

## **RF Capital Reports Fourth Quarter and Fiscal 2024 Results**

### **2024 Financial Highlights** (as compared with 2023)

#### **AUA<sup>1,2</sup> and Revenue**

- Ending AUA<sup>1,2</sup> increased to \$39.5 billion, up 12% or \$4.3 billion
- Revenue of \$369.3 million increased 5%, led by 8% higher fee revenue and despite an 18% decline in interest revenue

#### **Profitability and Cash Flow**

- Net income from continuing operations of \$0.6 million improved from a net loss of \$9.8 million
- Adjusted EBITDA<sup>1</sup> of \$57.3 million decreased 4% as gross margin grew 4% while adjusted operating expenses<sup>1</sup> rose 6%
- Free cash flow<sup>1</sup> of \$18.5 million improved from negative free cash flow of \$2.6 million

#### **Balance Sheet**

- Net working capital<sup>1</sup> of \$88.7 million increased 9% driven by higher free cash flow

**Toronto, February 27, 2025** – RF Capital Group Inc. (RF Capital or the Company) (TSX: RCG) today reported revenue of \$369.3 million in fiscal 2024, up 5% from prior year. The increase in revenue was driven by 12% growth in AUA<sup>1,2</sup>, as strong equity markets and recruiting over the past 12 months offset advisor attrition. Adjusted EBITDA<sup>1</sup> decreased 4% due to a 6% increase in adjusted operating expenses, despite a 5% revenue increase.

In the fourth quarter of 2024, the Company generated revenue of \$96.9 million, up \$10.1 million or 12% compared to the same period in 2023. Revenue benefited from a \$9.7 million or 15% increase in fee revenue, offset by a \$2.1 million or 19% decline in interest income mainly due to lower benchmark rates. This revenue growth more than offset \$2.5 million or 7% higher adjusted operating expenses, leading to adjusted EBITDA of \$16.2 million or growth of \$1.7 million or 12% compared to prior year.

For more detail on the Company's results, please refer to our 2024 MD&A.

1. Considered to be non-GAAP or supplementary financial measures, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this release.
2. AUA is a measure of client assets and is common in the wealth management industry. It represents the market value of client assets that we administer.

**Dave Kelly, President and Chief Executive Officer, commented,** “We achieved a major milestone in 2024, reaching \$40 billion of AUA. Our next milestone objective is to reach \$50 billion of AUA. With a concentrated effort on two of the three core pillars of our growth strategy: pillar one – double down on support for advisory teams; and pillar two – continue to drive recruitment, our path is set. For the third pillar – acquiring or partnering with like-minded firms – we will continue to identify and evaluate all opportunities that align with our strategy and generate shareholder value.”

## Outlook and Key Performance Drivers

Our current view on the drivers of our financial performance and profitability for 2025 is as follows:

- AUA<sup>1,2</sup> is highly correlated with equity market movements which are inherently difficult to predict and can be impacted by broader economic conditions. AUA will also be supported by growth in our existing advisors’ client assets and by recruiting and attrition. We expect to maintain recruiting momentum over the coming quarters.
- Interest revenue is impacted by prime rate trends, which economists expect to continue to decline before stabilizing later in 2025
- Transaction activity underlying our corporate finance revenue could rebound but is more likely to remain subdued
- We expect inflation to remain in the target range for 2025, and we remain committed to finding operating cost savings and efficiencies in our business
- Free cash flow available for growth<sup>1</sup> is expected to be deployed towards advisor recruitment

## Preferred Share Dividend

On February 27, 2025, the board of directors approved a cash dividend of \$0.233313 per Series B Preferred Share for a total of \$1,073,000 payable on March 28, 2025<sup>3</sup> to preferred shareholders of record on March 14, 2025.

## Q4 and Fiscal 2024 Conference Call

A conference call and live audiowebcast to discuss RF Capital’s fourth quarter and fiscal 2024 financial results will be held on Friday, February 28, 2025, at 10:00 a.m. (EST). Interested parties are invited to access the quarterly conference call on a listen-only basis by dialing 416-406-0743 or 1-800-898-3989 (toll free) and entering participant passcode 7715540#. The conference call will also be accessible as a live audio webcast through the Investor Relations section of the Company’s website at <https://richardsonwealth.com/investor-relations/financial-information/>. A recording of the conference call will be available until Sunday, March 30, 2025, by dialing 905-694-9451 or 1-800-408-3053 (toll free) and entering access code 9059350#. The webcast will be archived at <https://richardsonwealth.com/investor-relations/financial-information/>.

