

2024 ANNUAL REPORT





GUARDIAN CAPITAL™

2024 was a decisive year in the evolution of Guardian Capital Group Limited.

Our cover reveals the Guardian icon forged in malleable steel, with the smouldering fire within representing our passion for our Company, our inherent strength and flexibility to mould and shape the future to our needs, support growth across all our businesses and respond to the transformative forces of our industry.

CAUTION CONCERNING FORWARD-LOOKING INFORMATION

Certain information included in this Annual Report constitutes forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “would”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plan”, “continue”, or similar expressions suggesting future outcomes or events or the negative thereof. Forward-looking information in this Annual Report includes, but is not limited to, statements with respect to management’s beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations. Such forward-looking information reflects management’s beliefs and is based on information currently available. All forward-looking information in this Annual Report is qualified by the following cautionary statements.

Although Guardian believes that the expectations reflected in such forward-looking information are reasonable, such information involves known and unknown risks and uncertainties which may cause Guardian’s actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially include but are not limited to: general economic and market conditions, including interest rates, business competition, changes in government regulations tax laws or tariffs, the duration and severity of pandemics, natural disasters, the military conflicts in various parts of the world as well as those risk factors discussed or referred to in Guardian’s Management’s Discussion and Analysis and the other disclosure documents filed by Guardian with the securities regulatory authorities in certain provinces of Canada and available at www.sedarplus.ca. The reader is cautioned to consider these factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information included in this Annual Report is presented as of the preparation date of this Annual Report and should not be relied upon as representing Guardian’s views as of any date subsequent to the date of this Annual Report. Guardian undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

TABLE OF
CONTENTS

06

**FINANCIAL
HIGHLIGHTS**

08

**ENRICHING LIVES
TOGETHER™**

09

CHAIRMAN'S MESSAGE

10

**PRESIDENT AND CHIEF
EXECUTIVE OFFICER'S
MESSAGE**

12

**REVIEW OF
OPERATIONS**

17

**MANAGEMENT'S
DISCUSSION AND
ANALYSIS**

31

TEN YEAR REVIEW

32

**MANAGEMENT'S
STATEMENT ON
FINANCIAL REPORTING**

33

**INDEPENDENT
AUDITOR'S REPORT**

36

**CONSOLIDATED
FINANCIAL
STATEMENTS**

40

**NOTES TO
CONSOLIDATED
FINANCIAL
STATEMENTS**

71

**DIRECTORS
AND PRINCIPAL
EXECUTIVES**

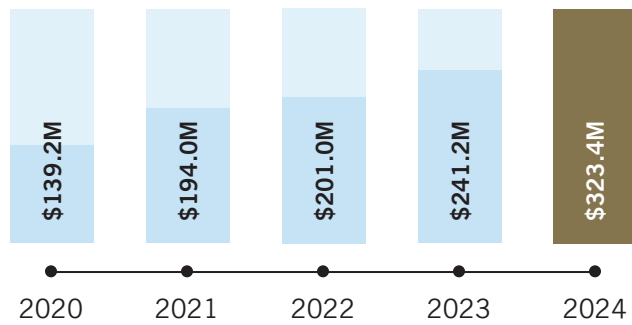
2024 IN FOCUS

FINANCIAL HIGHLIGHTS

NET REVENUE

\$323.4M

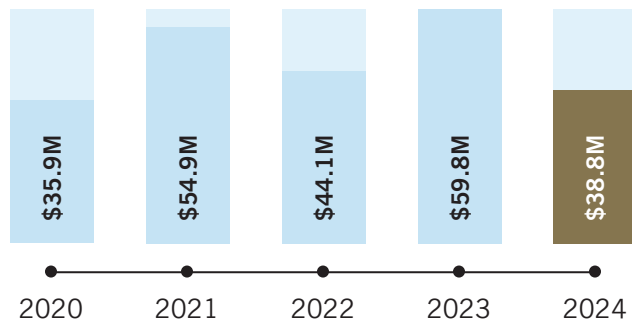
↑ 34% INCREASE FROM LAST YEAR



OPERATING EARNINGS

\$38.8M

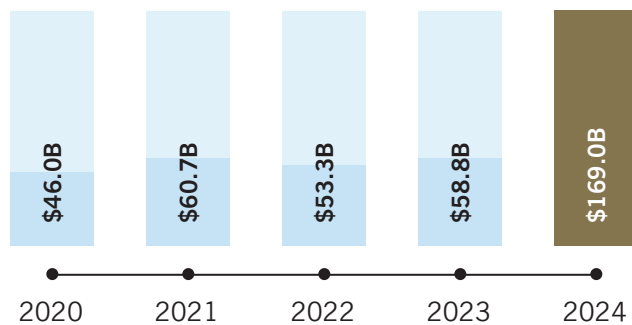
↓ 35% DECREASE FROM LAST YEAR



TOTAL CLIENT ASSETS

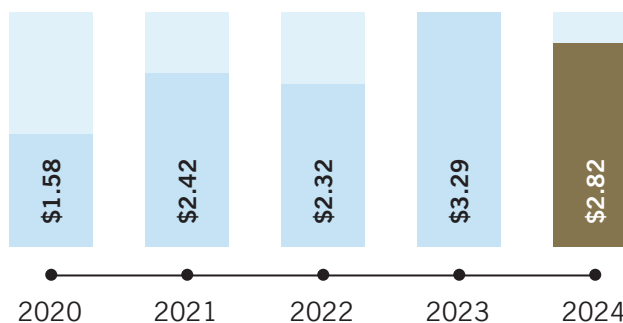
\$169.0B

↑ 188% INCREASE FROM LAST YEAR

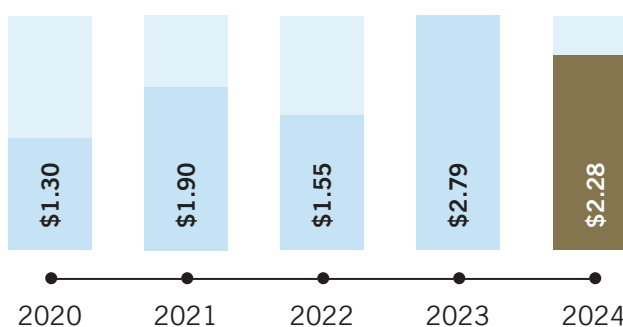


EBITDA PER SHARE¹ (DILUTED)**\$2.82**

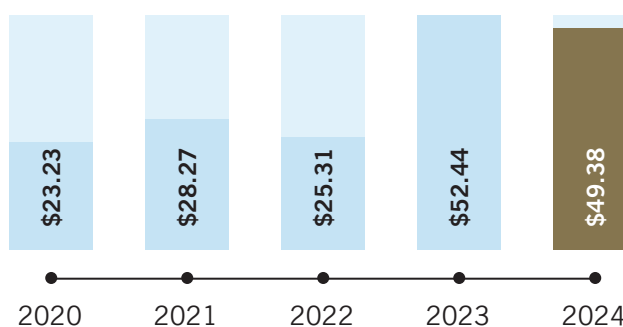
↓ **14%** DECREASE FROM
LAST YEAR

ADJUSTED CASH FLOW FROM
OPERATIONS PER SHARE¹ (DILUTED)**\$2.28**

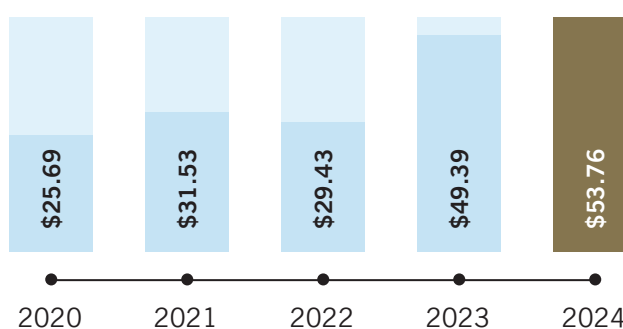
↓ **18%** DECREASE FROM
LAST YEAR

SECURITIES PER SHARE¹ (DILUTED)**\$49.38**

↓ **6%** DECREASE FROM
LAST YEAR

SHAREHOLDERS' EQUITY
PER SHARE¹ (DILUTED)**\$53.76**

↑ **9%** INCREASE FROM
LAST YEAR



¹ These terms are not standardized measures under IFRS, and therefore are unlikely to be comparable to similar measures presented by other companies. Descriptions of these non-IFRS measures, as well as reconciliations to IFRS measures, when applicable, are provided under "Non-IFRS Measures" in the Management's Discussion and Analysis.

ENRICHING LIVES TOGETHER™

In Guardian Capital Group Limited's more than 60-year history, we have been guided by a determination to behave authentically and ethically, and in a way that respects all of our stakeholders: our clients, associates, business partners, shareholders, and the communities in which we live. Our people and the strength of our culture and ethics are what make us all proud to be a part of this firm, and our core values of authenticity, integrity, stability, and trustworthiness, speak to this focus. We are driven by a vision to be the guardian of our clients' financial well-being, and we have a mission to protect, grow, and harvest wealth for current and future generations. We have encapsulated these guiding principles through the establishment of Enriching Lives Together™, an initiative designed to reflect the fulfillment of these principles for the benefit of our clients and our organization.

The Enriching Lives Together™ initiative enriches our stakeholders holistically, by supporting the creation of a safe, respectful, and enlightened environment. Additionally, this ethos is manifested through our belief that by contributing time, resources, and community involvement, we will have a more direct and immediate impact at different levels of society.

To expand our reach and ability to help others, we start from within. Our internal research gives us confidence that our employees have a favourable view of Guardian when compared to other firms. With that said, we know we will always have room for improvement, and we are working to close this gap, conceptualizing, and following through on ways to enrich the environment Guardian provides to our staff. It is from this perspective that our holistic approach to people management at Guardian encompasses talent development, motivation, retention, and hires across all our entities. Our associates are not merely technically proficient, they strengthen the fabric of the firm by bringing different views, voices and values to how we conduct our business.

Looking outward, our employees raised tens of thousands of dollars in 2024 to support our communities. Together with Guardian, raised funds were donated to support those impacted by the devastation wreaked by Hurricane Helene, on North Carolina, the home state of our colleagues at Sterling Capital Management, and to the Food Banks Canada to raise awareness and support for their mission.

Across the country and historically, we have privately and publicly advanced an agenda that focuses on, directly and at the grassroots level, supporting families and individuals, which, in addition to the efforts noted above, has impacted seniors, women's shelters, children's, and special needs charities. There is much more work to do, but we are proud to see the effect these and other initiatives have on those who can truly use our help.

Launched in September 2021, the Guardian Capital Indigenous Student Awards funds annual educational grants for Indigenous students by supporting their post-secondary education within Canada. For the 2023-2024 reporting period, financial support was granted to four students from communities located in the Northwest Territories, Ontario, and Saskatchewan, who are pursuing studies in a variety of disciplines, including social studies, Indigenous governance, justice and consumer services.

Our industry is renowned for providing resources to advisors and financial intermediaries to further their education. Another equally vital area that we fully support and promote is investor education. In recognizing the unique challenges women face in developing financial well-being, in 2022, we launched Guardian Women, a thriving community of women to connect and empower each other to master and enhance their financial literacy.

Guardian is committed to identifying concrete means of enriching lives in ways that align with our core beliefs. We believe we can create positive outcomes both inside and outside the firm, and we will continue to align our focus with the knowledge that each of us at Guardian has the opportunity to make a difference in the lives of the people with whom we come into contact every day.

Enriching Lives Together™ represents all of this, and, as such, is, by design, a thoughtful and constant work in progress.

MESSAGE FROM THE CHAIRMAN

Dear fellow shareholders,

Guardian Capital Group Limited ended 2024 as a strong, well-capitalized financial services company, concentrated on its operations and delivering for our clients in our global operations. Guardian's performance in a year of change demonstrated the benefits of focusing on its core businesses and cautious risk appetite.

As I reported last year, in keeping with the new five-year Strategic Plan, our Management team identified a strategic acquisition and closed on the transaction for Sterling Capital Management LLC, midway through 2024. The important task of transition continues with this and further recent acquisitions.

Our performance and strong capital position also supported the payment of consistent and higher dividends and continued the share buy-back program returning value directly to shareholders.

Given Guardian's liquidity and earnings, your Board has again determined to augment the portion of the operating cash flows towards increasing the quarterly dividend as we did last year. Accordingly, the Board has declared a quarterly dividend of \$0.39 per share, an increase of 5%, payable on April 11, 2025 to shareholders on record on April 18, 2025.

Looking ahead, we believe that Guardian has a team and leaders with integrity and enormous capabilities who are committed to building on the Company's future successes. President and Chief Executive Officer, George Mavroudis leads our seasoned leadership team that reflects integrity and high standards of professional excellence achieving consistent results across our financial services businesses in multiple jurisdictions. We appreciate and thank our associates for their dedication and commitment while continuing to keep our customers as a foundational principle.

We believe that your Board brings a robust skill set and expertise, which we will continue to employ focused on Guardian's strategic growth opportunities. I acknowledge each of our board members for their continued wise counsel, insight, and sound business acumen in support of our management team and Guardian. The Board and its committees meet regularly, encouraging robust and diverse discourse and remain unwavering in ensuring our oversight and governance practices while dedicated to constantly reviewing and broadening our perspectives.

In all things, we remain resolute in our efforts to provide outstanding value to our shareholders. Once again, the Board extends its acknowledgment to our clients and stakeholders for the opportunity to serve them, and to our shareholders for their ongoing confidence.

On behalf of the board of directors,



James Anas | Chairman of the Board

February 27, 2025

MESSAGE FROM THE PRESIDENT & CEO

Dear Shareholders,

In 2024, we achieved significant growth in some key top-line metrics, more than tripling our client assets to a record \$169 billion, alongside a 45% increase in management fee revenue compared to the previous year. This success is largely due to our acquisition of Sterling Capital Management (“Sterling”) which we closed mid-year, advancing us towards our five-year strategic plan outlined in last year’s shareholder letter. Our plan focuses on diversifying investment strategies, client segments, and geographical reach, aiming to double our Operating Earnings and Earnings Before Interest Tax Depreciation & Amortization (“EBITDA”) from our asset management business operations by the end of fiscal 2028. This would imply a target of approximately \$80 million in Operating Earnings and more than \$100 million in EBITDA, before any contributions from our balance sheet investment income.

Our plan to double Operating Earnings and EBITDA is expected to follow a “J” curve trajectory, with initial higher investments and expenditures that drag these key metrics in the initial years of the five-year plan but finally looking to unlock targeted earnings in the latter years. In 2024, our increased expenditures include technology costs, organic growth investments, integration costs of Sterling, and our continuing multi-year plan for key executive successions all have the effect of a drag on profitability. Details on how much these specific areas of investment have dampened our overall profitability and how these investments will either recede or deliver improved revenues for future periods are shared below.

Before we comment on some of the investments being made across the Group or celebrate top-line achievements, we are most preoccupied with the many threats to maintaining our relevance to clients. Remaining relevant with strategies that clients seek and performing to their expectations is likely the greatest risk to our business plans. The phrase, “comparison is the thief of joy,” highlights the expectations of those who trust us with their financial assets. Client accounts across most mandates have largely experienced increased levels of asset value as we deliver healthy absolute or risk-adjusted investment returns. With higher levels of clients’ assets this, in turn, drives higher management fees we earn. However, investment portfolio performance is often compared against peers and benchmarks, and the latter in particular leaves us with less joy than what the headline returns have delivered. The most recent cycle of concentrated euphoria for the top tech/artificial intelligence-driven publicly listed companies (i.e., the so-called Magnificent Seven: Facebook, Apple, Amazon, Microsoft, Google, Nvidia and Tesla) has made comparisons in the investment management industry most difficult.

We remain committed to active equity strategies that invest with a high conviction, benchmark-aware but somewhat agnostic to the construction of our portfolios, as we focus on delivering results that align with our long-term investment success and client expectations. We are prepared to navigate challenges with our equity strategies, confident in our financial strength but mindful of our clients’ patience. In 2024, we faced higher levels of net outflows from certain equity strategies we manage, particularly from our UK-based global concentrated equity strategy, which experienced notable underperformance relative to core benchmarks. Despite this, we are encouraged that many clients continue to understand and support our investment process and expertise. Retaining client investments during this period of underperformance is crucial to our future success. While some of our US and Global fundamental active equity strategies face challenging comparisons, we take pride in our quantitative, AI-driven equity strategies and extensive fixed-income offerings, which have performed significantly better than most peers and benchmarks. Both strategy sets have seen positive client inflows and offer a robust growth pipeline as we head into 2025. This underscores the advantages of maintaining a diversified portfolio of client assets and strategies.

Renovating your home

There is a sense that the various initiatives we have undertaken to improve our fortunes in the future mirror in many ways the commitment made by a homeowner to upgrade the value and quality of their home with substantial renovations while living through that process. For many of us who have experienced such a project, you will be able to relate to the anxiety experienced when the cash outlays are constant and frequent, and yet the immediate return is only total chaos as you live amongst torn down walls, dust everywhere, and a creeping feeling of regret as you contemplate whether you made the right decision to renovate. The process is one you wouldn’t want to repeat too often; however, upon completion of the project, when the final product aligns with your initial vision, there is immense satisfaction and appreciation for the value you have created. Guardian has embarked on renovating our home and this effort is not without costs or a strong resolve to deal with the challenges posed by any renewal one undertakes.

Since late 2023, we have been upgrading the behind-the-wall technology infrastructure that includes our front-, middle-, and back-office systems, with an anticipated total project implementation cost of \$20 million. In 2024, the financial results included more than \$7 million of incremental technology spend and increased our budget to \$10 million for fiscal year 2025. We expect to complete this major technology project by year-end, normalizing expenditure by 2026 and, although the new run-rate will be more than those of our older systems, we expect a meaningful reduction in technology spend from the 2024 levels.

We also continue to add to our asset management capabilities. One of the larger financial commitments over the past couple of years has been our effort to stand up a private smart infrastructure strategy, launched in early 2022, focusing on opportunities where proven technologies can

enhance existing infrastructure assets. Aside from funding approximately \$3.6 million to date in operating losses, we have also provided seed capital and bridge financing, totalling over approximately US\$95 million for the first asset acquired by the strategy in the traffic management space. After more than two years, and countless meetings with prospective investors, we anticipate reaching an inflection point in 2025, as we begin to offset some of the in-place expenditures with new client revenues and ultimately eliminate operating losses, or even better, contribute to overall profitability by 2026. In the meantime, the traffic management platform the fund acquired is performing as expected and has successfully been awarded a number of recent tenders across the global network of clients it serves. Given growing investor interest in this segment and operating one of the leading platforms of intelligent traffic management companies, our first investment in this strategy leaves us hopeful of delivering to our clients, invested alongside us, on our stated double digit internal rate of return expectations over time.

Investing in our portfolio management capabilities has also been matched by investing in improving our distribution capabilities in Canadian retail. Our retail investment vehicles include an updated lineup of mutual funds and an expanding suite of active Exchange-Traded Funds (ETFs). This initiative is aimed at expanding our target client segments and enhancing retail distribution capabilities, ultimately increasing firm revenue. Although asset growth has been slower than anticipated, we see promising incremental new sales success. In 2024, our Canadian retail mutual funds, ETFs, and Separately Managed Wrap accounts experienced significant net sales growth of approximately \$500 million. Total Canadian retail assets under management, including sub-advisory mandates, reached an all-time high of more than \$13.5 billion. More importantly, the number of advisors utilizing our direct investment vehicles of mutual funds and ETFs in 2024 has more than doubled to over one thousand actively engaged financial advisors. The financial success of this broad endeavour to build a more committed presence along the retail segment of asset management has yet to realize the meaningful contributions expected as we initiated this strategic move. However, the opportunity for revenue growth to now significantly exceed any further expenditure is much greater as a large amount of the base investment has already been funded and any growth in net sales and related new revenues will make a larger contribution towards reducing operating losses in this business going forward.

The strategic plan for the next five years always contemplated acquisitions as a complement to all the work we have in building out our growth through organic investments. Given our solid financial footing and agility, a major strategic addition was achieved with the acquisition of Sterling in 2024, presenting exciting growth opportunities albeit with some near-term financial noise. This acquisition required a non-recurring investment of more than \$14 million in transaction and integration costs in fiscal 2024, overwhelming the run rate of profitability we expect from this acquisition. There are likely some more one-time integration costs to be incurred in 2025 but at much lower amount than in 2024. We are excited to own a larger platform in the US and although it has only been a few months since we closed this transaction, we are already seeing the potential of operating at a larger scale in the competitive and large financial asset base that the biggest market in the world has to offer.

As we pursue these varied goals, managing business continuity risk effectively is crucial during this transition. We have been strategically building the depth of our human talent and leadership capabilities to ensure a smooth transition to the next generation of key successors. Although this has the effect of increasing our employee compensation costs, we see it as essential for executing a seamless long-term succession. We expect compensation ratios, relative to revenues, to stabilize and eventually decline over the next few years as we transition to future leaders and reduce leadership redundancies.

Our experience has taught us that building new skills, whether they are operations, distribution or portfolio management, these new capabilities often take longer than expected, but maintaining a long-term perspective can yield significant rewards. It is never enjoyable or comfortable in the middle of a renovation, but the key is to remain committed to the vision as it has historically delivered great value creation to our shareholders.

Looking forward, we continue to maintain financial strength and flexibility, with the year-end fair market value of securities totalling over \$1.2 billion, much of which is available in daily liquid marketable securities. We have also continued returning capital to shareholders, buying back 583,000 shares or more than 2% of all outstanding shares in 2024 for \$24.9 million while increasing the quarterly dividend by 9%, paying \$35.6 million in total dividends for fiscal year 2024.

Our journey towards building resilience and relevance is supported by the unwavering guidance of our Board of Directors. I thank them for their wise counsel and leadership, which have been instrumental in helping us achieve our objectives.

Of the many plans we desire to execute none are possible without the trust of our clients and the ability to attract and retain a dedicated team of associates who are committed to driving forward our success. We are always appreciative of the faith clients have bestowed on us to manage their assets and I am deeply grateful to all our associates at Guardian who continue to work with tireless dedication and perseverance to meet the needs of our clients.

Lastly, to our shareholders, we are grateful for your alignment with our long-term vision and thank you for your steadfast support and commitment to our mission.

We look forward to the opportunities and challenges ahead, confident in our strategy and committed to delivering sustainable growth and value. Together, we will navigate the path forward, building on our successes and addressing any hurdles with resilience and determination.

Sincerely,



George Mavroudis | President and Chief Executive Officer

February 27, 2025

REVIEW OF OPERATIONS

Institutional Investment Management

2024 was a transformational year for Guardian, with our acquisition of Sterling Capital Management, LLC (“Sterling”) significantly increasing our presence in the United States and materially increasing the assets we manage or advise on behalf of our clients, which include asset under management (“AUM”) and assets under advisement (“AUA”) (together “Total Client Assets” or “Client Assets”). The Review of Operations below discusses the Investment Management Segment by the client channels that we distribute through as well as Guardian’s key investment strategies.

Guardian’s investment management services are provided by Guardian Capital LP (“GCLP”), GuardCap Asset Management Limited (“GuardCap”), Sterling, Alta Capital Management, LLC (“Alta”), Agincourt Capital Management, LLC (“Agincourt”), Galibier Capital Management Ltd. (“Galibier”), Guardian Partners Inc. (“GPI”), which was combined with Guardian Capital Advisors LP (“GCA”) on December 31, 2024 to operate as one business, Guardian Capital Real Estate Inc. (“GCREI”), Guardian Smart Infrastructure Management Inc. (“GSIM”), Rae & Lipskie Investment Counsel Inc. (“RaeLipskie”), Alexandria Bancorp Limited (“ABL”) and Modern Advisor Canada Inc. (“Modern Advisor”). Guardian serves pension plan sponsors, broker-dealer third-party platforms, insurance company segregated funds, exchange-traded funds, mutual funds, endowment funds, foundations, retail intermediaries and high- and ultra-high-net-worth clients. Its capabilities span a range of asset classes, geographic regions and specialty mandates. These entities are the successors to Guardian’s original investment management business, which was founded in 1962.

Guardian’s investment management solutions are distributed through the Institutional Channel, the Retail Intermediary Channel and the Private Wealth and Other Channel. As at December 31, 2024, Guardian’s Total Client Assets were \$169.0 billion, increased from \$58.8 billion at the end of 2023. Of the total increase, approximately \$109 billion was associated with the businesses of Sterling and Galibier, which were acquired during the year.

Distribution Channels

i. Institutional Channel

Guardian has continued its efforts to broaden asset management reach through expanded distribution to most parts of the developed world and in several developing markets. The acquisition of Sterling in mid-2024 significantly increased Guardian’s distribution capabilities in the United States and increased the breadth of our product offerings. While competition for opportunities in institutional markets remains high, we nonetheless believe that the growth of our proprietary distribution capabilities and capacity is validated by our continued success in attracting a variety of institutional investor types to our marquee strategies from multiple points of origin.

