of face-to-face advice and the human touch in wealth management has never been stronger, it may not be able to mitigate all these risks, which could have a material and adverse effect on financial performance.

Richardson Financial Group Limited (RFGL) Control Risk Due to Common Share Ownership

On December 31, 2022, RFGL owned approximately 44.1% of the Company's issued and outstanding Common Shares. As such, RFGL has the power to exercise significant influence over all matters of the Company requiring shareholder approval.

Restrictions Under the Company's Revolving Credit Facility

The Company's Revolving Credit Facility contains customary financial covenants and other restrictions on its activities, which may make it more difficult for the Company to successfully execute its business strategy. The Company's ability to comply with these covenants may be affected by events beyond its control. If the Company violates any of these covenants and is unable to obtain waivers, the payment of the indebtedness could be accelerated by the Lenders, or the Company may be unable to draw down funds from the facility. Even if the Company can obtain new financing, it may not be on commercially reasonable terms or on terms that are acceptable to the Company. If the Company's indebtedness is in default for any reason, its business could be materially and adversely affected.

Financial Risks

Risks Related to the Series B Preferred Shares

As the Company is a holding company, its ability to pay dividends, interest, operating expenses and meet other financial obligations depends to a significant extent upon receipt of sufficient funds from its principal subsidiaries, the returns generated by its investments, its ability to raise additional capital and the value of its underlying business and assets. Accordingly, the likelihood that holders of Preferred Shares will receive dividends will depend to a significant extent upon the financial position and creditworthiness of the Company's principal subsidiaries and affiliates, the principal entities in which the Company invests and its underlying business and assets. The payment of interest and dividends to the Company by certain of these principal subsidiaries or investee entities is also subject to restrictions set forth in certain laws and regulations that require that solvency and capital standards be maintained by such companies.

For further information please see Note 14 to the 2022 Annual Financial Statements.

Product Risks

The Company May Incur Losses as a Result of Ineffective Risk Management or Product Due Diligence Processes

The Company's clients' investment portfolios are comprised of a broad range of assets, including public and private equities and debt, ETFs, mutual funds, hedge funds, real estate, less liquid alternative assets, options, and structured notes. As a general matter, investment portfolios are exposed to the risk that the fair value of these investments will fluctuate.

The Company employs a comprehensive product governance and due diligence process in its selection of investments available to its advisors and their clients. The due diligence process can be more challenging for alternative investments strategies due to their complexity, conflict exposure and suitability for clients. Weaknesses in the Company's product governance or sales processes may expose it to litigation or regulatory risks and financial losses. The Company does not have a material or high-risk proprietary investment portfolio on which it could incur losses.

Operational Risks

The Company Relies on Third-Party Service Providers to Perform Technology, Processing and Support Functions

The Company relies on various third-party service providers that it does not control to perform certain technology, processing, and support functions. As of January 1, 2023, the Company outsourced clearing broker services to Fidelity Clearing Canada. The Company's utilization of third-party service providers may decrease its ability to control operating risks and information technology risks. Any significant failures by third-party service providers could cause the Company to sustain serious operational disruptions and incur losses and could harm its reputation. These third-party service providers are also susceptible to operational and technology vulnerabilities, including cyber-attacks, security breaches, fraud, phishing attacks, and computer viruses, which could result in unauthorized access, misuse, loss or destruction of data, an interruption in service or other similar events that may impact the Company's business. Because the Company relies on these intermediaries, it shares indirect exposure to these risks. If these risks were to materialize, or if there was a widespread perception that they could materialize, the Company's business and results of operations could be adversely affected.

Failure to Implement Effective and Efficient Cybersecurity Policies and Training May Lead to Losses

Secure processing, storage, and transmission of confidential and other information in the Company's internal and third-party computer systems and networks is critically important to its business. Maintaining the security and integrity of this information and these systems and networks, and appropriately responding to any cybersecurity or privacy incidents (including hacking or phishing attempts) is critical to the Company's success, including its reputation, the retention of its advisors and clients, and to the protection of its proprietary information and its clients' personal information. There have been several recent highly publicized cases involving financial services and consumer-based companies reporting the unauthorized disclosure of client or customer information, as well as cyber-attacks involving the dissemination, theft and destruction of corporate information or other assets, as a result of failure to follow procedures by employees or contractors or as a result of actions by third parties.

Cyber data breaches and cyber-attacks that result in the loss of personal information could result in considerable reputational harm, trading losses, lost revenues, or losses due to unauthorized transactions. Although the Company takes protective measures and updates procedures and policies as circumstances necessitate (including general liability and fraud insurance, policies and training for all staff, and an incident response plan with respect to cybersecurity potential breaches), the firm's computer systems, software and networks may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact. The occurrence of such an event could jeopardize confidential and other information processed and stored in, and transmitted through, the Company's computer systems and networks, or otherwise cause interruptions to the operations of the Company, as well as its clients, counterparties and other third parties.

Operations are Dependent on Systems

The Company is highly dependent on communications and information systems. Any failure or interruption of such systems could cause delays or other problems particularly for retail trading activities and could have a material adverse effect on the Company's financial results and financial condition. There can be no assurance that such systems failure or interruptions will not occur, including those caused by an earthquake, fire, other natural disaster, power or telecommunications failure, act of God, act of war or terror or otherwise, or that back-up procedures and capabilities in the event of any such failure or interruption will be adequate.

Also, because many of the Company's employees and advisors are working remotely, additional risk management challenges may exist, including regarding remote office technology and information security practices.

Risk Management Policies and Procedures May Not Be Fully Effective

The Company has adopted policies, procedures, and controls to identify, monitor and manage its Enterprise Risks including operational risk. The policies and procedures and controls, however, may not be fully effective and may not respond quickly enough to changing circumstances and evolving business activities. Other risk management methods depend on evaluation of information regarding markets, clients or other matters that are publicly available or otherwise accessible by the Company. This information may not in all cases be accurate, complete, up-to-date, or properly evaluated. Policies, procedures, and controls implemented to record and verify a large number of transactions and events to manage operational, legal, regulatory, credit, market, interest rate and liquidity risks, among other things, may not be consistently effective.

If the Company's systems, policies, and procedures are not effective, or if the Company is not successful in capturing risks to which it is or may be exposed, the Company may suffer harm to its reputation or be subject to litigation or regulatory actions that could have a material adverse effect on its business and financial condition.

Legal Risk

The Company and its subsidiaries are a party to a number of claims, proceedings, and investigations, including legal and regulatory matters, in the ordinary course of its business. See "Legal Proceedings" in our 2022 AIF for details of certain ongoing legal proceedings. While there is inherent difficulty in predicting the outcome of such matters, based on its current knowledge, the Company does not expect that the outcome of any of these matters, individually or in aggregate, would have a material adverse effect on its consolidated financial position or results of operations.

The Company May Be Exposed to Liability and Litigation

The legal risks facing the Company and its subsidiaries also include potential liability under securities laws or through civil litigation in the event that Richardson Wealth's investment advisors and investment professionals or employees violate investor suitability requirements or other obligations, including providing negligent advice, making materially false or misleading statements in relation to securities transactions, effecting unauthorized transactions, failing to properly implement instructions, failing to implement an effective investment strategy, committing fraud, misusing client funds, or breaching any other statute, regulatory rule or requirement. Any of these violations could have a material adverse effect on the Company's operating results or financial condition.

Moreover, new regulatory requirements with respect to standards of care and other obligations may heighten this litigation risk.

The Company may also be subject to litigation arising from claims by former employees resulting from termination or other matters. In such actions, the Company may be obligated to bear legal, settlement and other costs. Additionally, recruitment of investment advisors may involve non-competition or non-solicitation agreements and other contractual or common law obligations. An investment advisor's former employer may claim damages or injunctive relief against the investment advisor or the Company, and the Company may incur expenses in awards, settlements, and legal expenses as a result.

A failure to appropriately identify and address potential conflicts of interest could adversely affect the Company

Due to the broad scope of the Company's products and services and its client base, the Company regularly addresses potential conflicts of interest, or perceived conflicts, in the interests of its clients.

The Company has extensive procedures and controls that are designed to identify and address conflicts of interest, including those that intersect with the new Client Focused Reforms (CFR) standard, specifically as it relates to client interactions. CFR enhance core requirements relating to conflicts of interest, suitability, know-your-products, and know-your client. However, appropriately identifying and dealing with conflicts of interest is complex and difficult, and the Company's reputation could be damaged if the Company fails, or appears to fail, to identify, disclose and deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions.

Compliance, Credit and Regulatory Risks

Regulatory Risk

The Company's businesses are subject to extensive regulation. The Company takes an active leadership role in the development of the rules and regulations that govern its industry. The Company has been investing in its risk and compliance functions to monitor its adherence to the numerous legal and regulatory requirements applicable to its business. Compliance with many of the regulations applicable to the Company involves a number of risks, particularly in areas where applicable regulations may be subject to interpretation. In the event of non-compliance with applicable regulations, securities regulators and IIROC (now provisionally named the "New SRO" post IIROC/MFDA merger) and other authorities may institute administrative or judicial proceedings that may result in: the revocation or imposition of conditions on licenses to operate certain businesses; censure, fines, or civil penalties; issuance of cease-and-desist orders; deregistration or suspension; suspension or disqualification of investment advisors or employees; or other adverse consequences. The imposition of any such penalties or orders on the Company and its subsidiaries could have a material adverse effect on its operating results, financial condition, or profitability.

Additional regulations, changes in existing laws and rules, or changes in interpretations or enforcement of existing laws and rules often directly affect the method of operation and profitability of wealth management firms, as new regulations may require additional investment in personnel and/or systems. The Company cannot predict the effect any such changes might have. Furthermore, the Company's business may be materially affected not only by regulations applicable to the Company's businesses, but also by regulations of general application.

Operations may be materially adversely affected by changes in the securities regulatory framework and/or the interpretation or enforcement of existing laws and rules by securities regulatory authorities in Canada. Additionally, increased regulation in Canada may lead to even higher compliance costs, which may disproportionately impact smaller firms.

