

SECOND QUARTER

Fiscal 2022 Report to Shareholders



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Canaccord Genuity Group Inc. Reports Second Quarter Fiscal 2022 Results Excluding significant items, second quarter earnings per common share of \$0.58⁽¹⁾

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

TORONTO, November 8, 2021 – Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the second fiscal quarter, ended September 30, 2021.

“Enhanced profitability in our second quarter was driven by continued growth from our wealth management businesses and an all-time quarterly record for M&A,” said Dan Daviau, President & CEO of Canaccord Genuity Group Inc. “We continue to benefit from our diversification strategy, as we enter the second half of the fiscal year with a healthy pipeline of ECM and advisory activity, and a broad range of opportunities to support continued growth in our wealth management businesses.”

“We are especially grateful for the trust that our clients and shareholders have placed in us, and we strive to always exceed their expectations as a leading independent midmarket investment banking and wealth management firm.”

Second quarter and six-month fiscal year-to-date highlights:

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

- Second quarter revenue excluding significant items⁽¹⁾ of \$475.2 million, a year-over-year improvement of 21.7%
- Excluding significant items⁽¹⁾, second quarter pre-tax net income of \$95.7 million, a year-over-year improvement of 89.4% (\$87.0 million on an IFRS basis)
- Excluding significant items⁽¹⁾, diluted earnings per common share for the second fiscal quarter of \$0.58 per share (\$0.49 per share on an IFRS basis), an increase of 107.1% compared to the second quarter of fiscal 2021
- Excluding significant items⁽¹⁾, diluted earnings per common share for the first six months of fiscal 2022 of \$1.31 (\$1.12 on an IFRS basis), an increase of 147.2% compared to the first half of fiscal 2021
- Global capital markets revenue increased 26.2% year-over-year to \$304.9 million, reflecting a substantial growth in advisory activity
- Record quarterly advisory revenue of \$139.4 million, reflecting substantially increased contributions from our US, Canadian and UK & Europe capital markets businesses
- Advisory revenue earned by our US capital markets business in the second fiscal quarter amounted to a record \$103.6 million, exceeding all prior full fiscal year amounts, and a year-over-year improvement of 419.3%
- Investment banking revenue in our capital markets business for the first six months of fiscal 2022 increased 16.6% year-over-year to \$240.7 million, although for Q2/22 with lower new issue activity, investment banking revenue decreased by 17.8% to \$89.5 million when compared to the second quarter of fiscal 2021
- Global wealth management revenue for the second fiscal quarter increased 13.9% year-over-year to \$166.2 million although with reduced activity in Canadian new issue activity, this represented a decline of 14.8% when compared to the first quarter of fiscal 2022.
- Total client assets in our global wealth management business grew to \$98.1 billion, an increase of 33.6% from Q2/21 reflecting year-over-year increases of 45.1% in Canada, 26.7% in the UK & Crown Dependencies, and 43.0% in Australia
- Purchased 2,181,216 common shares for cancellation under our normal course issuer bid (NCIB) during the six months ended September 30, 2021
- Fiscal year-to-date capital deployment initiatives including dividends and share buybacks totalled \$44.1 million or 28.6% of adjusted net income.
- Second quarter common share dividend of \$0.075 per common share

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

| | Three months ended September 30 | | Year-over-year change | Three months ended June 30 | Quarter-over- quarter change |
|---|---------------------------------|------------|--------------------------|----------------------------------|---------------------------------|
| | Q2/22 | Q2/21 | | Q1/22 | |
| Second fiscal quarter highlights – adjusted⁽¹⁾ | | | | | |
| Revenue – excluding significant items ⁽¹⁾ | \$ 475,161 | \$ 390,357 | 21.7% | \$ 523,831 | (9.3)% |
| Expenses – excluding significant items ⁽¹⁾ | \$ 379,509 | \$ 339,843 | 11.7% | \$ 409,874 | (7.4)% |
| Earnings per common share – diluted, excluding significant items ⁽¹⁾ | \$ 0.58 | \$ 0.28 | 107.1% | \$ 0.73 | (20.5)% |
| Net Income – excluding significant items ⁽¹⁾ | \$ 69,719 | \$ 36,891 | 89.0% | \$ 84,654 | (17.6)% |
| Net Income attributable to common shareholders – excluding significant items ^{(1),(3)} | \$ 63,326 | \$ 32,982 | 92.0% | \$ 81,251 | (22.1)% |
| Second fiscal quarter highlights-IFRS | | | | | |
| Revenue | \$ 475,161 | \$ 390,357 | 21.7% | \$ 518,831 | (8.4)% |
| Expenses | 388,124 | \$ 344,499 | 12.7% | \$ 419,130 | (7.4)% |
| Earnings per common share – diluted | \$ 0.49 | \$ 0.25 | 96.0% | \$ 0.63 | (22.2)% |
| Net Income ⁽²⁾ | \$ 61,785 | \$ 32,993 | 87.3% | \$ 73,053 | (15.4)% |
| Net Income attributable to common shareholders ⁽³⁾ | \$ 54,232 | \$ 29,084 | 86.5% | \$ 69,650 | (22.1)% |

(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 \$166.2 million for the second fiscal quarter, a year-over-year increase of 13.9%. Excluding significant items⁽¹⁾, the pre-tax net income contribution from this segment increased by 17.9% year-over-year to \$31.7 million, which represents 33.1% of the adjusted pre-tax net income for the Company for the three-month period.