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3. In the event that the payment date is not a business day, such dividend shall be paid on the next succeeding day that is a business day

## Select Financial Information

The following table presents the Company's financial results for fiscal 2024 and the two preceding periods.

(\$000s, except as otherwise indicated)	2024	2023	2022	2024 vs 2023	2023 vs 2022
				Increase/(decrease)	
<b>Key performance drivers<sup>1</sup>:</b>					
AUA - ending <sup>2</sup> (\$ millions)	39,527	35,236	34,950	12%	1%
AUA - average <sup>2</sup> (\$ millions)	37,723	35,567	35,418	6%	0%
Fee revenue <sup>3</sup> (%)	90	90	89	—	+100 bps
Adjusted operating expense ratio <sup>4</sup> (%)	73.1	71.1	69.8	+200 bps	+130 bps
Adjusted EBITDA margin <sup>5</sup> (%)	15.5	16.9	17.4	(140) bps	(50) bps
Asset yield <sup>6</sup> (%)	0.86	0.86	0.85	—	+1 bps
Advisory teams <sup>7</sup> (#)	152	155	161	(2%)	(4%)
<b>Operating Performance</b>					
<b>Reported results:</b>					
Revenue	369,335	351,119	353,972	5%	(1%)
Gross margin <sup>8</sup>	213,095	205,842	204,224	4%	1%
Operating expenses <sup>1,9</sup>	155,755	150,854	151,208	3%	(0%)
EBITDA <sup>1</sup>	57,340	54,988	53,016	4%	4%
Income/(loss) before income taxes	5,061	(5,509)	(3,110)	n/m	77%
Net income/(loss) from continuing operations	568	(9,828)	(4,803)	n/m	105%
Net income/(loss) from discontinued operations <sup>10</sup>	—	(2,064)	—	(100%)	n/a
Net income/(loss) <sup>10</sup>	568	(11,892)	(4,803)	n/m	148%
Net income/(loss) per common share from continuing operations <sup>11</sup>	(0.24)	(0.93)	(0.95)	(74%)	(2%)
Net income/(loss) per common share from continuing operations - diluted <sup>11</sup>	(0.24)	(0.93)	(0.95)	(74%)	(2%)
Net income/(loss) per common share <sup>10,11</sup>	(0.24)	(1.07)	(0.95)	(78%)	13%
Net income/(loss) per common share - diluted <sup>10,11</sup>	(0.24)	(1.07)	(0.95)	(78%)	13%
<b>Adjusted results<sup>1</sup>:</b>					
Operating expenses <sup>9</sup>	155,755	146,340	142,574	6%	3%
EBITDA	57,340	59,502	61,650	(4%)	(3%)
Income/(loss) before income taxes	18,113	12,054	18,574	50%	(35%)
Net income/(loss)	10,160	3,108	11,098	227%	(72%)
Net income/(loss) per common share - diluted <sup>10,11</sup>	0.37	(0.08)	0.43	n/m	n/m
<b>Select balance sheet information:</b>					
Total assets	1,458,681	1,379,983	1,699,654	6%	(19%)
Debt	110,922	110,922	110,922	—	—
Shareholders' equity	326,982	330,539	346,921	(1%)	(5%)
Net working capital <sup>1,12</sup>	88,729	81,208	95,224	9%	(15%)
<b>Common share information:</b>					
Book value per common share (\$)	13.65	14.02	14.80	(3%)	(5%)
Closing share price (\$)	7.51	7.52	11.50	(0%)	(35%)
Weighted-average number of common shares outstanding - diluted <sup>11</sup> (millions)	15.7	15.6	15.9	1%	(2%)
Common share market capitalization (\$ millions)	118	117	182	1%	(36%)
<b>Cash flow:</b>					
Cash provided by/(used in) operating activities	23,755	(268,497)	(107,402)	n/m	150%
Free cash flow available for growth <sup>1</sup>	31,471	35,400	40,198	(11%)	(12%)
Free cash flow <sup>1</sup>	18,518	(2,564)	(9,896)	n/m	(74%)