Furthermore, failure to maintain required regulatory capital may subject the Company to fines, suspension or revocation of registration or could prohibit expansion of its businesses.

Credit Risk and Exposure to Financial Losses

The Company is exposed to credit risk that third parties owing money, securities or other assets will not fulfill their obligations. These counterparties may default on their obligations due to bankruptcy, lack of liquidity, operational failure, or other reasons.

A primary source of credit risk arises from the extension of credit to clients to purchase securities by way of margin lending. Margin loans are due on demand and are collateralized by the financial instruments in the client's account. There is risk of financial loss in the event a client fails to meet a margin call if market prices for collateral declines and it becomes impossible to recover sufficient value from the collateral held to cover the loan. Although the Company continually reviews its exposure to credit risk, default risk may arise from events or circumstances that are difficult to detect, such as fraud.

Non-GAAP and Supplemental Financial Measures

In addition to GAAP prescribed measures, we use a variety of non-GAAP financial measures, non-GAAP ratios and supplemental financial measures to assess our performance. We use these non-GAAP financial measures and supplementary financial measures (SFM) because we believe that they provide useful information to investors regarding our performance and results of operations. Readers are cautioned that non-GAAP financial measures, including non-GAAP ratios, and supplemental financial measures often do not have any standardized meaning and therefore may not be comparable to similar measures presented by other issuers. Non-GAAP measures are reported in addition to, and should not be considered alternatives to, measures of performance according to IFRS.

Non-GAAP Financial Measures

A non-GAAP financial measure is a financial measure used to depict our historical or expected future financial performance, financial position or cash flow and, with respect to its composition, either excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in our 2022 Annual Financial Statements. A non-GAAP ratio is a financial measure disclosed in the form of a ratio, fraction, percentage, or similar representation and that has a non-GAAP financial measure as one or more of its components.

The primary non-GAAP financial measures (including non-GAAP ratios) used in this MD&A are:

EBITDA

The use of EBITDA is common in the wealth management industry. We believe it provides a more accurate measure of our core operating results, is a proxy for operating cash flow, and is a commonly used basis for enterprise valuation. EBITDA is used to evaluate core operating performance by adjusting net income/(loss) to exclude:

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

Operating Expenses

Operating expenses include:

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

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

Commissionable Revenue

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

Adjusted Results

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

Adjusted EBITDA Margin

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

Adjusting items in this MD&A include the following:

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

All adjusting items affect reported expenses.

Adjusted Operating Expenses

The following table reconciles our reported operating expenses to adjusted operating expenses:

($000s)	2022	2021
Total expenses - reported	207,335	205,713
Interest	10,797	6,631
Advisor loan amortization	17,267	17,734
Depreciation and amortization	28,064	24,805
Operating expenses	151,207	156,543
Transformation costs and other provisions[1]	8,634	21,390
Adjusted operating expenses	142,573	135,153

1. Excludes $13.2 million of amortization of acquired intangibles, which are categorized as transformation costs but do not factor into our definition of operating expenses

Adjusted Operating Expense Ratio

Adjusted Operating Expense Ratio is a non-GAAP ratio defined as Adjusted Operating Expenses divided by gross margin.

Adjusted Net Income

The following table provides a reconciliation of our reported net income/(loss) to adjusted net income/(loss):

($000s)	2022	2021
Net income (loss) - reported	(4,803)	(20,152)
After-tax adjusting items:		
Transformation costs and other provisions	6,309	17,835
Amortization of acquired intangibles	9,594	9,673
Adjusted net income (loss)	11,100	7,356
Earnings per common share:		
Basic	(0.95)	(3.33)
Diluted	(0.95)	(3.33)
Adjusted earnings per common share:		
Basic	0.71	0.43
Diluted	0.43	0.20

Supplemental Financial Measures

A supplementary financial measure (SFM) is a financial measure that is not reported in our 2022 Annual Financial Statements, and is, or is intended to be, reported periodically to represent historical or expected future financial performance, financial position, or cash flows. The Company's key SFMs disclosed in this MD&A include AUA, recruiting pipeline, and net new and recruited assets. Management uses these measures to assess the operational performance of the Company. These measures do not have any definition prescribed under IFRS and do not meet the definition of a non-GAAP measure or non-GAAP ratio and may differ from the methods used by other companies and therefore these measures may not be comparable to other companies. The composition and explanation of a SFM is provided in this MD&A where the measure is first disclosed if the SFM's labelling is not sufficiently descriptive.

RF Capital Group Inc.

Consolidated Financial Statements

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RF Capital Group Inc.

Opinion

We have audited the consolidated financial statements of RF Capital Group Inc. (the Entity), which comprise:

- the consolidated balance sheets as at December 31, 2022 and December 31, 2021;
- the consolidated statements of income/(loss) and comprehensive income (loss) for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- notes to the consolidated financial statements, including a summary of significant accounting policies.

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Evaluation of goodwill for impairment

Description of the matter

We draw attention to Note 2(c) and Note 11 to the financial statements. The Entity has recorded goodwill of $164.9 million as of December 31, 2022 related to the Richardson Wealth acquisition. The Entity performs impairment testing for goodwill on an annual basis or more frequently when there is an indication of impairment. An impairment is recognized if the carrying amount of an asset, or its cash generating unit (CGU), exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs of disposal, where available, and value-in-use calculations, determined using managements best estimates of forecasted cash earnings, long-term growth rate and the discount rate (the "assumptions").

Why the matter is a key audit matter

We identified the evaluation of goodwill for impairment as a key audit matter. This matter represented an area of significant risk of material misstatement requiring specialized skills and knowledge to evaluate the Entity's significant assumptions, as noted above, used in estimating the recoverable amount for the CGU to which goodwill is allocated. Significant auditor judgment was required in evaluating the results of our audit procedures due to the high degree of sensitivity of the estimated recoverable amounts to changes to the assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We evaluated the appropriateness of forecasted cash earnings by:

- Comparing the Entity's prior year forecasted cash earnings to the actual results to assess the Entity's budgeting process.
- Assessing forecasted cash earnings by comparing them to the CGU's historical performance and against initiatives in the Board-approved plan.

We assessed the long-term growth rate by comparing it to available market information and the Entity's historical performance.

We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the appropriateness of the discount rate by comparing the Entity's Weighted Average Cost of Capital (WACC) against publicly available market data for comparable entities.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions; and
- the information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report".

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

The information, other than the financial statements and the auditor's report thereon, included in a document likely to be entitled "Annual Report" is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Abhimanyu Verma.

Toronto, Canada

March 2, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of RF Capital Group Inc. (the Company), were prepared by management, who are responsible for the integrity and fairness of all information presented in the consolidated financial statements and management's discussion and analysis (MD&A) for the year ended December 31, 2022. The consolidated financial statements were prepared by management in accordance with International Financial Reporting Standards. Financial information presented in the MD&A is consistent with these consolidated financial statements.

In management's opinion, the consolidated financial statements have been properly prepared within reasonable limits of materiality and within the framework of the basis of preparation and significant accounting policies summarized in Notes 2 and 3, respectively, of the consolidated financial statements. Management maintains a system of internal controls to meet its responsibilities for the integrity of the consolidated financial statements.

The board of directors of the Company (Board of Directors) oversees management's responsibilities for financial reporting through the Company's audit committee (Audit Committee), which is composed entirely of independent directors. Among other things, the mandate of the Audit Committee includes the review of the consolidated financial statements of the Company on a quarterly basis, advising the Board of Directors on auditing matters and financial reporting issues and recommending the consolidated financial statements to the Board of Directors for approval. The Audit Committee has full access to management and the auditors to review their activities and to discuss the external audit program, internal controls, accounting policies and financial reporting matters.

KPMG LLP performed an independent audit of the consolidated financial statements, as outlined in the auditors' report contained herein. KPMG LLP had, and has, full and unrestricted access to management of the Company, the Audit Committee and the Board of Directors to discuss their audit and related findings and have the right to request a meeting in the absence of management at any time.

"Kishore Kapoor"

KISHORE KAPOOR
President and Chief Executive Officer

"Tim Wilson"

TIM WILSON
Chief Financial Officer

Toronto, Canada
March 2, 2023

Consolidated Balance Sheets

($ thousands)

As at	Note	December 31, 2022	December 31, 2021
ASSETS			
Cash and cash equivalents		367,848	518,099
Securities owned	5, 19	673	62,355
Receivable from:			
Clients		377,096	610,376
Brokers	7	61,204	90,802
Client funds held in trust		367,316	466,336
Employee and other loans receivable	8	45,410	50,303
Equipment and leasehold improvements	9	37,452	15,541
Right-of-use assets	10	52,809	19,547
Other assets	6	34,895	13,920
Deferred tax assets	13	17,370	20,584
Goodwill and intangible assets	11	337,581	348,152
		1,699,654	2,216,015
LIABILITIES			
Obligations related to securities sold short	5, 19	—	13,625
Payable to:			
Clients		1,034,808	1,333,692
Brokers	7	24,650	248,260
Issuers		—	824
Accounts payable and accrued liabilities		50,966	55,560
Debt	20	110,922	110,922
Provisions	16	24,734	27,323
Lease liabilities		62,448	23,256
Deferred tax liability	13	44,205	47,663
		1,352,733	1,861,125
EQUITY			
Common shares		462,935	464,667
Preferred shares		112,263	112,263
Contributed surplus		46,151	44,103
Accumulated other comprehensive income		19,652	18,842
Accumulated deficit		(294,080)	(284,985)
Shareholders' equity	14	346,921	354,890
		1,699,654	2,216,015

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

"Kishore Kapoor"

Kishore Kapoor
President and Chief Executive Officer

"Donald Wright"

Donald Wright
Chair of the Board

Consolidated Statements of Income / (Loss)

($ thousands)