- Wealth management operations in the UK & Crown Dependencies generated \$75.1 million in revenue and, after intersegment allocations, and excluding significant items⁽¹⁾, recorded net income of \$19.7 million before taxes in Q2/22, up 40.0% year over year and 1.4% sequentially
- Canaccord Genuity Wealth Management in North America generated \$72.4 million in revenue and, after intersegment allocations, recorded net income of \$9.9 million before taxes in Q2/22, which represents decreases of 15.7% and 62.2% compared to Q2/21 and Q1/22 respectively
- Wealth management operations in Australia generated \$18.8 million in revenue and, after intersegment allocations and excluding significant items⁽¹⁾, recorded net income of \$2.1 million before taxes in Q2/22, up from \$1.1 million in Q2/21 and down from \$2.6 million in Q1/22

Second quarter revenue in the Company's UK & Crown Dependencies wealth management business increased by 16.8% compared to Q2/21, driven by increases in client asset values and fee-based revenue. Pre-tax net income excluding significant items⁽¹⁾ increased by 40.0% compared to the three months ended September 30, 2020 due to an increase in revenue as well as a decrease in non-compensation expenses as a percentage of revenue. On an adjusted⁽¹⁾ basis, the pre-tax profit margin was 26.2%, an increase of 4.4 percentage points year over year.

Revenue in the Company's North American wealth management business increased by 7.5% in Q2/22 compared to the same period in the prior year, due to a 21.5% increase in commissions and fees revenue, which was partially offset by a decrease in investment banking revenue. Average AUA per IA team improved by 44.1% year-over-year to \$245.0 million. The quarterly pre-tax profit margin in this business was 13.7%, a decrease of 3.8 percentage points from Q2/21. Pre-tax profit margin for the six months ended September 30, 2021 was 20.4% compared to 15.6% for the comparable period in the prior year.

Our Australian wealth management operations earned revenue of \$18.8 million in Q2/22, an increase of 30.9% over Q2/21. Pre-tax net income excluding significant items⁽¹⁾ increased by 94.7% compared to the three months ended September 30, 2020. On an adjusted⁽¹⁾ basis, the pre-tax profit margin was 11.2%, an increase of 3.7 percentage points year-over-year.

Total client assets in the Company's global wealth management businesses at the end of the second fiscal quarter were \$98.1 billion.

- Client assets in North America were \$35.8 billion at September 30, 2021, an increase of 3.4% from \$34.6 billion at the end of the previous quarter and an increase of 45.1% from \$24.6 billion at September 30, 2020
- Client assets in the UK & Crown Dependencies were \$57.5 billion (£33.6 billion) at September 30, 2021, an increase of 3.4% from \$55.6 billion (£32.4 billion) at the end of the previous quarter and an increase of 26.7% from \$45.4 billion (£26.4 billion) at September 30, 2020
- Client assets in Australia were \$4.8 billion (AUD 5.3 billion) at September 30, 2021, an increase of 2.6% from \$4.7 billion (AUD 5.0 billion) at the end of the previous quarter and an increase of 43.0% from \$3.4 billion (AUD 3.5 billion) at September 30, 2020. In addition, client assets totalling \$16.6 billion (AUD 18.1 billion) are also held in other accounts on our Australian wealth management trading platform

Canaccord Genuity Capital Markets

Excluding significant items⁽¹⁾, this segment contributed pre-tax net income of \$73.0 million for the quarter, an improvement of 70.0% compared to the same period in the previous fiscal year. Globally, Canaccord Genuity Capital Markets earned second fiscal quarter revenue of \$304.9 million, an increase of 26.2% compared to the same period a year ago. Revenue contributions from higher-margin advisory activities increased 279.1% year-over-year to \$139.0 million.

- Canaccord Genuity Capital Markets led or co-led 83 investment banking transactions globally, raising total proceeds of \$2.9 billion during fiscal Q2/22.
- Canaccord Genuity Capital Markets, including led and co-led transactions, participated in 128 investment banking transactions globally, raising total proceeds of \$15.8 billion during fiscal Q2/22.

