



CANACCORD GENUITY GROUP INC. ANNOUNCES A PROPOSED OFFER MADE TO AND REJECTED BY THE RF CAPITAL BOARD TO ACQUIRE 100% OF THE OUTSTANDING SHARES OF RF CAPITAL GROUP INC.

If completed, the proposed business combination would form the preeminent independent wealth management business in Canada and provide superior value for RF Capital minority shareholders and Richardson Wealth Investment Advisors

TORONTO, March 15, 2020- Canaccord Genuity Group Inc. (TSX:CF) ("Canaccord Genuity" or the "Company") announced today that on March 9, 2021 it submitted a letter to the board of directors of RF Capital Group Inc. (TSX:RCG) ("RF Capital") in which Canaccord Genuity proposed to purchase 100% of the outstanding shares of RF Capital for \$2.30 per share (the "Proposal") for cash or Canaccord Genuity common shares. The Proposal represented a 31% premium to the closing price of RF Capital common shares on March 12, 2021 and a 30% premium to the volume-weighted average price for the 20 trading days ended on that date. The proposed price of \$2.30 per common share is supported by the formal valuation commissioned by the special committee of RF Capital's board of directors in connection with the recently completed transaction (the "RGMP Transaction") between RF Capital and Richardson GMP Limited ("Richardson Wealth"). The rationale behind the Proposal is simple – on a combined basis, RF Capital and Canaccord Genuity would become the preeminent independent wealth business in Canada.

Unfortunately, RF Capital's board of directors dismissed the Proposal on March 10, 2021 without reason. As a result, RF Capital shareholders, including its Investment Advisors ("IA"s) who, as a group, represent a significant shareholding, were not provided an opportunity to consider an offer at an attractive valuation. Representatives of Richardson Financial Group Limited (the "Richardson family"), which owns approximately 44% of the outstanding common shares of RF Capital, rejected an invitation to discuss the Proposal.

"We are resolute in our belief that our Proposal would provide superior value for RF Capital shareholders and that Richardson Wealth Investment Advisors would benefit from the scale, stability, and growth potential that Canaccord Genuity provides," said Dan Daviau, President & CEO of Canaccord Genuity. "The opportunity to bring together two of Canada's leading independent wealth management businesses presents compelling synergies and economic benefits not only for our own business and shareholders, but also for RF Capital shareholders, Richardson Wealth's Investment Advisors and their clients."

We are disappointed that we have been unable to engage with RF Capital's board of directors and the Richardson family in a meaningful and productive way in connection with our Proposal, despite numerous attempts to engage in constructive dialogue since last September. We feel strongly that RF Capital shareholders and Richardson Wealth Investment Advisors (including those with RF Capital shares subject to a multi-year escrow) should have an opportunity to consider the Proposal.

We believe the Proposal presents an opportunity to form the preeminent independent wealth management business in Canada, and a compelling opportunity for RF Capital's shareholders to

participate in the ongoing success of Canaccord Genuity's existing platform and on a combined basis with the addition of Richardson Wealth.

Benefits of the Proposal

- As two of the largest and longest-standing independent wealth management businesses in Canada, Canaccord Genuity and Richardson Wealth on a combined basis, with their strong complement of IAs and their shared commitment to their clients, would be well-positioned to serve the complex needs of Canada's most successful entrepreneurs, other ultra/high-net worth investors as well as a diverse population of private clients.
- Canaccord Genuity has a proven track record of creating substantial value in the wealth management segment and, over the past ten years has invested more than \$350 million in acquisitions, recruiting, and technology to support the growth of its wealth management businesses in Canada, the UK & Crown Dependencies and Australia. The combined business would benefit from this investment in value creation.
- Canaccord Genuity is entrusted with \$88 billion in client assets globally (as at February 28, 2021), up from \$32 billion in 2015. Excluding significant items, our aggregate global wealth management businesses earned pre-tax net income of \$90 million¹ for the nine-month period ended December 31, 2020. The combined business would benefit from our global platform and experience operating across multiple regions.
- With the benefit of more than six consecutive years of substantial growth in revenue and profitability, Canaccord Genuity has made significant investments to advance the support infrastructure, technology and product offering to keep pace with the changing industry landscape, while striving to exceed Investment Advisor and client expectations. Investment Advisors and clients of the combined business would also benefit from our infrastructure and technology investments and product offering, such as a state-of-the-art unified account management platform, powered by Envestnet.
- Investment Advisors in Canada are increasingly choosing Canaccord Genuity Wealth Management as their platform to pursue the most productive years of their career. We have effectively doubled our client assets in Canada over a three-year period, having successfully recruited over 45 IA teams, collectively managing more than \$11 billion in client assets. Among them, we have welcomed 14 IAs from Richardson Wealth who collectively manage over \$3 billion in client assets. We believe such growth would continue or could even accelerate based on the strong complement of Investment Advisors of the combined business.
- Investment Advisors who have joined Canaccord Genuity have been able to grow their practices by leveraging the modern technology, expanded product offering, and opportunities provided by our capital markets business, which is a leading equities underwriter in Canada. We believe that as part of a combined business, former Richardson Wealth Investment Advisors would have an opportunity to grow their practice in a similar fashion.
- Although RF Capital has underperformed in terms of its financial record, the proposed business combination would result in significant cost savings, as well as revenue opportunities for the combined business, which we expect will be accretive to Canaccord Genuity earnings per share.
- The expanded wealth management platform in Canada would provide Canaccord Genuity's shareholders with an added benefit which complements their exposure to a diverse geographic and business mix, with growing contributions from a stable and growing international wealth management business, and significant upside during periods where our capital markets businesses