For the years ended December 31,	Note	2022	2021
REVENUE			
Wealth management		278,319	272,482
Corporate finance		8,643	21,785
Interest		37,581	15,869
Other		29,429	18,383
TOTAL REVENUE	4	353,972	328,519
Variable advisor compensation		149,748	142,611
GROSS MARGIN		204,224	185,908
EXPENSES			
Employee compensation and benefits		78,538	77,134
Selling, general and administrative		64,035	58,019
Advisor loan amortization	8	17,267	17,734
Transformation costs and other provisions		8,634	21,390
Interest		10,797	6,631
Depreciation and amortization	9, 10, 11	28,064	24,805
		207,335	205,713
Loss before income taxes		(3,111)	(19,805)
Income tax expense/(recovery)			
Current		1,938	1,865
Deferred		(246)	(1,518)
	13	1,692	347
Net income/(loss)		(4,803)	(20,152)
Weighted-average number of common shares outstanding: (in thousands)			
Basic	18	9,601	7,311
Diluted		15,854	15,930
Net loss per common share (dollars):			
Basic	18	(0.95)	(3.33)
Diluted		(0.95)	(3.33)

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

Consolidated Statements of Comprehensive Income (Loss)

($ thousands)

For the years ended December 31,	2022	2021
Net income/(loss)	(4,803)	(20,152)
Other comprehensive income/(loss)		
Item that may be subsequently reclassified to net income/(loss):		
Foreign currency translation gain/(loss)	(4)	28
Total other comprehensive income/(loss)	(4)	28
Total comprehensive income/(loss) attributable to shareholders	(4,807)	(20,124)

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

Consolidated Statements of Changes in Equity

(thousands)

	Preferred shares #	Preferred shares $	Common shares #	Common shares $	Contributed surplus $	Accumulated other comprehensive income $	Accumulated deficit $	Shareholders' equity $
As at and for the year ended December 31, 2020	4,600	112,263	158,108	470,415	39,976	17,830	(260,621)	379,863
Net foreign currency translation gain	—	—	—	—	—	33	—	33
Common shares purchased, cancelled and forfeited	—	—	(1,708)	(5,748)	1,285	979	—	(3,484)
Share-based compensation	—	—	—	—	2,842	—	—	2,842
Preferred share dividends	—	—	—	—	—	—	(4,212)	(4,212)
Net loss	—	—	—	—	—	—	(20,152)	(20,152)
As at and for the year ended December 31, 2021	4,600	112,263	156,400	464,667	44,103	18,842	(284,985)	354,890
Net foreign currency translation gain	—	—	—	—	—	(4)	—	(4)
Share consolidation	—	—	(140,760)	—	—	—	—	—
Common shares purchased, cancelled and forfeited	—	—	(70)	(1,732)	187	814	—	(731)
Share-based compensation	—	—	—	—	1,861	—	—	1,861
Preferred share dividends	—	—	—	—	—	—	(4,292)	(4,292)
Net loss	—	—	—	—	—	—	(4,803)	(4,803)
As at and for the year ended December 31, 2022	4,600	112,263	15,570	462,935	46,151	19,652	(294,080)	346,921

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

Consolidated Statements of Cash Flows

($ thousands)

	Note	2022	2021
OPERATING ACTIVITIES			
Net income/(loss)		(4,803)	(20,152)
Add/(deduct) items not involving cash:			
Depreciation and amortization	9, 10, 11	28,064	24,805
Advisor loan amortization	8	17,267	17,734
Accretion of lease liability expense		3,710	1,674
Deferred income taxes	13	(246)	(1,518)
		43,992	22,543
Net change in non-cash operating items	21	(151,394)	(36,750)
Cash provided by (used in) operating activities		(107,402)	(14,207)
FINANCING ACTIVITIES			
Dividends paid on preferred shares	14	(4,292)	(4,212)
Purchase of shares for cancellation	14	(731)	(3,484)
Repayment of promissory note		—	(12,072)
Repayment of subordinated debt		—	(67,000)
Proceeds of revolving credit facility		—	80,500
Principal elements of lease payments		(8,779)	(8,369)
Cash used in financing activities		(13,802)	(14,637)
INVESTING ACTIVITIES			
Intangibles	11	(2,656)	(3,356)
Equipment and leasehold improvements	9	(26,387)	(5,979)
Cash used in investing activities		(29,043)	(9,335)
Effect of foreign exchange on cash balances		(4)	33
Net change in cash and cash equivalents		(150,251)	(38,146)
Cash and cash equivalents, beginning of period		518,099	556,245
Cash and cash equivalents, end of period		367,848	518,099
Supplemental cash flow information			
Interest paid		10,405	7,123
Interest received		36,130	17,303
Taxes paid		(1,716)	(1,988)

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

Note 1 – Corporate Information

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

Note 2 – Basis of Preparation

a. Basis of Presentation

These consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The Company's consolidated financial statements are prepared on a historical cost basis except for certain financial instruments which are measured at fair value to the extent required or permitted under IFRS and as set out in the relevant accounting policies.

Unless otherwise indicated, all amounts are expressed in thousands of Canadian dollars and rounded to the nearest thousand.

These consolidated financial statements were authorized for issuance by the Company's Board of Directors on March 2, 2023.

b. Principles of Consolidation

The consolidated financial statements include the assets, liabilities, and results of operations of our wholly owned subsidiaries, after the elimination of intercompany transactions and balances.

Subsidiaries are those entities that the Company controls through its ownership of the majority of the voting shares.

c. Critical Accounting Estimates and Use of Judgment

The preparation of financial statements in accordance with IFRS requires management to make estimates and exercise judgment that affect reported amounts of certain assets and liabilities, certain revenue and expenses and other related disclosures. Accounting policies that require management's estimates and judgments are discussed below.

Revenue recognition

The Company recognizes revenue when performance obligations have been fulfilled under revenue contracts. Judgment is required in identifying the performance obligation and estimation may be required to determine the timing of substantial completion of performance obligations and the amount of revenue that can be recognized.

Impairment of Goodwill and Intangible Assets

Goodwill is reviewed annually for impairment, or more frequently when there are indicators that impairment may have occurred, by comparing the carrying value to its recoverable amount. An impairment is recognized if the carrying amount of an asset, or its cash generating unit (CGU), exceeds its estimated recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs of disposal, where available, and value-in-use calculations, determined using management's best estimates of forecasted cash earnings, long-term growth rate, and the discount rate. The Company reviews finite life intangibles when there are indicators of impairment.

The assumptions used include subjective judgements based on the Company's experience, knowledge of operations and knowledge of the economic environment in which it operates. If forecasted cash earnings, long-term growth rate or the discount rate are different to those used, it is possible that the future impairment tests could result in a different outcome with the CGU goodwill and/or intangible assets being impaired.

Income Taxes

The Company computes an income tax provision in each of the tax jurisdictions in which it operates. In determining the provision for income taxes, the Company interprets tax legislation, case law and administrative positions in several jurisdictions, and based on its judgment, records an estimate of income taxes. In addition, the Company estimates the recoverability of deferred tax assets against future taxable income based on an assessment of the ability to use the underlying future tax deductions before they expire. If interpretations and assumptions differ from those of the tax authorities or if the timing of reversals is not as expected, the Company's provision for income taxes could increase or decrease in future periods.

Share-based Compensation

The Company uses an option pricing model to estimate the fair value of stock options on the grant date and records this amount as compensation expense over the period the options vest.

Provisions

A provision is recognized if, as a result of a past event, the Company has an obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle that obligation. Provisions are recorded at the best estimate of the amount required to settle the obligation at the balance sheet date.

Fair Value of Financial Instruments

Fair value measurement techniques are used to value financial assets and financial liabilities. Additional information regarding our fair value measurement techniques is included in Note 19 Financial Assets and Liabilities.

Note 3 – Significant Accounting Policies

a. Cash and Cash Equivalents

Cash is comprised of cash on deposit and cash equivalents including highly liquid investments such as interest-bearing treasury bills and bankers' acceptances with original maturities of three or fewer months that are convertible into cash. The Company may be required, from time-to-time, to restrict cash.

b. Foreign Currency Translation

The Company conducts business in a variety of foreign currencies and presents its consolidated financial statements in Canadian dollars, which is the Company's functional currency. Monetary assets and liabilities, as well as non-monetary assets and liabilities measured at fair value that are denominated in foreign currencies, are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities not measured at fair value are translated into Canadian dollars at historical rates. Revenues and expenses denominated in foreign currencies are translated using the average exchange rate for the period.

c. Financial Instruments

Under IFRS 9, financial instruments are measured at fair value through profit or loss (FVTPL), amortized cost, or fair value through other comprehensive income (loss) (FVOCI). Under IFRS 9 for financial assets, the classification is based on two criteria: the business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments and interest on the principal amount outstanding (SPPI criterion).

The classification and measurement of the Company's financial instruments are as follows:

Financial assets measured at FVTPL comprise equity instruments that the Company has not irrevocably elected to classify at FVOCI and derivatives. This category also includes debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or both to collect contractual cash flows and sell. Securities sold short are classified as held for trading and recognized at fair value.

The assessment of whether contractual cash flows on the debt instruments are solely composed of principal and interest is made based on the facts and circumstances at the initial recognition of a financial asset.

After initial recognition, financial liabilities carried at amortized cost are measured using the effective interest rate method. Gains and losses are recognized in the statements of income. The carrying value approximates their fair value due to their short-term nature of because they are frequently repriced to current market rates.

d. Impairment of Financial Assets

The Company records allowances for credit losses associated with clients' receivables, employee loans and other receivables based on a forward-looking, expected credit loss (ECL) approach. The Company establishes an allowance for credit losses based on its historical credit loss experience adjusted for forward-looking factors or other considerations as appropriate. Judgment is required as to the timing of establishing an allowance for credit losses and the amount of the allowance, taking into consideration counterparty creditworthiness, current economic trends and past experience. Receivable from client balances, which represent margin loans, are generally collateralized by securities; therefore, any provision is generally measured after considering the market value of the collateral.

e. Receivable from and Payable to Clients

Client security transactions are entered into on either a cash, cash on delivery or margin basis, and are recognized on the trade date of the transaction and subsequently measured at amortized cost. Amounts are due from clients on the settlement date of the transaction for cash accounts. Margin loans are due on demand and are collateralized by the financial assets in the client's account. Amounts loaned to a client are restricted by the Company's credit limits, which are generally more restrictive than those required by the New SRO and are subject to the Company's credit review and daily monitoring procedures. Interest earned on margin loans and interest paid on client cash deposits are based on a floating rate.

f. Securities Borrowing and Lending

The Company engages in securities borrowing and lending primarily to facilitate the securities settlement process. These arrangements are typically short-term in nature. These transactions are fully collateralized and subject to daily margin calls for any deficiency between the market value of the security loaned and the amount of collateral received. The Company manages its credit exposure by establishing and monitoring aggregate limits, by customer, for these transactions.

