

## Press Release

### Guardian Capital Group Limited (TSX: GCG; GCG.A) Announces 2022 Second Quarter Operating Results

Toronto, Ontario, August 11, 2022

All per share figures disclosed below are stated on a diluted basis.

For the periods ended June 30, (\$ in thousands, except per share amounts)	Three months		Six months	
	2022	2021	2022	2021
Net revenue	\$ 74,109	\$ 69,960	\$ 149,174	\$ 134,654
Operating earnings	17,157	21,199	36,523	38,703
Net gains (losses)	(90,128)	56,467	(98,110)	98,438
Net earnings (loss)	(68,224)	66,831	(62,409)	117,692
EBITDA <sup>(1)</sup>	\$ 25,592	\$ 27,495	\$ 51,962	\$ 50,984
Adjusted cash flow from operations <sup>(1)</sup>	18,485	21,829	38,434	42,352
Attributable to shareholders:				
Net earnings (loss)	\$ (69,698)	\$ 65,138	\$ (65,436)	\$ 114,763
EBITDA <sup>(1)</sup>	23,042	24,708	46,888	45,919
Adjusted cash flow from operations <sup>(1)</sup>	16,218	19,201	33,973	37,693
Per share:				
Net earnings (loss)	\$ (2.85)	\$ 2.42	\$ (2.68)	\$ 4.24
EBITDA <sup>(1)</sup>	0.94	0.92	1.80	1.70
Adjusted cash flow from operations <sup>(1)</sup>	0.63	0.72	1.31	1.39
<b>As at</b>				
(\$ in millions, except per share amounts)	2022 June 30	2021 December 31	2021 June 30	
Assets under management	\$ 46,931	\$ 56,341	\$ 51,641	
Assets under administration	27,626	31,508	29,902	
Total client assets	74,557	87,849	81,543	
Shareholders' equity	\$ 743	\$ 839	\$ 780	
Securities	651	752	698	
Per share:				
Shareholders' equity <sup>(1)</sup>	\$ 28.74	\$ 31.53	\$ 29.09	
Securities <sup>(1)</sup>	25.17	28.27	26.03	

The Company is reporting \$74.6 billion in total client assets as at June 30, 2022, which include assets under management ("AUM") and assets under administration ("AUA"). This is a 9% decrease from \$81.5 billion as at June 30, 2021, and a 15% decrease from \$87.8 billion reported as at December 31, 2021. The Company is reporting AUM of \$46.9 billion as at June 30, 2022, a 9% decrease from \$51.6 billion as at June 30, 2021, and a 17% decrease from \$56.3 billion as at December 31, 2021. The decrease in AUM was driven largely by the negative global financial market performance and, to a lesser extent, net redemption of approximately \$1.6 billion in institutional client assets in the current quarter. The Company's AUA was \$27.6 billion as at June 30, 2022, an 8% decrease from \$29.9 billion as at June 30, 2021, and a 12% decrease from \$31.5 billion as at December 31, 2021.

The Company is reporting Operating earnings of \$17.2 million for the quarter ended June 30, 2022, a decrease of 19% or \$4.0 million from the \$21.2 million reported in the second quarter of 2021. The decrease in AUM and AUA since their peaks at the end of 2021 has negatively impacted the Company's Net revenue for the quarter. The expenses remained consistent over that same period, other than the one-time costs discussed below, as the Company continued to invest in the strategically important initiatives of building both our retail distribution capabilities and the recently launched Guardian Smart Infrastructure Management Inc., our private infrastructure business, while integrating and enhancing our other recently acquired businesses. These investments incurred a combined Operating loss of \$2.8 million in the current quarter, \$0.5 million higher than in the second quarter of 2021. In addition, \$1.2 million in other one-time costs, including approximately \$0.7 million in restructuring costs associated with the Company's decision to no longer pursue the build out of our Emerging Markets Debt investment team, were incurred in the current quarter.

Net revenue for the current quarter grew to \$74.1 million, 6% or \$4.1 million higher than the \$70.0 million reported in the same quarter in the prior year. The increase is due to average AUM and AUA for the current period being higher than in the comparative period. The large redemptions referred to above occurred in the latter part of the current quarter. As a result, the full quarter's impact of the loss of those assets are not reflected in the current quarter's Net revenue.

Expenses in the current quarter were \$57.0 million, an \$8.2 million increase from \$48.8 million in the same quarter in the prior year. The higher expenses reflect the continued strategic investments in future growth sources, as well as the non-recurring costs mentioned above.

Net losses in the current quarter were \$90.1 million, compared to Net gains of \$56.5 million in the same quarter in the prior year. The largest portion of the Net losses in the current quarter was attributable to the declines in fair values of our securities holdings resulting from the negative performance in the global financial markets to which those securities are exposed.

The Company's Net loss attributable to shareholders in the current quarter was \$69.7 million, compared to Net earnings attributable to shareholders of \$65.1 million in the same quarter in 2021. The significant Net losses associated with our securities holdings, as described above, compared to the large Net gains in the prior year, had the most significant impact on the change in Net (loss) earnings attributable to shareholders.

EBITDA attributable to shareholders(1) for the current quarter was \$23.0 million, compared to \$24.7 million in the same period in the prior year. Adjusted cash flow from operations attributable to shareholders(1) for the current quarter was \$16.2 million, compared to \$19.2 million in the same quarter in the prior year.

The Company's Shareholders' equity as at June 30, 2022 was \$743 million, or \$28.74 per share(1), compared to \$839 million, or \$31.53 per share(1) as at December 31, 2021, and \$780 million, or \$29.09 per share(1) as at June 30, 2021. During the current quarter, the Company returned to shareholders \$6.3 million in dividends and \$17.9 million in share buybacks. The fair value of the Company's Securities as at June 30, 2022 was \$651 million, or \$25.17 per share(1), compared to \$752 million, or \$28.27 per share(1) as at December 31, 2021 and \$698 million, or \$26.03 per share(1) as at June 30, 2021.