¹ Items excluding significant items are non-IFRS measures. Refer to non-IFRS measures in our annual MD&A for fiscal 2020 and our quarterly MD&A for the nine months ended December 31, 2020.

are positioned to deliver outsized returns. The value of Canaccord Genuity common shares has increased by 139% over the past 12 months.

RF Capital's Refusal to Engage Denies Shareholders and Investment Advisors the Chance to Decide Their Own Future

- RF Capital has underperformed as a public company, with a current market capitalization of approximately \$275 million and a float of approximately \$80 million.
- Over a five-year period, the market price of RF Capital common shares has declined by 62%, whereas the price of Canaccord Genuity common shares has increased by 135% over the same period.
- Over a five-year period, Canaccord Genuity has seen its average assets under administration ("AUA") per IA team in Canada grow by 215%, whereas Richardson Wealth advisors have achieved substantially lower growth of 37%. This difference in growth rates reflects our unwavering commitment to investing in the growth of our wealth management business.
- Richardson Wealth Investment Advisors sold their Richardson Wealth shares for consideration with a headline value of \$2.42 per share, but with RF Capital common shares trading below \$2.00 since the RGMP Transaction closed in October 2020, we believe that it is unlikely that they will be able to realize that value in any reasonable time frame.
- The refusal by the RF Capital board to engage in discussions about the Proposal prevents Richardson Wealth Investment Advisors from an opportunity to participate in a transaction which would have provided the potential to create significant value for their shares accumulated over many years of service and, with a multi-year escrow, their ability to realize value is restricted and limited.

The full text of the letter sent to RF Capital on March 9, 2021 is as follows:

Attention: Mr. Donald A. Wright, Chair of Special Committee

Dear Mr. Wright,

On behalf of Canaccord Genuity Group Inc. ("Canaccord Genuity" or "our"), I write to propose a transaction whereby Canaccord Genuity would acquire 100% of the outstanding common shares of RF Capital Group Inc. ("RFG" or "you" or "the Company"), to form the preeminent independent wealth business in Canada.

Proposed offer for RFG common shares

We propose to pay \$2.30 per RFG share, which represents a 31.4% premium to the closing price of RFG stock on March 8, 2021, and a 29.4% premium to the volume weighted average price for the 20 trading days ending on that date. This value is supported by the formal valuation commissioned by the Special Committee of RFG's Board of Directors in connection with the recently completed RGMP transaction, which resulted in a valuation range of \$2.00 - \$2.55 per RFG share. We are flexible in the form of consideration that we would offer, and would be prepared to use either all cash or Canaccord Genuity shares, or a combination thereof. This would give RFG shareholders the opportunity to participate in the ongoing success of the combined business, and the option to obtain immediate liquidity if preferred.

Canaccord Genuity's objective is to acquire 100% of RFG. However, given the reluctance to engage in discussions following our previous approaches, we recognize that Richardson Financial Group Ltd. ("Richardson"), who we understand currently owns approximately 44% of the outstanding RFG shares, may not be inclined to sell its interest. Therefore, we would be prepared to offer to acquire any number of shares representing over 50% of the total RFG shares outstanding.

We would expect that the RFG board would permit holders of shares that are currently subject to escrow provisions to accept our proposal, with the understanding that a portion of the consideration they receive would be subject to equivalent escrow provisions.

Proposed exchange of RFG preferred shares

As part of our offer, we also propose to exchange RFG's outstanding preferred shares into equivalent preferred shares of Canaccord Genuity. This will give the holders of your preferred shares, a significant portion of whom are your employees, investment advisors, and clients, the opportunity to realize the value inherent in our offer.

Highly accretive combination, substantial value creation and track record for growth

We are confident that the highly accretive combination of RFG's Richardson Wealth business with our existing wealth management platform, which will form the preeminent independent wealth business in Canada with over \$60 billion in AUA, will result in substantial value creation for the shareholders of both RFG and Canaccord Genuity. We are excited about the opportunity that this transaction affords both RFG shareholders and Canaccord Genuity, as we complement our growing group of large wealth managers, with the excellent pedigree and talent of Richardson Wealth advisors. Over the past 3 years, the 14 Richardson Wealth advisor teams, representing over \$3 billion in assets as of February 28, 2021, who have joined Canaccord Genuity have experienced a highly successful transition and, with the greater scale, market presence and synergy resulting from this transaction, we are confident that the combined team of advisors will benefit significantly as they grow their practices on a stable platform with a strong, supportive and entrepreneurial independent culture that, most importantly, allows them [to] better serve the needs of their clients.