Securities lent to counterparties are retained on the consolidated balance sheets when substantially all the risks and rewards of ownership of the securities remain with the Company. Cash received as collateral is recorded on the consolidated balance sheets as a corresponding liability recognized in payable to brokers and is accounted for at amortized cost. Cash collateral received generally exceeds the market value of the securities loaned. Fees earned are recorded in other income.

When the Company borrows securities under stock borrow arrangements and the risks and rewards of ownership do not pass to the Company, the securities borrowed are not recorded by the Company on its consolidated balance sheets. The claim relating to cash, or other collateral deposited with the lender, is recorded as a receivable from brokers and is measured at amortized cost. The fees associated with borrowing the securities are recorded in selling, general and administrative expenses.

g. Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at cost less accumulated depreciation and accumulated impairment, if any. Depreciation is recorded on a straight-line basis over the following expected useful lives:

Furniture and equipment	7 to 8 years
Computer hardware	3 to 5 years
Leasehold improvements	Shorter of useful life and lease term plus first renewal period, if renewal is reasonably assured

Residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted, if appropriate.

h. Goodwill

Goodwill represents the excess purchase price paid over the net fair value of identifiable assets and liabilities acquired in a business combination. Goodwill is allocated to the cash-generating unit (CGU) for the purpose of monitoring and internal management purposes.

i. Intangible Assets

The Company's intangible assets consist of application software, insurance customer relationships and other intangibles acquired from business combinations. These other intangibles relate to brand and customer relationships acquired through the acquisition of Richardson Wealth. Intangibles are initially recognized at fair value and amortized over their estimated useful lives on a straight-line basis:

Application software	3 years
Insurance customer relationships	Average life expectancy of individual policies
Brand	10 years
Customer relationships	15 years
Envestnet portfolio management platform	7 years

The amortization period and the method of amortization for an intangible asset with a finite useful life is reviewed at least annually, at each financial year-end.

j. Impairment of Non-Financial Assets

Goodwill

Goodwill is tested for impairment at the CGU level annually, or more frequently if events or circumstances suggest that there may be impairment. A write-down is recognized if the recoverable amount of the CGU, determined as the greater of the estimated fair value less costs to sell or its value-in-use, is less than the carrying value. Any impairment of goodwill is expensed in the period in which the impairment is identified. Impairment losses relating to goodwill are not reversed if there is a subsequent recovery in value of the CGU.

Intangible Assets

At each consolidated balance sheet date, intangible assets are assessed for indicators of impairment. If indicators are present, these assets are subject to an impairment review. Any loss resulting from the impairment of intangible assets is expensed in the period the impairment is identified.

k. Revenue Recognition

The main types of revenue contracts are as follows:

Wealth management: Wealth management revenue consists of account fees, mutual fund trailer fees, trading commissions and other client charges. The performance obligation for recognition of these fees is satisfied over the period during which the service is delivered, except for commission revenue where the performance obligation is satisfied at the date of the transaction.

Corporate finance: Corporate finance revenue includes fees earned in connection with the placement of new issues through our proprietary retail distribution network and third-party networks. It also includes fees for reviewing third-party structured notes offering documents. The performance obligation for recognition is satisfied when the services relating to the underlying transaction are completed and the income is reasonably determinable. Payments related to Corporate finance revenue are received over a period which can extend out to the following fiscal year.

Interest: Interest revenue includes interest earned on margin loans and the Company's cash positions. Interest revenue is recognized on an accrual basis.

Other: Includes revenue earned from the sale of insurance products, carrying broker and administrative services, foreign exchange, securities lending, and various other services. Revenue is recorded over time as performance obligations are satisfied through services rendered and accordingly is recognized on an accrual basis.

l. Share-Based Compensation

Share Option Awards

The Company measures the cost of share options granted using an option pricing model. The fair value of a share option award is estimated at grant date using valuation techniques that consider its exercise price, its expected life, the risk-free interest rate, the expected volatility and dividends of the Company's common shares and the expected level of forfeitures. For share option awards with graded vesting, the fair value of each tranche is treated as a separate grant with a different vesting date and a different fair value.

Restricted Share Unit, Performance Share Unit Plans

The fair value of restricted share units (RSU) and performance share units (PSU) granted is determined based on the average of the closing price of the Company's common shares, as per the plan. The fair value of the cash amount payable is recognized as an expense with a corresponding increase in Accounts payable and accrued liabilities, over the period during which the RSU or PSU vests. The liability is remeasured at each reporting date and at settlement date based on the closing price of the Company's common shares on the TSX, as per the relevant plan. Changes in the liability are recognized in profit or loss.

Deferred Share-Based Awards

The Company uses the average closing price of the Company's common shares as per the plan to estimate the fair value of the DSUs on grant date. It records this amount as a Selling, general and administrative expense over the period the awards vests with a corresponding increase in Accounts payable and accrued liabilities. The liability is remeasured at each reporting date and at settlement date based on the closing price of the Company's common shares on the TSX for the five consecutive trading days immediately prior to the respective date. Changes in the liability are recognized in profit or loss.

At each reporting date, the Company reassesses its estimate of the number of share-based awards and share option awards that are expected to vest and recognizes the impact of the change in forfeiture rate estimates through net income in the current reporting period.

m. Provisions

Provisions represent a liability of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, that can be estimated reliably, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the present value of the best estimate of expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

n. Income Taxes

The Company records current and deferred income taxes relating to transactions that have been included in the consolidated financial statements, using the related jurisdiction's tax laws and rates.

Current Income Tax

Current income tax is measured as the amounts expected to be paid to or recovered from the taxation authorities based on taxable income or loss. Taxable income or loss may differ from income reported on the Company's consolidated statements of income (loss) since taxable income excludes certain items that are taxable or deductible in other years and excludes items that are never taxable or deductible for tax purposes. Changes in taxes arising from a change in tax rates and laws will be recognized in the period when the tax rate or law is substantively enacted. Current tax assets and liabilities are offset when the legally enforceable right to offset exists and the Company itself intends to net settle the amounts.

Deferred Income Tax

Deferred tax expense and/or benefit is calculated with reference to temporary differences arising between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Deferred tax assets are recognized for all deductible temporary differences and the carry-forward of unused tax losses. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable income will be available against which unused tax losses and deductible temporary differences can be utilized.

Deferred tax assets and liabilities are offset when the legally enforceable right exists to offset, and the deferred tax assets and liabilities relate to income taxes levied on the same tax reporting entity by the same taxation authority. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the consolidated balance sheet dates.

o. Leases

Right-Of-Use Assets

When the Company enters a new arrangement as a lessee, it recognizes a right-of-use asset and corresponding lease liability at the commencement or extension date of the lease (i.e., the date the underlying asset is available for use). The right-of-use asset is initially measured at cost, any direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimated decommissioning costs. The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. The right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term plus renewal period if renewal is reasonably assured. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement or extension date of the lease, the Company recognizes a lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company's exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of

lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment of the likelihood of purchasing the underlying asset.

p. Preferred Shares

The Company's non-redeemable preferred shares are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variable number of the Company's equity instruments. Discretionary dividends thereon are recognized as equity distributions on approval by the Company's Board of Directors.

Redeemable preferred shares are classified as financial liabilities because they bear non-discretionary dividends and are redeemable in cash by the holder. Non-discretionary dividends thereon are recognized as interest expense in profit or loss as accrued.

q. Segmented Information

In the fourth quarter of 2022, the Company changed its internal reporting to Management to reflect the Company as one business segment: Wealth Management.

r. Future Changes in Accounting Policies

The Company monitors for changes in standards proposed by the International Accounting Standards Board (IASB) and analyzes the effect those changes may have on the Company's financial reporting and disclosures. For the year ended December 31, 2022, there were no significant changes in accounting policies and no new standards which are expected to impact the Company's consolidated financial statements.

($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Note 4 – Revenue

The following table presents disaggregated revenue information for the Company for the years ended December 31, 2022 and 2021.

	2022	2021
Wealth management	278,319	272,482
Corporate finance	8,643	21,785
Other customer revenue	20,286	11,721
Revenue - contracts with customers	307,248	305,988
Other revenue	46,724	22,531
Total revenue	353,972	328,519
Timing of revenue recognition		
Point in time	6,762	13,018
Over time	300,486	292,970
Revenue - contracts with customers	307,248	305,988
Other revenue	46,724	22,531
Total revenue	353,972	328,519

Other Income

The following table presents a breakdown of the Company's other income for the years ended December 31, 2022 and 2021.

	2022	2021
Insurance commissions	17,807	5,363
Foreign exchange	6,093	6,725
Brokerage services	2,245	2,981
Securities lending[1]	1,819	1,916
Other	1,465	1,398
	29,429	18,383

[1]Prior period amounts have been reclassified to be consistent with current year presentation.

Note 5 – Securities Owned and Obligations Related to Securities Sold Short

The following table presents a breakdown of the Company's securities owned and obligations related to securities sold short measured at fair value as at December 31, 2022 and 2021.

	2022		2021	
	Securities owned	Securities sold short	Securities owned	Securities sold short
Debt securities:				
Canadian and U.S. federal governments	23	—	36,600	9,214
Canadian provincial and municipal governments	173	—	8,501	2,292
Corporate and other	107	—	16,435	2,109
Equity securities	346	—	472	10
Derivative financial instruments	24	—	347	—
	673	—	62,355	13,625

As at December 31, 2022, the Company had no securities pledged as collateral to central clearing agencies and custodians, compared to $22,129 at December 31, 2021.

Note 6 – Other Assets

The following table presents a breakdown of the Company's other assets as at December 31, 2022 and 2021.