The Board of Directors has declared a quarterly eligible dividend of \$0.24 per share, payable on October 18, 2022, to shareholders of record on October 11, 2022.

The Company's financial results for the past eight quarters are summarized in the following table.

	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
<i>As at (\$ in millions)</i>								
Assets under management	\$ 46,931	\$ 53,123	\$ 56,341	\$ 53,113	\$ 51,641	\$ 47,945	\$ 45,984	\$ 32,733
Assets under administration	27,626	30,526	31,508	30,015	29,902	28,376	22,289	20,755
Total client assets	74,557	83,649	87,849	83,128	81,543	76,321	68,273	53,488
<i>For the three months ended (\$ in thousands)</i>								
Net revenue	\$ 74,109	\$ 75,065	\$ 78,049	\$ 72,384	\$ 69,960	\$ 64,694	\$ 63,724	\$ 52,042
Operating earnings	17,157	19,366	22,314	20,771	21,199	17,504	18,493	12,108
Net gains (losses)	(90,128)	(7,982)	52,331	(8,146)	56,467	41,971	80,983	35,739
Net earnings (losses)	(68,224)	5,815	64,451	8,597	66,831	50,861	87,083	42,652
Net earnings (loss) attributable to shareholders	(69,698)	4,262	62,421	7,054	65,138	49,625	86,039	42,201
<i>(in \$)</i>								
Net earnings (loss) attributable to shareholders:								
Per Class A and Common share								
Basic	\$ (2.85)	\$ 0.17	\$ 2.52	\$ 0.28	\$ 2.59	\$ 1.95	\$ 3.38	\$ 1.66
Diluted	(2.85)	0.16	2.35	0.27	2.42	1.83	3.17	1.56
Dividends paid on Class A and Common shares	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.16	\$ 0.16	\$ 0.16
<i>As at</i>								
Shareholders' equity (\$ in thousands)	\$ 742,917	\$ 828,404	\$ 838,520	\$ 781,334	\$ 780,323	\$ 737,363	\$ 699,610	\$ 631,863
Per Class A and Common share (in \$)								
Basic	\$ 30.68	\$ 33.67	\$ 33.89	\$ 31.56	\$ 31.15	\$ 29.02	\$ 27.43	\$ 24.80
Diluted	28.74	31.27	31.53	29.40	29.09	27.14	25.69	23.25
Total Class A and Common shares outstanding (shares in thousands)	26,342	26,892	26,954	26,968	27,263	27,691	27,740	27,758

Guardian Capital Group Limited (Guardian) is a diversified, global financial services company operating in two main business segments: Investment Management and Wealth Management. Guardian provides extensive investment management solutions to institutional and private wealth clients through its subsidiaries, while offering comprehensive wealth management services to financial advisors in its national mutual fund dealer, securities dealer and insurance distribution network. Founded in 1962, Guardian's reputation for steady growth, long-term relationships and its core values of trustworthiness, integrity and stability have been key to its success over six decades. Its Common and Class A shares are listed on the Toronto Stock Exchange as GCG and GCG.A, respectively. To learn more about Guardian, visit [www.guardiancapital.com](http://www.guardiancapital.com).

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## Caution Concerning Forward-Looking Information

Certain information included in this press release constitutes forward-looking information within the meaning of applicable Canadian securities laws. All information other than statements of historical fact may be forward-looking information. 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 press release 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 press release 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 or in tax laws, the duration and severity of the current COVID pandemic, the ongoing conflict in the Ukraine, as well as those risk factors discussed or referred to in the disclosure documents filed by Guardian with the securities regulatory authorities in certain provinces of Canada and available at [www.sedar.com](http://www.sedar.com). 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 press release is made as of the date of this press release and should not be relied upon as representing Guardian’s views as of any date subsequent to the date of this press release.

<sup>(1)</sup>The Company’s management uses EBITDA, EBITDA attributable to shareholders, including the per share amount, Adjusted cash flows from operations, Adjusted cash flow from operations attributable to shareholders, including the per share amount, Shareholders’ equity per share and Securities per share to evaluate and assess the performance of its business. These measures do not have standardized measures under International Financial Reporting Standards (“IFRS”), and are therefore unlikely to be comparable to similar measures presented by other companies. However, management believes that most shareholders, creditors, other stakeholders and investment analysts prefer to include the use of these measures in analyzing the Company’s results. The Company defines EBITDA as net earnings before interest, income taxes, amortization, stock-based compensation, net gains or losses and EBITDA attributable shareholders as EBITDA less the amounts attributable to non-controlling interests. The Company defines Adjusted cash flow from operations as net cash from operating activities, net of changes in non-cash working capital items and Adjusted cash flow from operations attributable to shareholders as Adjusted cash flow from operations less the amounts attributable to non-controlling interests. The most comparable IFRS measures are Net earnings (loss), which was (\$68.2) million in 2022 (2021 - \$66.8 million) and Net cash from operating activities, which was \$27.7 million in 2022 (2021 - \$26.4 million). The per share amounts for EBITDA attributable to shareholders, Adjusted cash flow from operations attributable to shareholders, Shareholders’ equity and Securities are calculated by dividing the amounts by diluted shares, which is calculated in a manner similar to net earnings attributable to shareholders per share. More detailed descriptions of these non-IFRS measures are provided in the Company’s Management’s Discussion and Analysis, including a reconciliation of these measures to their most comparable IFRS measures.