

CANACCORD GENUITY GROUP INC. REPORTS FIRST QUARTER FISCAL 2021 RESULTS

**Record quarterly revenues driven by strong trading and new issue activities
Excluding significant items, first quarter earnings per common share of \$0.25⁽¹⁾**

La version française du présent communiqué sera déposée sur SEDAR. / A French-language version of this communication will be made available on SEDAR

TORONTO, August 5, 2020—Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the first fiscal quarter, ended June 30, 2020.

“Our performance for the fiscal first quarter reflects our agile and defensive business mix that allows us to shift resources where needed to ensure excellent client experiences in any environment,” said Dan Daviau, President & CEO of Canaccord Genuity Group Inc. “We achieved record quarterly revenues, with all businesses contributing to our profitability, and, in keeping with our commitment to increase shareholder returns, we increased our quarterly common share dividend by ten percent.”

First fiscal quarter highlights:

(All dollar amounts are stated in thousands of Canadian dollars unless otherwise indicated)

- First quarter revenue of \$377.7 million, highest quarterly revenue on record
- Quarterly investment banking revenue increased 30% year-over-year, driven by strong new-issue activities across all geographies with increased activity levels in the life sciences, technology and mining sectors
- Australian capital markets business delivered record revenue of \$42.5 million, reflecting stronger investment banking activity across small-cap focus sectors, with established leadership in mining
- Excluding significant items¹, diluted earnings per common share for the first fiscal quarter was \$0.25 per share (\$0.22 per share on an IFRS basis)
- Excluding significant items¹, 48% of diluted earnings per share contributed by global wealth management operations
- Total client assets in our global wealth management business increased to \$68.9 billion, an increase of 13.4% from Q4/20
- First quarter common share dividend of \$0.055 per common share

	Three months ended June 30		Year-over-year change	Three months ended March 31	Quarter-over-quarter change
	Q1/21	Q1/20		Q4/20	
Revenue	\$377,728	\$325,508	16.0%	\$319,648	18.2%
First fiscal quarter highlights- adjusted¹					
Expenses - excluding significant items ¹	\$335,965	\$286,978	17.1%	\$294,703	14.0%
Earnings per common share – diluted, excluding significant items ¹	\$0.25	\$0.23	8.7%	\$0.17	47.1%
Net Income - excluding significant items ¹	\$32,897	\$30,654	7.3%	\$21,451	53.4%
Net Income attributable to common shareholders – excluding significant items ^{1,3}	\$29,065	\$28,218	3.0%	\$19,142	51.8%
First fiscal quarter highlights- IFRS					
Expenses	\$340,674	\$294,156	15.8%	\$289,430	17.7%
Earnings per common share – diluted	\$0.22	\$0.18	22.2%	\$0.21	4.8%
Net Income ²	\$28,964	\$24,290	19.2%	\$26,246	10.4%
Net Income attributable to common shareholders ³	\$25,132	\$21,854	15.0%	\$23,937	5.0%

¹ Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6 of the MD&A

1. Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6 of the MD&A
2. Before non-controlling interests and preferred share dividends
3. Net income attributable to common shareholders is calculated as the net income adjusted for non-controlling interests and preferred share dividends

Core business performance highlights:

Canaccord Genuity Wealth Management

The Company's combined global wealth management operations earned revenue of \$137.9 million for the first fiscal quarter, a year-over-year increase of 6.3%. Excluding significant items¹, the pre-tax net income contribution from this segment increased by 4.4% year-over-year to \$24.3 million.

- Wealth management operations in the UK & Europe generated \$68.0 million in revenue and, after intersegment allocations, and excluding significant items¹, recorded net income of \$16.0 million before taxes in Q1/21 up from \$13.0 million for Q4/20
- Canaccord Genuity Wealth Management (North America) generated \$57.0 million in revenue and, after intersegment allocations, recorded net income of \$7.6 million before taxes in Q1/21 up from \$2.7 million for Q4/20
- Wealth management operations in Australia generated \$13.0 million in revenue and, after intersegment allocations and excluding significant items¹, recorded net income of \$0.7 million before taxes in Q1/21 down slightly from \$0.9 million for Q4/20

First quarter revenue in the Company's UK & Europe wealth management business decreased by 5.5% compared to Q1/20, mainly driven by a decline in fee-based revenue resulting from slightly lower market values for client assets due to current market conditions and reduced interest income due to lower rates. Despite the decline in revenue, pre-tax income excluding significant items¹ increased by 14.2% compared to the three months ended June 30, 2019 due to a decrease in overhead expenses. On an adjusted¹ basis, the pre-tax profit margin was 23.6%, an increase of 4.1 percentage points year over year and an increase of 3.2 percentage points from the average for fiscal 2020.