1. Considered to be non-GAAP or SFMs, which do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. For further information, please see the "Non-GAAP and Supplementary Financial Measures" section of this release.
2. AUA is a measure of client assets and is common in the wealth management industry. It represents the market value of client assets that we administer.
3. Calculated as fee revenue divided by commissionable revenue. Commissionable revenue includes fee revenue, trading commissions, and commissions earned in connection with the placement of new issues and the sale of insurance products.
4. Calculated as adjusted operating expenses divided by gross margin
5. Calculated as adjusted EBITDA divided by revenue
6. Calculated as fee revenue, trading commissions, and interest on cash, divided by average AUA
7. Prior periods have been revised to reflect the internal consolidation of certain teams
8. Calculated as revenue less advisor variable compensation. We use gross margin to measure operating profitability on the revenue that accrues to the Company after making advisor payments that are directly linked to revenue
9. Operating expenses include employee compensation and benefits, selling, general, and administrative expenses, and transformation costs and other provisions. Adjusted operating expenses are calculated as operating expenses less transformation costs and other provisions.
10. In Q2 2023, we recorded a provision for a legacy employment litigation matter related to the 2019 sale of our capital markets business to Stifel Nicolaus Canada Inc. See Note 25 to the 2023 Annual Financial Statements.
11. In 2022, we consolidated our common shares at a 10:1 ratio. Prior period common share information has been adjusted to reflect this consolidation.
12. Calculated as current assets less current liabilities. For further information, please see the "Liquidity" section of this release.

## Quarterly Results

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

(\$000s, except as otherwise indicated)	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Key performance drivers<sup>1</sup>:</b>								
AUA - ending <sup>2</sup> (\$ millions)	39,527	39,004	37,125	37,010	35,236	34,726	35,788	35,965
AUA - average <sup>2</sup> (\$ millions)	39,760	38,065	36,974	36,060	34,926	35,630	35,880	35,872
Fee revenue <sup>3</sup> (%)	90	91	90	92	89	92	90	88
Adjusted operating expense ratio <sup>4</sup> (%)	70.5	75.8	71.9	74.3	71.5	67.3	70.9	74.7
Adjusted EBITDA margin <sup>5</sup> (%)	16.8	13.6	16.5	15.2	16.7	19.3	16.9	14.9
Asset yield <sup>6</sup> (%)	0.84	0.85	0.86	0.88	0.87	0.87	0.86	0.87
Advisory teams <sup>7</sup> (#)	152	155	154	153	155	157	156	157
<b>Operating Performance:</b>								
<b>Reported results:</b>								
Revenue	96,887	91,871	91,216	89,361	86,752	87,836	88,832	87,700
Variable advisor compensation	41,814	40,183	37,650	36,593	35,866	36,012	37,305	36,095
Gross margin <sup>8</sup>	55,073	51,688	53,566	52,768	50,886	51,824	51,527	51,605
Operating expenses <sup>1,9</sup>	38,835	39,195	38,496	39,229	36,368	34,892	36,946	42,647
EBITDA <sup>1</sup>	16,238	12,493	15,070	13,539	14,518	16,932	14,581	8,958
Advisor award and loan amortization	3,211	3,103	2,909	3,161	5,844	4,457	3,884	4,201
Interest	3,649	3,725	3,413	3,750	3,994	3,527	3,675	3,511
Depreciation of premises and equipment	2,677	2,660	2,749	3,049	3,385	3,414	3,366	3,549
Amortization of intangibles	3,607	3,563	3,537	3,516	3,464	3,442	3,439	3,346
Income/(loss) before income taxes	3,094	(558)	2,462	63	(2,169)	2,092	217	(5,649)
Net income/(loss) from continuing operations	1,290	(2,309)	2,714	(1,127)	(2,882)	(189)	(1,425)	(5,332)
Net income/(loss) from discontinued operations <sup>10</sup>	—	—	—	—	—	—	(2,064)	—
Net income/(loss) <sup>10</sup>	1,290	(2,309)	2,714	(1,127)	(2,882)	(189)	(3,489)	(5,332)
Net income/(loss) per common share from continuing operations	0.01	(0.22)	0.11	(0.14)	(0.26)	(0.10)	(0.20)	(0.51)
Net income/(loss) per common share from continuing operations - diluted	0.01	(0.22)	0.10	(0.14)	(0.26)	(0.10)	(0.20)	(0.51)
Net income/(loss) per common share <sup>10</sup>	0.01	(0.22)	0.11	(0.14)	(0.26)	(0.10)	(0.37)	(0.51)
Net income/(loss) per common share - diluted <sup>10</sup>	0.01	(0.22)	0.10	(0.14)	(0.26)	(0.10)	(0.37)	(0.51)
<b>Adjusted results<sup>1</sup>:</b>								
Operating expenses <sup>9</sup>	38,835	39,195	38,496	39,229	36,368	34,892	36,533	38,546
EBITDA	16,238	12,493	15,070	13,539	14,518	16,932	14,994	13,059
Income/(loss) before income taxes	6,357	2,705	5,725	3,326	1,094	5,355	3,893	1,715
Net income/(loss)	3,688	89	5,112	1,271	(483)	2,209	1,279	105
<b>Cash flow:</b>								
Cash provided by/(used in) operating activities	14,442	15,977	5,162	(11,826)	2,836	16,624	25,741	(313,698)
Free cash flow available for growth <sup>1</sup>	9,154	6,242	8,620	7,455	8,312	11,180	8,746	7,162
Free cash flow <sup>1</sup>	8,763	3,856	2,011	3,888	(9,612)	6,151	7,206	(6,309)