The Client Assets managed for institutional clients was \$105.2 billion at the end of 2024 with \$98.0 billion of it being for those clients outside of Canada, compared to \$31.3 billion at the end of the prior year with \$23.4 billion of it for those clients outside of Canada.

Within the United States, institutional distribution represents the largest segment by AUM. As at December 31, 2024, institutional Client Assets in the US were approximately \$89.4 billion, reflecting the contribution of Sterling’s institutional business. In comparison, as at December 31, 2023, institutional Client Assets in the US were approximately \$11.8 billion. The majority of institutional Client Assets in the US are in fixed-income mandates. Agincourt and Sterling have both seen significant support from their core institutional client base, who have been adding assets to existing mandates, as well as demonstrating success with new clients. Agincourt’s long-term relationships with investment consultants and Outsourced Chief Investment Officer (“OCIO”) clients continue to serve as the principal source of growth opportunities for it. Sterling’s focused approach on key market segments and long-standing relationships as well as investment consultants, is also yielding strong results. Sterling manages money for some of the largest pension and institutional clients in the United States, and their inclusion in the Guardian business has dramatically accelerated our strategy of an elevated profile for Guardian and a drive for more business opportunities in the largest market of financial assets in the world.

Within Canada and the rest of the world, institutional Client Assets stood at \$15.8 billion as at December 31, 2024, reflecting a healthy balance between Canadian and Global Equities, and Canadian Fixed Income. During the year in review, new business activity was focused on areas of competitive strength, for example with liability driven investing mandates in Fixed-Income and pockets of demand for Global Equities. In addition, we have built momentum with third-party investors as part of our fundraising for GSIM, with committed capital totaling \$149 million at year end, including Guardian’s seed investment. Otherwise, it has been a priority to stay close to Guardian’s existing institutional clients, many of whom are, themselves, going through organizational change which can bring about shifts in investment priorities. The pressure on our institutional business in Canada is unrelenting – whether caused by larger clients taking investment mandates in-house to reduce expenses or using public market assets as a source of funds to build private markets allocations. These trends have persisted for many years and oblige us to ensure we continue to provide best-in-class investment solutions and client service.

Guardian also has institutional clients outside of Canada and the United States, primarily related to GuardCap in London, UK. GuardCap's distribution reach has expanded over its ten-year existence, and now covers most developed markets around the world, and selected markets in Asia and Latin America.

Growth in GuardCap has been notable in the period since the late 2010's but stalled somewhat in 2024. The base of clients investing in GuardCap's solutions remains a model for how we would like to see Guardian's other institutional businesses develop over time. GuardCap is doing business in multiple channels with clients in the Americas, in the UK and throughout the Continental Europe, and in both Asia and Australia.

It is well documented that equity markets, particularly in the US, have witnessed historically narrow leadership in each of the past two years, with the so-called "Magnificent Seven" names featuring as part of this phenomenon and responsible for much of the benchmark performance. While our marquee strategies have continued to deliver attractive positive absolute returns, matching forecasts and meeting set expectations in the process, they have nonetheless lagged relative to equity index benchmarks in recent times. A number of our investors, particularly in the institutional channel, have proven less tolerant of near-term relative underperformance than might have been expected. A combination of near-term relative underperformance and the market trends described above contributed to some net outflows during the year.

ii. Retail Intermediary Channel

During 2024, Guardian's retail intermediary segment in the US was also dramatically enhanced through the acquisition of Sterling, which added a fully developed mutual fund and Exchange-traded Funds ("ETF") platform, a material separately managed account ("SMA") and unified-managed accounts ("UMA") business and strategically important distribution relationships to Guardian's business. At the end of 2023, the retail intermediary distribution channel, which consisted of Alta's business, the Guardian suite of mutual funds governed by US securities laws (the "40 Act Funds"), and SMAs of other Guardian strategies offered in the US had Client Assets of \$6.5 billion. By the end of 2024, the assets in the US retail intermediary distribution channel had grown to \$39.3 billion, reflecting those legacy mandates as well as the addition of Sterling's Client Assets in the retail intermediary channel. With broad distribution that includes some of the largest US broker dealers, independent dealers and registered investment advisory firms, Guardian's strategic plan in the retail intermediary channel has been materially enhanced through the acquisition of Sterling.

In Canada, Guardian's retail distribution channel has evolved meaningfully over the years. After the sale of Guardian Group of Funds in the early 2000's, the buildup of retail business centred on relationships with retail intermediaries, primarily with the large banks and independent broker dealers. Success was a function of growing mutual fund sub-advisory relationships and in the SMA space. Over the years, Guardian has also built a range of proprietary mutual funds and multi-asset funds-of-funds. In recent years, this has extended to the launch of ETFs as they have rapidly become a 'vehicle of choice' for retail advisers. Today, our retail client base is well balanced across channels, and now includes both direct distribution of ETFs, mutual funds and SMA through the retail advice channels, as well as strong sub-advisory relationships. We maintain a leading position in the SMA market and UMA wrap programs with the top broker-dealers in the country, including all big six bank-owned broker-dealers and the largest independent dealers. At December 31 2024, Canadian retail Total Client Assets grew to \$13.5 billion from \$11.4 billion at December 31, 2023.

iii. Private Wealth and Other Channel

Guardian's third distribution channel includes the private client, OCIO, international private bank and digital-advisory businesses. Guardian's Total Client Assets in this channel were \$11.0 billion at the end of 2024, an increase of \$1.4 billion since the end of 2023.

Guardian Partners Inc. (the business which was combined with Guardian Capital Advisors on December 31, 2024), RaeLipskie, Modern Advisor and ABL provide wealth management and OCIO services to high- and ultra-high-net-worth families, foundations, endowments, charities, select pension plans and other retail investors.

As the trusted advisor to our clients, Guardian manages discretionary portfolios consistent with their investment goals and objectives. The risk-based approach, combined with Guardian's institutional research in domestic and global investments, allows us to build well-structured and globally diversified client portfolios. Financial planning along with collaborative work with clients' financial, legal, accounting, insurance and other advisors, ensures a holistic and integrated approach to wealth management. The OCIO practice focuses on working with ultra-high-net-worth clients, the board and management of foundations, endowments and select pension plans who value the investment advice, governance oversight and comprehensive reporting and expertise. One of the key differentiators of Guardian in the OCIO space is that we begin with independent advice and research that aligns them with the objectives of the client.

In 2024, Guardian's Private Wealth businesses continued to invest in marketing and brand awareness through increased focus on publication and distribution of thought leadership, digital marketing and brand awareness with a community focus. Events such as Guardian Women were augmented with webinars, local office and industry focused events as well as charitable participation.

Guardian's Investment Strategies

i. Canadian Equity

Canadian markets turned in their best performance in three years, with the S&P/TSX Composite Index up 21.6% as moderating inflationary pressures and the resulting relatively proactive approach to easing monetary policy by the Bank of Canada served as support for the domestic economy and proved constructive to stocks. That strong overall gain, however, masked the significant divergences across segments of the market that have come to characterize the last few years, with those more growth-focused areas outperforming while the more value-oriented stocks lagged — and this factored into the Canadian equity benchmark again trailing its neighbour to the south by a wide margin.

Guardian's various Canadian Equity strategies turned in generally solid performance, however, the more growth-oriented mandates fared relatively better versus the broad market benchmark. The Canadian Focused Equity and core Canadian Equity strategies outperformed the broad Canadian market by wide margins while the income/value-biased strategies lagged.

Acquired in September of 2024, Galibier is a Toronto-based investment manager. Galibier offers its three pooled fund products, Canadian Equities, Global Equities and the Canada/Global Opportunities Fund, primarily to institutional investors. All three funds are concentrated with around 20-30 names and are absolute return focused.

Galibier employs a rigorous investment philosophy and process called "The Galibier Way". "The Galibier Way" has two components: first defining an investable universe of companies which possess five criteria namely a durable competitive advantage, a high-performing management team with strong ESG adherence, high free cash flow/economic earnings, industry leading balance sheets and are in sectors which offer the potential for secular growth; and second, proactively determining the intrinsic value of the companies within the investable universe using Galibier's rigorous valuation methodology. While the Galibier strategies have underperformed in the more momentum-driven markets of recent years, we remain confident that our approach will yield positive results for investors.

While growth momentum remains positive into the New Year with the tailwinds of moderating inflation and lower interest rates becoming more prevalent, the year ahead looks to be another challenging one, as Canadian investors face significant uncertainty with respect to US fiscal policy that could carry significant implications for the domestic outlook. But with that said, higher-quality companies are expected to overcome these headwinds and continue to provide attractive valuations which should benefit active managers with quality-focused investment strategies such as Guardian.

ii. US Equity

Guardian's Salt Lake City-based subsidiary, Alta, manages US equity strategies in the US Large Cap Growth and US All Cap Growth categories. These strategies follow a high-conviction approach, investing in quality growth companies exhibiting a high degree of free cash flow and sustainable revenue growth. This approach complements Guardian's company-wide array of high-conviction strategies, both in concept and investment philosophy.

Sterling actively markets nine active equity strategies covering the spectrum of growth, core, value, large, mid, small, fundamental and systematic. Sterling has 20 portfolio managers and analysts supporting these strategies from offices in Charlotte, Philadelphia and Virginia Beach. Broadly speaking, the approaches employed across Sterling center around the cornerstones of high quality, attractive valuation, low turnover, and concentration driven by deep fundamental analysis. Importantly, all of the strategies at the firm have maintained unwavering consistency of investment process over their long-term track records.

While it was not a simple matter of smooth sailing on calm seas throughout the last 12 months, the record books will show that 2024 was another strong year for US markets with the S&P 500 Composite Index up 25.0% to once again outpace its peers. The historically narrow leadership in the market that once again saw a small number of companies account for the vast majority of gains, however, served as a challenging backdrop for generating relative performance gains.

The outlook for further consumer-driven growth in the US, moderating inflation and modestly lower interest rates remains constructive for stocks; however, the rising policy uncertainty under the new Administration in the White House could keep volatility elevated and benefit those investments strategies that place an added emphasis on quality in their security selection, which should be supportive for many of our strategies across the group.

iii. Global Equity

Guardian has two global equity strategy teams: the Toronto-based i³ Investments™ Team follows a quantitative approach; and the London UK-based team follows a fundamental approach, with a focus on quality growth companies combined with a high-conviction mindset. These strategies serve as strong complements to each other and provide a broader set of choices for investors.

The i³ Investments™ Team's Global Quality Growth strategy materially outperformed its benchmark as the pro-growth market environment served as a tailwind for the mandate. The Global Dividend Growth strategy, which accounts for the majority of the team's AUM, trailed the broad global equity benchmark, however, it did handily outperform its dividend-focused benchmark and its main competitors.

The i³ Investments™ Team continues to research and develop artificial intelligence for use in portfolio construction, with the output from using these methods now making up a sizeable component of their models. These continued enhancements in a fast-evolving field have contributed to significant improvements in returns and are expected to further support the growth of this team in the future.

GuardCap, Guardian's London, UK-based subsidiary, manages the Fundamental Global Equities strategies.

The historically narrow market leadership of stock markets over the last few years has proven difficult for the Fundamental Global Equities strategy, which materially underperformed its benchmark for the fourth straight year in 2024 after a period of exceptional outperformance, where five years out of the previous six were well ahead of benchmark. These market dynamics have plagued competing high-conviction global fundamental Managers in a sign that the investing style has fallen out of favour — the Managers believe that the fundamentals of portfolio holdings continue to deliver the desired double-digit growth which should translate into better performance.

iv. Canadian Fixed Income

Guardian's Canadian Fixed-Income mandates cover a broad range of profiles, addressing various combinations of parameters such as duration, types of issuers, currencies and risk profiles. In addition, many portfolios are highly customized to meet specific client needs.

It was another highly volatile year for bond markets as investors balanced the impact of the further easing of monetary policy worldwide (including 175 basis points worth of cuts by the Bank of Canada) against the upward pressure on longer-term yields due to rising inflation expectations and a renewed focus on fiscal sustainability. The FTSE Canada Universe Bond Index finished the year up a decent 4.2% with shorter duration and corporate credit outperforming.

Guardian's core Canadian Bond strategy, which was generally biased toward higher-quality credits, outperformed the domestic bond index and the corporates-heavy Short Duration Bond mandate beat its shorter-term benchmark, while the credit selection resulted in the Investment Grade Corporate Bond strategy outpacing both the broad market and its own mid-term benchmark by a wide margin.

Looking forward, the prospects for bond markets appear constructive. Notwithstanding the likelihood that heightened near-term headline risk associated with politics and the still high degree of uncertainty around the near-term path for monetary policy keeps rate volatility somewhat elevated in the coming months, the ultimate path of least resistance for domestic market yields is likely to be lower as the continued central bank easing cycle exerts downward pressure on rates — the impact is likely to be felt more at the front-end of the yield curve where rates are far more sensitive to monetary policy.

v. US Fixed Income

Guardian's US Fixed Income strategies are managed by Agincourt, the firm's Richmond, Virginia-based subsidiary and Sterling, based in Charlotte, North Carolina. Both teams approach US fixed income investment management similarly to the Canadian team in many ways, as they invest conservatively in high-quality debt instruments, with an overall duration typically shorter than the benchmark and with an overweight to credits at the shorter end.

The US Fixed Income teams' absolute returns in 2024 were modest as the continued resilience of the US economy and potential for adoption of expansionary fiscal policies posed upside risk to inflation and raised concerns about fiscal sustainability that offset the impact of 100 basis points worth of policy rate cuts by the Federal Reserve. The yield curve steepened with front-end rates decreasing, but longer rates increasing. The continued bias, across strategies, toward high-quality credit, particularly in the structured products sector, and a shift in yield curve positioning that benefitted from a steeper curve resulted in positive relative performance versus broad market benchmarks and peers.

An outlook for modest but positive growth and still moderating inflation against a backdrop of persistent risks to the outlook would appear to be constructive for fixed income. Guardian believes it is well positioned to increase the size of its business due to the persistent top-tier performance of Agincourt and Sterling's strategies combined with the support of Guardian's expanding distribution capabilities in the United States.

vi. Multi-Asset and Engineered Solutions

Multi-asset class strategies have been a relatively small component of Guardian's business, but have experienced consistent growth in recent years. Investors are increasingly recognizing our ability to customize balanced funds and add value by making tactical asset mix decisions using strategies from Guardian's growing range of equity and fixed income offerings. The overall performance in these mandates has been positive in both absolute terms as well as relative to their blended benchmarks amid a challenging market environment in recent years.

Guardian also offers several strategies aimed at generating specific outcomes. These are currently all equity-based and combine a set of carefully selected stock options specifically focusing on generating cash flow or downside protection. These mandates fared well in the extremely challenging market conditions experienced that followed their inception in 2019, however, have underperformed in the more recent years as the option overlays detracted from performance against the decline in volatility and continued strong performance in global stock markets. That said, the approach to managing risk and generating income (both increasingly important for investors approaching their post-retirement decumulation phase) has proven to be attractive to investors.

vii. Real Estate

Since 2013, Guardian has been providing clients the ability to invest in real estate through its Guardian Capital Real Estate Fund LP. Guardian's highly qualified professional real estate team invests the fund's assets in a broad range of smaller functional properties located across Canada, with the intention of providing high and sustainable income for clients, and with the expectation that well-purchased properties may also provide capital gains to investors. Currently, the team manages gross real estate assets valued at approximately \$500 million for the fund. Real estate is an important asset class for our clients, and the team has established a successful track record of efficiently deploying clients' capital and generating consistent returns.

The year 2024 saw bond rates level off for the first half of the year at 5% before starting to decline mid-year, dropping by +/- 175 bps to 3.25% by the end of 2024. Due to a lag period in the real estate market (time to adjust and market sentiment that the lower rates will remain for an extended period of time), the effect of these rate drops on property valuations will not be felt until Q1 2025. Therefore, the year 2024 still presented some valuation headwinds. Amid the continued challenges, the fund once again performed extremely well due to stable income growth in the fund, including a substantial income growth in two industrial assets in Toronto. All of this led to an increase in the overall total portfolio appraised values of 3% or \$14M year over year.

viii. Smart Infrastructure

GSIM, the manager of Guardian Smart Infrastructure Fund LP, is focused on investing and scaling proven, commercial technologies and digital business models to optimize efficiency and financial outcomes. It targets large infrastructure opportunities of scale like transit systems, electricity grids, renewable and energy storage solutions, traffic management systems, airports and other large infrastructure assets. Following GSIM's successful acquisition of its seed investment via its Guardian Smart Infrastructure Partners LP fund in 2023, the first group of third-party institutional investors were admitted into the fund during 2024. We are starting to see increased momentum with in-bound inquiries from third-party investors and expect rolling commitment closings over the next year to on-board additional third-party LP commitments that have been secured.

Technology Investments

Over the past years, Guardian has been investing in a strategic, multi-year technology enhancement project. Significant efforts and resources were invested in these enhancements. In 2024, Guardian completed its initial phase of this project. The second, and the largest, phase of this project is scheduled for 2025. Although this project has added significant costs to our operations in the near term, it will better prepare our business for future growth. We expect the enhancements to increase our operating efficiencies and provide us with an enriched technology platform to support continued organic growth and integration of acquired businesses in the future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

In accordance with securities regulatory requirements, the management's discussion and analysis which follows for Guardian Capital Group Limited, its subsidiaries and other controlled entities (together, "Guardian") pertains to the year ended December 31, 2024, with comparatives for the year ended December 31, 2023. Readers are encouraged to refer to Guardian's Consolidated Financial Statements contained in the 2024 Annual Report. This discussion and analysis has been prepared as of February 27, 2025.

Additional information relating to Guardian and its business, including Guardian's Annual Information Form, is available on "SEDAR" at www.sedarplus.ca.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Certain information included in this Management's Discussion and Analysis ("MD&A") constitutes forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information is often, but not always, identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events or the negative thereof. Forward-looking information in this MD&A includes, but is not limited to, statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations. Such forward-looking information reflects management's beliefs and is based on information currently available. All forward-looking information in this MD&A is qualified by the following cautionary statements.

Although Guardian believes that the expectations reflected in such forward-looking information are reasonable, such information involves known and unknown risks and uncertainties which may cause Guardian's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking information. Important factors that could cause actual results to differ materially include but are not limited to: general economic and market conditions, including interest rates, business competition, changes in government regulations, tax laws or tariffs, the duration and severity of pandemics, natural disasters, military conflicts in various parts of the world, as well as those risk factors discussed or referred to in the risk factors section and the other disclosure documents filed by Guardian with the securities regulatory authorities in certain provinces of Canada and available at www.sedarplus.ca. The reader is cautioned to consider these factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking information, as there can be no assurance that actual results will be consistent with such forward-looking information.

The forward-looking information in this MD&A is provided as of the preparation date of this MD&A and should not be relied upon as representing Guardian's views as of any date subsequent to the date of this MD&A. Guardian undertakes no obligation, except as required by applicable law, to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

OVERVIEW OF GUARDIAN'S BUSINESS

Guardian is a financial services company which provides investment management services to institutional, retail and private high and ultra-high-net worth clients through its subsidiaries. At the end of the current year, Guardian had \$169.0 billion of assets under management ("AUM") and assets under advisement ("AUA") (together the "Total Client Assets" or "Client Assets"). Guardian is headquartered in Canada and operates in Canada, the United Kingdom, the United States and the Caribbean. The Investment Management business is operated through the Toronto, Ontario-based Guardian Capital LP ("GCLP"), Guardian Smart Infrastructure Management Inc. ("GSIM"), Guardian Capital Real Estate Inc. ("GCREInc"), the recently acquired Galibier Capital Management Ltd. and Guardian Partners Inc. ("GPI"), which was combined with Guardian Capital Advisors LP on December 31, 2024, the Waterloo, Ontario-based Rae & Lipskie Investment Counsel Inc. ("RaeLipskie"), Vancouver, British Columbia-based Modern Advisor Canada Inc. ("Modern Advisor"), the London, UK-based GuardCap Asset Management Limited ("GuardCap"), the Salt Lake City, Utah-based Alta Capital Management, LLC ("Alta"), the Richmond, Virginia-based Agincourt Capital Management LLC ("Agincourt"), the recently acquired Charlotte, North Carolina-based Sterling Capital Management LLC ("Sterling") and the Caribbean-based Alexandria Bancorp Limited ("ABL"). Guardian also manages its proprietary investment portfolio which had a fair market value of \$1.2 billion as at December 31, 2024.

NON-IFRS MEASURES

Guardian uses certain measures to evaluate and assess the performance of its business, some of which are not defined within IFRS Accounting Standards (“IFRS”). These measures are EBITDA, EBITDA attributable to shareholders, EBITDA attributable to shareholders per share, Adjusted cash flow from operations, Adjusted cash flow from operations attributable to shareholders, Adjusted cash flow from operations attributable to shareholder per share. Other Non-IFRS measures are equity per share, securities, net and securities, net per share. Non-IFRS measures do not have standardized meanings prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. However, Guardian believes that most shareholders, creditors, other stakeholders and investment analysts prefer to include the use of these measures in analyzing Guardian’s results. In the Non-IFRS Measures section of this Management Discussion and Analysis a description of how these measures are defined by Guardian is provided, with reconciliations to their most comparable IFRS measures.

2024 HIGHLIGHTS

Acquisition of Sterling Capital Management LLC

As previously announced, Guardian completed its acquisition of a 100% equity interest in Sterling, a Charlotte, North Carolina-based investment management company, from Truist Financial Corporation (“Truist”) on July 2, 2024. On closing, Guardian paid US\$68.9 million, based on a US\$70 million base-purchase price, net of various estimated adjustments. These estimated adjustments were finally determined to be US\$9.5 million and were paid at the end of October 2024. A series of earn-out incentives of up to US\$45 million could also be paid over a 5-year period from closing, depending on the amount of revenue earned from Truist by Sterling.

This strategic acquisition of Sterling significantly enhances Guardian’s overall scale as a global asset manager, accelerates its expansion plans in the US market and enhances its platform for future growth in the US market. Sterling currently manages and advises on approximately \$108 billion (US\$75 billion) of client assets. Since closing, management continues to focus on integrating Sterling with the existing US businesses, reviewing Sterling’s operations and evaluating its strategic priorities for the near-term.

The following is a summary analysis of Sterling’s Total Client Assets:

As at December 31, (\$ in millions)	2024
Distribution channel	
Institutional	\$ 75,509
Retail and intermediary	31,804
Private wealth	745
	\$ 108,058
Asset class	
Equities	\$ 14,420
US fixed income	71,804
Multi-asset solutions	21,833
	\$ 108,058

The following is a summary of Sterling’s operating results from the period of acquisition on July 2, 2024 to December 31, 2024:

From the period of acquisition on July 2, 2024 to December 31, 2024 (\$ in thousands)	
Net Revenue	\$ 74,183
Operating expenses	65,072
Transitional expenses	10,214
Amortization arising from acquisition	2,428
Total expenses	77,714
Operating loss	(3,531)
EBITDA	\$ 973

During the initial period of Sterling ownership, certain expenses were incurred that are expected to be one-time or short-term in nature related to the transaction and certain initial business integration efforts. These include such expenses as transaction success fees, legal and tax advisory fees, retention incentives for key employees, and technology and other business integration related costs (all together “Transitional” expenses). Approximately \$10.2 million (US \$7.4 million) in Transitional expenses were incurred by Sterling during the period and another \$4.2 million were incurred within the Corporate Activities and Investments Segment. In addition, the accounting for the acquisition of Sterling resulted in new amortization expenses, which are not part of operating expenses of Sterling. The acquisition accounting related amortization expenses included in Sterling’s results are \$2.4 million (US \$1.8 million). Dampened by these expenses, Sterling recorded an Operating loss of \$3.5 million (US \$2.6 million) and EBITDA of \$0.9 million (US \$0.7 million) during the period from acquisition on July 2, 2024 to December 31, 2024.

As Sterling continues to be integrated within Guardian's organization, it is expected that all U.S. based subsidiaries and operations will be managed as a consolidated business segment in the future.

Acquisition of Galibier Capital Management LTD

Also as previously announced, Guardian completed the transaction to acquire 100% of Galibier Capital Management Ltd. ("Galibier"), an independent, Toronto-based investment management firm on September 3, 2024. Guardian paid \$3.6 million on closing and is subject to further earn-outs of up to \$7.5 million based on certain metrics related to Total Client Assets on the one-year anniversary date from closing and again on the 5th anniversary date. The acquisition will enhance Guardian's Canadian equity investment capabilities and has added \$1.1 billion in Total Client Assets on closing.