Revenue in the Company's North American wealth management business decreased slightly by 1.5% in Q1/21 compared to the same period in the prior year. The pre-tax profit margin was 13.3%, a decline of 2.7 percentage points from Q1/20 although an increase of 2.5 percentage points from the average for fiscal 2020.

Our Australian wealth management operations earned revenue of \$13.0 million and pre-tax income excluding significant items¹ of \$0.7 million in the first quarter of fiscal 2021, reflecting contributions from the acquisition of Patersons Securities Limited in Q3/20.

Total client assets in the Company's global wealth management businesses at the end of the first fiscal quarter amounted to \$68.9 billion.

- Client assets in North America were \$22.2 billion as at June 30, 2020, an increase of 20.6% from \$18.4 billion at the end of the previous quarter and an increase of 4.8% from \$21.2 billion at June 30, 2019
- Client assets in the UK & Europe were \$43.6 billion (£25.9 billion) as at June 30, 2020, an increase of 9.2% from \$39.9 billion (£22.7 billion) at the end of the previous quarter and a decrease of 4.4% from \$45.6 billion (£27.4 billion) at June 30, 2019
- Client assets in Australia were \$3.1 billion (AUD 3.3 billion) as at June 30, 2020, an increase of 27.7% from \$2.4 billion (AUD 2.8 billion) at the end of the previous quarter. In addition, client assets totalling \$11.8 billion are also held in other accounts on our Australian wealth management trading platform

Canaccord Genuity Capital Markets

Excluding significant items¹, this segment contributed pre-tax net income of \$34.4 million for the quarter, an improvement of 68.4% compared to the same period in the previous fiscal year. Globally, Canaccord Genuity Capital Markets earned first fiscal quarter revenue of \$234.9 million, an increase of 23.6% compared to the same period a year ago.

- Canaccord Genuity Capital Markets led or co-led 79 investment banking transactions globally, raising total proceeds of C\$2.3 billion during fiscal Q1/21.

- Canaccord Genuity Capital Markets, including led or co-led, participated in 133 investment banking transactions globally, raising total proceeds of C\$15.8 billion during fiscal Q1/21.

Revenue in the Company's US capital markets business increased by 20.8% for the three months ended June 30, 2020 compared to Q1/20. This included an increase of \$32.3 million in principal trading revenue over Q1/20 and an increase of \$10.4 million in commissions and fees revenue, both increases attributable to the increased levels of trading volumes during the quarter. Investment banking revenue in this business increased by 4.6% year-over-year reflecting robust new-issue activity, particularly in the healthcare and technology sectors. These increases were partially offset by a decline in advisory fees of \$24.1 million from Q1/20.

Revenue in our Australia operations increased from \$9.2 million in Q1/20 to \$42.5 million in the first quarter of fiscal 2021. The significant increase in the current quarter was largely driven by increased investment banking activity in our focus sectors, including mining and resource companies, and includes unrealized gains in certain inventory and warrant positions earned in respect of investment banking activity.

First quarter revenue in our Canadian capital markets operation increased by 41.1% when compared to the most recent fiscal quarter but decreased by \$9.0 million or 14.1% year-over-year, when compared to the exceptionally strong performance in Q1/20. Investment banking revenue for the three-month period was 122.8% higher than in the most recent fiscal quarter.

Our UK & Europe capital markets business achieved a revenue increase of 4.8% year-over-year. Despite a softer environment for advisory activities in the region, investment banking and principal trading revenues increased by 205.6% and 52.1% respectively. Pre-tax profit was \$1.0 million for the three months ended June 30, 2020 compared to a loss of \$0.2 million in the same period a year ago.

Summary of Corporate Developments:

On June 11, 2020, the Company announced that Gene McBurney has been appointed to lead the firm's Investment Banking efforts in Latin America and the Caribbean and enhance our market leading mining franchise.

Total compensation expense as a percentage of revenue increased from 59.9% in Q1/20 and 60.3% in fiscal 2020 to 66.9% in Q1/21. The increase in the compensation ratio for the current quarter was due to an increase in the fair value of performance share units (PSUs) granted in prior periods as a component of the Company's overall executive compensation program. The fair value of the PSUs is based upon progress against certain pre-determined three-year performance metrics, including share price relative to the market, as measured at the time of vesting. The PSUs are awarded annually and vest after three years and are paid in cash at the time of vesting in an amount calculated with reference to the share price at the time of vesting and, accordingly, the value will vary with share price performance. Changes to the fair value of the PSUs as measured in future periods may increase or decrease from the fair value as recorded at June 30, 2020 and such changes will be recorded through compensation expense.

Results for the first quarter of fiscal 2021 were impacted by the following significant items:

- Amortization of intangible assets acquired in connection with business combinations
- Certain incentive-based costs related to the acquisitions and growth initiatives in the UK & Europe wealth business

In addition, the Company's effective tax rate returned to a normalized level of 22%, following the recognition of deferred tax assets in fiscal 2020 that had previously been unrecognized due to historical losses.