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4. Calculated as adjusted operating expenses divided by gross margin
5. Calculated as Adjusted EBITDA divided by revenue
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7. Prior periods have been revised to reflect the internal consolidation of certain teams
8. Calculated as revenue less advisor variable compensation. We use gross margin to measure operating profitability on the revenue that accrues to the Company after making advisor payments that are directly linked to revenue.
9. Operating expenses include employee compensation and benefits, selling, general, and administrative expenses, and transformation costs and other provisions. Adjusted operating expenses are calculated as operating expenses less transformation costs and other provisions.
10. In Q2 2023, we recorded a provision for a legacy employment litigation matter related to the 2019 sale of our capital markets business to Stifel Nicolaus Canada Inc. See Note 25 to the 2023 Annual Financial Statements.

# Non-GAAP and Supplementary Financial Measures

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

## Adjusted Results

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

Adjusting items in this release include the following:

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

The following items are not included as adjusting items in this release:

- Mark-to-market adjustments on our share-based compensation (RSUs and DSUs)
- Costs related to our 2024 leadership transition
- Other one-time expenses or recoveries that we consider to be normal course of business, unless otherwise specified

## Non-GAAP Financial Measures

A non-GAAP financial measure is a financial measure used to depict our historical or expected future financial performance, financial position or cash flow and, with respect to its composition, either excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in our 2024 Annual Financial Statements. A non-GAAP ratio is a financial measure disclosed in the form of a ratio, fraction, percentage, or similar representation and that has a non-GAAP financial measure as one or more of its components.

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

### EBITDA

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

- Interest expense, which we record primarily in connection with debt
- Income tax expense/(recovery)
- Depreciation which we record in connection with leases, equipment, and leasehold improvements
- Amortization related to intangible assets
- Amortization in connection with investment advisor transition and loan programs. We view these loans as an effective 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.

**Adjusted EBITDA** is defined as EBITDA *excluding* adjusting items.

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

The tables in the “Annual Non-GAAP Information” and “Quarterly Non-GAAP Information” sections below reconcile our reported net income/(loss) to EBITDA and adjusted EBITDA.

### Operating Expenses

**Operating expenses** are defined as total reported expenses *less* interest, advisor award and loan amortization, depreciation of premises and equipment, and amortization of intangibles. These are the expenses that factor into the EBITDA calculation discussed above.

**Adjusted operating expenses** are defined as operating expenses *less* adjusting items.

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

The tables in the “Annual Non-GAAP Information” and “Quarterly Non-GAAP Information” sections below reconcile our reported total expenses to operating expenses and adjusted operating expenses.

## Adjusted Net Income

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

The tables in the “Annual Non-GAAP Information” and “Quarterly Non-GAAP Information” sections below reconcile our reported net income/(loss) to adjusted net income/(loss).

## Commissionable Revenue

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

## Net Working Capital

**Net working capital** represents the excess capital available to deploy in operations or growth and is comprised of current assets /less current liabilities. We use net working capital to manage our liquidity as well as evaluate the efficiency of our operations. Net working capital is widely used across the wealth management industry and beyond to assess the financial health of entities and associated risks.

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

## Free Cash Flow

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

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

The tables in the “Annual Non-GAAP Information” and “Quarterly Non-GAAP Information” sections below reconcile our reported cash provided by/(used in) operating activities to free cash flow for growth and free cash flow.

## Supplementary Financial Measures

An SFM is a financial measure that is not reported in our 2024 Annual Financial Statements, and is, or is intended to be, reported periodically to represent historical or expected future financial performance, financial position, or cash flows. The Company’s key SFMs disclosed in this release include AUA, average AUA per team, recruited assets, and asset yield. Management uses these measures to assess the operational performance of the Company. These measures do not have any definition prescribed under IFRS and do not meet the definition of a non-GAAP measure or non-GAAP ratio and may differ from the methods used by other companies and therefore these measures may not be comparable to other companies. The composition and explanation of an SFM is provided in this release where the measure is first disclosed if the SFM’s labeling is not sufficiently descriptive.