TOTAL CLIENT ASSETS

The following is a summary of Total Client Assets managed and advised by Guardian:

As at December (\$ in millions)	2024	2023	% Inc (Dec)
Distribution channel			
Institutional	\$ 105,221	\$ 31,295	236.2%
Retail and intermediary	52,781	17,948	194.1%
Private wealth	10,977	9,531	15.2%
	\$ 168,979	\$ 58,774	187.5%
Asset class			
Canadian equities	\$ 5,718	\$ 4,661	22.7%
Global equities	20,909	21,781	-4.0%
US equities	19,333	4,298	349.8%
Canadian fixed income	5,222	6,664	-21.6%
US fixed income	85,732	11,839	624.1%
Multi-asset solutions	32,065	9,531	236.4%
	\$ 168,979	\$ 58,774	187.5%

The following is an analysis of the change in Guardian's Total Client Assets:

For the years ended December 31 (\$ in millions)	2024	2023	% Inc (Dec)
Beginning of year	\$ 58,774	\$ 53,302	10.3%
Acquisitions	105,231	–	–
Net additions from (withdrawals by) clients	(10,629)	(500)	2025.8%
Net market appreciation	15,603	5,972	168.4%
End of year	\$ 168,979	\$ 58,774	187.5%

Guardian is reporting Total Client Assets of \$169.0 billion as at December 31, 2024, compared to \$58.7 billion at the end of the prior year. The increase in Total Client Assets since December 31, 2023, can primarily be attributed to the acquisitions of Sterling and Galibier, which added \$105.2 billion on closing, and the impact of positive market performance, partially offset by the net outflows of Client Assets. Included in the impact of market performance are the effects of changes in foreign currency exchange rates against the Canadian dollar. The outflows during the current year were due largely to continued industry wide headwinds of internalization of investment management functions and allocation of assets to alternative asset classes by institutional clients. This coincided with recent relative underperformance by certain of our investment strategies, contributing to the net outflows. Improved relative performance will be an important factor in weathering these headwinds.

CONSOLIDATED FINANCIAL RESULTS

In the following discussion and analysis, all referenced terms and line items are those associated with the continuing operations, unless specifically indicated otherwise.

The comparative financial results of Guardian on a consolidated basis are summarized in the following table:

For the years ended December 31, (\$ in thousands, except per share amounts)	2024	2023	% Inc (Dec)
Net revenue	\$ 323,403	\$ 241,182	34.1%
Expenses	284,579	181,333	56.9%
Operating earnings	38,824	59,849	-35.1%
Net gains	77,444	57,787	34.0%
Net earnings before income taxes	116,268	117,636	-1.2%
Income tax expense	14,670	15,474	-5.2%
Net earnings from continuing operations	101,598	102,162	-0.6%
Net earnings from discontinued operations	–	554,933	-100.0%
Net earnings	\$ 101,598	\$ 657,095	-84.5%
EBITDA	\$ 70,874	\$ 85,424	-17.0%
Adjusted cash flow from operations	57,536	72,763	-20.9%
Attributable to shareholders:			
Net earnings from continuing operations	\$ 100,099	\$ 100,250	-0.2%
Net earnings	100,099	562,929	-82.2%
EBITDA	68,248	82,247	-17.0%
Adjusted cash flow from operations	54,884	69,581	-21.1%
Per share amounts (diluted):			
Net earnings from continuing operations	\$ 4.10	\$ 3.99	2.8%
Net earnings	4.10	22.12	-81.5%
EBITDA	2.82	3.29	-14.3%
Adjusted cash flow from operations	2.28	2.79	-18.3%
As at December 31 (\$ in millions, except per share amounts)	2024	2023	% Inc (Dec)
Shareholders' equity	\$ 1,318	\$ 1,241	6.2%
Securities, net	1,211	1,318	-7.2%
Per share amounts (diluted):			
Shareholders' equity	\$ 53.76	\$ 49.39	8.8%
Securities, net	49.38	52.44	-5.8%

Guardian's consolidated Operating earnings and EBITDA for the year ended December 31, 2024 were \$38.8 million and \$70.9 million, respectively, compared to \$59.8 million and \$85.4 million, respectively, in the prior year. As stated above, dampening the current year results were \$14.4 million in Transitional expenses associated with the acquisitions of Sterling and Galibier. Current year results were further dampened by the continued investments in the technology enhancement project, marketing and branding initiatives to support the Retail Asset Management initiative in both Canada and the US, lower interest income resulting from lower average balances in the short-term securities portfolio, and higher interest expenses due to higher interest rates on our loan facilities. Funding the acquisition of Sterling and Galibier with short-term securities resulted in interest income being replaced by earnings from these operating businesses. In the near term, we will experience a reduction in Operating earnings and EBITDA due to the Transitional expenses. However, once the businesses sheds itself of these Transitional expenses and are fully integrated into Guardian's operations, we expect the annual earnings contributions to be substantially accretive to any interest income foregone.

Consolidated Net revenues grew to \$323.4 million, a 34.1% increase from \$241.2 million in 2023. Net management and advisory fees increased \$85.0 million as compared with last year, with Sterling and Galibier contributing \$75.4 million to the increase, while interest income in the Corporate Activities and Investment Segment decreased by \$4.7 million. The latter resulted from lower average balance of interest earning short-term securities held during the year. Guardian used portions of the short-term securities portfolio to fund payment of tax liabilities arising from the net gains on the sale of Worldsource in 2023, share buybacks, seed capital for new investment strategies, and the acquisitions of Sterling and Galibier.

Total expenses in 2024 were \$284.6 million, a 56.9% or \$103.3 million increase from \$181.3 million in 2023. The addition of operating expenses from Sterling and Galibier increased expenses by \$69.1 million, and the Transitional expenses related to the acquisition of Sterling and Galibier added an additional \$14.4 million to consolidated operating expenses. The remaining increase is largely related to our continued multi-year strategic investments into our technology platform, our Retail Asset Management initiatives in both Canada and the U.S and additional staff to support all these initiatives. Guardian anticipates investments in technology platform to increase further in the near term, before returning to normalized levels in the latter half of 2026.

An analysis of the composition of Guardian's Net gains is as follows:

For the years ended December 31, (\$ in thousands)	2024	2023	% Inc (Dec)
Bank of Montreal common shares	\$ 18,420	\$ 19,111	-3.6%
Other securities and securities sold short	64,087	34,804	84.1%
Securities and securities sold short	82,507	53,915	53.0%
Intangible assets	(471)	2,137	-122.0%
Lease and other liabilities	(1,115)	565	-297.3%
Foreign exchange	(3,477)	1,170	-397.2%
	\$ 77,444	\$ 57,787	34.0%

Consolidated Net gains in 2024 were \$77.4 million, compared to Net gains of \$57.8 million in 2023. The Net gains were largely due to the increases in fair values of securities driven by the positive performance in the global equities markets in 2024.

Consolidated Net earnings from continuing operations were \$101.6 million as compared with \$102.2 million in the previous year. The decrease in net earnings from continuing operations is largely due to the above-mentioned impacts to Operating earnings, partially offset by Net gains.

The discussion on Guardian's operating results by Segments of continuing operations are provided below. The discussion should be read in conjunction with Note 20 (a) Business Segments of the Consolidated Financial Statements contained in Guardian's 2024 Annual Report.

INVESTMENT MANAGEMENT SEGMENT

Selected financial information for the Investment Management Segment is as follows:

For the years ended December 31, (\$ in thousands)	2024	2023	% Inc (Dec)
Net revenues	\$ 281,180	\$ 194,945	44.2%
Expenses	251,802	156,620	60.8%
Operating earnings	29,378	38,325	-23.3%
EBITDA	48,211	52,303	-7.8%

Investment Management Segment's Operating earnings and EBITDA in the current year were \$29.4 million and \$48.2 million, respectively, compared to \$38.3 million and \$52.3 million, respectively in the prior year. Included in the current year's results were Sterling's and Galibier's Operating loss of \$3.9 million for the period from the dates of acquisition to December 31 of this year. The combined Operating loss in these entities was driven by \$10.2 million in Transitional expenses associated with their acquisitions.

The Investment Management Segment's Net revenues in the current year increased by \$86.2 million, to \$281.2 million, compared to the prior year, with \$75.4 million being contributed by Sterling and Galibier since their acquisitions. We are also pleased to report that GSIM's Smart Infrastructure Fund successfully onboarded initial third party investors in the fourth quarter of 2024 and earned its initial revenues therefrom. While third party commitments to the fund have been modest so far, GSIM is currently in the late stages of onboarding additional mid-sized institutional clients into the fund, which are expected to be completed in the first half of 2025. The fundraising has taken longer than originally anticipated facing many of the challenges often experienced with first fund launches, however progress to date has been increasingly positive, as investors continue to show growing interest in the investment strategy. Our efforts to organically build out a new investment capability with GSIM is yet another example of the need and ability to remain patient and capable to digest short-term operating losses in order to build future successes. The remaining increase in net revenue, compared with the same period in the prior year, is driven by increases in Total Client Assets resulting from positive global financial market performance, partially offset by net outflows over the same period.

Total expenses in the Segment increased \$95.2 million, to \$251.8 million as compared with the prior year. The increase was due largely to the addition of operating expenses of Sterling and Galibier of \$69.1 million, the Transitional expenses associated with these two acquisitions of \$10.2 million, the continuing multi-year strategic investments into enhancing our technology platform, to support our Retail Asset Management initiatives in both the US and Canada, and the higher compensation expenses reflecting higher management and advisory fees earned during 2024. The investments into the technology platform enhancements are expected to continue, and slightly increase, in fiscal year 2025 before returning to more normal levels.

CORPORATE ACTIVITIES AND INVESTMENTS SEGMENT

Selected financial information for the Corporate Activities and Investments Segment is as follows:

For the years ended December 31, (\$ in thousands)	2024	2023	% Inc (Dec)
Net revenues	\$ 44,662	\$ 47,452	-5.9%
Expenses	35,216	25,928	35.8%
Operating earnings	9,446	21,524	-56.1%
EBITDA	22,663	33,121	-31.6%

The Operating earnings and EBITDA in the Corporate Activities and Investments Segment were \$9.4 million and \$22.7 million, respectively, in the current year, compared to \$21.5 million and \$33.1 million, respectively, in the prior year. Included in the current year were \$4.2 million in Transitional expenses associated with the acquisitions of Sterling and Galibier.

The Net revenues in the Corporate Activities and Investments Segment decreased by \$2.8 million as compared with the prior year, due largely to the decrease in interest income earned on short-term securities, partially offset by increase in dividend income. Since the third quarter of 2023, the investment balance in short-term securities has steadily declined as payment of tax liabilities arising from the net gains realized on the sale of the Worldsource business in 2023, share buybacks completed during the current year, the seeding of various investment strategies to support the operating businesses and the acquisitions of Sterling and Galibier were largely funded from the short-term investments, significantly reducing the interest earning base.

Expenses in the current year were \$9.3 million higher than in the prior year, mainly driven by the Transitional expenses incurred, higher interest expense due to higher interest rates being incurred on the borrowings and the cost of additional hires to support the various on-going initiatives.

LIQUIDITY AND CAPITAL RESOURCES

The strength of Guardian's balance sheet has enabled Guardian to provide clients with a high level of comfort, maintain the appropriate levels of working capital in each of its areas of operation, make the necessary capital expenditures to develop and support its businesses, attract strong associates and make appropriate use of borrowings, including financing the expansion of its businesses.

The hallmark of Guardian's balance sheet is the significant liquid marketable securities portfolio, as presented below:

As at December 31 (\$ in millions)	2024	2023	% Inc (Dec)
Securities, carried at fair value			
Proprietary investment strategies			
Short-term and fixed-income securities	\$ 88,296	\$ 79,272	11.4%
Canadian equities	7,936	5,871	35.2%
Global equities	325,464	274,700	18.5%
Global equities sold short	(11,678)	-	-100.0%
Private investments and real estate	161,602	157,157	2.8%
	571,620	517,000	10.6%
Bank of Montreal common shares	310,594	292,175	6.3%
Short-term securities	287,491	470,289	-38.9%
Fixed-income securities	-	4,053	-100.0%
Other equities	40,943	34,013	20.4%
Securities, net	\$ 1,210,648	\$ 1,317,530	-8.1%
Securities, net per share, diluted	\$ 49.38	\$ 52.44	-5.8%

Guardian's Securities, net as at December 31, 2024 had a fair value of \$1,211 million, or \$49.38 per share, diluted, compared with \$1,318 million, or \$52.44 per share, diluted, as at December 31, 2023. Securities decreased during the year as Guardian used a portion of the holdings of short-term securities to fund the payments of the tax liabilities arising from net gains realized on the sale of Worldsource in 2023, the closing payments on the acquisitions of Sterling and Galibier, and the share buybacks completed during the year.

Guardian's Shareholders' equity as at December 31, 2024 amounted to \$1,318 million, or \$53.76 per share compared to \$1,241 million, or \$49.39 per share as at December 31, 2023. The increase in shareholders' equity is largely attributed to net earnings for the year and the net change in foreign currency translation of foreign subsidiaries recorded in other comprehensive income, offset by dividends and share buybacks returned to shareholders.

In addition to its sizable marketable securities portfolio, Guardian has, under various borrowing arrangements, total borrowing capacity of \$175 million. The total bank borrowing amounted to \$144 million at the end of the current year, as compared with \$136 million at December 31, 2023.

Guardian generated Adjusted cash flow from operations of \$57.5 million during the current year, compared to \$72.8 million in 2023. A reconciliation to its closest IFRS measure is provided in Non-IFRS Measures section of this Management's Discussion and Analysis.

Guardian uses its Adjusted cash flow from operations primarily to fund its working capital, quarterly dividends, debt repayments where possible, and capital expenditures. At current levels of cash flow and anticipated dividend payout rates, Guardian generates sufficient cash flow to meet its operating obligations, necessary ordinary course capital expenditures, and regular dividend payments.

In 2024, by utilizing its strong balance sheet and cash flows, Guardian returned \$35.6 million (2023 - \$31.6) in dividends and \$24.9 million (2023 - \$42.7 million) in share buybacks to the shareholders. The level of share buybacks can fluctuate from year to year based on the availability of shares in the market.

On December 13, 2024, Guardian received approval from the Toronto Stock Exchange (“TSX”) for the renewal of its Normal Course Issuer Bid (“NCIB”), pursuant to which it intends to purchase, during the period from December 19, 2024 to December 18, 2025, up to 136,918 of its outstanding Common Shares, entitled to one vote per share, and up to 1,507,908 of Non-Voting Class A Shares. Shares may also be purchased by the trustee (the “Trustee”) for Guardian’s employee profit sharing plan, which purchases will count against the maximum number of shares which may be purchased by Guardian. In each case, these shares will be purchased at market prices, on the TSX, other designated exchanges and/or alternative Canadian trading systems. As at December 31, 2024, Guardian acquired 69,792 Non-Voting Class A Shares at an average purchase price of \$40.61 per share and no Common Shares under the current NCIB. All shares purchased by Guardian (but not those purchased by the Trustee) will be cancelled.

Shareholders may obtain a copy of Guardian’s notice of intention regarding the renewal of its NCIB, without charge, by contacting the Senior Vice-President, Chief Compliance Officer and Secretary of Guardian at 199 Bay Street, Suite 2700, Commerce Court West, Toronto, Ontario, M5L 1E8.

CONTRACTUAL OBLIGATIONS

Guardian has contractual commitments for the payment of certain obligations over a period of time. A summary of those commitments, including a summary of the periods during which they are payable, is shown in the following table:

As at December 31, 2024 (\$ in thousands)	Payments due by period				
	Total	Within one year	2 to 3 years	4 to 5 years	After five years
Bank loans and borrowings	\$ 144,126	\$ 144,126	\$ –	\$ –	\$ –
Third party investor liabilities	127,290	127,290	–	–	–
Client deposits	74,185	74,185	–	–	–
Accounts and income taxes payable	155,655	155,655	–	–	–
Acquisition liabilities and due to non-controlling interests	38,099	11,016	12,961	14,122	–
Investment commitments	5,329	5,329	–	–	–
Scheduled lease payments, undiscounted	45,737	5,925	11,400	10,558	17,854
Total contractual obligations	\$ 590,421	\$ 523,526	\$ 24,361	\$ 24,680	\$ 17,854

Guardian’s contractual obligations are supported by its strong financial position, including its securities and its borrowing capacity, referred to above under “Liquidity and Capital Resources”. Client deposits, in the offshore banking subsidiary, are largely supported by interest-bearing deposits with banks. The third-party investor liabilities are offset by securities backing third party investor liabilities. Acquisition liabilities and due to non-controlling interests includes the present value of estimated earn-out liabilities related to the acquisition of Sterling and Galibier, and obligations due to minority shareholders who may choose to put their non-controlling interest to Guardian. Guardian also has a commitment to invest \$5.3 million in third-party private equity funds and GSIP. Guardian will decide on the appropriate strategy for funding these obligations and commitments when called upon by the funds.

SELECTED ANNUAL INFORMATION

Years ended December 31, (\$ in thousands, except per share amounts)	2024	2023	2022
Net revenue	\$ 323,403	\$ 241,182	\$ 200,996
Net earnings (loss)	101,598	657,095	(37,317)
Net earnings (loss) attributable to shareholders	100,099	562,929	(43,078)
Per share			
Net earnings (loss) attributable to shareholders:			
Basic	4.30	23.67	(1.76)
Diluted	4.10	22.12	(1.76)
Dividends paid	1.45	1.26	0.90
As at December 31, (\$ in thousands)			
Total assets	\$ 1,952,386	\$ 1,733,000	\$ 1,364,772

The increase in Net revenue since 2022 reflects the growth of the business, both organically and through acquisitions, with 2024 including \$75.4 million from the acquisition of Sterling and Galibier. The decrease in Net earnings in 2024 compared to 2023 is largely due the recognition of \$554.9 million in Net gains realized on the sale of the Worldsource businesses in 2023. For the same reason, 2023 Net earnings increased as compared with 2022.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes Guardian's financial results for the past eight quarters.

As at (\$ in millions)	2024				2023			
	Dec 31	Sept 30	Jun 30	Mar 31	Dec 31	Sept 30	Jun 30	Mar 31
Total client assets	\$ 168,979	\$ 165,061	\$ 58,628	\$ 61,316	\$ 58,774	\$ 56,215	\$ 56,527	\$ 56,326
For the three months ended (\$ in thousands)								
Net revenue	\$ 98,614	\$ 98,128	\$ 64,164	\$ 62,497	\$ 62,245	\$ 62,611	\$ 61,833	\$ 54,493
Operating earnings	7,385	4,790	14,333	12,318	13,097	18,474	17,038	11,240
Net gains (losses)	64,476	39,392	(39,161)	12,737	60,747	(17,358)	(3,736)	18,134
Net earnings (loss) from continuing operations	63,231	39,658	(22,730)	21,441	68,048	(2,270)	11,532	24,852
Net earnings from discontinued operations	--	--	--	--	--	--	--	554,933
Net earnings (loss)	63,231	39,658	(22,730)	21,441	68,048	(2,270)	11,532	579,785
Net earnings (loss) from continuing operations attributable to shareholders	62,849	39,222	(23,137)	21,167	67,087	(2,506)	11,145	24,524
Net earnings (loss) attributable to shareholders	62,849	39,222	(23,137)	21,167	67,087	(2,506)	11,145	487,203
Per share (in \$)								
Net earnings (loss) from continuing operations attributable to shareholders								
Basic	\$ 2.72	\$ 1.69	\$ (0.99)	\$ 0.90	\$ 2.85	\$ (0.11)	\$ 0.47	\$ 1.04
Diluted	2.58	1.60	(0.99)	0.86	2.68	(0.11)	0.45	1.00
Net earnings (loss) attributable to shareholders								
Basic	\$ 2.72	\$ 1.69	\$ (0.99)	\$ 0.90	\$ 2.85	\$ (0.11)	\$ 0.47	\$ 20.27
Diluted	2.58	1.60	(0.99)	0.86	2.68	(0.11)	0.45	18.79
Dividends paid on Class A and Common shares	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.24
As at								
Shareholders' equity (\$ in millions)	\$ 1,318	\$ 1,245	\$ 1,223	\$ 1,255	\$ 1,241	\$ 1,201	\$ 1,213	\$ 1,242
Per share (in \$)								
Basic	\$ 56.54	\$ 53.73	\$ 52.59	\$ 53.69	\$ 52.87	\$ 50.90	\$ 51.11	\$ 52.42
Diluted	53.76	50.38	49.34	50.30	49.39	47.54	47.63	48.73
Total Class A and Common shares outstanding (shares in thousands)	24,647	24,867	24,959	25,136	25,230	25,408	25,609	26,113

Guardian's Net revenue and Operating earnings are most influenced by the level of Total Client Assets as the majority of the revenues are earned from servicing those assets. Partially offsetting this volatility in Net revenue is the income from Securities, which is more correlated to the size of the portfolio. However, the volatility in the global financial markets can cause fluctuations in the fair values of Securities, which can result in Net gains or losses being recorded in those periods.

Summarized below are other factors that contributed to the fluctuations in Net revenues, Operating earnings, Net gains (losses) and Net earnings (loss) attributable to shareholders.

The Net revenue for each of the quarters above generally trended with the levels of Total Client Assets. However, in the second quarter of 2023, Net revenue increased significantly due to the increased interest income earned on the proceeds of disposition of Worldsource businesses.

The Net earnings from discontinued operations includes earnings from the Worldsource businesses until the date of the sale and the Net gain realized on the disposition.

The quarterly fluctuations in shareholders' equity shown above are caused largely by Guardian's Net earnings (loss), attributable to shareholders, less dividends paid and shares repurchased and the impact of the net change in foreign currency translation of foreign subsidiaries recorded in other comprehensive income. The impact of foreign currency translation of subsidiaries on shareholder's equity has become more pronounced following the acquisition of Sterling in the third quarter of 2024. The most significant factor of the increase in the first quarter of 2023 was the sale of the Worldsource businesses, which resulted in a large net gain being realized in that period.

RISK FACTORS

Guardian applies many of the same risk management principles to its business as a whole, as it applies to the management of client assets. One of these principles is that risk can pose challenges, as well as provide opportunities, depending upon the effectiveness of the way in which it is managed. The following sections discuss the most significant risks and Guardian's management processes to mitigate them. Readers are encouraged to refer to Note 22 of the Consolidated Financial Statements, contained in Guardian's 2024 Annual Report, for additional information on financial risk management.

MARKET RISK

Market fluctuations can have a significant effect on the value of both clients' portfolios and our earnings, since the largest portion of our revenues are generated from Client Assets. The market fluctuations can be driven by political, economic or other changes in various regions of the world. We manage the risk of market fluctuations by having a diversified client base with different investment needs, and by having a variety of products and services, which may be attractive in different market environments and which have different correlations to equity and other financial markets and to each other. Guardian's securities holdings are managed independently of clients' assets, except for those of our assets that are invested in Guardian's investment funds.

PORTFOLIO VALUE AND CONCENTRATION RISK

Guardian's securities, net are subject to the risk of price fluctuations. The potential impact of market fluctuations on the value of Guardian's securities is quantified in Note 22 of the Consolidated Financial Statements. Guardian manages this risk through professional in-house investment management expertise, which takes a disciplined approach to investment management. All securities are held by independent custodians chosen by Guardian. As at December 31, 2024, Guardian holds \$311 million of BMO shares (2023 – \$292 million) and \$115 million investment in Guardian Smart Infrastructure Fund A-LP ("GSIP"), GSIM's smart infrastructure fund, which together represents 35% of Guardian's securities (2023 – 31%). Guardian has accepted this concentration risk, as the bank is a diversified company with a history of steady and growing dividend payments and the investment in GSIP is strategically important in developing our alternative investment capabilities. Guardian has been reducing its concentrated exposure in BMO over several years, having sold more than half its holdings since the second quarter of 2013. The remainder of Guardian's security portfolio is more diversified, from both an asset class and a geographical perspective.

The concentration risks by type as a percentage of total securities is summarized in the following table:

As at December 31 (as a percentage of securities)	2024	2023	% Inc (Dec)
Bank of Montreal common shares	25%	22%	14%
Intelligent traffic systems company	10%	9%	11%
	35%	31%	13%
Canadian equity securities and real estate	5%	4%	25%
Emerging market equities	6%	5%	20%
Developed market equities	23%	18%	-15%
Short-term and Fixed income securities	31%	42%	-26%
	100%	100%	0%

FOREIGN CURRENCY RISK

Guardian's revenues, expenses and operating results from foreign operations may fluctuate with changes in foreign currency exchange rates compared to the Canadian dollar. The most significant foreign currency exposure is the US dollar, as the proportion of Guardian's business operating in the US market has grown substantially since the acquisition of Sterling. In addition, majority of the non-Canadian dollar denominated portfolios managed or advised by Guardian are denominated in US dollars. Guardian estimates that for every 1% change in the value of the Canadian dollar against the US dollar would result in approximately \$2.1 million (2023 - \$1.4 million) change in Net revenues.