	2022	2021
Accounts receivable	26,470	6,353
Finance lease receivable	—	707
Prepaid deposits	8,425	6,860
	34,895	13,920

($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Note 7 – Securities Borrowed and Lent

The following table presents a breakdown of the Company's securities borrowed and lent and the corresponding cash delivered and received as collateral, respectively as at December 31, 2022 and 2021.

	Borrowed		Lent	
	Securities borrowed	Cash delivered as collateral	Securities lent	Cash received as collateral
As at December 31, 2022	33,525	34,487	—	—
As at December 31, 2021	21,100	21,430	123,586	123,555

Note 8 – Employee and Other Loans Receivable

The following table presents a breakdown of the Company's employee and other loans receivable as at December 31, 2022 and 2021.

	2022	2021
Investment advisor loans	39,561	43,722
Transition agreements for retirees	1,030	1,602
Other loans	4,819	4,979
	45,410	50,303

Investment advisor loans

The Company advances interest-free funds to newly recruited investment advisors on commencement of their employment. Upon the satisfaction of certain conditions over a pre-specified term, the Company is obligated to i) pay cash bonuses to the investment advisors of an amount sufficient to repay 100% of the total loans or ii) forgive the loan over a specified term on each applicable anniversary date.

The Company also advanced interest-free funds to certain investment advisors as part of the acquisition of Richardson Wealth on October 20, 2020. Upon satisfaction of certain conditions, including continued employment, the loans will be repaid over a prescribed term from cash bonus amounts awarded on each applicable anniversary date from the initial advance of the loan.

The Company records any reduction in the advisor loans as advisor loan amortization over the term of such loans. For the year ended December 31, 2022, the Company recorded advisor loan amortization of $17,267 (2021 – $17,734) and a corresponding reduction to loans outstanding.

Transition agreements for retirees

The Company from time to time has facilitated the transition of clients' assets under administration from one advisor to another upon retirement. The Company agreed to provide repayable loans to investment advisors to facilitate transitioning the books of business. The interest rates and terms vary with the individual circumstances.

Other loans

Other loans represent repayable financing loans and certain other advisor and employee loans.

Note 9 – Equipment and Leasehold Improvements

The following table presents a breakdown of the Company's equipment and leasehold improvements as at December 31, 2022 and 2021.

	Furniture and equipment		Computer hardware		Leasehold improvements		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Cost								
As at January 1	2,322	1,710	3,365	2,475	10,864	11,336	16,551	15,521
Additions	4,629	612	3,657	1,363	18,101	4,004	26,387	5,979
Disposals and write-offs	(539)	—	(732)	(473)	—	(4,476)	(1,271)	(4,949)
As at December 31	6,412	2,322	6,290	3,365	28,965	10,864	41,667	16,551
Accumulated depreciation								
As at January 1	365	(70)	570	102	75	1,902	1,010	1,934
Depreciation	670	435	1,372	941	2,434	2,649	4,476	4,025
Disposals and write-offs	(539)	—	(732)	(473)	—	(4,476)	(1,271)	(4,949)
As at December 31	496	365	1,210	570	2,509	75	4,215	1,010
Net book values								
As at December 31	5,916	1,957	5,080	2,795	26,456	10,789	37,452	15,541

($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Note 10 – Right-of-Use Assets

The following table presents a breakdown of the Company's right-of-use-assets, all of which relate to office space, as at December 31, 2022 and 2021.

	2022	2021
As at January 1	19,547	24,234
Additions	43,623	3,515
Amortization	(10,361)	(7,709)
Impairment	—	(493)
As at December 31	52,809	19,547

The Company amortizes right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

During the fiscal year 2022, the Company entered into new lease agreements for its head office and two of its branches. On commencement of the leases, the Company recognized a total of $38,686 of right-of-use assets and lease liabilities.

Note 11 – Goodwill and Intangible Assets

The following table presents a breakdown of the Company's goodwill and finite life intangible assets as at December 31, 2022 and 2021.

		Intangible Assets			
	Goodwill	Customer relationships	Envestnet portfolio management platform	Brand and other	Total
Cost					
As at January 1, 2021	163,971	195,000	—	500	359,471
Additions	986	2,086	1,206	64	4,342
As at December 31, 2021	164,957	197,086	1,206	564	363,813
Additions	—	46	2,523	87	2,656
Disposals	—	—	—	(59)	(59)
As at December 31, 2022	164,957	197,132	3,729	592	366,410
Accumulated amortization					
As at January 1, 2021		2,590	—	—	2,590
Amortization		13,005	—	66	13,071
As at December 31, 2021		15,595	—	66	15,661
Amortization		13,109	—	118	13,227
Disposals		—	—	(59)	(59)
As at December 31, 2022		28,704	—	125	28,829
Net book value					
As at December 31, 2021	164,957	181,491	1,206	498	348,152
As at December 31, 2022	164,957	168,428	3,729	467	337,581

Intangible assets include $195,000 in customer relationships and $500 in brand that were acquired through the acquisition of Richardson Wealth . As at December 31, 2022, there were no indicators of impairment relating to the Company's goodwill or finite life intangible assets.

Goodwill is not amortized and is instead tested for impairment annually. In performing the impairment test, the Company estimates the value-in-use of the business or CGU and compares it to the carrying value.

For the year end 2022, cash flows were projected for ten years based on historical operating and financial result trends, and expected future business performance. Beyond ten years, cash flows were assumed to grow at perpetual rates of up to 5.0% (5.0% in 2021). The discount rate applied to these cash flows to determine the recoverable amount was 16.0% (14.8% in 2021) and was based on the Company's estimate of the cost of capital for the CGU. The cost of capital of the CGU was estimated using the Capital Asset Pricing Model, incorporating the historical betas of publicly traded peer companies that are comparable in size to the CGU. The Company used significant judgment in determining inputs to the discounted cash flow model, which is sensitive to changes in future cash flows, discount rates and the terminal growth rates applied to cash flows beyond the forecast period.

($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

The key assumptions described above may change as market and economic conditions change. However, the Company estimates that reasonably possible changes in the assumptions will not cause the recoverable amount of the CGU to decline below its carrying amount.

Note 12 – Related Party Transactions and Balances

The Company's related parties include the following persons and/or entities:

a. key management personnel, including those entities that are controlled (directly or indirectly) by key management personnel; and

b. shareholders who can significantly influence the Company.

Related Party Balances

The following table reflects related party transactions recorded in the Company's consolidated statements of income (loss):

	2022	2021
Revenue		
Investment mangement and fee income	102	139
Interest income	56	14

Key Management

Key management personnel consist of the Board of Directors and officers of the Company and other persons having authority and responsibility for planning, directing and controlling the activities of the Company. Receivables from clients of $1,079 (2021 – $6) and payables to clients of $499 (2021 – $561) represent outstanding transactions where the Company executes security trades on either a cash or margin basis for key management personnel. Commission income on such transactions in the aggregate is not material in relation to the overall operations of the Company. Interest on margin loans is based on market terms and conditions.

Key management personnel compensation for services rendered is as follows:

	2022	2021
Fixed salaries and benefits	2,336	2,741
Retirement allowance	20	13
Variable incentive-based compensation	1,565	1,658
Share-based compensation	1,513	1,058
Directors' fees	1,108	1,270
	6,542	6,740

Shareholder

Richardson Financial Group Limited (RFGL), a significant shareholder, holds $30,422 of redeemable preferred shares issued by a subsidiary of the Company, classified as financial liabilities (refer to Note 20). In 2022, the Company incurred $2,470 of related interest expense (2021 – $1,962). RFGL and its wholly owned affiliate collectively own approximately 6.97 million common Shares, representing 44.1% of the issued and outstanding common Shares.

Note 13 – Income Tax

The components of income tax expense for the year ended December 31, 2022 and 2021, are as follows:

	2022	2021
Current tax expense		
Current year	1,938	1,865
Total current tax expense	1,938	1,865
Deferred tax expense		
Adjustments for prior years	—	556
Origination and reversal of temporary differences	(246)	(2,074)
Total income tax expense	1,692	347

The differences between income tax expense reflected in the consolidated statements of income (loss) and the amounts calculated at the combined Canadian federal and provincial statutory tax rates are as follows:

($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	2022		2021	
	Amount	Rate	Amount	Rate
Income tax expense at the combined Canadian federal and provincial statutory tax rate	(824)	26.5%	(5,248)	26.5%
Increase (decrease) in income tax expense (recovery) due to:				
Non-deductible expenses	1,851	(59.5%)	376	(1.9%)
Non-taxable income	—	—	(103)	0.5%
Tax losses and other temporary differences not recognized	591	(19.0%)	4,621	(23.3%)
Adjustment for prior years	—	—	556	(2.8%)
Rate difference in subsidiaries	(31)	1.0%	(40)	0.2%
Part VI.I Tax	157	(5.0%)	159	(0.8%)
Other	(52)	1.7%	26	(0.1%)
Income tax expense and effective rate	1,692	(54.4%)	347	(1.8%)

The major components of the Company's deferred tax assets and liabilities are as follows:

	2022	2021
Deferred tax assets		
Deductible temporary differences:		
Non-capital losses	11,679	16,124
Deferred compensation arrangements	2,273	1,915
Equipment and leasehold improvements	668	1,233
Lease liability, net of right-of-use asset	2,633	1,091
Leasehold inducements	49	82
Other	68	139
Total	17,370	20,584
Deferred tax liabilities		
Taxable temporary differences:		
Intangible assets	44,205	47,663
Total	44,205	47,663

The benefit of the losses and other deductible temporary differences not reflected in the Company's consolidated financial statements are as follows:

	2022	2021
Non-capital losses	69,868	64,948
Equipment and leasehold improvements	—	198
Lease liability, net of right-of-use asset	—	(103)
Other	(841)	404
Total losses and other temporary differences not recognized	69,027	65,447

Note 14 – Share Capital

The Company is authorized to issue an unlimited number of common shares. Each common share has equal rights and privileges and entitles the holder to one vote at all meetings of common shareholders. The Company 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 as defined below), issuable at any time and from time to time in one or more series. The designation, rights, privileges, restrictions, and conditions attaching to the preferred shares will be determined by the Board of Directors of the Company prior to issue.

a. Common Shares

In consideration of the acquisition of Richardson Wealth, a portion of the common shares issued were placed in escrow (the Escrowed Shares) to be released, subject to the satisfaction of certain conditions, in equal amounts on the first, second and third anniversaries of the closing of the transaction. On October 20, 2022 and 2021, the Company released 2,939,102 and 2,944,180 common shares from escrow respectively. The remaining 3,096,730 common shares will be released from escrow on October 20, 2023.

b. Preferred Shares

Preferred shares issued and outstanding are 4,600 cumulative 5-Year rate reset preferred shares, series B (the series B preferred shares) recorded at the aggregate net proceeds of $112,263. Quarterly cumulative cash dividends on Series B

preferred shares, if declared, will be paid at an annual rate of 3.73% for the five-year period ending on March 31, 2026. On that date and every five years thereafter, the dividend rate is reset at a rate equal to the sum of the then current five-year Government of Canada (GOC) bond yield plus 2.89%. The series B preferred shares are redeemable by the Company, in whole or in part, at its option on March 31, 2026, and every fifth year thereafter at a cash redemption price per share of $25.00 together with all accrued and unpaid dividends. Holders of series B preferred shares have the right, at their option, to convert their shares into series C preferred shares, subject to certain conditions and the Company's right to redeem the series B preferred shares as described above, on March 31, 2026, and every fifth year thereafter.