## Annual Non-GAAP Information

The following table presents select non-GAAP financial information for the most recent and prior fiscal years.

(\$000s, except as otherwise indicated)	For the year ended	
	December 31, 2024	December 31, 2023
<b>Adjusted EBITDA:</b>		
Net income/(loss) from continuing operations - reported	568	(9,828)
Income tax expense/(recovery)	4,493	4,319
Income/(loss) before income taxes - reported	5,061	(5,509)
Interest	14,537	14,706
Advisor award and loan amortization	12,384	18,387
Depreciation of premises and equipment	11,135	13,713
Amortization of intangibles	14,223	13,691
EBITDA	57,340	54,988
Transformation costs and other provisions	—	4,514
Adjusted EBITDA	57,340	59,502
<b>Adjusted operating expenses:</b>		
Total expenses - reported	208,034	211,351
Interest	14,537	14,706
Advisor award and loan amortization	12,384	18,387
Depreciation of premises and equipment	11,135	13,713
Amortization of intangibles	14,223	13,691
Operating expenses	155,755	150,854
Transformation costs and other provisions	—	4,514
Adjusted operating expenses	155,755	146,340
<b>Adjusted net income:</b>		
Net income/(loss) from continuing operations - reported	568	(9,828)
After-tax adjusting items:		
Transformation costs and other provisions	—	3,344
Amortization of acquired intangibles	9,592	9,592
Adjusted net income/(loss)	10,160	3,108
Net income/(loss) per common share from continuing operations:		
Basic	(0.24)	(0.93)
Diluted	(0.24)	(0.93)
Adjusted net income/(loss) per common share:		
Basic	0.38	(0.08)
Diluted	0.37	(0.08)
<b>Cash flow:</b>		
Cash provided by/(used in) operating activities	23,755	(268,497)
Net change in non-cash operating items	19,719	308,259
Capital expenditures - maintenance	(3,115)	(2,319)
Lease payments	(8,888)	(8,621)
Net loss from discontinued operations	—	2,064
Transformation costs and other provisions (pre-tax)	—	4,514
Free cash flow available for growth	31,471	35,400
Advisor loans net of repayments	(16,897)	(16,085)
Capital expenditures - office build outs (net of lease inducements)	267	(2,868)
Net loss from discontinued operations	—	(2,064)
Transformation costs and other provisions (pre-tax)	—	(4,514)
Net change in provisions	3,677	(12,433)
Free cash flow	18,518	(2,564)



(\$000s, except as otherwise indicated)	For the year ended	
	December 31, 2024	December 31, 2023
<b>Net working capital:</b>		
Current assets:		
Cash and cash equivalents (non-client portion)	88,556	80,829
Securities owned	1,593	613
Net receivable from brokers (non-client portion)	61,125	50,784
Employee and other loans receivable (current portion)	1,244	12,389
Other assets	14,758	15,092
Current liabilities:		
Accounts payable and accrued liabilities	60,261	61,207
Provisions (current portion)	13,587	8,345
Lease liabilities (current portion)	4,699	8,946
<b>Net working capital</b>	<b>88,729</b>	<b>81,208</b>