Guardian's investments in its foreign subsidiaries are subject to the risk of foreign currency exchange rate fluctuations. The effects of changes in foreign currency exchange rates on the values of these investments are not included in Net earnings (loss), but are recorded in the "Net change in foreign currency translation on foreign subsidiaries" in Guardian's Consolidated Statements of Operations and Comprehensive Income, and the cumulative effect is included in Accumulated Other Comprehensive Income in the Shareholders' Equity section of the Consolidated Balance Sheets.

From time to time, Guardian may record certain foreign exchange gains (losses) in Net earnings on non-domestic currency cash balances held in various operations. These balances are monitored by local management and are largely limited to amounts necessary for its operating working capital needs. Readers are encouraged to refer to Note 22 in the Consolidated Financial Statements for further discussion and sensitivity analyses.

CREDIT RISK

Guardian's credit risk is generally considered to be low. Due to the nature of Guardian's business, its receivables are mainly from large institutions, which are considered to pose a relatively low credit risk, or from high-net-worth individuals where the fees are collected directly from the portfolios Guardian manages. Guardian periodically reviews the financial strength of all its counterparty banks it deals with within the international private

bank business, and if the circumstances warrant it, Guardian takes appropriate action to reduce its exposure to certain counterparties. The credit risk associated with Guardian's investment in short-term and fixed-income securities is managed by the monitoring of the activities of the portfolio managers who, through diversification and credit reviews of the investments, directly manages the credit risk.

INTEREST RATE RISK

Guardian's most significant exposure to interest rate risk is through its bank loans and borrowings and investments in interest bearing securities. The interest rates on the borrowings are short-term, and Guardian's interest expense and net earnings will fluctuate with the changes in short-term rates. Guardian manages interest rate risk in its international banking operations, through matching the interest rates of client deposit liabilities with the assets, which consist of interest-bearing deposits with banks or other similar interest-earning instruments. The interest rate risk associated with Guardian's investment in short-term and fixed-income securities is managed by monitoring the activities of the portfolio manager, who manages this risk by positioning the portfolio for various interest rate environments.

LIQUIDITY RISK

Guardian manages liquidity risk through the monitoring and managing of cash flows from operations, by establishing sufficient borrowing facilities with major Canadian banks, which currently has \$30.9 million of the \$175.0 million available to be drawn upon through three credit facilities, and by leveraging the support of its significant securities portfolio. The maturities of Guardian's contractual commitments are outlined under "Contractual Commitments" in this MD&A. Management believes the combination of the cash flows from operations, the securities holdings and the borrowing facilities provides sufficient resources to manage Guardian's liquidity risk.

REGULATORY AND LEGAL RISK

Guardian and its subsidiaries operate in various geographical regions, subject to various laws and regulations applicable in those regions, including those applicable to its cross-border businesses. Guardian and its subsidiaries, may, from time to time, be subject to changes in these laws and regulations, claims or complaints from investment clients and sanctions from governing bodies. These risks are mitigated by maintaining relevant in-house competence in laws and regulations, compliance and product review oversight, adequate insurance coverage and, where appropriate, utilizing assistance from external advisors.

The recent disruptions to long-standing trade relations amongst the jurisdictions in which Guardian operate have raised the potential for negative impact to Guardian's business. Although the recent tariff announcements have not directly impacted Guardian, the downstream impact of negative economic and financial market performances resulting from the current and future announcements could have an unfavourable impact on Guardian's business, over time. Guardian's Total Client Assets, from which Guardian earns the majority of its revenues, are diversified by investment strategies and the geographical domicile of the clients providing some level of mitigation against such disruptions. In addition, Guardian's resilient balance sheet affords us the ability to ride out the potential volatility and any resulting depressed earnings.

PERFORMANCE RISK

Product performance risk is the risk that we will not perform as well as the market, our peers, or in line with our clients' expectations. The nature of this risk is both relative and absolute. We manage this risk by having a disciplined approach to investment management, and by ensuring that our compliance capabilities are strong. With respect to clients' expectations, we also seek to ensure that we are aware of those expectations, and that we properly communicate with our clients to develop, report on and comply with client mandates on a continuous basis.

KEY PERSONNEL RISK

The success of Guardian is highly dependent on key personnel, including its senior management and investment professionals. The loss of any of these individuals, or an inability to retain these individuals and attract the best of the brightest talent, could have a negative impact on Guardian. To mitigate this risk, Guardian monitors the industry to competitively compensate these individuals, invests into the business to create an environment where both Guardian and these individuals can succeed, and evaluates, on an ongoing basis, the succession plans in place for these key individuals. Guardian's financial strength provides resources necessary to competitively compensate these individuals and to allow us to invest in the business.

COMPETITION RISK

Guardian operates in a highly competitive environment, with competition based on a variety of factors including investment performance, the type and quality of products offered, business reputation and financial strength. Loss of client assets in the Investment Management Segment will result in losses of revenue and earnings to Guardian. Guardian attempts to mitigate this risk by developing and maintaining strong client relationships, a competitive product line with competitive relative performance of its products, the recruitment and retention of high-quality professionals and a high-quality management team. Our ability to compete is also enhanced by our large capital base, which provides Guardian with the financial strength to invest in the development or acquisition of businesses. It also provides existing and future clients with comfort which allows Guardian to better compete in winning and retaining these clients.

INFORMATION TECHNOLOGY AND CYBERSECURITY RISK

Guardian uses information technology and the internet to streamline business operations and to improve client and advisor experience. However, the use of information technology can also introduce operational risk related to its use by employees, which may result in errors and lead to financial loss to Guardian. In addition, through the use of mobile devices, and the use of internet, such as emails and other online capabilities, Guardian is exposed to information security and other technology disruptions risks that could potentially have an adverse impact on its business. Guardian actively monitors this risk and continues to develop controls to protect against such threats that are becoming more sophisticated and pervasive. The cyber security risk has increased with the elevated levels of remote working by Guardian's employees. Guardian has heightened its monitoring of the internal network traffic and the monitoring of developments in latest known cyber threats.

CLIMATE CHANGE RISK

Guardian and its subsidiaries have mostly indirect exposure to climate risk; climate change may have an impact on financial market performance, which may, in turn, have an impact on level of income earned by Guardian; with the heightened awareness of climate change, asset managers may find retaining or attracting clients more challenging if they are viewed as not having a credible approach to climate change; and increasing regulatory requirements create onerous compliance obligations and increased costs which could impact business operations. Guardian has established a Responsible Investing Oversight Committee comprised of senior executives across its asset management subsidiaries, which is responsible for assessing and managing business risks related to the environment, social issues and corporate governance. Guardian also has a dedicated responsible investing team which is responsible for incorporating industry best practices in its asset management approach and aligning those activities across all of Guardian's asset management businesses.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions which affect the reported amounts of assets, liabilities, contingencies, revenues and expenses. These estimates and judgements are listed in Note 2(c) to Guardian's 2024 Consolidated Financial Statements. The most significant accounting estimates and judgements are related to the identification and valuation of intangible assets and contingent consideration as part of a business combination, the impairment assessment of goodwill, the determination of fair value of financial assets and liabilities classified as level 3 within the fair value hierarchy and the determination of level and nature of control Guardian has over its investments.

Judgement is required in identifying and valuing material intangible assets acquired and in the valuation of any deferred or contingent consideration in a business combination. Guardian used an income approach – the multi-period excess earnings method to determine estimated fair values of the intangible assets and a multi-scenario Monte Carlo technique to determine the estimated fair value of the contingent consideration. These valuation approaches were developed by management based on expected revenues, expenses and Total Client Assets, utilizing knowledge from recent transactions and research reports by independent research analysts.

The impairment assessment of goodwill includes a comparison of the carrying value and the recoverable amount of each business unit to verify that the recoverable amount of the business unit is greater than its carrying value. In the current period recoverable amounts were estimated using the fair value less cost to sell method for each of the business units. Guardian used valuation approaches to determine estimated fair values in the current period, based on a multiple of AUM and AUA. These multiples are developed by management based on recent transactions and research reports by independent research analysts and are the most significant internally generated unobservable input used in these valuations. These valuations approaches are also sensitive to the levels of AUM and AUA.

A financial instrument is classified as level 3 when the fair value of the instrument is determined using valuation techniques based on significant inputs which are not observable in the market. The valuation techniques and inputs used to determine the fair value of Guardian's securities classified as level 3 are described in Note 4(c) to Guardian's 2024 Consolidated Financial Statements. The valuation techniques and inputs used to determine the fair value of Guardian's acquisition liabilities and due to non-controlling interests classified as level 3 are described in Note 9(a) to Guardian's 2024 Consolidated Financial Statements.

Judgement is required in determining whether Guardian controls or does not control an investment which can impact how Guardian accounts for an investment. Guardian exercised significant judgement in determining whether it controlled the investment it made in Q-Free through GSIP, which is considered an investment company. Although GSIP, which is substantially owned and controlled by Guardian, owns 70% of Q-Free, which normally would be indicative of control, it was determined that the third-party investor in Q-Free held certain rights that resulted in joint control. The investment in Q-Free is accounted for at fair value through the profit and loss, since Guardian's interest in Q-Free is jointly controlled and held through an investment company.

NON-IFRS MEASURES

EBITDA, EBITDA attributable to shareholders, and EBITDA per share

Guardian defines EBITDA as net earnings before interest, income tax, amortization, stock-based compensation expenses, any net gains or losses, and net earnings from discontinued operations. EBITDA attributable to shareholders is defined as EBITDA less amounts attributable to non-controlling interests. EBITDA per share is calculated on EBITDA attributable to shareholders using the same average shares outstanding that are used in calculating Net earnings attributable to shareholders per share.

Guardian believes these are important measures, as they allow management to assess the operating profitability of our business and to compare it with other investment management companies, without the distortion caused by the impact of non-core business items, different financing methods, levels of income taxes and the level of capital expenditures.

The most comparable IFRS measure are “Net earnings” and “Net earnings from discontinued operations”, which are disclosed in Guardian’s Consolidated Statements of Operations.

The following is a reconciliation of the IFRS measure to this non-IFRS measure:

For the years ended December 31 (\$ in thousands)	2024	2023
Net earnings	\$ 101,598	\$ 657,095
Add (deduct):		
Net earnings from discontinued operations	–	(554,933)
Income tax expense	14,670	15,474
Net gains	(77,444)	(57,787)
Stock-based compensation	4,058	3,587
Interest expense	10,362	8,296
Amortization	17,630	13,692
EBITDA	70,874	85,424
Less attributable to non-controlling interests in continuing operations	(2,626)	(3,177)
EBITDA attributable to shareholders	\$ 68,248	\$ 82,247

Adjusted Cash Flow From Operations, Adjusted Cash Flow From Operations Attributable to Shareholders and Adjusted Cash Flow From Operations per share

Guardian defines Adjusted cash flow from operations as net cash from operating activities, net of changes in non-cash working capital items and cash flows of discontinued operations. Adjusted cash flow from operations attributable to shareholders is defined as Adjusted cash flow from operations less non-controlling interests. Adjusted cash flow from operations per share is calculated on Adjusted cash flow from operations attributable to shareholders, divided using the same average shares outstanding that are used in calculating Net earnings attributable to shareholders per share. These measures are used by management to measure the amount of cash either provided by or used in Guardian’s operating activities available to shareholders, without the distortions caused by fluctuations in its working capital. The most comparable IFRS measure is “Net cash from operating activities”, which is disclosed in Guardian’s Consolidated Statement of Cash Flows. Adjusted cash flow from operations per share is calculated using the same average shares outstanding as are used in calculating Net earnings attributable to shareholders per share.

The following is a reconciliation of the IFRS measure to this non-IFRS measure:

For the years ended December 31 (\$ in thousands)	2024	2023
Net cash from operating activities, as reported	\$ 93,261	\$ 81,419
Add (deduct):		
Net cash from operating activities, discontinued operations	–	(10,087)
Net change in non-cash working capital items	(35,725)	(8,282)
Net change in non-cash working capital items, discontinued operations	–	9,713
Adjusted cash flow from operations	57,536	72,763
Less attributable to non-controlling interests, continuing operations	(2,652)	(3,182)
Adjusted cash flow from operations attributable to shareholders	\$ 54,884	\$ 69,581

Shareholders’ Equity per share

Shareholders’ equity per share, diluted, is used by management to indicate the retained value per share available to shareholders which is created by Guardian’s operations. The most comparable IFRS measure is “Shareholders’ equity”, which is disclosed in Guardian’s Consolidated Balance Sheet. Shareholders’ equity per share is calculated by dividing Shareholders’ equity by the number of dilutive shares outstanding as at period end.

Securities, net and Securities, net per share

Securities, net and Securities, net per share is used by management to indicate the value available to shareholders created by Guardian’s investment in securities, without the netting of debt or deferred income taxes associated with the unrealized gains. The most comparable IFRS measures are “Securities” & “Securities sold short”, which are disclosed in Guardian’s Consolidated Balance Sheet. Securities, net is defined as the net sum of Securities and Securities sold short, as disclosed on the Balance Sheet. Securities, net per share is calculated by dividing the net sum of Securities and Securities sold short by the number and dilutive shares outstanding as at period end.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROL

Management is responsible for establishing and maintaining adequate internal controls over financial reporting, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There have been no changes in Guardian's internal control over financial reporting during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, Guardian's internal control over financial reporting.

Management is currently continuing the process of evaluating the disclosure controls and procedures and internal controls over financial reporting of recently acquired Sterling Capital Management LLC ("Sterling") for the purpose of integrating it into Guardian. It is anticipated that Sterling will be integrated into Guardian's disclosure controls and procedures and internal controls over financial reporting by the second quarter of 2025. For the period from acquisition date to December 31, 2024, Sterling's Net revenue was \$74.2 million and Net loss was \$2.0 million. As at December 31, 2024, Sterling's Current assets were \$70.7 million, Non-current assets were \$136.1 million, Current liabilities were \$54.7 million and Non-current liabilities were \$17.7 million. Additional information on Sterling is provided in 2024 Highlights section of this Management Discussion and Analysis.

Aside from the above, Management of Guardian has evaluated the effectiveness of its disclosure controls and procedures and internal controls over financial reporting (as defined under National Instrument 52-109) as of December 31, 2024, under the supervision of the Chief Executive Officer and the Chief Financial Officer. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the design and operation of those disclosure controls and procedures and internal controls over financial reporting were effective.

OUTLOOK

While there is arguably more uncertainty over the outlook than seen in recent years, it would seem that, at least from a fundamental economic perspective, there is little reason to expect that the coming year will be much different than what has played out over the last few years. The financial health of consumers and their ability to spend beyond the necessities of life remains the most important foundational aspect of the economic cycle and the data continue to indicate that this foundation remains solid. Household net worth (the value of assets less liabilities) is at all-time highs thanks to the firmness in financial and housing markets that have recorded gains which has outpaced debt growth in the last two years in the face of higher rates. And while the US has registered the biggest improvements, spanning the entire wealth spectrum rather than just the rich getting richer, it is also the case that wealth across the aggregated Eurozone, Canada and Japan is at all-time highs.

The presence of a decent (and growing) nest egg for households, especially those less-wealthy ones, (in stark contrast to the pre-pandemic cycle where the need to rebuild savings following the housing market crash constrained spending), combined with firm labour markets that see unemployment rates remain near all-time, or generational, lows worldwide provides a clear reason for the persistent resiliency in consumer spending in recent years.

As well, sustained economic growth, lower rates, and increasing government incentives and supports, including a slate of notable initiatives stateside, appear to be encouraging businesses to commit to enhancing capital spending plans that have been broadly restrained in recent years, with the tech sector seeing added flows.

Of course, the rise in geopolitical uncertainty and the attendant increase in headline risks that may come represents a material risk that could mean the path forward is not without some bumps. The regime change in the US and the accompanying heightened unpredictability of the returning Administration's approach to economic policy, especially regarding international relations and trade, has cast a pall over the outlook for not just the US but the entire world — potentially restraining spending by both businesses and households. The prospective introduction of new tariffs, whether they are sweeping levies on all goods imported into the US, more targeted taxes on goods produced in those countries viewed by the incoming President as the "greatest offenders" or a bit of both, along with the prospect of retaliatory tariffs would have a significant impact on global growth given that the export of goods and services across borders accounts for roughly one-third of global output.

Taking everything together, it remains the case that the coming year may not be all that different than what has played out from an economic perspective over the last few years provided that the new approach to economic policy does not cause a big enough shock to the system. The baseline outlook appears to point to continued positive global growth underpinned by the still healthy US consumer while moderating inflationary pressures could allow central banks to continue on the path toward more "neutral" stances that, in turn, will give some support to the more rate-sensitive goods-producing activities. Such a backdrop would again be constructive for further gains across financial markets even faced with greater volatility.

The base case outlook for modest, but positive, growth and still moderating inflation against a backdrop of persistent risks to the outlook would appear to be constructive for fixed-income. Notwithstanding the prospect of elevated political risks and the still high degree of uncertainty around the near-term path for monetary policy keeping rate volatility somewhat elevated in the coming months, the ultimate path of least resistance for market yields still appears to be lower as central bank easing cycle puts downward pressure on rates. The impact, however, is likely to be felt more at the front end of the yield curve where rates are far more sensitive to monetary policy, driving a further steepening of the yield curve. As short-term rates decline, the resulting increased reinvestment risk makes assets with shorter maturities, that have outperformed the broader market in recent years, relatively less attractive. History shows that a backdrop of notably rising rates is the only one in which short-term bonds and cash outperform, while flat-to-down rates tend to see better performance further out the curve.

Sustained consumer-driven economic momentum and an ongoing moderation in inflationary pressures, that would permit central banks to continue with policy easing cycles, also bode well for positive performance among equities. History shows moderate growth and modestly declining short-term rates have coincided with stocks' best overall performance.

The risks to the outlook and the concentration of gains in recent years that have seen an extremely narrow subset of sectors and stocks account for the bulk of market gains, however, represent clear challenges to this track record. For starters, the select group of outperformers that have been the driving force behind the 50% global stock market gains (and 70% of gains stateside) since the start of 2023, creates risks to overall market indexes should these leaders experience a loss of momentum or fall out of favour. Just as they pulled markets higher, they can drag them down even if the rest of the market holds up. As for the uncertainties over the outlook, the potential for elevated headline risks and volatility could encourage more caution among investors that can translate into higher risk premia and, therefore, lower valuations when broad market metrics are on the “expensive” side of history. Importantly, the combination of a historically high share of stocks that have lagged the overall index performance and widening earnings improvement suggests that most stocks are not all that richly priced.

As with all participants in financial markets, Guardian’s results are significantly affected by the level and performance of stock and bond markets. While we currently hold significant cash reserves, most of our investment portfolio is exposed to more volatile assets. Our investment management businesses are also exposed to risk markets, and thus our Total Client Assets can fluctuate based on market conditions. The acquisition of Sterling Capital, in 2024 has further added to our market exposure, however, since the majority of Sterling’s Client Assets are fixed-income-related, it can be assumed that such volatility would be less than being primarily equity-oriented. The Sterling transaction showed the value of holding a strong balance sheet. We maintain that possessing a strong balance sheet is a vital part of our plan to grow our business, allowing us to react quickly to unanticipated events and giving us the luxury of making long-term plans that are not necessarily reliant on the cooperation of events outside our control.

Our US-based operations will be a major focus for Guardian’s management team in 2025, we are spending significant time and energy integrating Sterling within the Guardian ecosystem, streamlining our US businesses, integrating systems and processes, and sharpening our strategic plan in light of the addition of this substantial new platform. There is a great deal of focus that integration costs and large technology projects need to be completed on time and on budget. Successful execution across our various functions is critical to moving our business forward as delays or constant deferral to later periods injects frustration and often higher costs for longer. Improved profitability will also be heavily dependent on improving distribution outcomes both in the US and Canada. We have increased our footprint of distribution professionals in the US across both retail and institutional client segments and believe the larger more coordinated focus to drive improved sales results can have meaningful impact to our financial success. The steadily improving Canadian retail net sales in 2024 is expected to carry over into 2025 and will be looking to build on this momentum. We have the optionality to augment improved sales activity and relationships with the creation of new products that can be sold through our expanded operating platforms giving us a very efficient way to expand Guardian and its profitability. We have a growing number of initiatives that can fit into this strategy and a large amount of capital to seed them. As always, shareholders can expect the company to focus on surfacing improvements and growth through multiple organic initiatives currently in process and willing, on occasion, to complement organic growth through acquisitions that present attractive characteristics at discipline valuations. In the near term we expect our focus to predominantly center around successful execution of the many organic opportunities we have within our current stable of businesses.

TEN YEAR REVIEW

As at December 31, (\$ in millions)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total client assets	\$168,979	\$ 58,774	\$ 53,303	\$ 60,679	\$ 45,984	\$ 31,147	\$ 26,962	\$ 27,250	\$ 27,280	\$ 24,278
Shareholders' equity	1,318	1,241	768	839	700	683	599	634	580	504
Securities, net	1,211	1,318	660	752	633	682	627	652	620	540
For the year ended December 31, (\$ in thousands)										
Net revenue	\$323,403	\$241,182	\$200,996	\$194,001	\$139,219	\$120,077	\$114,014	\$ 98,600	\$ 95,171	\$ 90,352
Expenses	284,579	181,333	156,873	139,062	103,287	86,858	80,555	64,979	61,459	57,457
Operating earnings	38,824	59,849	44,123	54,939	35,932	33,219	33,459	33,621	33,712	32,895
Net gains (losses)	77,444	57,787	(104,216)	139,687	(2,890)	95,578	(56,867)	64,396	93,511	(20,158)
Net earnings (loss) from continuing operations attributable to shareholders	100,099	100,250	(61,503)	166,147	29,988	102,374	(34,494)	77,471	103,401	3,189
Net earnings (loss) attributable to shareholders	100,099	562,929	(43,078)	184,239	42,358	112,747	(25,723)	87,145	110,860	10,046
For the year ended December 31,										
Per share, Common and Class A (in dollars)										
Net earnings (loss) from continuing operations attributable to shareholders										
Basic	\$ 4.30	\$ 4.22	\$ (2.52)	\$ 6.63	\$ 1.18	\$ 3.97	\$ (1.28)	\$ 2.79	\$ 3.63	\$ 0.11
Diluted	4.10	3.99	(2.52)	6.19	1.12	3.75	(1.28)	2.64	3.45	0.12
Net earnings (loss) attributable to shareholders										
Basic	4.30	23.67	(1.76)	7.35	1.67	4.77	(0.63)	3.49	4.16	0.57
Diluted	4.10	22.12	(1.76)	6.87	1.57	4.50	(0.63)	3.30	3.95	0.56
Dividends paid	1.45	1.26	0.90	0.70	0.63	0.58	0.48	0.39	0.33	0.29
As at December 31,										
Shareholders' equity										
Basic	56.54	52.87	31.84	33.89	27.43	26.73	22.85	23.20	20.75	17.37
Diluted	53.76	49.39	29.43	31.53	25.69	25.01	21.57	21.88	19.62	16.55
Share prices:										
Common high	52.13	46.17	40.80	42.50	28.80	28.00	27.00	29.50	25.98	24.61
low	39.48	38.00	24.62	26.00	16.00	22.38	20.40	23.41	16.20	16.55
Class A high	52.01	46.28	41.00	37.00	28.10	27.98	27.05	29.00	25.10	19.25
low	39.00	37.96	24.51	25.53	16.05	21.68	20.05	23.45	15.58	15.50
As at December 31,										
Common and Class A shares outstanding, less treasury stock (thousands of shares)										
Basic	23,310	23,471	24,115	24,741	25,506	25,542	26,232	27,345	27,963	29,029
Diluted	24,515	25,123	26,093	26,595	27,234	27,302	27,782	29,001	29,576	30,472

MANAGEMENT'S STATEMENT ON FINANCIAL REPORTING

The following consolidated financial statements, which consolidate the financial results of Guardian Capital Group Limited, its subsidiaries and other controlled entities, and all other information in this annual report, are the responsibility of management.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. Financial information presented elsewhere in this annual report is consistent with that in the 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 accounting policies summarized in Note 2 Material Accounting Policy Information. Management maintains a system of internal controls over the financial reporting process designed to provide reasonable assurance that relevant and reliable financial information is produced. Management also administers a program of ethical business conduct compliance.

KPMG LLP, the Company's independent auditor, has audited the accompanying consolidated financial statements. Their report follows. The Audit Committee of the Board of Directors, composed of independent directors, meets regularly with management and KPMG LLP to review their activities and to discuss the external audit process, internal controls, accounting policies and financial reporting matters. KPMG LLP has unrestricted access to the Company, the Audit Committee and the Board of Directors.