On March 31, 2021, all series C preferred shares automatically converted to series B preferred shares on the basis of one series B share for each series C share.

Preferred Share Dividends

Payment date	Cash dividend per Series B Preferred Share	($ thousands) Total dividend
March 31, 2022	0.233313	1,073
June 30, 2022	0.233313	1,073
September 30, 2022	0.233313	1,073
January 3, 2023	0.233313	1,073

On March 2, 2023, the Board of Directors approved a cash dividend of $0.233313 per Series B Preferred Share, payable on March 31, 2023, to preferred shareholders of record on March 15, 2023.

c. Share Repurchases, Cancellations and Forfeitures

On March 4, 2022, the Company announced that the TSX approved its notice of intention to make a normal course issuer bid (NCIB) for a portion of its common shares. The NCIB commenced on March 9, 2022, and the bid will terminate on or about March 8, 2023, or such earlier time as the Company completes its purchases pursuant to the bid or provides notice of termination. Any common shares purchased under the NCIB have and will be cancelled. The Company is authorized to acquire up to a maximum of 548,571 of its common shares or approximately 10% of the Company's public float for cancellation under the NCIB. During the year ended December 31, 2022, 61,102 common shares, with an aggregate cost of $1,545, were repurchased under the NCIB, and cancelled.

On March 25, 2022, the Company completed a consolidation of its common shares on the basis of ten pre-consolidation common shares for every one post-consolidation common share (the Consolidation). Immediately prior to the Consolidation, the Company had 158,714,254 common shares issued and outstanding. Following the Consolidation, the Company had 15,871,426 common shares issued and outstanding.

During 2022, 9,717 common shares (2021 – 66,587) that were held in escrow were forfeited and cancelled, resulting in a share capital reduction of $187 (2021 – $1,285).

d. Share Incentive Plan (SIP) Trust

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

The following table presents a breakdown of the SIP Trust as at December 31, 2022 and 2021.

	Number of common shares (thousands)
As at December 31, 2020	127
Acquired - granted	150
Released on vesting	(46)
As at December 31, 2021	231
Released on vesting	(2)
As at December 31, 2022	229

Note 15 – Share Options and Deferred Share-Based Awards

a. Share Options

Under the Company's common share option plan (the Share Option Plan), the Company may grant options to acquire up to 10% of the issued and outstanding common shares. The maximum term of an option is ten years from the date of grant. Options would be granted by reference to the Company's common share price on the TSX. The related vesting period over which share-based compensation expense is recognized is up to four years. Each share option awarded under the Share Option Plan is equity-settled and the share-based compensation expense is based on the fair value estimate on the business day prior to the grant date.

A summary of the status of the Share Option Plan as at December 31, 2022, and 2021, and the changes during the years then ended is as follows:

	Number of common share options (thousands)	Weighted-average exercise price
As at December 31, 2020	38	54.00
Granted	44	20.25
Expired	(26)	69.36
Forfeited	(6)	16.20
As at December 31, 2021	50	20.00
Granted/Expired/Forfeited	—	—
As at December 31, 2022	50	20.00

Common share options outstanding and vested under the Share Option Plan, by exercise price range, as at December 31, 2022, are as follows:

Exercise prices[1]	Number outstanding (thousands)	Weighted-average exercise price[1]	Weighted-average remaining contractual life
18.00	6	18.00	0.56
20.10	28	20.10	0.60
20.50	17	20.50	0.61
As at December 31, 2022	50	20.00	0.60

[1]On March 25, 2022, the Company completed the Consolidation of its common shares on a ratio of one post-consolidation share for every ten pre-consolidation shares. The comparative number of common shares outstanding have been revised.

As at December 31, 2022, the number of outstanding options under the Share Option Plan as a percentage of common shares outstanding was 0.3133% (December 31, 2021 – 0.3119%).

For the year ended December 31, 2022, the Company recorded $111 (2021 – $93) in share-based compensation expense relating to the Share Option Plan with a corresponding increase to contributed surplus.

For the year ended December 31, 2022, there were no options granted, expired, or forfeited.

The weighted-average fair value of the options granted, and principal assumptions applied for options granted during 2021 are as follows:

Weighted average fair value	$ 0.64
Weighted average on key assumptions:	
Common share price on grant date[1]	$ 20.25
Exercise price[1]	$ 20.25
Risk-free interest rate[2]	0.76 %
Dividend yield[3]	—
Expected volatility[4]	39.75 %
Expected option life (years)[5]	4.00

[1]On March 25, 2022, the Company completed the Consolidation of its common shares on a ratio of one post-consolidation share for every ten pre-consolidation shares. The comparative number of common shares outstanding have been revised.
[2] Determined using the yield on Government of Canada benchmark bonds with a remaining term equal to the expected option life
[3] Based on the annual dividend yield on the date of grant
[4] Estimated by considering historic average share price volatility
[5] Estimated based upon historical data for the holding period of options between the grant and exercise dates, together with the assumption that a certain percentage of options will lapse due to forfeitures

b. Deferred Share-Based Awards

Share Incentive Plan

The Company adopted the SIP to provide eligible employees (Participants) with opportunities to own common shares, and to attract, retain and motivate key personnel and reward certain officers and employees of the Company for their performance. Pursuant to the terms of the SIP, the Company awards 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 vesting conditions and to market and non-market performance factors. During the vesting period, dividend equivalents accrue to the Participants in the form of additional share units. The fair value of the RSUs and PSUs granted is determined based on the average of the closing price of the Company's common shares for the five days preceding the grant date.

In the first quarter of 2022, the Company amended its restricted share unit (RSU), and performance share unit (PSU) plans to move from being equity-settled to cash-settled. The fair value of the grant is recorded in compensation expense over the period it vests with an offset to liability for cash settled units and to equity for equity settled units. Beginning with grants issued in 2022, each RSU or PSU held at the end of the vesting period will be paid to the eligible employee in cash, the value of which will be based on the weighted average closing price of the Company's common shares (common shares) on the Toronto Stock Exchange (TSX) for the 30 consecutive trading days immediately prior to the vesting date. RSUs and PSUs issued prior to 2022 will be settled in shares from the SIP Trust.

On March 14, 2022, the Company granted 625 RSUs and 77 PSUs to employees that entitle them to cash payments on December 1, 2024 and March 7, 2025, respectively. The RSUs and PSUs were issued at a grant price of $16.46 and had a value of $11,522. The fair value of the RSUs and PSUs at December 31, 2022 is $7,998.

On August 5, 2022, the Company granted 7 RSUs and 1 PSUs to employees that entitle them to cash payments on December 1, 2024 and March 7, 2025 respectively. The RSUs and PSUs were issued at a grant price of $13.77 and had a value of $110. The fair value of the RSUs and PSUs at December 30, 2022 is $90.

On November 3, 2022, the Company granted 7 RSUs to employees that entitle them to a cash payment on December 1, 2024. The RSUs were issued at a grant price of $14.25 and had a value of $101. The fair value of the RSUs at December 30, 2022, is $81.

($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

A summary of the status of the Company's Share Incentive Plans as at December 31, 2022 and 2021, and the changes during the year then ended is as follows:

	Number of RSUs
Balance, December 31, 2020	52
Granted	332
Vested	(43)
Forfeited	(17)
Balance, December 31, 2021	324
Granted	639
Vested	(5)
Forfeited	(30)
Balance, December 31, 2022	928

	Number of PSUs
Balance, December 31, 2020	—
Balance, December 31, 2021	—
Granted	78
Balance, December 31, 2022	78

The Company records its obligation for RSUs and PSUs over the service period that the award is earned. The liability for the cash-settled portion is measured at fair value on the date of grant and at each subsequent reporting date and totaled $1,992 as at December 31, 2022, (2021 – nil).

Deferred Share Unit Plan

The Company has a DSU plan for its directors. Each year, Directors can elect to receive up to 100% of their annual compensation in the form of DSUs. The fair value of the DSUs granted is determined based on the average of the closing price of the Company's common shares for the five days preceding the grant date.

A summary of the status of the Company's Deferred Share Unit Plan as at December 31, 2022 and 2021, and the changes during the year then ended is as follows:

	Number of DSUs
Balance, December 31, 2020	115
Granted	17
Balance, December 31, 2021	132
Granted	122
Balance, December 31, 2022	254

Note 16 – Provisions, Contingent Liabilities and Commitments

a. Provisions and Contingent Liabilities

The Company recognizes provisions for litigation and restructuring when it is probable that it has an obligation arising from a past event and the obligation can be reliably estimated. The Company recognizes as a provision our best estimate of the amount required to settle the obligations as of the balance sheet date, considering the risks and uncertainties surrounding the obligations. Legal provisions that are assumed as part of a business acquisition are recorded by the Company at fair value if there is a present obligation for a past event that can be reliably measured even if it is not probable that the Company will incur a loss. The Company assesses the adequacy of its provisions, if any, at each reporting period.