## Quarterly Non-GAAP Information

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

(\$000s, except as otherwise indicated)	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
<b>Adjusted EBITDA:</b>								
Net income/(loss) from continuing operations - reported	1,290	(2,309)	2,714	(1,127)	(2,882)	(189)	(1,425)	(5,332)
Income tax expense/(recovery)	1,804	1,751	(252)	1,190	713	2,281	1,642	(317)
Income/(loss) before income taxes - reported	3,094	(558)	2,462	63	(2,169)	2,092	217	(5,649)
Interest	3,649	3,725	3,413	3,750	3,994	3,527	3,675	3,511
Advisor award and loan amortization	3,211	3,103	2,909	3,161	5,844	4,457	3,884	4,201
Depreciation of premises and equipment	2,677	2,660	2,749	3,049	3,385	3,414	3,366	3,549
Amortization of intangibles	3,607	3,563	3,537	3,516	3,464	3,442	3,439	3,346
EBITDA	16,238	12,493	15,070	13,539	14,518	16,932	14,581	8,958
Transformation costs and other provisions	—	—	—	—	—	—	413	4,101
Adjusted EBITDA	16,238	12,493	15,070	13,539	14,518	16,932	14,994	13,059
<b>Adjusted operating expenses:</b>								
Total expenses - reported	51,979	52,246	51,104	52,705	53,055	49,732	51,310	57,254
Interest	3,649	3,725	3,413	3,750	3,994	3,527	3,675	3,511
Advisor award and loan amortization	3,211	3,103	2,909	3,161	5,844	4,457	3,884	4,201
Depreciation of premises and equipment	2,677	2,660	2,749	3,049	3,385	3,414	3,366	3,549
Amortization of intangibles	3,607	3,563	3,537	3,516	3,464	3,442	3,439	3,346
Operating expenses	38,835	39,195	38,496	39,229	36,368	34,892	36,946	42,647
Transformation costs and other provisions	—	—	—	—	—	—	413	4,101
Adjusted operating expenses	38,835	39,195	38,496	39,229	36,368	34,892	36,533	38,546
<b>Adjusted net income:</b>								
Net income/(loss) from continuing operations - reported	1,290	(2,309)	2,714	(1,127)	(2,882)	(189)	(1,425)	(5,332)
After-tax adjusting items:								
Transformation costs and other provisions	—	—	—	—	—	—	306	3,039
Amortization of acquired intangibles	2,398	2,398	2,398	2,398	2,399	2,398	2,398	2,398
Adjusted net income/(loss)	3,688	89	5,112	1,271	(483)	2,209	1,279	105
Net income/(loss) per common share from continuing operations:								
Basic	0.01	(0.22)	0.11	(0.14)	(0.26)	(0.10)	(0.20)	(0.51)
Diluted	0.01	(0.22)	0.10	(0.14)	(0.26)	(0.10)	(0.20)	(0.51)
Adjusted net income/(loss) per common share:								
Basic	0.17	(0.06)	0.26	0.01	(0.10)	0.09	0.02	(0.08)
Diluted	0.17	(0.06)	0.26	0.01	(0.10)	0.07	0.01	(0.08)
<b>Cash flow:</b>								
Cash provided by/(used in) operating activities	14,442	15,977	5,162	(11,826)	2,836	16,624	25,741	(313,698)
Net change in non-cash operating items	(2,115)	(6,749)	6,617	21,966	8,315	(3,052)	(16,580)	319,577
Capital expenditures - maintenance	(1,004)	(790)	(902)	(419)	(797)	(348)	(619)	(555)
Lease payments	(2,169)	(2,196)	(2,257)	(2,266)	(2,040)	(2,044)	(2,273)	(2,263)
Net loss from discontinued operations	—	—	—	—	—	—	2,064	—
Transformation costs and other provisions (pre-tax)	—	—	—	—	—	—	413	4,101
Free cash flow available for growth	9,154	6,242	8,620	7,455	8,312	11,180	8,746	7,162
Advisor loans net of repayments	(1,270)	(6,290)	(7,088)	(2,249)	(13,224)	(557)	657	(2,961)
Capital expenditures - office build outs (net of lease inducements)	(465)	(114)	928	(82)	936	225	(854)	(3,175)
Net loss from discontinued operations	—	—	—	—	—	—	(2,064)	—
Transformation costs and other provisions (pre-tax)	—	—	—	—	—	—	(413)	(4,101)
Net change in provisions	1,344	4,018	(449)	(1,236)	(5,636)	(4,697)	1,134	(3,234)
Free cash flow	8,763	3,856	2,011	3,888	(9,612)	6,151	7,206	(6,309)

## About RF Capital Group Inc.

RF Capital Group Inc. is a TSX-listed (TSX: RCG) wealth management-focused company. Operating under the Richardson Wealth Limited brand, the Company is one of the largest independent wealth management firms in Canada with \$40 billion in assets under administration (as of January 31, 2025) and 22 offices across the country. The firm's advisory teams are focused exclusively on providing strategic wealth advice and innovative investment solutions customized for high net worth or ultra-high net worth families and entrepreneurs. The Company is committed to maintaining exceptional fiduciary standards and has earned certification – determined annually – from the Centre for Fiduciary Excellence for its Separately Managed and Portfolio Management Account platforms. For the seventh year in a row, Richardson Wealth has been certified as a “great place to work” by Great Place to Work®, a global authority on workplace culture. For further information, please visit [www.rfcapgroup.com](http://www.rfcapgroup.com) and [www.RichardsonWealth.com](http://www.RichardsonWealth.com).

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