The Audit Committee has reviewed the consolidated financial statements and Management's Discussion and Analysis and recommended their approval to the Board of Directors. Based on this recommendation, the consolidated financial statements and Management's Discussion and Analysis have been approved by the Board of Directors.



George Mavroudis
President and Chief Executive Officer



Donald Yi
Chief Financial Officer

February 27, 2025

INDEPENDENT

AUDITOR'S REPORT

To the Shareholders of Guardian Capital Group Limited

OPINION

We have audited the consolidated financial statements of Guardian Capital Group Limited (the Entity), which comprise:

- the consolidated balance sheets as at December 31, 2024 and December 31, 2023
- the consolidated statements of operations and comprehensive income for the years then ended
- the consolidated statements of equity for the years then ended
- the consolidated statements of cash flow for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(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, 2024 and December 31, 2023, its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

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, 2024. 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 matters described below to be the key audit matters to be communicated in our auditor’s report.

Evaluation of the fair value of a certain security that does not have a quoted market price

Description of the matter

We draw attention to notes 2(c), 2(k) and 4(c) to the financial statements.

As of December 31, 2024, the Entity has recorded \$1,222,326 thousand of investment in securities, of which \$156,155 thousand are valued using valuation techniques where one or more significant inputs are unobservable. Of such investments, the Entity, through its consolidated smart infrastructure partnerships, holds an investment in an intelligent traffic systems company (the “investee”) with a fair value of \$115,307 thousand. The fair value is determined using a discounted cash flow (“DCF”) model. The significant internally generated unobservable inputs used in the valuation are the forecasts of the future performance of the investee, the discount rate of 18.6% and an estimated exit price based on a multiple of 12 times future earnings before interest taxes and depreciation (“EBITDA”).

Why the matter is a key audit matter

We identified the evaluation of the fair value of the securities investment in an intelligent traffic systems company as a key audit matter. This matter represented an area of significant risk of material misstatement given the size of the investment and the high degree of estimation uncertainty in the determination of the significant internally generated unobservable inputs used in the valuation. Further, significant auditor judgement and specialized skills and knowledge were required to evaluate the results of our audit procedures in respect of the significant internally generated unobservable inputs due to the sensitivity of the valuation to changes to the inputs.

How the matter was addressed in the audit

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

We compared the forecasts of the future performance of the investee to historic cash flows. We took into account adjustments made by the Entity for new initiatives in the investee's long-term strategic plan and we compared growth rates used by the Entity in the forecasts to comparable external industry data.

We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the discount rate and exit multiple used in the DCF model. The discount rate and exit multiple were evaluated by comparing these inputs to published external data of comparable entities.

Evaluation of acquisition-date fair values of certain intangible assets related to the Sterling Capital Management LLC acquisition

Description of the matter

We draw attention to notes 2(c), 2(e) and 25(a)(i) of the financial statements. On July 2, 2024, the Entity acquired a 100% interest in Sterling Capital Management LLC ("Sterling") from Truist Financial Corporation. The Entity's identified acquired intangible assets relate to existing investment management contracts that Sterling has with clients for \$67,645 thousand. The fair value of the intangible assets was determined using an income approach - the multi-period excess earnings method ("MPEEM"). The valuation method was based on the discounted cash flows expected to be derived from the ownership of the intangibles. The significant assumptions used to determine the fair value of the intangibles include projected revenue growth, client attrition and the discount rate.

Why the matter is a key audit matter

We identified the evaluation of acquisition-date fair values of certain intangible assets related to the Sterling acquisition as a key audit matter. Significant auditor judgment was required due to the high degree of estimation uncertainty in determining the fair values of these intangibles. In addition, specialized skills and knowledge were required to evaluate our audit procedures related to the significant assumptions.

How the matter was addressed in the audit

The following were the primary procedures we performed to address this key audit matter.

We involved valuation professionals with specialized skills and knowledge who assisted in:

- **Independently developing a discount rate based on publicly available market data for comparable entities and comparing the discount rate to the internal rate of return and weighted-average return on assets. The discount rate was then adjusted for each intangible asset as relevant.**
- **Independently developing the client attrition using historical data and management's expectations.**
- **We evaluated the appropriateness of projected revenue growth by comparing estimated revenue growth rates to external market data.**

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.**
- **the information, other than the financial statements and the auditor's report thereon, included in a document entitled "2024 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.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, 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.

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.



Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is James Loewen.

Toronto, Canada

March 6, 2025

CONSOLIDATED BALANCE SHEETS

As at December 31 (\$ in thousands of Canadian dollars)	2024	2023
Assets		
Current assets		
Cash	\$ 137,477	\$ 72,414
Interest-bearing deposits with banks	85,100	66,912
Accounts receivable and other assets	87,922	55,001
Income tax receivable	1,507	8,350
Securities backing third party investor liabilities (note 3)	127,290	59,578
	439,296	262,255
Securities (note 4)	1,222,326	1,317,530
Other assets		
Deferred tax assets (note 12b)	4,189	4,015
Intangible assets (note 5)	161,928	85,390
Equipment (note 6)	36,823	22,184
Goodwill (note 7)	87,824	41,626
	290,764	153,215
Total assets	\$ 1,952,386	\$ 1,733,000
Liabilities		
Current liabilities		
Bank loans and borrowings (note 8)	\$ 144,126	\$ 136,014
Securities sold short (note 4)	11,678	–
Third party investor liabilities (note 3)	127,290	59,578
Client deposits	74,185	50,071
Accounts payable and accrued liabilities	155,162	91,496
Acquisition liabilities and due to non-controlling interests (note 9)	11,016	1,710
Lease obligations (note 11)	2,142	1,484
Income taxes payable	493	73,747
	526,092	414,100
Acquisition liabilities and due to non-controlling interests (note 9)	27,083	13,047
Lease obligations (note 11)	32,005	19,441
Deferred tax liabilities (note 12b)	50,227	43,486
Total liabilities	635,407	490,074
Equity		
Shareholders' equity		
Capital stock (notes 13a and 13b)	16,408	16,826
Treasury stock (note 14a)	(31,373)	(32,037)
Contributed surplus	30,859	27,956
Retained earnings	1,253,764	1,214,763
Accumulated other comprehensive income	48,362	13,358
	1,318,020	1,240,866
Other equity interests	(1,041)	2,060
Total equity	1,316,979	1,242,926
Total liabilities and equity	\$ 1,952,386	\$ 1,733,000

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board:



George Mavroudis
President and Chief Executive Officer



Barry J. Myers
Director

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

For the years ended December 31 (\$ in thousands of Canadian dollars, except per share amounts)	2024	2023
Revenue		
Management and advisory fees, gross	\$ 281,738	\$ 195,887
Fees paid to referring agents	(14,201)	(13,359)
Net management and advisory fees	267,537	182,528
Administrative services income	10,354	10,350
Dividend and interest income (note 15)	45,512	48,304
Net revenue	323,403	241,182
Expenses		
Employee compensation and benefits (note 16)	178,668	115,029
Amortization	17,630	13,692
Interest	10,362	8,296
Other operating expenses (note 17)	77,919	44,316
	284,579	181,333
Operating earnings	38,824	59,849
Net gains (note 18)	77,444	57,787
Earnings before income taxes	116,268	117,636
Income tax expense (notes 12a)	14,670	15,474
Net earnings from continuing operations	101,598	102,162
Net earnings from discontinued operations (note 26)	–	554,933
Net earnings	101,598	657,095
Other comprehensive income (loss)		
Net change in foreign currency translation on foreign subsidiaries	35,838	(10,915)
Comprehensive income	\$ 137,436	\$ 646,180
Net earnings from continuing operations attributable to:		
Shareholders	\$ 100,099	\$ 100,250
Non-controlling interests	1,499	1,912
Net earnings from continuing operations	\$ 101,598	\$ 102,162
Per share (note 19):		
Basic	\$ 4.30	\$ 4.22
Diluted	4.10	3.99
Net earnings attributable to:		
Shareholders	\$ 100,099	\$ 562,929
Non-controlling interests	1,499	94,166
Net earnings	\$ 101,598	\$ 657,095
Per share (note 19):		
Basic	\$ 4.30	\$ 23.67
Diluted	4.10	22.12
Comprehensive income attributable to:		
Shareholders	\$ 135,103	\$ 552,160
Non-controlling interests	2,333	94,020
Comprehensive income	\$ 137,436	\$ 646,180

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF EQUITY

For the years ended December 31 (\$ in thousands of Canadian dollars)	2024	2023
Total equity, beginning of year	\$ 1,242,926	\$ 782,859
Shareholders' equity, beginning of year	1,240,866	767,864
Capital stock, beginning of year	16,826	17,559
Acquired and cancelled (note 13c)	(418)	(733)
Capital stock, end of period	16,408	16,826
Treasury stock, beginning of year	(32,037)	(35,569)
Acquired (note 14a)	(4,985)	(3,140)
Disposed of (note 14a)	5,649	6,672
Treasury stock, end of year	(31,373)	(32,037)
Contributed surplus, beginning of year	27,956	28,460
Stock-based compensation expense from continuing operations	4,058	3,587
Stock-based compensation expense from discontinued operations	--	898
Redemptions of equity-based entitlements	(1,155)	(4,989)
Contributed surplus, end of year	30,859	27,956
Retained earnings, beginning of year	1,214,763	733,287
Net earnings	100,099	562,929
Dividends declared and paid (note 13d)	(35,563)	(31,622)
Capital stock acquired and cancelled (note 13c)	(25,022)	(41,959)
Transactions with non-controlling interests (note 9a)	(513)	(7,872)
Retained earnings, end of period	1,253,764	1,214,763
Accumulated other comprehensive income, beginning of year	13,358	24,127
Other comprehensive income (loss)	35,004	(10,769)
Accumulated other comprehensive income, end of year	48,362	13,358
Shareholders' equity, end of year	1,318,020	1,240,866
Other equity interests, beginning of year	2,060	14,995
Non-controlling interests, beginning of year	15,107	52,569
Net earnings	1,499	94,166
Other comprehensive income (loss)	834	(146)
Dividends declared and paid	(1,914)	(10,267)
Disposition of subsidiary (note 26)	--	(103,830)
Transactions with non-controlling interests (note 9a)	(283)	(17,385)
Non-controlling interests, end of period	15,243	15,107
Obligations to non-controlling interests, beginning of year	(13,047)	(37,574)
Payments (note 9a)	796	25,257
Other changes	(4,033)	(730)
Obligations to non-controlling interests, end of year	(16,284)	(13,047)
Other equity interests, end of year	(1,041)	2,060
Total equity, end of year	\$ 1,316,979	\$ 1,242,926

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOW

For the years ended December 31 (\$ in thousands of Canadian dollars)	2024	2023
Operating activities		
Net earnings	\$ 101,598	\$ 657,095
Adjustments for:		
Income taxes paid	(10,834)	(15,523)
Income tax refunded	7,589	5,058
Income tax expense	14,670	83,721
Net gains	(77,444)	(677,299)
Amortization of intangible assets	12,746	11,840
Amortization of equipment	4,884	3,589
Stock-based compensation	4,058	4,485
Other non-cash operating expenses	269	171
	57,536	73,137
Net change in non-cash working capital items (note 21)	35,725	8,282
Net cash from operating activities	93,261	81,419
Investing activities		
Net (acquisition) disposition of securities	211,311	(617,626)
Net disposition (acquisition) of securities backing third party investor liabilities	(54,961)	14,910
Acquisition of intangible assets	(3,099)	(1,215)
Acquisition of equipment	(438)	(928)
Disposition of intangible assets	-	2,608
Acquisition of subsidiaries (note 25)	(101,059)	-
Discontinued operations (note 26)	-	726,580
Income tax paid on discontinued operations	(73,600)	-
Net cash from (used in) investing activities	(21,846)	124,329
Financing activities		
Dividends paid to shareholders	(35,563)	(31,622)
Dividends paid to non-controlling interests	(1,914)	(10,267)
Disposal of subsidiary, non-controlling interests (note 26)	-	(103,830)
Cash provided from discontinued operations	-	33,138
Acquisition and cancellation of capital stock	(24,942)	(42,692)
Acquisition of treasury stock	(4,985)	(3,140)
Disposition of treasury stock	4,494	1,683
Net (repayment of) proceeds from short-term bank borrowings	(12,209)	12,601
Principal payments on lease obligations	(2,000)	(986)
Net funds from (to) third party investors in consolidated mutual funds	54,961	(14,910)
Transactions with non-controlling interests (note 9a)	(796)	(25,257)
Net cash used in financing activities	(22,954)	(185,282)
Foreign exchange		
Net effect of foreign exchange rate changes on cash balances	3,152	3,036
Net change in net cash	51,613	23,502
Net cash, beginning of year	50,030	26,528
Net cash, end of year	\$ 101,643	\$ 50,030
Net cash represented by:		
Cash	\$ 137,477	\$ 72,414
Bank indebtedness	(35,834)	(22,384)
	\$ 101,643	\$ 50,030

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and December 31, 2023

1. REPORTING ENTITY

Guardian Capital Group Limited (“Guardian”) is a publicly traded company with its common and class A shares listed on the Toronto Stock Exchange. Guardian is incorporated under the laws of the Province of Ontario, and its principal business office is located at Suite 2700, 199 Bay Street, Toronto, Ontario. Guardian, through its subsidiaries, provides investment services to a wide range of clients in Canada and abroad, and maintains and manages a proprietary investment portfolio.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(A) BASIS OF PREPARATION

These consolidated financial statements include the accounts of Guardian, its subsidiaries, and its interest in joint ventures (together, the “Company”) and have been prepared under IFRS Accounting Standards (“IFRS”). These consolidated financial statements have been prepared on a going concern basis and the historical cost basis, except for certain financial instruments that have been measured at fair value and non-current assets of discontinued operations, which are carried at the lower of cost and fair value less cost to sell.

These consolidated financial statements were authorized for issuance by the Board of Directors of Guardian on February 27, 2025.

(B) BASIS OF PRESENTATION

These consolidated financial statements are presented in Canadian dollars, which is Guardian’s functional currency. In these notes, all dollar amounts and numbers of shares are stated in thousands. Per share amounts and option exercise prices are stated in dollars and cents.

(C) ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements necessitates the use of judgments, estimates and assumptions, which affect the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates. Management believes that the material areas where estimates and judgments are applied are those which relate to the:

- i. Determination of whether a non-controlling interest in a subsidiary represents an equity interest;
- ii. Determination of the subsequent accounting for certain transactions with non-controlling interests;
- iii. Valuation of certain assets and liabilities that do not have quoted market prices;
- iv. Assessment of goodwill and intangible assets for impairments;
- v. Determination of when control of another entity exists;
- vi. Assessment of provisions;
- vii. Initial measurement of lease obligations and right of use (“ROU”) assets;
- viii. Whether an acquisition is of a business or group of assets; and
- ix. The identification and valuation of assets acquired and liabilities assumed in a business combination.

(D) BASIS OF CONSOLIDATION

i. Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of the other entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

The Company considers several factors in determining whether it has power over another entity which it will be able to use to obtain benefits.

- a. When voting rights are relevant in determining power over an entity, the Company considers its: existing voting rights; potential voting rights that are currently exercisable and have no substantive barriers to exercise; agreements with other vote holders; rights from other contractual arrangements; economic interests; or a combination of the foregoing. Offsetting these factors, the Company considers matters which prevent it from the exercise of power.
- b. When voting rights are not relevant in determining power over an entity, the Company considers: evidence of its practical ability to direct the activities of the entity for the Company's benefit; indications of a special relationship between it and the entity; and whether it has a significant exposure to variability of returns. In evaluating these three factors, the Company gives greater weight to evidence of its ability to direct the activities of the entity, for its benefit.

ii. Non-controlling interests of a subsidiary

To the extent that they represent a residual interest in the Company's assets, non-controlling interests ("NCI") in subsidiaries are shown as a component of the equity section of the consolidated balance sheet. NCIs in a subsidiary which do not represent a residual interest in the Company's net assets are shown as a component of the Company's liabilities.

iii. Changes in the ownership of a subsidiary

Transactions which result in a change in the Company's ownership interest in a subsidiary but do not result in a loss of control of that subsidiary are recorded in equity in their entirety. The non-controlling interests are adjusted to reflect the changes in their relative interest in the carrying value of the subsidiary and any difference between the consideration paid or received is recorded in retained earnings. For future transactions, which are at the option of the non-controlling interests, the estimated future consideration is shown as a liability and as an obligation to non-controlling interests within equity and any changes in the balances are reflected within equity.

iv. Transactions eliminated on consolidation

All inter-company transactions, balances, income and expenses between the consolidated entities are eliminated on consolidation.

(E) BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for the acquisition of a business by the Company whereby the purchase consideration is allocated to the identifiable assets and liabilities on the basis of fair value at the date of acquisition.

Provisional fair values allocated at a reporting date are finalized as soon as the relevant information is available, within a period not to exceed 12 months from the acquisition date, with retroactive restatement of the impact of adjustments to those provisional fair values effective as at the acquisition date.

The Company elects on a transaction-by-transaction basis whether to measure any non-controlling interests if present at fair value, or at the proportionate share of the recognized amount of the identifiable net assets of the acquired subsidiary, at the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred and equity interests issued by the Company. Consideration also includes the fair value of any deferred or contingent consideration. Subsequent to acquisition deferred and contingent consideration are measured at fair values with the resulting change in values recorded in net earnings.

The Company evaluates the put arrangements provided to non-controlling interests as part of a transaction to determine whether they represent consideration or are a future transaction between shareholders. In this assessment, the Company considers whether or not the non-controlling interest continues to represent a residual interest in acquired business as a result of the put.

Acquisition-related costs are expensed as incurred.

The Company evaluates amounts paid in the business combination to sellers who remain employed with the Company following the acquisition to determine whether such amounts should be considered part of the business combination or a separate transaction. In this assessment, the Company considers factors such as whether the employee is required to remain employed to receive the payment and the duration of that employment, the linkage of the payment to the valuation of the acquired company, the overall compensation provided to the employee, and whether the employee received an incremental payment over the sellers upon becoming an employee. Amounts paid to employees who were not sellers are considered separate from the business combination.

(F) DISCONTINUED OPERATIONS

A subsidiary representing a separate major line of business for which the Company has a committed sale plan involving the loss of control is classified as a discontinued operation. Upon initial classification as a discontinued operation and until disposition, the non-current assets of the subsidiary are recorded at the lower of cost or fair value less cost to sell, amortization ceases and all assets and liabilities of the subsidiary are presented on the consolidated balance sheet separately from the other assets and liabilities of the Company. In addition, the components of the subsidiary's net earnings must be presented separately in the statement of operations and comprehensive income in the current and all prior periods.

(G) FOREIGN CURRENCY

Amounts denominated in foreign currencies included in these consolidated financial statements are accounted as follows:

i. Foreign currency balances and transactions.

Financial assets and liabilities denominated in foreign currency are converted into the functional currency using the period end rate. Revenues and expenses are converted into the functional currency at the average monthly rates of exchange. Foreign exchange gains and losses, if any, resulting from the foregoing, are included in net gains in the statements of operations.

ii. Translation of subsidiaries.

The Company translates to its functional currency, Canadian dollars, the balances and results of its subsidiaries whose functional currency is different from the Company's. The assets and liabilities are translated into Canadian dollars at exchange rates prevailing at the reporting date and revenues and expenses at average monthly rates. Adjustments resulting from the translation of balance sheets and net earnings are recorded as a foreign currency translation adjustment in other comprehensive income, and the cumulative balance is included in accumulated other comprehensive income in the shareholders' equity section of the consolidated balance sheet.

(H) FINANCIAL INSTRUMENTS – FINANCIAL ASSETS

i. Recognition and initial measurement

The Company recognizes a financial asset when the Company becomes party to the contractual provisions of the instrument. All financial assets are measured at fair value upon recognition.

ii. Classification and subsequent measurement

The classification of the Company's financial assets is based on the business model for managing the assets and their contractual characteristics. Financial assets are classified and subsequently measured as follows:

- a. **Amortized cost.** Financial assets are measured at amortized cost when they are held in order collect contractual cash flows and whose terms give rise to cash flows that are solely payments of principal and interest. The Company's financial assets classified as amortized cost includes interest bearing deposits with banks, accounts receivable, loans receivable, and receivables from clients and brokers.
- b. **Fair value through other comprehensive income ("FVOCI").** Financial assets measured at FVOCI when they are held in order collect contractual cash flows and for periodic sales and whose terms give rise to cash flows that are solely payments of principal and interest. FVOCI may also include certain equity instruments, if the Company has irrevocably designated them as FVOCI on initial recognition. The Company has no assets in this category.
- c. **Fair value through profit or loss ("FVTPL").** All other financial assets and assets which have been designated FVTPL are included in this classification. The Company may designate assets which are amortized cost or FVOCI as FVTPL in order to provide more relevant information by significantly reducing a mismatch from measuring assets or liabilities on different basis. This designation which is made on initial recognition is irrevocable. The Company may designate investments in jointly controlled entities as FVTPL if they are held through an investment entity. The Company's financial assets classified as FVTPL includes securities backing third party liabilities and substantially all of its securities portfolio.

iii. Derecognition

The Company derecognizes a financial asset when the contractual rights of the instrument expire or the Company substantially transfers all risks and rewards of ownership to a third party.

iv. Impairment

The Company provides for credit losses on financial assets classified as amortized cost. If there has been a significant increase in credit risk since initial recognition, the Company provides for credit losses which are expected over the next 12 months. If there has been a significant increase in credit risk, the Company provides for the expected lifetime credit losses.

(I) FINANCIAL INSTRUMENTS – FINANCIAL LIABILITIES

i. Recognition and initial measurement

The Company recognizes a financial liability when the Company becomes party to the contractual provisions of the instrument. All financial liabilities are measured at fair value upon recognition.

ii. Classification and subsequent measurement

The Company's financial liabilities are classified and subsequently measured as follows:

- a. **Amortized cost.** Generally all financial liabilities are included in this classification. The Company's financial liabilities included in this classification are bank loans, client deposits, accounts payable, accrued liabilities, income taxes payable, and lease liabilities.
- b. **Fair value through profit or loss ("FVTPL").** Financial liabilities included in this classification are derivative liabilities, contingent consideration recognized in a business combination and liabilities which have been designated FVTPL. The Company may designate liabilities which are amortized cost as FVTPL in order to provide more relevant information by significantly reducing a mismatch from measuring assets or liabilities on different basis. This designation which is made on initial recognition is irrevocable. The Company's financial liabilities included in this classification are securities backing third party liabilities, and certain acquisition related liabilities.
- c. **Fair value through equity.** A financial liability is included in this classification when it is an obligation to non-controlling interests pertaining to the future purchase of their holdings in a subsidiary and they are considered to have continuing access to the returns associated with that subsidiary.

iii. Derecognition

The Company derecognizes a financial liability when the contractual obligation is discharged, cancelled or expires.

(J) OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are offset and the net amount reported in the balance sheets only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

(K) FAIR VALUE HIERARCHY

Financial instruments and other assets that are measured at fair value are categorized using a fair value hierarchy which reflects the significance of the inputs used in making the fair value measurements. The fair value hierarchy is as follows:

i. Level 1

Quoted market prices: financial instruments with quoted prices for identical instruments in active markets.

ii. Level 2

Valuation technique using observable inputs: financial instruments with quoted prices of similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

iii. Level 3

Valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

(L) INTANGIBLE ASSETS AND CONTRACT COSTS

Intangible assets include both intangible assets and contract costs. Intangible assets include advisor recruitment and management contracts and computer software. Management contracts pertain to costs associated with acquired investment management contracts in the Company's investment management segment.

Contract costs represent the incremental costs, such as certain sales commissions paid to staff and success fees paid to third party introducers, incurred in successfully obtaining new business with customers, primarily in the Company's investment management segment.

Intangible assets and contract costs are carried at cost less accumulated amortization and accumulated impairment losses. They are amortized over their estimated useful lives, as outlined below:

i. Advisor recruitment and management contracts

They are amortized on a straight-line basis over a number of years, ranging from three to fifteen years;

ii. Computer software

The initial cost of the main computer processing systems are amortized on a straight-line basis over ten years, with subsequent improvements to this system being amortized over five years, and other computer software being amortized over three to five years; and

iii. Contract costs

They are amortized over periods ranging from seven to fifteen years.

Amortization methods and useful lives of the intangible assets are reviewed annually and adjusted, if appropriate. Intangible assets are derecognized upon disposal or when they are fully amortized and no longer in use.