Contingent liabilities are potential obligations arising from past events, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within our control, and are not included in the table below.

A summary of the Company's provisions as at December 31, 2022 and 2021 and the changes during the period are as follows:

Balance, December 31, 2020	19,410
Additions[1]	15,118
Payments[2]	(6,463)
Recoveries	(742)
As at December 31, 2021	27,323
Additions	575
Payments[1]	(2,314)
Recoveries	(850)
As at December 31, 2022	24,734

[1]Includes $1,200 and $4,108 relating to key management personnel in 2022 and 2021 respectively.

[2]Includes $2,508 relating to key management personnel.

In the prior year ended December 31, 2021, the Company recorded restructuring charges of $12,770, which included $3,700 for termination fees related to RF Securities' carrying broker business. During the prior year, the Company also recorded $1,905 of legal provisions.

b. Commitments

The Company has entered into lease agreements for office premises and equipment for periods up to December 31, 2037. Aggregate future minimum annual payments for the fiscal years ended December 31 are as follows:

	2022	2021
Less than 1 year	8,211	8,633
1-5 years	30,882	26,586
Greater than 5 years	49,806	48,106
	88,899	83,325

Note 17 – Financial Guarantees

RF Securities, as required by the New SRO, has executed a full cross-guarantee arrangement with Richardson Wealth which stipulates that, in the event of default, RF Securities guarantees Richardson Wealth's outstanding obligations to clients up to the level of RF Securities' risk-adjusted capital. In return, Richardson Wealth has guaranteed RF Securities' obligations to clients, in the event of default, up to the level of Richardson Wealth's risk-adjusted capital.

Note 18 – Net Income (Loss) Per Common Share

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

	2022	2021
Net income/(loss)	(4,803)	(20,152)
Less: dividends on preferred shares	(4,292)	(4,212)
Net loss attributable to common shareholders	(9,095)	(24,364)
Weighted-average number of common shares outstanding:[1] (in thousands)		
Basic		
Common shares	15,854	15,930
Common shares held by the SIP Trust[2]	(231)	(167)
Contingently returnable common shares held in escrow	(6,022)	(8,452)
	9,601	7,311
Diluted		
Dilutive effect of shares held by the SIP Trust[2]	231	167
Dilutive effect of contingently returnable common shares held in escrow	6,022	8,452
	15,854	15,930
Net income/(loss) per common share - Basic	(0.95)	(3.33)
Net income/(loss) per common share - Diluted[3]	(0.95)	(3.33)

[1]On March 25, 2022, the Company completed the Consolidation of its common shares on a ratio of one post-consolidation share for every ten pre-consolidation shares. The comparative number of common shares outstanding have been revised.

[2]The Company has the SIP Trust for the purposes of purchasing the Company's common shares in the open

market and delivering the common shares to the eligible participants upon vesting, for RSUs that were granted before 2022.

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

($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Note 19 – Fair Value of Financial Instruments

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

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

The carrying value of certain financial assets and liabilities, such as receivables and payables due from or to clients and brokers, client funds held in trust, employee and other loans receivable, other assets and liabilities, debt and provisions, is a reasonable estimate of fair value due to their short-term nature or because they are frequently repriced to current market rates.

Financial Instruments – Measurement

The categories of measurement of financial instruments, excluding cash and cash equivalents held by the Company at December 31, 2022 and 2021 are as follows:

As at December 31, 2022	FVTPL	FVOCI	Amortized cost	Total
Financial assets				
Securities owned	673	—	—	673
Receivable from clients	—	—	377,096	377,096
Receivable from brokers	—	—	61,204	61,204
Client funds held in trust	—	—	367,316	367,316
Employee and other loans receivable	—	—	45,410	45,410
Other assets	—	—	34,895	34,895
Total financial assets	673	—	885,921	886,594
Financial liabilities				
Payable to clients	—	—	1,034,808	1,034,808
Payable to brokers	—	—	24,650	24,650
Debt	—	—	110,922	110,922
Total financial liabilities	—	—	1,170,380	1,170,380

As at December 31, 2021	FVTPL	FVOCI	Amortized cost	Total
Financial assets				
Securities owned	62,355	—	—	62,355
Receivable from clients	—	—	610,376	610,376
Receivable from brokers	—	—	90,802	90,802
Client funds held in trust	—	—	466,336	466,336
Employee and other loans receivable	—	—	50,303	50,303
Other assets	—	—	13,920	13,920
Total financial assets	62,355	—	1,231,737	1,294,092
Financial liabilities				
Obligations related to securities sold short	13,625	—	—	13,625
Payable to clients	—	—	1,333,692	1,333,692
Payable to brokers	—	—	248,260	248,260
Payable to issuers	—	—	824	824
Debt	—	—	110,922	110,922
Total financial liabilities	13,625	—	1,693,698	1,707,323

($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Financial Instruments – Fair Value Hierarchy

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

The fair value hierarchy has the following levels:

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

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

Level 3. The Company's Level 3 equities are broker warrants that are valued based on observable data of the underlying security. The inputs for valuing the asset or liability are not based on observable market data associated with the broker warrants themselves.

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

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

As at December 31, 2022	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Securities owned				
Debt securities				
Canadian and U.S. federal governments	23	—	—	23
Provincial and municipal governments	—	173	—	173
Corporate and other	—	107	—	107
Equity securities	346	—	—	346
Derivative financial assets	—	—	24	24
Financial assets carried at fair value	369	280	24	673
Financial liabilities				
Obligations related to securities sold short				
Debt securities				
Canadian and U.S. federal governments	—	—	—	—
Provincial and municipal governments	—	—	—	—
Corporate and other	—	—	—	—
Equity securities	—	—	—	—
Financial liabilities carried at fair value	—	—	—	—

As at December 31, 2021	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Securities owned				
Debt securities				
Canadian and U.S. federal governments	35,387	1,213	—	36,600
Provincial and municipal governments	—	8,501	—	8,501
Corporate and other	—	16,435	—	16,435
Equity securities	468	4	—	472
Derivative financial assets	—	—	347	347
Financial assets carried at fair value	35,855	26,153	347	62,355
Financial liabilities				
Obligations related to securities sold short				
Debt securities				
Canadian and U.S. federal governments	76	9,138	—	9,214
Provincial and municipal governments	—	2,292	—	2,292
Corporate and other	—	2,109	—	2,109
Equity securities	10	—	—	10
Financial liabilities carried at fair value	86	13,539	—	13,625

The following table presents the changes in fair value measurements of financial assets included in Level 3 of the fair value hierarchy for the years ended December 31, 2022 and 2021.

	Level 3 fair value
As at December 31, 2020	1,150
Net unrealized loss before income taxes	784
Proceeds from disposition	(1,587)
As at December 31, 2021	347
Net unrealized loss before income taxes	(326)
Proceeds from disposition	3
As at December 31, 2022	24

There were no transfers to or from all levels in years ended December 31, 2022 and 2021.

a. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Company segregates market risk into three categories: fair value risk, interest rate risk and currency risk.

Fair Value Risk

Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Company incurs fair value risk through its trading positions and its portfolio of securities and broker warrants owned.

Fair Value Sensitivity Analysis

The following tables demonstrate the sensitivity of the Company's net income to reasonable changes in fair value of the Company's financial instruments recorded on the consolidated balance sheets as at December 31, 2022, and 2021 at fair value.

As at December 31, 2022	Carrying value	Effect of a 10% increase in fair value on net income	Effect of a 10% decrease in fair value on net income
Securities owned, net of securities sold short	673	49	(49)

As at December 31, 2021	Carrying value	Effect of a 10% increase in fair value on net income	Effect of a 10% decrease in fair value on net income
Securities owned, net of securities sold short	48,730	3,582	(3,582)

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Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company incurs interest rate risk on its own cash and cash equivalent balances, its client account cash balances, securities owned net of securities sold short, cash delivered or received in support of securities borrowing or lending activities, and loans provided to certain Richardson Wealth employees. All cash and cash equivalent balances mature within three months. Interest rates on cash balances are floating rates that vary depending on benchmark interest rates and the amount of cash deposited. Certain loans provided to Richardson Wealth employees bear interest at the prime rate of interest plus 2.5%.

Interest Rate Sensitivity Analysis

The tables below provide the potential net income impact of an immediate and sustained 100 basis point (bp) increase or 100 bp decrease in interest rates applied to the balances outstanding as at December 31, 2022, and 2021. The analysis assumes that all other variables remain constant.

As at December 31, 2022	Carrying value	Effect of a 100bp increase in market interest rates on net income	Effect of a 100bp decrease in market interest rates on net income
Cash and cash equivalents	367,848	2,704	(2,704)
Securities owned, net of securities sold short	673	5	(5)
Receivable from clients	377,096	2,772	(2,772)
Client funds held in trust	367,316	2,700	(2,700)
Employee and other loans receivable	45,410	334	(334)
Securities borrowing and lending, net	34,487	253	(253)
Payable to clients	(1,034,808)	(7,606)	7,606
Debt	(110,922)	(815)	815

As at December 31, 2021	Carrying value	Effect of a 100bp increase in market interest rates on net income	Effect of a 100bp decrease in market interest rates on net income
Cash and cash equivalents	518,099	3,808	(3,808)
Securities owned, net of securities sold short	48,730	358	(358)
Client funds held in trust	466,336	3,428	(3,428)
Receivable from clients	610,376	4,486	(4,486)
Employee and other loans receivable	50,303	370	(370)
Securities borrowing and lending, net	(102,125)	(751)	751
Payable to clients	(1,333,692)	(9,803)	9,803
Debt	(110,922)	(815)	815

($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company also incurs currency risk on financial instruments held by the operating subsidiaries of the Company denominated in currencies other than their functional currency, which includes cash and cash equivalents, client account cash balances and broker receivables and payables.