We note from your financial results released on March 5 that RFG continues to lose money and, as a stand alone company, does not seem to provide the optimal opportunity for your shareholders and advisors. Canaccord Genuity, on the other hand, has experienced record revenue growth and achieved record client asset levels in our wealth management business. We also recently announced on February 3 a highly accretive transaction involving our UK wealth management business. In short, we have ample resources to complete the acquisition of RFG and to invest in the growth of the combined [business].

Next steps

It is our strong preference to arrive at a transaction supported by the board of directors of the Company. To that end we would propose entering into a non-disclosure agreement that would permit us to conduct a limited confirmatory due diligence review of the Company, which we are confident could be completed in less than 14 days, following which we would seek to enter into appropriate definitive agreements regarding an agreed transaction. However, if we are unable to negotiate promptly an

appropriate non-disclosure agreement (for certainty, one that does not include standstill or non-solicitation provisions), we are prepared to proceed unilaterally with an offer directly to your shareholders.

Our Board of Directors is fully supportive of this initiative and has authorized and approved the submission of this letter. To date, other than attempting to contact representatives of Richardson, we have not had discussions with RFG's major shareholders regarding our proposal but, in the event that the RFG board elects not to engage with us, we reserve the right to do so.

This letter does not represent or create any legally binding or enforceable obligations. No obligations will be imposed on either party unless and until a definitive agreement is signed by both Canaccord Genuity and RFG.

We are prepared to move quickly and look forward to discussing this opportunity further. We urge a timely response and encourage you to give this request a favorable consideration. As you can appreciate, time is of the essence. Accordingly, we request that you respond to us by 5:00 P.M. EST on March 12, failing which this letter shall be null and void

Yours truly,

Dan Daviau
President & Chief Executive Officer
Canaccord Genuity Group Inc.

This press release does not constitute an offer to buy or an invitation to sell, or the solicitation of an offer to buy or invitation to sell, any securities of RF Capital or Canaccord Genuity.

ABOUT CANACCORD GENUITY GROUP INC.

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the "Company") is a leading independent, full-service financial services firm, with operations in two principal segments of the securities industry: wealth management and capital markets. Since its establishment in 1950, the Company has been driven by an unwavering commitment to building lasting client relationships. We achieve this by generating value for our individual, institutional and corporate clients through comprehensive investment solutions, brokerage services and investment banking services. The Company has wealth management offices located in Canada, the UK, Guernsey, Jersey, the Isle of Man and Australia. The Company's international capital markets division operates in North America, UK & Europe, Asia, Australia and the Middle East.

Canaccord Genuity Group Inc. is publicly traded under the symbol CF on the TSX.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS:

This press release may contain "forward-looking information" as defined under applicable securities laws ("forward-looking statements"). These statements relate to future events or future performance and reflect management's expectations, beliefs, plans, estimates, intentions and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts, including the Proposal, the business and economic conditions and Canaccord

Genuity Group's growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend", "could" or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry and the risks and uncertainties discussed from time to time in the Company's interim condensed and annual consolidated financial statements, its annual report and its annual information form ("AIF") filed on www.sedar.com as well as the factors discussed in the sections entitled "Risk Management" and "Risk Factors" in the AIF, which include market, liquidity, credit, operational, legal and regulatory risks. Material factors or assumptions that were used by the Company to develop the forward-looking statements contained in this press release include, but are not limited to, those set out in the Fiscal 2020 Outlook section in the annual MD&A and those discussed from time to time in the Company's interim condensed and annual consolidated financial statements, its annual report and the AIF filed on www.sedar.com. The preceding list is not exhaustive of all possible risk factors that may influence actual results. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive. Although the forward-looking statements contained in this press release are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this press release are made as of the date of this press release and should not be relied upon as representing the Company's views as of any date subsequent to the date of this press release. Except as may be required by applicable law, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, further developments or otherwise.

Client assets include Assets under administration (AUA) and assets under management (AUM) which are non-IFRS measures that are common to the wealth management business. Client assets reflect the market value of securities and funds managed and administered by the Company from which the Company earns commissions and fees. This measure includes funds held in client accounts as well as the aggregate market value of long and short security positions. The Company's method of calculating AUA and may differ from the methods used by other companies and therefore may not be comparable to other companies. Management uses these measures to assess operational performance of the Canaccord Genuity Wealth Management business segment. The value of AUA and AUM will change with changes in market values and foreign exchange rates.

FOR FURTHER INFORMATION:

Investor and media relations inquiries:

Christina Marinoff
Vice President, Investor Relations & Communications,
Phone: 416-687-5507, Email: cmarinoff@cgf.com

www.cgf.com/investor-relations