(M) EQUIPMENT

Equipment is carried at cost less accumulated amortization and accumulated impairment losses, and is amortized over its expected useful life, as outlined below:

i. Computer hardware

The majority of computer hardware is amortized on a straight-line basis over three to five years;

ii. Furniture and equipment

The majority of furniture and equipment is amortized on a diminishing balance basis at a rate of 20% per annum, and works of art included within furniture and equipment are not amortized; and

iii. Leasehold improvements

Leasehold improvements are amortized on a straight-line basis over the remaining terms of the leases. Amortization rates and the useful life of equipment is reviewed annually and adjusted, if appropriate. Equipment is derecognized upon disposal or when it no longer has any residual value.

(N) LEASES

Upon the commencement of a lease, a right of use ("ROU") asset and lease liability are recognized. The amount of ROU asset and lease liability recognized will be equal to the present value of the contractual lease payments, with adjustment for certain amounts. The discount rate used in calculating the present value of the contractual lease payments will be the rate implicit in the lease or if that is not available then Company's incremental borrowing rate. Frequently the implicit rate is not available, so the Company's estimates its incremental borrowing rate considering various factors such as current interest rates and duration of the lease, among others.

Subsequent to initial recognition, a ROU asset is amortized on a straight-line basis over its useful life, which is generally the term of the lease. A lease liability is subsequently measured at amortized cost, accruing interest at the discount rate used upon initial recognition. Lease payments are accounted as repayments of the lease liability.

(O) GOODWILL

Goodwill represents the excess of the cost of acquisition of an acquired business over the fair value of the net identifiable tangible and intangible assets of the acquired business at the date of acquisition. Goodwill is not amortized, but is carried at cost less accumulated impairment losses. Goodwill is allocated to the appropriate cash-generating units for the purpose of impairment testing.

(P) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company annually tests its indefinite-life, non-financial assets, which includes goodwill, for impairment, except for recently acquired assets. The Company does not test recently acquired indefinite-life assets for impairment during the first year unless there are indications that the asset may be impaired. If the net carrying amount of an asset exceeds its estimated recoverable amount, the asset is considered impaired and the excess amount is charged to net earnings.

The Company reviews its finite-life, non-financial assets, including intangible assets and equipment, whether there are any indications an asset may be impaired. If such indication exists, its carrying amount is compared to the estimated recoverable amount and any excess of the carrying amount over recoverable amount is charged to net gains as an impairment loss.

Recoverable amount is considered to be the higher of the estimated fair value of asset, less the estimated cost to sell and the net present value of future cash flow expected from the use of the asset.

(Q) PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognized as a provision is the best estimate of the obligation at the reporting date. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Where some or all of the expenditure is expected to be reimbursed by insurance or some other party, and it is virtually certain, the reimbursement is recognized as a separate asset on the balance sheets, and the net amount is recorded in the statements of operations. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic benefits will be required to settle the obligation, the provision is reversed.

(R) TREASURY STOCK

The Company accounts for its shares purchased and held by its subsidiary, the Guardian Capital Group Limited Employee Profit Sharing Plan Trust (the "EPSP Trust"), as treasury stock.

(S) REVENUE FROM CUSTOMERS

Revenue from customers is recognized as the Company performs its service obligations to the customers. The major types revenue earned from customers and the associated accounting policies adopted by the Company are as follows:

i. Investment management fees

These include fee based revenues the Company earns for providing investment management and advisory services to clients. The revenues are generally calculated based on the fair value of the assets to which the Company provides services, in accordance with the agreements with the clients. The revenues are earned and recognized over the time during which the Company provides services to the clients. Certain clients also pay performance fees, if the performance of such clients' assets exceeds that of certain performance benchmarks by an agreed level over a stated time period. Such revenues are recognized when the services have been provided, the amount of the revenues can be reliably measured, and it is highly probable that the fees will be received, which is usually at the end of the performance period. Fees paid to referring agents, an expense, are fees paid to third parties that place their clients funds into investment products which are managed by the Company, are generally calculated based on the fair value of the assets placed and are recognized in a manner consistent with the related revenue. As these expenses are highly correlated with the management fees the Company presents the expense as a deduction from the gross management fees on the face of the Statement of Operations.

ii. Administrative services income

The Company earns income from certain clients, associated with the maintenance of accounts with the Company, and the provision of general corporate, trust or other services. Such income is recognized, on an accrual basis over the period the service is performed, based on agreements with the clients or advisors.

(T) DIVIDEND AND INTEREST INCOME

Dividend and interest income is recorded as follows:

i. Dividends are recognized when the Company's right to receive payment is established.

ii. Interest is recorded as earned over the period of time during which the interest-paying investment is held, on an effective interest rate method.

(U) EMPLOYEE COMPENSATION AND BENEFITS

Wages, salaries, profit sharing, bonuses, payroll taxes and levies and paid annual leaves are accrued in the year in which the associated services are rendered by employees and when a reliable estimate of the obligation can be made. Should they qualify, certain bonuses may be accounted for in accordance with the policy on contract costs, (see note 2(L) Intangible assets).

(V) STOCK-BASED COMPENSATION

Stock-based compensation is accounted for under the fair value method, under which the compensation cost is measured at the fair value of the equity instruments issued ("Stock-based entitlement") and is expensed over the vesting period of the Stock-based entitlement.

Fair value of a Stock-based entitlement is determined on the issuance date and is the product of the fair value of the equity instrument and the number of those instruments that are ultimately expected to vest.

Where a Stock-based entitlement has been modified, the incremental change in fair value of the Stock-based entitlement is expensed over the remaining vesting period.

(W) INTEREST EXPENSE

Interest expense comprises interest payable on borrowings recognized using the effective interest rate method.

(X) PENSIONS

The Company operates a defined contribution pension plan, payments to the plan are charged as expenses as they are incurred. The Company has no legal or constructive obligation to pay further contributions if the plan does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

(Y) NET GAINS OR LOSSES

Net gains and losses, which are recognized on a trade date basis, include all changes in fair value of financial instruments classified as FVTPL which are due to changes in market prices, changes in the value of currency denominated monetary items due to changes in exchange rates, and on the disposal or impairment of other assets.

(Z) INCOME TAX

Income tax on earnings for the year comprises current tax and deferred tax. Income tax is recognized in net earnings, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is also recognized in other comprehensive income or directly in equity. Income taxes generally result from operating activities and taxes paid are shown in the statement of cash flow as an operating activity, unless the taxes can be specifically identified with significant investing or financing activities.

Current tax is the tax expected to be payable on the taxable net earnings for the year, calculated using tax rates enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Company intends to settle on a net basis and the legal right of offset exists.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the balance sheets and the amount attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is calculated using the tax rates expected to apply in the periods in which assets will be realized or the liabilities settled. Deferred tax assets and liabilities are offset when they arise in the same tax reporting entities, relate to income taxes levied by the same taxation authority and a legal right to set off exists.

(AA) EARNINGS PER SHARE

The calculation of basic earnings per share is based on the weighted average of Class A and common shares outstanding during the year and on earnings available to the holders of the Class A and common shares. Diluted earnings per share are calculated by adjusting for the effect of outstanding dilutive instruments, such as stock options or stock-based entitlements, using the treasury stock method.

(AB) RELATED PARTIES

For the purposes of these financial statements, a party is considered related to the Company if such party or the Company has the ability to, directly or indirectly, control or exercise significant influence over the other entity's financial and operating decisions, or if the Company and such party are subject to common significant influence. Related parties may be individuals or other entities.

(AC) FIDUCIARY ASSETS AND LIABILITIES

Certain of the Company's subsidiaries hold assets or liabilities on a fiduciary basis on behalf of clients. In providing these services, those assets and liabilities and the income and expenses associated with them are excluded from these consolidated financial statements.

(AD) FUTURE CHANGES IN ACCOUNTING POLICIES - IFRS 18 PRESENTATION AND DISCLOSURES IN FINANCIAL STATEMENTS

The International Accounting Standards Board issued on April 9, 2024 IFRS 18 Presentation and Disclosures in Financial Statements (IFRS 18) which replaces IAS 1 Presentation of Financial Statements effective for annual periods beginning on or after January 1, 2027. The objective of IFRS 18 is to provide investors with more relevant information and transparency on a company's financial results and greater comparability and consistency of financial presentation between companies. IFRS 18 will not change the reported net earnings but it may result in significant changes to the structure and organization of the Statement of Operations and Comprehensive Income. The nature and extent of the changes to the Company's Statement of Operations and Comprehensive Income will depend on the result of Management's assessment and classification of the Company's main business activities using the principles as contained in IFRS 18. In addition, IFRS 18 will make management-defined performance measures of its operating results, such as EBITDA, part of the audited financial statements by requiring its inclusion in the notes to the financial statements. The Company is currently evaluating the recently released standard and its potential impact on the Financial Statements.

3. SECURITIES BACKING THIRD PARTY INVESTOR LIABILITIES AND THIRD PARTY INVESTOR LIABILITIES

Securities backing third party investor liabilities represent third party investors' proportionate interest in the assets of the consolidated investment funds. The use of these assets is strictly limited to the investment in securities that are in accordance with the investment policies of each investment fund and available to fund future investor redemptions. These securities are classified as FVTPL.

Third party investor liabilities represent third party investors' proportionate ownership interests in the consolidated funds. The liabilities are payable on redemption of the units of the funds by the third party investors and will be settled with the proceeds from the disposition of securities backing third party investor liabilities.

The value of the liabilities is equal to and varies with the value of the securities backing third party investor liabilities. These liabilities have been designated as FVTPL.

The Company continually evaluates whether it controls these funds. On the date when a fund is no longer deemed to be controlled, the Securities backing third party investor liabilities and Third party investor liabilities related to the fund are derecognized in the financial statements. Details on the funds the Company consolidates and changes therein during the years are disclosed in note 24(d).

4. SECURITIES AND SECURITIES SOLD SHORT

(A) CLASSIFICATION

An analysis of the securities and securities sold short, which may include units of investment funds, by the type of security is as follows:

As at December 31	2024	2023
Fair value through profit or loss:		
Short-term securities	\$ 334,091	\$ 516,177
Fixed-income securities	41,696	37,437
Bank of Montreal common shares	310,594	292,175
Public equity securities	333,495	280,575
Private equity investments and real estate (i)	202,450	191,169
	<u>\$ 1,222,326</u>	<u>\$ 1,317,530</u>
Equity securities sold short	(11,678)	-
	<u>\$ 1,210,648</u>	<u>\$ 1,317,530</u>

i. The outstanding capital commitments for future investments are as follows:

As at December 31	2024	2023
Investment commitments	\$ 5,329	\$ 23,626

(B) FAIR VALUE HIERARCHY

The securities and securities sold short that are classified as FVTPL have been categorized based upon a fair value hierarchy as follows:

As at December 31	2024	2023
Securities		
Level 1	\$ 660,990	\$ 625,393
Level 2	405,181	545,699
Level 3	156,155	146,438
	<u>\$ 1,222,326</u>	<u>\$ 1,317,530</u>
Securities sold short		
Level 1	(11,678)	-
	<u>\$ 1,210,648</u>	<u>\$ 1,317,530</u>

Level 2 securities include short term securities and investments into certain investment funds. Short-term securities are valued using observable market prices and include accrued interest. The investments in funds are valued using the net asset value of each fund. During 2024, certain equity securities were reclassified from Level 1 to Level 2 due to low trading volumes as at year-end (2023 – none). During 2024 and 2023 there were no transfers between Level 3 and Level 1 or Level 2.

(C) ANALYSIS OF LEVEL 3 SECURITIES**i. The change in the value of Level 3 securities is as follows:**

For the years ended December 31	2024	2023
Securities categorized as Level 3, beginning of year	\$ 146,438	\$ 33,463
Change in fair value, unrealized	29,374	(3,745)
Purchases	18,194	123,241
Return of capital and redemptions	(37,965)	(1,090)
Foreign exchange translation	114	(5,431)
Securities categorized as Level 3, end of year	\$ 156,155	\$ 146,438

ii. Level 3 securities are comprised of the following:

As at December 31	2024	2023
Intelligent traffic systems company (a)	\$ 115,307	\$ 112,512
Private equity funds (b)	37,110	30,108
Other investments (c)	3,738	3,818
	\$ 156,155	\$ 146,438

- a. During 2023, the Company through its consolidated smart infrastructure partnerships (note 24(d)) acquired joint control of a leading supplier of tolling, traffic management and cooperative intelligent transport systems solutions. As at December 31, 2023 the investment was valued at cost which was the equivalent of fair value as the investment was last publicly traded in mid-December 2023 before it was taken private. As at December 31, 2024, the Company's investment in the intelligent traffic systems company was valued using a discounted cash flow model. The most significant internally generated unobservable inputs used in this valuation are the forecasts of future performance of the investee, discount rate of 18.6% and estimated exit price based on a multiple of 12 times future EBITDA. These estimates are supported by multiple analysis of the investee's peer group and review of precedent transactions. An analysis of the sensitivity of the fair value of the investment to changes in the significant internally generated unobservable inputs as at December 31, 2024 is as follows:

Internally generated input	Change in fair value due to a +10% change in the input	Change in fair value due to a -10% change in the input
Discount Rate	\$ (10,771)	\$ 12,228
EBITDA	12,957	(12,788)
Exit multiple	9,311	(9,311)

- b. The Company's investment in two private equity funds are valued on the most recent fair value as obtained from each fund's manager. The Company ensures that it has a basis for reliance on the reported fair values by meeting with the managers at least once per year to gain an understanding of each manager's valuation process and by comparing previously reported fair values to each fund's audited financial statements.
- c. The Company's other investments which are comprised of an investment in an investment management company and a health services company. The investment management company is valued using an EBITDA multiple of 7.00 (2023 – 7.00) and the projected future earnings. The EBITDA multiple and the projected earnings are the most significant internally generated unobservable inputs used in this valuation. The projected earnings are estimated using the investee's current assets under management and historical financial ratios, adjusted where required. The health services company is valued using an EBITDA and revenue multiples of 8.11 and 0.995 respectively (2023 – 8.75 and 1.564) and recent financial information. The multiples used are the most significant internally generated unobservable inputs used in this valuation. The multiples used were derived from published research reports of similar businesses by independent analysts.

5. INTANGIBLE ASSETS

A summary of the composition of and changes in the intangible assets is as follows:

For the years ended December 31	2024				2023			
	Contract costs	Management contracts	Computer software	Total	Contract costs	Management contracts	Computer software	Total
Cost								
Balance, beginning of year	\$ 19,733	\$ 105,135	\$ 9,345	\$ 134,213	\$ 18,522	\$ 108,750	\$ 9,915	\$ 137,187
Acquisitions (note 25)	-	77,951	-	77,951	-	-	-	-
Additions	1,989	-	1,110	3,099	1,215	-	-	1,215
Disposals	-	-	(834)	(834)	-	(1,157)	(568)	(1,725)
Foreign exchange translation	502	11,690	10	12,202	(4)	(2,458)	(2)	(2,464)
Balance, end of year	22,224	194,776	9,631	226,631	19,733	105,135	9,345	134,213
Accumulated amortization								
Balance, beginning of year	7,275	36,672	4,876	48,823	4,962	31,482	3,857	40,301
Amortization	2,003	9,808	935	12,746	2,319	7,058	1,022	10,399
Disposals	-	-	(419)	(419)	-	(1,016)	-	(1,016)
Foreign exchange translation	280	3,264	9	3,553	(6)	(852)	(3)	(861)
Balance, end of year	9,558	49,744	5,401	64,703	7,275	36,672	4,876	48,823
Carrying value, end of year	\$ 12,666	\$ 145,032	\$ 4,230	\$ 161,928	\$ 12,458	\$ 68,463	\$ 4,469	\$ 85,390

6. EQUIPMENT

A summary of the composition of and changes in the equipment is as follows:

For the years ended December 31	2024				2023			
	Office equipment	Leasehold improvements	Right of use asset	Total	Office equipment	Leasehold improvements	Right of use asset	Total
Cost								
Balance, beginning of year	\$ 9,945	\$ 2,270	\$ 23,199	\$ 35,414	\$ 9,113	\$ 2,102	\$ 26,497	\$ 37,712
Acquisitions (note 25)	1,080	1,056	14,432	16,568	-	-	-	-
Additions	355	83	798	1,236	872	338	1,212	2,422
Disposals	-	-	(340)	(340)	(22)	(168)	(4,477)	(4,667)
Foreign exchange translation	689	490	1,108	2,287	(18)	(2)	(33)	(53)
Balance, end of year	12,069	3,899	39,197	55,165	9,945	2,270	23,199	35,414
Accumulated amortization								
Balance, beginning of year	7,418	1,677	4,135	13,230	6,755	1,652	4,003	12,410
Amortization	974	325	3,585	4,884	713	119	2,460	3,292
Disposals	-	-	(110)	(110)	(22)	(92)	(2,312)	(2,426)
Foreign exchange translation	21	75	242	338	(28)	(2)	(16)	(46)
Balance, end of year	8,413	2,077	7,852	18,342	7,418	1,677	4,135	13,230
Carrying value, end of year	\$ 3,656	\$ 1,822	\$ 31,345	\$ 36,823	\$ 2,527	\$ 593	\$ 19,064	\$ 22,184

7. GOODWILL

A summary of the changes in the goodwill is as follows:

For the years ended December 31	2024	2023
Balance, beginning of year	\$ 41,626	\$ 42,519
Acquisition (note 25)	41,379	-
Foreign exchange translation	4,819	(893)
Balance, end of year	\$ 87,824	\$ 41,626

Goodwill acquired in business acquisitions are allocated to the cash generating units (“CGUs”) that are expected to benefit from those business acquisitions. An analysis of the Company’s goodwill by relevant CGUs are as follows:

For the years ended December 31	2024	2023
Private wealth management firm	\$ 6,432	\$ 6,432
Outsourced chief investment officer	4,702	4,702
USA-based equities manager	21,125	19,368
USA-based fixed-income manager	11,246	10,311
USA-based fixed-income & equities manager	43,448	–
UK-based equities manager	871	813
	\$ 87,824	\$ 41,626

Goodwill is not amortized, but is subject to annual impairment testing, except for goodwill that was acquired in the current year. The impairment tests are conducted as at September 30 of each year and they compare each CGU’s recoverable amount against its carrying value. In addition, the Company may test for impairment more frequently if there are indications of impairment. Goodwill acquired in the current year is reviewed for any indications of impairment and if such conditions are present then the goodwill is tested for impairment.

The Company as per its policy did not test the goodwill of \$43,448 that was acquired during the current year for impairment. However, the Company reviewed it for any indications of impairment and concluded that there were no such indications.

In 2024 and 2023, the Company calculates the recoverable amounts based upon the estimated fair values, less costs to sell (“FVLCS”). In estimating the FVLCS, the Company used a single or multi-factor model to determine fair values, with the key assumptions being values assigned as multiples of key business analytics pertaining to each CGU. These multiples are developed by the Company based on recent transactions and research reports by independent research analysts. The Company considers that the key business analytics as client assets under management (“AUM”) and client assets under administration (“AUA”). In addition, the Company corroborates its asset based multiples with revenue and profitability measures. It is the Company’s opinion that estimating fair values based on these analytics is in accordance with established industry practice, and that the multiples used are consistent with market transactions. These recoverable amounts, which are estimates, are considered Level 3 under the fair value hierarchy.

The most significant internally generated unobservable input used in the testing are as follows:

As at September 30	Multiple of	2024	2023
Private wealth management firm	AUM	1.33%	1.33%
Outsourced chief investment officer	AUA	0.20%	0.20%
	AUM	1.00%	1.00%
USA-based equities manager	AUM	1.85%	2.00%
USA-based fixed-income manager	AUM	0.35%	0.35%
UK-based equities manager	AUM	1.45%	2.00%

Based on the results of the testing, there was no impairment of goodwill in 2024 or 2023.

Summarized below for each CGU is the amount by which its recoverable amount exceeds its carrying value and the required percentage change in the key assumptions which would cause the recoverable amount to equal the carrying value. If a change in a key assumption which would cause the recoverable amount to equal the carrying value for a CGU was beyond a reasonable amount, 25%, then the excess carrying value and percentage change is noted below as NA.

As at September 30		2024	2023
Amount by which the recoverable amounts exceeds the carrying value:			
Private wealth management firm		\$ 3,891	\$ 907
Outsourced chief investment officer		NA	3,005
USA-based equities manager		NA	14,913
Required percentage change in the key assumptions which would cause the recoverable amount to equal the carrying value:			
	Multiple of	2024	2023
Private wealth management firm	AUM	22%	6%
Outsourced chief investment officer	AUA	NA	25%
	AUM	NA	25%
USA-based equities manager	AUM	NA	19%

8. BANK LOANS AND BORROWINGS

Bank borrowings, and details of the borrowing facilities, are as follows:

As at December 31		2024	2023
General corporate borrowings (i):			
Bank indebtedness	Canadian dollar	\$ 35,834	\$ 22,215
Short-term	Canadian dollar	–	–
	US dollar	73,492	80,830
Employee profit sharing plan borrowings (ii):			
Bank indebtedness	Canadian dollar	–	169
Short-term	Canadian dollar	34,800	32,800
		\$ 144,126	\$ 136,014

- i. The Company maintains two short-term revolving credit facilities for general corporate purposes with a total borrowing capacity of \$130,000 (2023 - \$130,000). Borrowings under these facilities can be drawn in various short-term forms in both Canadian and US dollars. Bank indebtedness bears interest at the bank's prime rate plus 0.4% and short-term borrowings bear interest at term CORRA plus 1.4% for Canadian dollar borrowings and term SOFR plus 1.4% for US dollar borrowings. For the calculation of interest on the bank indebtedness the Company may offset a portion of the bank indebtedness with certain cash balances. Such cash balances were \$35,570 as at December 31, 2024 (2023 - \$18,239). The terms of these facilities require that the Company maintain certain financial ratios and the Company is in compliance with these requirements. The facilities were amended during the current year to reflect the replacement of certain interest rate benchmarks.
- ii. The Company maintains a short-term revolving credit facility for borrowings by the Company's employee profit sharing plan, which has a total borrowing capacity of \$45,000 (2023 - \$45,000). Borrowings under this facility are secured by a deposit of all treasury stock held by the EPSP Trust as detailed in Note 14. Borrowings under this facility can be drawn in various short-term forms in Canadian dollars. Bank indebtedness bears interest the bank's prime rate plus 0.4% and short-term borrowings bear interest at term CORRA plus 1.4%. The facility was amended during the current year to reflect the replacement of certain interest rate benchmarks.

9. ACQUISITION LIABILITIES AND DUE TO NON-CONTROLLING INTERESTS

(A) CLASSIFICATION OF OTHER LIABILITIES AND DUE TO NON-CONTROLLING INTERESTS

An analysis of these obligations is as follows:

As at December 31		2024	2023
Current			
Acquisition-related (i)		\$ 1,183	\$ 1,710
Due to non-controlling interests (ii)		9,833	–
		11,016	1,710
Non-current			
Acquisition-related (i)		20,632	–
Due to non-controlling interests (ii)		6,451	13,047
		27,083	13,047
		\$ 38,099	\$ 14,757

i. Acquisition-related

The acquisition related liabilities are deferred amounts and earn-out payments on acquisitions completed by the Company. The acquisition-related amounts, which are classified in the fair value hierarchy as level 3, are comprised of the following:

As at December 31	2024	2023
Promissory note payable (a)	\$ –	\$ 1,710
Sterling earn-out payments (b)	16,949	–
Galibier earn-out payments (c)	4,866	–
	\$ 21,815	\$ 1,710

- a. This represents the present value of a promissory note payable related to the acquisition of Rae & Lipskie Investment Counsel Inc. (“RaeLipskie”). The amount payable, which may range in value between nil and \$1,800, is dependent on the assets under management of RaeLipskie on certain future dates between September 1, 2024 and September 1, 2026. The note was repaid on September 1, 2024.
- b. The Sterling earn-out payments are the present value of three expected earn-out payments related to the acquisition of Sterling Capital Management LLC (“Sterling”). The total combined payments may range between nil and \$64,751, (USD nil and USD \$45,000). The earn-outs become due on dates between July 2, 2027 and July 2, 2029. Each earn-out is dependent on the cumulative revenues earned by Sterling from certain clients between July 2, 2024 and the earn-out date, net of any previously paid earn-out. The Company estimated each expected earn-out using a Monte Carlo technique that used actual revenues to estimate the probability weighted client revenues over each of the three earn-out periods. The expected payments were discounted using a rate of 17.0%. The most sensitive internally generated input used in the valuation of these payments was the discount rate and a change in the rate of +/- 10% would change the value of the liabilities by between +\$855 and -\$801.
- c. The Galibier earn-out payments are the present value of two expected earn-out payments related to the acquisition of Galibier Capital Management LLC (“Galibier”). The total combined payments may range between nil and \$7,500. The earn-outs become due on September 3, 2025 and September 3, 2029. The first payment is dependent on Galibier’s retaining a certain level of assets under management (“AUM”) and the second payment is dependent on the expected future revenues and the first payment. The Company estimated the expected payments using the combination of a Monte Carlo technique that used actual observed AUM’s, current observed fee margins and the Company’s future growth assumptions. The expected payments were discounted using a rate of 11.9%. The most sensitive internally generated input used in the valuation of these payments was the discount rate and a change in the rate of +/- 10% would change the value of the liabilities by between +\$197 and -\$186.

ii. Due to non-controlling interests

The Company has granted to certain non-controlling interests the right to sell to the Company their interests in those subsidiaries at prices which approximate fair value at the date of exercise. The Company also holds the right to purchase those interests on the same term and conditions. These options are exercisable over various future periods. These liabilities relate to future transactions with non-controlling interests, acting in their capacity as owners. Therefore, all subsequent changes in these obligation are reflected in the Consolidated Statements of Equity. An analysis of these obligations, which are classified in the fair value hierarchy as level 3, is as follows:

Subsidiary to be acquired	Option period	2024	2023
Agincourt Capital Management LLC	October 1, 2025 to October 1, 2040	\$ 9,530	\$ 7,276
Rae & Lipskie Investment Counsel Inc.	September 1, 2027 to September 1, 2032	6,451	5,771
Modern Advisor Canada Inc.	March 31, 2025 to March 31, 2034	303	–
		\$ 16,284	\$ 13,047

Each of the above, except the Modern Advisor Canada Inc. (“Modern Advisor”) obligation, are the present value of the estimated payment required on the earliest date that payment may be required. The discount rate used to determine amounts not currently exercisable ranges between 9.0% and 14.6% (2023 – 9.0% to 14.6%). The most sensitive assumption used estimating the future payments is the projected revenues of the subsidiary in the year preceding the exercise date and this assumption largely relies on the most recent data plus growth that is consistent with the Company’s current plans. The obligations for Agincourt are payable in USD. The Modern Advisor obligation was based on actual recent transactions with the non-controlling interests.