Currency Risk Sensitivity Analysis

The tables below summarize the effects on net income and OCI as a result of a 10% change in the value of certain foreign currencies against the Canadian dollar as at December 31, 2022, and 2021. The analysis assumes that all other variables remain constant.

As at December 31, 2022	Effect of a 10% strengthening in foreign exchange rates on net income	Effect of a 10% weakening in foreign exchange rates on net income
British pound sterling	0	(0)
Euro	1	(1)
Australian dollar	1	(1)
United States dollar	8	(8)

As at December 31, 2021	Effect of a 10% strengthening in foreign exchange rates on net income	Effect of a 10% weakening in foreign exchange rates on net income
British pound sterling	(1)	1
Euro	4	(4)
Australian dollar	12	(12)
United States dollar	438	(438)

b. Credit Risk

Credit risk is the risk of loss associated with the inability of a third party to fulfill its payment obligations. The Company is exposed to the risk that third parties owing money, securities, or other assets to it will not perform their obligations. These parties include trading counterparties, customers, clearing agents, stock exchanges, clearing houses and other financial intermediaries.

A primary source of credit risk to the Company arises when the Company extends credit to clients to purchase securities by way of margin lending. Margin loans are due on demand and are collateralized by the financial instruments in the clients' accounts. The Company faces a risk of financial loss in the event a client fails to meet a margin call if market prices for securities held as collateral decline, and the Company is unable to recover sufficient value from the collateral held. The Company also faces credit risk due to the default or deterioration in credit quality of a counterparty or an issuer of securities held in connection with the facilitation of client transactions relating to the Company's fixed income trading activities.

Credit risk is managed in several ways. For margin lending, management has established lending limits that are generally more restrictive than those required by applicable regulatory policies. Additionally, the Company manages its credit risk in certain types of trading activities by establishing aggregate limits by individual counterparty, reviewing security and loan concentrations, and marking to market collateral provided on certain transactions. Policies authorized by the Company prescribe the level of approval and the amount of credit exposure the Company may assume to a counterparty taking into account collateral or other credit risk mitigants where applicable. The Company did not incur any material loss arising from a counterparty default in 2022. As at December 31, 2022 and 2021, the Company had an allowance for credit losses of nil.

The maximum exposure to credit risk relating to client and broker receivables, accounts receivable balances, employee and other loans receivable and share purchase loans without consideration of collateral is represented by the carrying value on the Company's consolidated balance sheets as at December 31, 2022, and 2021.

c. Liquidity Risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. Management oversees the Company's liquidity to ensure access to enough readily available funds to cover its financial obligations as they come due and sustain and grow its assets and operations under both normal and stress conditions. The table below sets forth the Company's short-term obligations and terms to maturity.

	Carrying value	Term to maturity
Payable to clients	1,034,808	Due on demand
Payable to brokers	24,650	Due within one month
Accounts payable and accrued liabilities	50,966	Due within one year
Debt	110,922	Due within one year
	1,221,346	

The Company holds its cash and cash equivalent balances with a number of financial institutions with high credit ratings. All cash and cash equivalent balances are comprised of highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less. The Company 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 the Company's overall liquidity portfolio. Payables and receivables to and from brokers and dealers represent open transactions that generally settle within the normal two-day settlement cycle and also include collateralized securities borrowed and/or loaned in transactions that can be closed within a few days if necessary. Client receivables are secured by readily marketable securities and are reviewed on an ongoing basis for impairment in value and collectability. The liquidity of the Company's main operating subsidiaries is continually evaluated, factoring in business requirements, market conditions and regulatory capital requirements. There has been no change to the Company's cash management practices during fiscal 2022.

($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Credit Facilities

The Company maintains access to certain credit facilities to facilitate the securities settlement process for both client and proprietary transactions. Available credit facilities with Schedule I Canadian chartered banks were $389.6 million at December 31, 2022, compared to $427.7 million at December 31, 2021. The facilities consist of call loans, letters of credit, daylight overdraft, and demand and foreign exchange facilities. Interest on these facilities is based on floating rate benchmarks. The Company had no amounts outstanding under any of these facilities as at December 31, 2022 and 2021.

Note 20 – Debt and Capital Management

The following table presents a breakdown of the Company's debt obligations as at December 31, 2022 and 2021.

	2022	2021
Revolving credit facility	80,500	80,500
Preferred shares	30,422	30,422
	110,922	110,922

a. Revolving Credit Facility

On September 10, 2021, the Company secured a $200 million syndicated revolving credit facility (Facility) with a syndicate of lenders. The initial authorized principal of the Facility is $125 million. The Facility also includes an accordion provision that will enable the Company to request increases in the total commitment, on the same terms, by an aggregate amount of up to $75 million, subject to certain conditions and the lenders' approval.

The Facility bears interest at a spread over prescribed benchmark rates, with the spread depending on the Company's leverage at the time that it draws on the Facility. The Facility has an initial two-year term with an option for additional one-year terms, at the Company's request and subject to the lenders' approval.

The Facility contains clauses whereby the Company is required to meet certain financial covenants. As at December 31, 2022 the Company met three covenants but did not meet the fourth, its *fixed charge coverage ratio*. Due to the breach of this covenant clause, the syndicate is contractually entitled to request immediate repayment of the drawn amount of $80.5 million. However, the syndicate has agreed, subsequent to year end, to waive the fixed charge coverage ratio covenant until March 30, 2023 and, as such, the loan is not immediately repayable. In advance of March 30, 2023 the Company will work with the syndicate to revise the covenant or extend the waiver period.

b. Preferred Shares

Certain redeemable preferred shares issued by Richardson Wealth are classified as financial liabilities because they bear non-discretionary dividends and are redeemable at the option of the holder, for cash, at any time following October 20, 2023. The Company has the right to acquire the preferred shares from the holder for cash at any time. The preferred shares are entitled to receive preferential cash dividends that accrue at an annual rate of prime plus 4%. These shares do not carry the right to vote.

Capital Management

The Company requires capital to fund existing and future operations, its growth plans, future dividends, and regulatory capital requirements. The Company's policy is to maintain sufficient and appropriate levels of, and access to, capital through a variety of sources.

The following table sets forth the elements of the Company's equity capital position as at December 31, 2022 and 2021.

	2022	2021
Common shares	462,935	464,667
Preferred shares	112,263	112,263
Contributed surplus	46,151	44,103
Accumulated other comprehensive income	19,652	18,842
Accumulated deficit	(294,080)	(284,985)
	346,921	354,890

Certain of the Company's subsidiaries are subject to regulatory capital requirements designed to provide notice to the regulatory authorities of possible liquidity concerns. Richardson Wealth and RF Securities are registered investment dealers subject to regulation primarily by the New SRO. Sources of financial statement capital for the New SRO's regulatory capital purposes include shareholders' equity and subordinated loans.

Regulatory capital requirements fluctuate daily based on margin requirements in respect of outstanding trades and/or working capital requirements. Compliance with these requirements may require the Company 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 as cash dividends. As at and during the years ended December 31, 2022 and 2021, all of the Company's subsidiaries were in compliance with their respective regulatory capital requirements.

($ THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

Note 21 – Net Change in Non-Cash Operating Items

The following table presents a breakdown of the change in the Company's non-cash operating items.

	2022	2021
Securities owned	61,682	7,967
Receivable from clients and brokers	262,878	(117,739)
Client funds held in trust	99,020	(56,688)
Employee and other loans receivable	(12,374)	(562)
Other assets	(20,335)	2,261
Obligations related to securities sold short	(13,625)	(1,695)
Payable to clients, brokers and issuers	(523,318)	133,233
Accounts payable and accrued liabilities	(2,733)	(11,440)
Provisions	(2,589)	7,913
	(151,394)	(36,750)

Shareholder information

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Regulatory filings

Canadian Securities Administrators

sedar.com

Independent auditors

KGMP LLP

Independent legal counsel

Goodmans LLP

Fiscal year-end

December 31

Annual meeting of shareholders

Thursday, May 4, 2023
11:00 a.m. EST

Stock exchange listings

Stock	Listing	Ticker	CUSIP
Common shares	Toronto Stock Exchange	RCG	74971G401
Preferred shares	Toronto Stock Exchange	RCG.PR.B	380134205

Leadership

Executive team

Kish Kapoor
President & CEO

Mike Ankers
SVP, Head of Advisor Experience & Growth

Natalie Bisset
SVP, Head of Corporate Development

Lynne Brejak
SVP, Chief People Officer

Krista Coburn
SVP, General Counsel & Corporate Secretary

Scott Stennett
SVP, Chief Operating Officer

Sarah Widmeyer
SVP, Head of Wealth Strategies

Michael Williams
SVP, Chief Risk & Compliance Officer

Tim Wilson
SVP, Chief Financial Officer

Board of directors

Donald A. Wright
Independent Chair of the Board of Directors

Nathalie Bernier FCPA, FCA

David G. Brown CPA, CA, LL.B

Vincent Duhamel

David C. Ferguson MBA, FCPA, FCA

Kish Kapoor CPA, CA
President & CEO,
RF Capital Group

David G. Leith

Jane Mowat CPA, CA

David J. Porter FCSI®, CIM®

H. Sanford Riley C.M., O.M., LL.D.

RICHARDSON
Wealth

Bev Evans
Portfolio Manager,
Wealth Advisor,
Investment Advisor
Burlington

Andrea Hazlewood
VP, Advisor Experience
& Growth
Toronto

Rosemary Horwood
Portfolio Manager,
Investment Advisor
Toronto

Sarah Kelley
Associate
Investment Advisor
Edmonton

Anne Patterson
Assistant Branch Manager
Montréal

Jan Sampson
Director, Operations
Toronto

The Royden Richardson Award

Celebrating our Royden Richardson Award Recipients

Congratulations to our hummingbirds who have demonstrated exceptional leadership with our company, their job mandate, among their peers and within the broader community. These are individuals who have gone beyond the call of duty to make our firm and the world a better place — an overarching principle that guided Royden Richardson's every action.

Hummingbirds are the only birds who can fly forward, backward, and upside down. Artistic and creative, they live in a world of hidden meanings and possibilities.They know things intuitively, without being able to pinpoint why. They are fierce fighters.