Summary of results for Q1 fiscal 2021 and selected financial information excluding significant items¹

(C\$ thousands, except per share and % amounts)	Three months ended June 30		Year-over-year change
	2020	2019	
Total revenue per IFRS	\$377,728	\$325,508	16.0%
Total expenses per IFRS	\$340,674	\$294,156	15.8%
<u>Revenue</u>			
Total revenue excluding significant items	\$377,728	\$325,508	16.0%
<u>Expenses</u>			
<i>Significant items recorded in Canaccord Genuity Capital Markets</i>			
Amortization of intangible assets	\$748	\$2,471	(69.7)%
Restructuring costs	-	-	-
Acquisition- related costs	-	\$177	(100)%
<i>Significant items recorded in Canaccord Genuity Wealth Management</i>			
Amortization of intangible assets	\$3,326	\$3,043	9.3%

Acquisition-related costs	-	\$335	(100)%
Incentive-based costs related to acquisition	\$635	\$1,152	(44.9)%
Total significant items	\$4,709	\$7,178	(34.4)%
Total revenue excluding significant items	\$377,728	\$325,508	16.0%
Total expenses excluding significant items	\$335,965	\$286,978	17.1%
Net income before taxes – adjusted	\$41,763	\$38,530	8.4%
Income taxes – adjusted	\$8,866	\$7,876	12.6%
Net income - adjusted	\$32,897	\$30,654	7.3%
Net income attributable to common shareholders, adjusted	\$29,065	\$28,218	3.0%

¹Figures excluding significant items are non-IFRS measures. See Non-IFRS measures in page 6 of the MD&A

Financial condition at the end of first quarter fiscal 2021 vs. fourth quarter of fiscal 2020

- Cash and cash equivalents balance of \$782.3 million, a decrease of \$214.8 million from \$997.1 million
- Working capital of \$543.1 million, a decrease of \$4.2 million from \$547.3 million
- Total shareholders' equity of \$918.0 million, a decrease of \$10.6 million from \$928.6 million

Common and Preferred Share Dividends:

On August 5, 2020, the Board of Directors approved a dividend of \$0.055 per common share, payable on September 10, 2020, with a record date of August 28, 2020.

On August 5, 2020, the Board approved a cash dividend of \$0.24281 per Series A Preferred Share payable on September 30, 2020 to Series A Preferred shareholders of record as at September 18, 2020.

On August 5, 2020, the Board approved a cash dividend of \$0.31206 per Series C Preferred Share payable on September 30, 2020 to Series C Preferred shareholders of record as at September 18, 2020.

ACCESS TO QUARTERLY RESULTS INFORMATION

Interested investors, the media and other stakeholders may review the earnings release and supplementary financial information at www.cgf.com/investor-relations/investor-resources/financial-reports/

QUARTERLY CONFERENCE CALL AND WEBCAST PRESENTATION

Interested parties are invited to listen to Canaccord Genuity's first quarter fiscal 2021 results conference call via live webcast or a toll-free number. The conference call is scheduled for Thursday August 6, 2020 at 8:00 a.m. Eastern time, 5:00 a.m. Pacific time, 1:00 p.m. UK time, 8:00 p.m. China Standard Time, and 10:00 p.m. Australia EST. During the call, senior executives will comment on the results and respond to questions from analysts and institutional investors.

The conference call may be accessed live and will also be archived on a listen-only basis at: www.cgf.com/investor-relations/news-and-events/conference-calls-and-webcasts/

Analysts and institutional investors can call in via telephone at:

- 647-427-7450 (within Toronto)
- 1-888-231-8191 (toll free outside Toronto)
- 0-800-051-7107 (toll free from the United Kingdom)
- 0-800-917-449 (toll free from France)
- 10-800-714-1191 (toll free from Northern China)
- 10-800-140-1195 (toll free from Southern China)
- 1-800-287-011 (toll free from Australia)
- 800-017-8071 (toll free from United Arab Emirates)

Please ask to participate in the Canaccord Genuity Group Inc. Q1/21 results call. If a passcode is requested, please use 5558518.

A replay of the conference call will be made available from approximately two hours after the live call on August 6, 2020 until October 6, 2020 at 416-849-0833 or 1-855-859-2056 by entering passcode 5558518 followed by the (#) key.

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. Canaccord Genuity Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A. Canaccord Genuity Series C Preferred Shares are listed on the TSX under the symbol CF.PR.C. The Company's 6.25% Convertible Unsecured Senior Subordinated Debentures are listed on the TSX under the symbol CF.DA.A.

FOR FURTHER INFORMATION:

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www.cgf.com/investor-relations

None of the information on the Company's websites at www.cgf.com should be considered incorporated herein by reference.