During the periods the Company agreed with certain non-controlling interests of its subsidiaries to acquire their interests and increase the Company’s ownership interest in those subsidiaries. In 2024, the Company purchased an additional 21% interest in Modern Advisor from the non-controlling interests. This transaction increased the Company’s ownership interest in Modern Advisor to 92%. In 2023, the Company purchased an additional 30% interest in Alta Capital Management LLC from the non-controlling interests. This transaction increased the Company’s ownership interest in Alta Capital to 100%.

A summary of these transactions are as follows:

For the years ended December 31	2024	2023
Consideration paid to non-controlling interests	\$ 796	\$ 25,257
Less: Non-controlling interest carrying value in subsidiary	(283)	(17,385)
Excess consideration charged to retained earnings	\$ 513	\$ 7,872

(B) CHANGES IN LEVEL 3 LIABILITIES

An analysis of the changes in the acquisition related liabilities and due to non-controlling interests that are categorized as level 3 is as follows:

For the years ended December 31	2024	2023
Fair value through profit or loss:		
Balance, beginning of the year	\$ 1,710	\$ 4,293
Payments	(1,800)	(2,713)
Arising on acquisition	20,143	-
Recognized in net earnings	919	127
Foreign exchange translation	843	3
Balance, end of year	\$ 21,815	\$ 1,710
Fair value through equity:		
Balance, beginning of the year	\$ 13,047	\$ 37,574
Payments	(796)	(25,257)
Arising on acquisition	--	-
Change in fair value	3,343	730
Foreign exchange translation	690	-
Balance, end of year	\$ 16,284	\$ 13,047

10. PROVISIONS

From time to time, the Company is named as a party to claims, proceedings and investigations, including legal, regulatory and taxes, in the ordinary course of its business. While it is often not possible to estimate the outcome of the various proceedings at any time, the Company makes provisions, where possible, for the estimated outcome of such proceedings. Should any loss resulting from the resolution of any claims differ from these estimates, the difference will be accounted for as a charge to income in that year. As at December 31, 2024 and 2023, there were no material provisions recorded.

11. LEASE OBLIGATIONS

Leases, and recognized lease obligations on the Consolidated Balance Sheets are presented on a discounted basis. An analysis of the lease obligations on a non-discounted basis is as follows:

As at December 31	2024	2023
Payable within one year	\$ 5,925	\$ 2,943
Payable after one year and within five years	21,958	10,382
Payable after five years	17,854	16,393
Total undiscounted lease obligations	\$ 45,737	\$ 29,718

In 2024, the Company recognized interest expense of \$1,702 (2023 - \$1,261) and paid a total cash amount of \$3,723 (2023 - \$2,146) in respect of lease obligations.

The amount of the Company's lease obligations, which arise substantially from leased office space, will increase, along with the right of use assets, when the Company enters into a new lease, renews an existing lease or when it is reasonably certain it may exercise an option to extend a current lease. Information on the right to use assets is disclosed in note 6 Equipment.

12. INCOME TAXES

(A) INCOME TAX EXPENSE

The components of the income tax expense are as follows:

For the years ended December 31	2024	2023
Current tax expense		
Tax on profits for the current year	\$ 10,697	\$ 13,466
Adjustments in respect of prior periods	98	(1,182)
	10,795	12,284
Deferred tax expense		
Origination and reversal of temporary differences	4,276	3,420
Adjustments in respect of prior periods	(401)	–
Adjustments due to changes in substantively enacted tax rates	–	(230)
	3,875	3,190
Income tax expense	\$ 14,670	\$ 15,474

The income tax expense in the consolidated statements of operations is less than the tax computed using combined Canadian Federal and Provincial statutory income tax rates of 26.5% (2023 – 26.5%) in the current year for the following reasons:

For the years ended December 31	2024	2023
Tax at the combined Federal and Provincial statutory income tax rate for the current year	\$ 30,811	\$ 31,174
Increase (decrease) in the expense due to:		
Tax exempt income from securities	(5,160)	(3,394)
Rate differential on earnings of foreign subsidiaries	(4,457)	(7,887)
Non taxable portion of (gains) or losses	(9,447)	(5,256)
Adjustments due to changes in substantively enacted tax rates	–	(230)
Non-deductible expenses	892	277
Benefits of losses not recognized	266	82
Other	1,765	708
Income tax expense (recovery)	\$ 14,670	\$ 15,474

The combined statutory income tax rate is the aggregate of the Federal income tax rate of 15.0% (2023 – 15.0%) and the Provincial income tax rate of 11.5% (2023 – 11.5%).

(B) DEFERRED TAX ASSETS AND LIABILITIES

An analysis of the deferred tax assets and liabilities and changes therein by the assets or liabilities that have temporary differences between their carrying and tax amounts is as follows:

For the year ended December 31, 2024	Bank of Montreal shares	Other securities	Loss carry forwards	Other assets	Other liabilities	Total
Deferred tax assets:						
Balance, beginning of year	\$ –	\$ (3,976)	\$ 1,031	\$ (27)	\$ 6,987	\$ 4,015
Recognized in net earnings and offset of taxes	–	(1,297)	32	1,124	123	(18)
Foreign exchange translation	–	(316)	–	(1)	509	192
Balance, end of year	–	(5,589)	1,063	1,096	7,619	4,189
Deferred tax liabilities:						
Balance, beginning of year	\$ 37,995	\$ 3,303	\$ (183)	\$ 6,067	\$ (3,696)	\$ 43,486
Recognized in net earnings and offset of taxes	2,189	5,703	(3,913)	6,880	(7,002)	3,857
Acquisition (note 25)	–	–	–	2,731	–	2,731
Foreign exchange translation	–	4	(15)	11	153	153
Balance, end of year	40,184	9,010	(4,111)	15,689	(10,545)	50,227
For the year ended December 31, 2023						
Deferred tax assets:						
Balance, beginning of year	\$ –	\$ –	\$ 792	\$ –	\$ 2	\$ 794
Recognized in net earnings and offset of taxes	–	(3,859)	239	(26)	6,787	3,141
Foreign exchange translation	–	(117)	–	(1)	198	80
Balance, end of year	–	(3,976)	1,031	(27)	6,987	4,015
Deferred tax liabilities:						
Balance, beginning of year	\$ 35,435	\$ 5,929	\$ (13)	\$ 5,662	\$ (9,819)	\$ 37,194
Recognized in net earnings and offset of taxes	2,560	(2,627)	(170)	407	6,161	6,331
Foreign exchange translation	–	1	–	(2)	(38)	(39)
Balance, end of year	37,995	3,303	(183)	6,067	(3,696)	43,486

Other assets in the above table are the tax effects of recognized temporary differences from certain of the Company's intangibles, equipment and goodwill. Other liabilities in the above table are the tax effects of recognized temporary differences from certain of the Company's accrued liabilities and lease obligations.

(C) OTHER TEMPORARY DIFFERENCES

The aggregate amount of temporary differences between costs for accounting purposes and costs for income tax purposes arising from the earnings accumulated in certain subsidiaries is \$442,960 (2023 - \$372,823) and deferred tax has not been provided on these differences, as the Company controls the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. In addition, the Company has approximately \$6,729 (2023 - \$6,177) of non-capital loss carry forwards, which have not been recognized and expire between 2034 to 2044.

13. CAPITAL STOCK**(A) AUTHORIZED**

- i. **Unlimited preferred shares**, without par value, may be issued in an unlimited number of series, the designation, rights, privileges, conditions and other provisions of which are to be determined by the Board of Directors.
- ii. **Unlimited Class A non-voting shares** without par value, convertible into common shares on a one-for-one basis, under certain terms and conditions, the highlights of which are as follows: if any person other than an insider of the Company acquires ownership, control or direction over in excess of 50% of the common shares, or makes an offer to all common shareholders to buy common shares, the Class A shares may be converted into common shares, unless holders of over 50% of the outstanding common shares do not accept the offer, or an equivalent offer is made to the holders of Class A shares.
- iii. **Unlimited common shares**, without par value, convertible on a one-for-one basis into Class A non-voting shares.

(B) ISSUED AND OUTSTANDING

For the years ended December 31	2024		2023	
	Shares	Amount	Shares	Amount
Class A shares				
Outstanding, beginning of year	22,492	\$ 16,165	23,498	\$ 16,895
Acquired and cancelled	(583)	(418)	(1,017)	(733)
Converted from common	-	-	11	3
Outstanding, end of year	21,909	15,747	22,492	16,165
Common shares				
Outstanding, beginning of year	2,738	661	2,749	664
Converted to Class A	-	-	(11)	(3)
Outstanding, end of year	2,738	661	2,738	661
Total outstanding, end of year	24,647	\$ 16,408	25,230	\$ 16,826

(C) ISSUER BID

A summary of the Company's activity under its ongoing Normal Course Issuer Bid (NCIB) is as follows:

For the years ended December 31	2024	2023
Purchased and cancelled Class A	583	1,017
Consideration paid and capital transaction taxes provided	\$ 25,440	\$ 42,692
Less average issue price, charged to share capital	(418)	(733)
Excess consideration charged to retained earnings	\$ 25,022	\$ 41,959

Under the current NCIB, which commenced on December 19, 2024 and expires on December 18, 2025, the Company may purchase up to 137 common shares and 1,508 Class A shares. The Company had purchased and cancelled 70 Class A shares under the current NCIB in the period up to December 31, 2024.

(D) DIVIDENDS ON COMMON AND CLASS A SHARES

For the years ended December 31	2024	2023
Dividends declared and paid, per share	\$ 1.45	\$ 1.26

The Company also declared dividends of \$0.37 and \$0.39 per share payable on January 18, 2025 and April 18, 2025, respectively, on the common and Class A shares outstanding.

14. TREASURY STOCK

The Company provides Stock-based entitlements to certain senior employees of the Company through an Employee Profit-Sharing Plan Trust (EPSP Trust). The EPSP Trust purchases shares of the Company related to these Stock-based entitlements, which are in the form of either equity-based entitlements or option-like entitlements, and the shares are accounted for as treasury stock. The purchases are financed by a bank loan facility with a major chartered bank, which is secured by the shares held by the EPSP Trust and a guarantee issued by the Company.

(A) CHANGES IN TREASURY STOCK

A summary of the changes in the treasury stock is as follows:

For the years ended December 31	2024		2023	
	Shares	Amount	Shares	Amount
Balance, beginning of year	1,758	\$ 32,037	2,131	\$ 35,569
Acquired	101	4,985	78	3,140
Disposed	(522)	(5,649)	(451)	(6,672)
Balance, end of year	1,337	\$ 31,373	1,758	\$ 32,037

During the year, the Company disposed of 522 (2023 – 451) of the class A shares for amounts equal to their costs.

As at December 31, 2024, the treasury stock was comprised of 30 common shares (2023 – 30) and 1,307 class A shares (2023 – 1,728 shares).

(B) EQUITY-BASED ENTITLEMENTS

Equity-based entitlements allow the employees to acquire shares of the Company from the EPSP Trust at zero cost, subject to predetermined vesting arrangements and other conditions.

A summary of the changes in the number of shares under equity-based entitlements is as follows:

For the years ended December 31	2024	2023
Entitlements, beginning of year	1,221	1,423
Provided	102	78
Exercised	(103)	(279)
Forfeited	-	(1)
Balance, end of year	1,220	1,221

Equity-based entitlements provided during the year ended December 31, 2024 had a fair value of \$5,005 (2023 – \$3,140). As at December 31, 2024 the vested number of equity based entitlements were 920 (2023 – 925).

(C) OPTION-LIKE ENTITLEMENTS

The option-like entitlements allow the employees to purchase shares of the Company from the EPSP Trust at prices equal to the amount of the borrowings per share pertaining to those shares, subject to predetermined vesting arrangements and other conditions. Due to the nature of these entitlements and the conditions attached to them, the contractual life of the entitlement is indeterminable.

A summary of the changes in the option-like entitlements is as follows:

For the years ended December 31	2024		2023	
	Number of Shares	Weighted average exercise price per share	Number of Shares	Weighted average exercise price per share
Balance, beginning of year	536	\$ 10.35	708	\$ 10.20
Exercised	(419)	10.72	(172)	9.71
Balance, end of year	117	\$ 9.03	536	\$ 10.35

No option-like entitlements were granted during 2024 or 2023, and all option-like entitlements outstanding are vested. As at December 31, 2024, there were option-like entitlements outstanding for 117 class A shares (2023 – 536).

Because these entitlements have option-like characteristics, they are accounted for as options and valued using the Black-Scholes option pricing model. The value of the entitlements provided is recorded as compensation cost over the vesting period of the entitlements, and is credited to contributed surplus. On exercise of an entitlement, treasury stock is reduced for the value of the entitlement exercised.

The following table summarizes information about option-like entitlements outstanding:

As at December 31	2024		2023	
	Number of Shares	Weighted average exercise price per share	Number of Shares	Weighted average exercise price per share
\$7.51 – \$10.00	117	\$ 9.03	312	\$ 9.46
\$10.01 – \$12.50	-	-	224	11.59
	117	\$ 9.03	536	\$ 10.35

15. DIVIDEND AND INTEREST INCOME

Dividend and interest income is comprised of the following:

For the years ended December 31	2024	2023
Dividends on Bank of Montreal shares	\$ 13,648	\$ 12,934
Other securities	9,238	8,617
Dividend income	22,886	21,551
Interest income	22,626	26,753
Dividend and interest income	\$ 45,512	\$ 48,304

16. EMPLOYEE COMPENSATION AND BENEFITS

Employee compensation and benefits are comprised of the following:

For the years ended December 31	2024	2023
Salaries and other compensation, payroll taxes and benefits	\$ 172,509	\$ 109,971
Contributions to defined contribution pension plans	2,101	1,471
Stock-based compensation	4,058	3,587
Employee compensation and benefits	\$ 178,668	\$ 115,029

17. OTHER OPERATING EXPENSES

Other operating expenses are comprised of the following:

For the years ended December 31	2024	2023
Information and technology services	\$ 39,809	\$ 18,652
Professional and outsourced services	20,992	12,557
Marketing and travel	7,706	5,428
Registration, facilities and other operating expenses	9,412	7,679
Other operating expenses	\$ 77,919	\$ 44,316

18. NET GAINS

Net gains are comprised of net gains (losses) arising on the following items:

For the years ended December 31	2024	2023
Bank of Montreal common shares	\$ 18,420	\$ 19,111
Other securities and securities sold short	64,087	34,804
Securities and securities sold short (i)	82,507	53,915
Disposal of intangible assets	(471)	2,137
Lease and other liabilities	(1,115)	565
Foreign exchange (ii)	(3,477)	1,170
Net gains	\$ 77,444	\$ 57,787

- i. **Net gains** on securities and securities sold short are a result of changes in the fair value of securities, securities backing third party investor liabilities, securities sold short and third party investor liabilities.
- ii. **Foreign exchange gains (losses)** arise from monetary assets and liabilities denominated in currencies which are different from the functional currencies of the Company or its individual subsidiaries.

19. NET EARNINGS PER SHARE

The calculations of net earnings per share and net earnings from continuing operations per share are based on the following:

For the years ended December 31	2024	2023
Weighted average number of share outstanding		
Basic	23,266	23,782
Equity-based and option-like entitlements	1,527	1,742
Diluted	24,793	25,524
Net earnings from continuing operations attributable to shareholders		
Basic	\$ 100,099	\$ 100,250
Effect of equity-based and option like entitlements	1,672	1,621
Diluted	\$ 101,771	\$ 101,871
Net earnings attributable to shareholders		
Basic	\$ 100,099	\$ 562,929
Effect of equity-based and option-like entitlements	1,672	1,621
Diluted	\$ 101,771	\$ 564,550

The calculation of weighted average number of shares outstanding includes both Common and Class A shares less share held by the EPSP Trust as Treasury Stock.

The weighted average effects of 151 (2023 – 141) equity-based and option-like entitlements from the Company's stock-based compensation arrangements were excluded from the above calculation as those entitlements were anti-dilutive.

20. BUSINESS SEGMENTS

Following the sale of the Worldsource Subsidiaries (note 26) the Company reorganized its operations into two segments: a) Investment Management, which primarily involves earning management fees relating to investment management services provided to clients; and b) Corporate Activities and Investments, which relates substantially to the investment of the Company's securities holdings, as well as corporate management and development activities. The segmented operating results below includes certain centralized costs which are allocated from Corporate Activities and Investments segment to operating segments to better reflect the costs associated with each of the segments.

(A) BUSINESS SEGMENTS

The following table discloses certain information about these segments:

For the years ended December 31	Investment Management		Discontinued Operations		Corporate Activities and Investments		Inter-segment transactions		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Management and advisory fees	\$ 283,802	\$ 197,865	\$ –	\$ –	\$ –	\$ –	\$ (2,064)	\$ (1,978)	\$ 281,738	\$ 195,887
Fees paid to referring agents	(14,201)	(13,359)	–	–	–	–	–	–	(14,201)	(13,359)
Net management and advisory fees	269,601	184,506	–	–	–	–	(2,064)	(1,978)	267,537	182,528
Administrative services income	9,478	8,797	–	–	2,088	1,553	(1,212)	–	10,354	10,350
Dividend and interest income	2,101	1,642	–	–	42,574	45,899	837	763	45,512	48,304
Net revenue	281,180	194,945	–	–	44,662	47,452	(2,439)	(1,215)	323,403	241,182
Expenses										
Employee compensation and benefits	163,726	104,848	–	–	14,942	10,181	–	–	178,668	115,029
Amortization	15,618	11,604	–	–	2,012	2,088	–	–	17,630	13,692
Interest	889	508	–	–	9,473	7,918	–	(130)	10,362	8,296
Other expenses	71,569	39,660	–	–	8,789	5,741	(2,439)	(1,085)	77,919	44,316
	251,802	156,620	–	–	35,216	25,928	(2,439)	(1,215)	284,579	181,333
Operating earnings	29,378	38,325	–	–	9,446	21,524	–	–	38,824	59,849
Net gains (losses)	2,781	(996)	–	–	74,663	58,783	–	–	77,444	57,787
Net earnings before income taxes	32,159	37,329	–	–	84,109	80,307	–	–	116,268	117,636
Income tax expense	10,938	11,464	–	–	3,732	4,010	–	–	14,670	15,474
Net earnings from continuing operations	21,221	25,865	–	–	80,377	76,297	–	–	101,598	102,162
Net earnings from discontinued operations	–	–	–	554,933	–	–	–	–	–	554,933
Net earnings	\$ 21,221	\$ 25,865	\$ –	\$ 554,933	\$ 80,377	\$ 76,297	\$ –	\$ –	\$ 101,598	\$ 657,095
Net earnings attributable to:										
Shareholders	\$ 19,722	\$ 23,953	\$ –	\$ 462,679	\$ 80,377	\$ 76,297	\$ –	\$ –	\$ 100,099	\$ 562,929
Non-controlling interests	1,499	1,912	–	92,254	–	–	–	–	1,499	94,166
	\$ 21,221	\$ 25,865	\$ –	\$ 554,933	\$ 80,377	\$ 76,297	\$ –	\$ –	\$ 101,598	\$ 657,095
Additions to segment assets										
Intangible assets	\$ 79,984	\$ 1,215	\$ –	\$ –	\$ 1,066	\$ –	\$ –	\$ –	\$ 81,050	\$ 1,215
Equipment	17,420	1,662	–	–	384	760	–	–	17,804	2,422
Goodwill	41,379	–	–	–	–	–	–	–	41,379	–
As at December 31	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Segment assets and liabilities:										
Assets	\$ 601,624	\$ 326,225	\$ –	\$ –	\$ 1,333,726	\$ 1,427,831	\$ 17,036	\$ (21,056)	\$ 1,952,386	\$ 1,733,000
Liabilities	263,936	168,452	–	–	354,435	342,678	17,036	(21,056)	635,407	490,074

(B) GEOGRAPHIC SEGMENTS

The Company also operates in various geographic regions. The following table discloses certain information about the Company's activities by geography:

For the year ended December 31	Canada		United Kingdom		United States and other		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
Net revenue from external parties	\$ 148,216	\$ 148,037	\$ 58,031	\$ 55,756	\$ 117,156	\$ 37,389	\$ 323,403	\$ 241,182
As at December 31	2024	2023	2024	2023	2024	2023	2024	2023
Segment non-current assets								
Intangible assets	\$ 32,814	\$ 23,417	\$ 2,196	\$ 2,365	\$ 126,918	\$ 59,608	\$ 161,928	\$ 85,390
Equipment	17,637	18,748	270	602	18,916	2,834	36,823	22,184
Goodwill	11,134	11,134	871	813	75,819	29,679	87,824	41,626

21. NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

Net change in non-cash working capital items is comprised of the following:

For the years ended December 31	2024	2023
Decrease (increase) in non-cash working capital assets		
Interest-bearing deposits with banks	\$ (9,891)	\$ (1,490)
Accounts receivable and other assets	(1,311)	(3,298)
Receivables from clients and broker	–	28,524
Increase (decrease) in non-cash working capital liabilities		
Client deposits	17,162	(7,061)
Accounts payable and other	29,765	16,620
Payable to clients	–	(25,013)
Net change in non-cash working capital items	\$ 35,725	\$ 8,282

22. FINANCIAL RISK MANAGEMENT

The Company's goal in managing financial risk is to evaluate the risks being taken against the benefits that are targeted to be achieved and, where those risks are deemed acceptable, to mitigate those risks, where practicable. A discussion on the Company's risk management practices is included under the heading "Risk Factors" in the Management's Discussion and Analysis of the Company's 2024 Annual Report. The following are the more significant risks associated with financial instruments to which the Company is subject:

(A) CONCENTRATION RISK

The Company is exposed to concentration risk associated with certain investments as follows:

As at December 31	2024	2023
Bank of Montreal common shares	\$ 310,594	\$ 292,175
Intelligent traffic systems company	115,307	112,512
	\$ 425,901	\$ 404,687

The investment in the Bank of Montreal shares represents 25% (2023 – 22%) of the Company's securities. The Company monitors the investment in the Bank of Montreal shares on a continuous basis. A change in the price of the Bank of Montreal shares by 10% would result in gain or loss of \$31,059 (2023 - \$29,218) being recorded in net gains (losses).

The investment in the Intelligent traffic systems company (note 4(c)) represents 9% (2023 – 9%) of the Company's securities. The Company's interest in this investment is held through an investment in the Company's smart infrastructure partnerships (note 24d). The Company through the partnership jointly controls this investment and manages its risk through representation on investment's board and active monitoring of its operations. A change in the estimated fair value of the investment by 10% would result in gain or loss of \$11,531 (2023 - \$11,251) being recorded in net gains (losses).

(B) 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. Market risk comprises three types of risk: price risk, currency risk, and interest rate risk.

i. Price Risk

Price risk, the risk of a gain or loss resulting from movements in the price of securities, arises when the Company invests in securities or sells securities short.

The Company's most significant exposure to price risk, excluding the investments disclosed in the preceding concentration risk note and fixed-income and short-term securities is as follows:

As at December 31, 2024	Securities and securities sold short classified as fair value through the profit and loss	Gain or loss recognized from 10% market change in region
Canada	\$ 56,108 ±\$	5,611
Emerging markets	78,920	7,892
Developed markets	273,932	27,393
	\$ 408,960 ±\$	40,896
As at December 31, 2023		
Canada	\$ 52,316 ±\$	5,232
Emerging markets	68,400	6,840
Developed markets	238,513	23,851
	\$ 359,299 ±\$	35,923

This risk is managed through the use of professional in-house portfolio management expertise, which takes a disciplined approach to investment management. The Company's securities holdings and short positions, excluding the Bank of Montreal shares, are also diversified by asset class and by geographical region. The net price risk from third party investors liabilities and Securities banking third party liabilities is minimal and is discussed in detail in note 3.

ii. Currency Risk

Currency risk, the risk of a gain or loss resulting from the movements in currency exchange rates, arises when the Company or one of its subsidiaries is a party to financial instruments which are denominated in a currency which is different from its functional currency. The Company's most significant exposure to currency risk is as follows:

As at December 31	2024	2023
Assets		
Cash	\$ 14,280	\$ –
Short-term securities	13,723	16,551
Liabilities		
Bank loans and borrowings	73,492	80,830
	\$ (45,489)	\$ (64,279)

The Company's currency risk is primarily related to the US dollar borrowings. This risk is mitigated by the US dollar cash flows which are generated by certain of the Company's subsidiaries, which have been used to reduce these borrowings. In addition, the Company will recognize an offsetting amount on translation of the investment in this foreign subsidiary and recognize a gain/loss in other comprehensive income. A change in the CAD-USD exchange rate by +/-10% would result in a foreign exchange loss or gain of +/- \$4,549 (2023 – \$6,428) recognized in net earnings.

From time to time, a foreign subsidiary may hold an unhedged position in Canadian dollars, which can result in foreign exchange gains or losses in that subsidiary. Upon translation of their results on consolidation, the Company will recognize an equal and offsetting foreign currency translation adjustment in Other comprehensive income. This is not considered to be a currency risk as there is no economic risk to the Company.

iii. Interest Rate Risk

Interest rate risk, the risk of increased income and expense or gain or loss resulting from changes in interest rates, arises when the Company is party to an interest-bearing financial instrument. The Company's significant exposure to interest rate risk is as follows:

As at December 31	2024	2023
Interest rate sensitive assets:		
Interest-bearing deposits with banks	\$ 85,100	\$ 66,912
Short-term securities	334,091	516,177
Fixed-income securities	41,696	37,437
	\$ 460,887	\$ 620,526
Interest rate sensitive liabilities:		
Bank loans and borrowings	\$ 144,126	\$ 136,014
Client deposits	74,185	50,071
	\$ 218,311	\$ 186,085

The interest rates on these borrowings are short-term and, if short-term rates increase, the Company's interest expense will increase and net earnings will decrease. If interest rates had been different by $\pm 1\%$ throughout the year, with all other variables held constant, the Company's interest expense would have been changed by approximately $\pm \$1,160$ (2023 – $\pm \$1,148$).

The Company's short-term and fixed-income securities are managed by its investment management subsidiaries. The interest rate risk associated with these securities are managed first by the Company who selects appropriate investment duration and then by the use of professional in-house portfolio management expertise that manages the securities in accordance with the investment policy. If interest rates had been different by $\pm 1\%$ throughout the year, with all other variables held constant, the Company's interest income would have been changed by approximately $\pm \$4,695$ (2023 – $\pm \$4,846$).

The interest rate risk on interest-bearing deposits with banks and the client deposits, both of which arise in the international banking operation, is considered to be low, as the Company manages by matching interest and maturities on the assets and liabilities.

(C) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's total credit risk exposure, without consideration of any collateral or other credit enhancements, is as outlined below:

As at December 31	2024	2023
Cash	\$ 137,477	\$ 72,414
Interest-bearing deposits with banks	85,100	66,912
Accounts receivable and other assets	87,922	55,001
Short-term securities	334,091	516,177
Fixed-income securities	41,696	37,437
	\$ 686,286	\$ 747,941

The cash and interest-bearing deposits with banks and the majority of the accounts receivable are due from major institutions. The Company reviews the credit worthiness of any banks with which it places deposits, and does not deal with a bank if it is not satisfied with the bank's financial strength. The accounts receivable and other are generally amounts due to from customers and the credit risk is low due to the nature of the Company's customers.

The credit risk associated with the Company's investment in short-term and fixed-income securities are managed first by the Company who selects appropriate investment risk parameters and then by the use of professional in-house portfolio management expertise that manages the securities in accordance with the investment policy. The short-term securities are investments in investment-quality securities with very short duration and low credit risk.

(D) LIQUIDITY RISK

Liquidity risk, the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities, arises when the Company has insufficient resources to meet its obligations as they come due. The Company is exposed to liquidity risk because it has significant obligations which are due within one year. The Company manages this financial risk by managing its cash flows from operations, maintaining a portfolio of liquid securities, and by arranging significant borrowing facilities with major Canadian banks which are secured by collateral.

23. CAPITAL MANAGEMENT

The Company considers the following to be its capital: shareholders' equity and bank loans and borrowings. The Company's objectives in managing its capital are to:

- i. **Maintain a strong capital base** to provide investor, creditor, regulator and client confidence; and
- ii. **Provide returns to shareholders** by the payment of dividends, the repurchase of the Company's shares, and the enhancement of long-term value.

The allocation of capital to, and the return from, the Company's businesses are monitored by senior management. Certain of the Company's operating subsidiaries are subject to various types of capital requirements imposed by the regulatory authorities to which they report. During the year, and at year end, the subsidiaries complied with those requirements. As at December 31, 2024, the Company's regulated businesses had total regulatory capital amounting to \$329,826 (2023 – \$297,750). These amounts are, in all cases, in excess of the regulatory requirements, and are adjusted by the Company as necessary from time to time.

The Company's general corporate borrowing facility is subject to certain terms and conditions. During the years, and at year ends, the Company complied with those terms and conditions.

24. RELATED PARTIES

(A) MAJOR SHAREHOLDER

Minic Investments Limited (“Minic”) beneficially owned 49.7% (2023 – 49.7%) of the Company’s outstanding common shares as at December 31, 2024. A. Michael Christodoulou, a director and officer of the Company, is currently President and significant shareholder of Minic. In 2024 and 2023, there were no transactions between Minic and the Company.

(B) KEY MANAGEMENT PERSONNEL

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. The Company has determined that its key management personnel include the Board of Directors of the Company and certain senior executives of the Company.

The following summarizes transactions with key management personnel:

As at December 31	2024	2023
Short-term employment benefits	\$ 7,075	\$ 18,752
Post-employment benefits	35	35
Stock-based compensation	2,606	2,255
	\$ 9,716	\$ 21,042

Certain of the short-term employment benefits in 2023 include amounts related to the Company’s discontinued operations.

The Company provides investment management services to key management personnel at reduced fee rates, which are available to all employees of the Company. The following is a summary of the fees paid for these services:

For the years ended December 31	2024	2023
Investment management services	\$ 69	\$ 50

(C) OPERATING SUBSIDIARIES

The Company’s significant operating subsidiaries during the periods and ownership interest at year ends are as follows:

As at December 31	Country of organization	Voting ownership interest	
		2024	2023
Guardian Capital LP	Canada	100%	100%
Guardian Partners Inc.	Canada	100%	100%
Guardian Capital Advisors LP	Canada	NA	100%
Guardian Capital Enterprises Limited	Canada	100%	100%
Guardian Capital Real Estate Inc.	Canada	100%	100%
Guardian Smart Infrastructure Management Inc.	Canada	100%	100%
Rae & Lipskie Investment Counsel Inc. (i)	Canada	60%	60%
Modern Advisor Canada Inc.	Canada	92%	71%
4135431 Canada Inc.	Canada	100%	100%
Galibier Capital Management Ltd.	Canada	100%	0%
GuardCap Asset Management Limited	United Kingdom	100%	100%
Guardian Capital, LLC	United States	100%	100%
Alta Capital Management, LLC (ii)	United States	100%	100%
Agincourt Capital Management, LLC (iii)	United States	70%	70%
Sterling Capital Management LLC	United States	100%	0%
Guardian Capital Holdings International Ltd.	Cayman Islands	100%	100%
Alexandria Bancorp Limited	Cayman Islands	100%	100%
Alexandria Global Investment Management Ltd.	Cayman Islands	100%	100%
Alexandria Trust Corporation	Barbados	100%	100%
Guardian Capital Group Limited Employee Profit Sharing Plan (iv)	Canada	0%	0%

- i. The principal place of business for Rae & Lipskie Investment Counsel Inc. (“Rae & Lipskie”) the Company’s wealth management subsidiary, is located at 20 Erb Street W, Waterloo, Ontario. The non-controlling interests have a 40% (2023 – 40%) equity and voting ownership interest in Rae & Lipskie.

The accumulated non-controlling interests in the Company’s accounts related to Rae & Lipskie are as follows:

For the years ended December 31	2024	2023
Balance, beginning of year	\$ 5,190	\$ 5,007
Net earnings	545	423
Dividends	(560)	(240)
Balance, end of year	\$ 5,175	\$ 5,190

Summarized financial information about assets, liabilities and operations of Rae & Lipskie before inter-company eliminations in which the non-controlling interests have an interest are as follows:

As at December 31	2024	2023
Current assets	\$ 3,721	\$ 3,056
Intangible assets	7,796	8,424
Other non-current assets	6,865	6,981
	\$ 18,382	\$ 18,461
Current liabilities	\$ 1,826	\$ 1,201
Non current liabilities	8,769	8,258
	\$ 10,595	\$ 9,459
For the years ended December 31		
Revenue	\$ 7,601	\$ 7,474
Net earnings	856	645
Comprehensive income	856	645

- ii. The principal place of business for Alta Capital Management, LLC (“Alta”), the Company’s US equity investment manager subsidiary, is located at Suite 260, South Wasatch Boulevard, Salt Lake City, Utah. During 2023 the Company acquired the portion of Alta it did not already own and as a result at December 31, 2023 and subsequently non-controlling interests had no equity and voting ownership interest in Alta.

The accumulated non-controlling interests in the Company’s accounts related to Alta are as follows:

For the years ended December 31	2024	2023
Balance, beginning of year	\$ –	\$ 17,582
Net earnings	–	298
Other comprehensive income	–	(31)
Distributions	–	(1,328)
Acquisition of NCI	–	(16,521)
Balance, end of year	\$ –	\$ –

Summarized financial information about the operations of Alta before inter-company eliminations in which the non-controlling interests had an interest are as follows:

For the years ended December 31	2024	2023
Revenue	\$ –	\$ 13,708
Net earnings	–	1,521
Comprehensive income	–	1,253

- iii. The principal place of business for Agincourt Capital Management, LLC (“Agincourt”), the Company’s US fixed-income investment manager subsidiary, is located at Suite 800, 200 South 10th Street, Richmond, Virginia. The non-controlling interests have a 30% equity and voting ownership interest in Agincourt (2023 – 30%).

The accumulated non-controlling interests in the Company's accounts related to Agincourt are as follows:

For the years ended December 31	2024	2023
Balance, beginning of year	\$ 9,339	\$ 9,643
Net earnings	1,112	983
Other comprehensive income	(725)	172
Distributions	(1,354)	(1,459)
Balance, end of year	\$ 8,372	\$ 9,339

Summarized financial information about assets, liabilities, and operations of Agincourt before inter-company eliminations in which the non-controlling interests have an interest are as follows:

As at December 31	2024	2023
Current assets	\$ 8,488	\$ 6,582
Other non-current assets	907	1,095
Intangible assets	16,848	16,887
Goodwill	11,247	10,312
	\$ 37,490	\$ 34,876
Current liabilities	\$ 2,714	\$ 1,944
Non-current liabilities	746	933
	\$ 3,460	\$ 2,877
For the years ended December 31		
Revenue	\$ 15,184	\$ 13,461
Net earnings	2,620	2,600
Comprehensive income	2,233	1,445

- iv. The Company does not hold any ownership interest in the EPSP Trust. However, the EPSP Trust is consolidated because the Company has power over the activities of the EPSP Trust, which are conducted on behalf of the Company, and the Company remains exposed to the risks of the EPSP Trust, which are described in note 14, Treasury Stock.

(D) INTERESTS IN INVESTMENT FUNDS

The Company sponsors and manages a number of investment funds, including both mutual funds and exchange traded funds. The purpose of each fund is to efficiently invest monies on behalf of the Company's clients, and they are intended to be the primary investors in and owners of the fund. The Company provides investment management services and in certain circumstances administration services to these funds. These funds, which are separate legal entities, are to be financed by investments made by clients and, to a limited extent, the Company. However, there are periods when the Company may control a fund, due to the management of and the size of its economic interest in the fund, and as a result the Company will consolidate that fund.

i. Consolidated investment funds

The Company consolidates an investment fund when it controls the fund. This is frequently during the initial launch period of a fund when the Company provides the initial seed capital. In addition, control of the fund may change during other periods, for example due to ongoing investments into or out of a fund. Subsequent to control being lost, the Company may continue to maintain an investment in the fund. Investment funds sponsored by the Company which were consolidated at any time during 2024 or 2023, and the Company's ownership interest at the end of each of those years are as follows:

For the years ended December 31	Country of organization	Voting ownership interest	
		2024	2023
Guardian Directed Equity Path Fund (a)	Canada	NA	33%
Guardian i3 US Quality Growth ETF (a)	Canada	NA	48%
GuardPath Modern Tontine 2042 Trust	Canada	83%	81%
Guardcap UCITS Funds PLC, Emerging Markets Equity Fund	Ireland	91%	90%
Alta Quality Growth Fund	United States	55%	49%
Guardian Dividend Growth Fund	United States	68%	99%
Guardian Smart Infrastructure Partners – A LP	United States	82%	99%
Guardian Smart Infrastructure Partners Juniper Aggregator LP	United States	67%	97%
The Alexandria Directed Equity Path Fund (a)	Cayman Islands	NA	100%

- a. During 2024, the Company determined that it has ceased to control the Guardian Directed Equity Path Fund and Guardian i3 US Quality Growth ETF due to increased third party investments and as a result the Company ceased to consolidate those funds in 2024. The Alexandria Directed Equity Path Fund ceased operations and was liquidated in 2024.

ii. Unconsolidated investment funds

A summary of the unconsolidated investment funds that are managed by the Company, and the Company's interest in and transactions with those funds, are summarized in the following tables:

As at December 31	2024	2023
Net assets of unconsolidated investment funds	\$18,285,400	\$ 9,757,102
Company's interests in unconsolidated investment funds	262,430	211,441
For the years ended December 31		
Net revenue for investment management and administration services earned directly from unconsolidated investment funds	\$ 70,520	\$ 44,385

The Company's maximum exposure to loss from its interest in these investment funds is limited to the amount of its investment.

In addition to the Net revenue shown above, certain investors pay fees for investment management services directly to the Company, rather than through the fund. These fees have not been included in the above amounts.

25. ACQUISITIONS

(A) ACQUISITIONS

i. Sterling Capital Management LLC

On July 2, 2024, the Company acquired a 100% interest in Sterling Capital Management LLC ("Sterling") from Truist Financial Corporation ("Truist"). Headquartered in Charlotte, North Carolina, Sterling had on closing approximately US\$75,779,000 (C\$104,106,000) in assets under management and advisement. Sterling invests on behalf of a broad range of institutional and individual investors through separate accounts, model portfolios, and commingled vehicles, including mutual funds. The addition of Sterling enhances the Company's overall product offering diversification, scale as a global asset manager and provides a US platform for future growth in the US market. Sterling's management and key employees have been retained and are continuing their employment with Sterling.

The financial terms of the transaction included payments of US\$78,492 on closing, including certain post-closing adjustments. In addition, potential future earn-out payments are payable between the third and fifth year after closing to a maximum of US\$45,000, dependent on the level of revenue earned from Truist related client relationships over that period. The Company, based on a Monte Carlo simulation analysis, estimated that the fair value of the earn-outs to be \$15,090 on acquisition. The final accounting for this transaction is as follows:

Fair value of consideration	
Cash	\$ 107,511
Fair value of earn-out payments	15,090
	\$ 122,601
Fair value of identifiable net assets acquired	
Cash	\$ 11,291
Non-cash working capital	151
Leases and other assets	16,432
Intangibles	67,645
Lease liabilities	(14,297)
	81,222
Goodwill	41,379
	\$ 122,601

The Company revised its previously reported estimates for the fair value of the earn-out payments, intangibles and goodwill. The revised estimates resulted in the fair value of the earn-out payments decreasing by \$9,607, the intangibles decreasing by \$20,251 and goodwill increasing by \$10,645. These adjustments were made retrospectively to the acquisition date.

The Company incurred and expensed to December 31, 2024 approximately \$8,969 of costs to execute this transaction and these costs were included in other operating expenses in the Consolidated Statements of Operations.

The intangible assets relate to existing investment management contracts that Sterling has with clients. The fair value of the intangible assets was determined using an income approach – the multi-period excess earnings method. The valuation method was based on the discounted cash flows expected to be derived from the ownership of the intangibles. The significant assumptions and estimates used to determine the fair value of the intangibles include projected revenue growth attributable to the acquired intangible assets, client attrition and the discount rate.

Goodwill relates to the retention of Sterling's senior leadership team, access to established distribution, contacts in key markets, addition of new products and other potential synergies. The Company expects the goodwill to be deductible for income tax purposes.

Sterling's contributions to the Company's operating results since acquisition are as follows:

For the year ended December 31	2024
Net revenues	\$ 74,183
Net loss	(2,048)
Comprehensive income	3,080

Included in the above results are one-time transaction and initial business integration efforts costs that have been incurred by Sterling. These expenditures include transaction success fees, legal and tax advisory fees, retention incentives for key employees, and technology and other business integration costs.

ii. Galibier Capital Management Ltd.

On September 3, 2024, the Company acquired 100% of Galibier Capital Management Ltd. ("Galibier"), an independent Toronto-based investment management firm. The acquisition will enhance the Company's Canadian equity investment management capabilities and added approximately \$1,125,000 in assets under management on closing.

The final accounting for this transaction is as follows:

Fair value of consideration	
Cash	\$ 3,604
Fair value of earn-out payments	5,053
	<u>\$ 8,657</u>
Fair value of identifiable net assets acquired	
Cash	\$ 565
Non-cash working capital	539
Other assets	136
Intangibles	10,306
Other liabilities	(158)
Deferred taxes	(2,731)
	<u>\$ 8,657</u>

The earn-out payments are payable on the first and fifth years after closing and are dependent on the level of assets under management and projected revenues on those dates and limited to a maximum of \$7,500. The Company, based on a Monte Carlo simulation analysis, estimated that the fair value of the earn-outs to be \$5,053 on acquisition. The intangible assets relate to existing investment management contracts that Galibier has with clients. The fair value of the intangible assets was determined using an income approach – the multi-period excess earnings method. The valuation method was based on the discounted cash flows expected to be derived from the ownership of the intangibles. The acquisition costs included in other operating expenses of the Consolidated Statements of Operations were not material.

Galibier's contributions to the Company's operating results since acquisition are as follows:

For the year ended December 31	2024
Net revenues	\$ 1,227
Net loss and comprehensive loss	(271)

iii. Pro-forma information on acquisitions

If the acquisition date for the above acquisitions had been January 1 of the year in which the acquisition had happened rather than the actual date then the Company estimates that its reported Net revenues and Net earnings would have been as follows:

For the years ended December 31	2024	2023
Net revenues	\$ 405,102	\$ –
Net earnings	108,785	–

(B) CASH USED FOR (ACQUIRED IN) ACQUISITIONS

An analysis of the cash used for (acquired in) acquisitions is as follows:

For the years ended December 31	2024	2023
Sterling	\$ 107,511	\$ –
Galibier	3,604	–
Acquisitions closed prior to 2023	1,800	–
Less cash acquired in above transactions	(11,856)	–
	<u>\$ 101,059</u>	<u>\$ –</u>

26. DISPOSITION OF SUBSIDIARIES

On March 1, 2023, the Company sold its subsidiaries, IDC Worldsource Insurance Networks Inc. (“IDC WIN”), Worldsource Financial Management Inc. and Worldsource Securities Inc. (collectively “Worldsource Subsidiaries”) to the Desjardins Group for \$750,000, subject to customary price adjustments for excess working capital. The proceeds of disposition were divided between the Company and the non-controlling interests in IDC WIN. The Worldsource Subsidiaries had been classified as discontinued operations since November 30, 2022.

The summarized operating results of the Worldsource Subsidiaries which are included in the Company’s Consolidated Statement of Operations as Net earnings from discontinued operations are as follows:

For the years ended December 31,	2024	2023
Operating activities:		
Net revenue	\$ –	\$ 17,615
Expenses	–	14,333
Operating earnings	–	3,282
Net gains	–	387
Income tax expense	\$ –	(803)
		2,866
Gain on disposition	\$ –	619,511
Income tax expense	–	67,444
		<u>\$ 552,067</u>
Net earnings from discontinued operations	–	\$ 554,933
Net earnings from discontinued operations attributable to:		
Shareholders	–	\$ 462,679
Non-controlling interests	–	92,254
		<u>\$ 554,933</u>
Per share (note 18):		
Basic	–	\$ 19.46
Diluted	–	18.13

The summarised cash flows for the Worldsource subsidiaries which have been included in the Company’s Consolidated Statements of Cash Flow are as follows:

For the years ended December 31,	2024	2023
Net cash from (used in)		
Operating activities	\$ –	\$ 10,087
Investing activities	–	726,580
Financing activities	–	(43,390)
	<u>\$ –</u>	<u>\$ 693,277</u>

The effects of the disposal on the financial position of the Company are as follows:

For the years ended December 31,	2023
Cash	\$ 6,452
Receivables from clients and broker	65,536
Other current assets	26,133
Intangibles	83,980
Goodwill	32,622
Other non-current assets	8,828
Payable to clients	(65,536)
Other current liabilities	(32,877)
Non-current liabilities	(9,219)
Net assets and liabilities disposed	113,919
Consideration received, cash (i)	749,286
Cost of disposal	(16,254)
Cash disposed	(6,452)
Net cash inflows	726,580
Less amounts paid to Non-controlling interests	(103,830)
	\$ 622,750

THE TEAM AT GUARDIAN

DIRECTORS

James S. Anas ^{†,§}
A. Michael Christodoulou
 Petros Christodoulou [§]
 Marilyn De Mara [§]
 Harold W. Hillier [§]
 George Mavroudis
 Edward T. McDermott [§]
 Barry J. Myers [§]
 Hans-Georg Rudloff [§]

COMMITTEES

Audit

James S. Anas [§]
 Harold W. Hillier [§]
 Marilyn De Mara [§]
 Barry J. Myers ^{†,§}

Compensation

James S. Anas [§]
 Harold W. Hillier ^{†,§}
 Edward T. McDermott [§]
 Hans-Georg Rudloff [§]

Corporate governance and nominating

A. Michael Christodoulou
 Marilyn De Mara [§]
 Edward T. McDermott ^{†,§}
 Barry J. Myers [§]

PRINCIPAL EXECUTIVES

George Mavroudis
 President and Chief Executive Officer
A. Michael Christodoulou
 Senior Vice-President, Strategic Planning
 and Development
Paula Dunlop
 Executive Vice-President, Human
 Resources
Robin Lacey
 Head of Institutional Asset Management
Matthew D. Turner
 Senior Vice-President, Chief Compliance
 Officer and Secretary
Donald Yi
 Chief Financial Officer
Ernest B. Dunphy
 Vice-President and Controller
Eddy Fung
 Vice-President, Retail Finance and
 Administration
Rachel Hindson
 Vice-President, Legal
Angela Shim
 Vice-President, Corporate Initiatives

SUPPLEMENTARY INFO

Corporate Office
 Commerce Court West
 Suite 2700, P.O. Box 201
 Toronto, Ontario M5L 1E8
 Phone: (416) 364-8341
 Fax: (416) 364-2067
guardiancapital.com

Annual Meeting
 May 9, 2025

Pearce Bunting and Barbara Stymiest
 Rooms, TMX Market Centre
 120 Adelaide Street West
 Toronto, Ontario M5H 1S3

Auditor
 KPMG LLP

Toronto Stock Exchange Listing
 Common: GCG
 Class A: GCG.A

Investor Relations
 George Mavroudis
info@guardiancapital.com

Registrar and Transfer Agent
 Computershare Investor Services Inc.
 1 (800) 564-6253
investorcentre.com/service

Principal Bankers
 Canadian Imperial Bank of Commerce
 Bank of Montreal

[†] Chairman

[§] Independent Director



GUARDIAN CAPITAL™