Revenue in the Company's US capital markets business increased by 58.9% for the three months ended September 30, 2021 compared to Q2/21, primarily due to a 419.3% increase in advisory fees revenue which amounted to a record \$103.6 million for the three-month period. Reflecting lower client trading activity and reduced issuer activity, investment banking and trading revenue for the three-month period declined 18.3% and 24.6%, respectively, when compared to Q2/21. Fiscal year-to-date, the total revenue contribution from this business has increased by 46.2%, to \$331.2 million compared to the same period in the prior year.

Second quarter revenue in our Canadian capital markets operation decreased by \$10.4 million or 15.4% year-over-year, largely due to similar reductions in investment banking and commissions and fees revenue as in the US because of reduced levels of market activity. These decreases were partially offset by a 57.6% increase in revenue earned from advisory activities. Fiscal year-to-date revenue in this segment increased by 41.3% year-over-year to \$173.4 million, and excluding significant items¹, the pre-tax net income contribution from this business increased by 152.7% when compared to the first six months of fiscal 2021.

Revenue in our Australian capital markets operation was \$34.4 million for the second quarter, a decrease of 25.7% compared to the same period a year ago, but still well above historic levels. The decrease in the current quarter was largely driven by reduced investment banking activity in our focus sectors, including mining and resource companies, and reflects lower market values for certain inventory and warrant positions earned in respect of investment banking activity in prior periods.

Revenue in our UK & Europe capital markets business increased by 129.8% year-over-year, largely due to higher investment banking and advisory fees revenue, which includes substantial contributions from our Paris advisory team. Pre-tax profit was \$3.7 million for the three months ended September 30, 2021 compared to a pre-tax loss of \$2.2 million in the same period a year ago. Excluding significant items⁽¹⁾, pre-tax net income for the first six months of fiscal 2022 amounted to \$6.8 million, the strongest result since fiscal 2014.

Summary of Corporate Developments:

Results for the second quarter of fiscal 2022 were impacted by the following significant items:

On July 29, 2021, HPS Investment Partners, LLC, on behalf of certain investment accounts and funds it manages (collectively, "HPS"), completed its investment in the Company's UK wealth management division. HPS acquired convertible preferred shares ("Convertible Preferred Shares") in the amount of £125.0 million (C\$218.0 million) issued by the Company's subsidiary, Canaccord Genuity Wealth Group Holdings (Jersey) Limited (CGWM UK). On an as converted basis, the Convertible Preferred Shares represent an approximate 22% equity interest in CGWM UK. A portion of the proceeds was used to repay the senior secured first lien term loan facility of £69.0 million which was used to partially fund the redemption of the Company's 6.25% convertible unsecured senior subordinated debentures on April 9, 2021.

In connection with the transaction, CGWM UK has provided for the purchase of certain equity instruments in CGWM UK by management and employees of CGWM UK which will reflect an approximate 4.6% equity-equivalent interest in CGWM UK. As of September 30, 2021 £12.0 million (C\$20.8 million) of equity instruments in CGWM UK had been purchased by management in connection with this equity program and an additional £12.6 million (C\$21.4 million) is expected to be purchased after September 30, 2021. These equity instruments of CGWM UK include preferred shares with the same economic attributes as the Convertible Preferred Shares (the "Preferred Shares"). Preferred Shares in the amount of £6.0 million (CAD\$10.4 million) were purchased prior to September 30, 2021 and £1.5 million (CAD\$2.6 million) is expected to be purchased after September 30, 2021. The other equity interests are ordinary shares of CGWM UK with certain restrictions on transfer and limited governance rights. In connection with the purchase of these ordinary shares, certain loan arrangements were put into place by CGWM UK as appropriate. A management incentive arrangement has also been implemented which will provide for certain incentives with performance thresholds related to the future growth of CGWM UK.

On August 5, 2021 at the fiscal 2021 Annual General Meeting of Shareholders, Jo-Anne O'Connor was elected to the Company's Board of Directors. Ms. O'Connor has over 35 years' experience within financial services and capital markets.

On August 18, 2021 the Company filed a notice to renew the normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 5,342,990 of its common shares during the period from August 21, 2021 to August 20, 2022 through the facilities of the TSX and on alternative trading systems in accordance with the requirements of the TSX. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares for cancellation. The maximum number of shares that may be purchased under the current NCIB represents 5.0% of the Company's outstanding common shares at the time of the notice. During the six months ended September 30, 2021, there were 2,181,216 shares purchased under the NCIB (including 73,000 shares purchased but not yet cancelled as of September 30, 2021).

On September 9, 2021 the Company announced a strategic investment in International Deal Gateway, an established global community that provides its members with a trusted online platform to share and source deal-flow, investment opportunities, and M&A. This investment reflects the Company's ongoing commitment to expanding its distribution channels, enhancing its access to alternative pools of capital, and strengthening its ability to provide new products and services to its clients.

On September 27, 2021 the Company announced the appointment of Francesca Shaw to its Board of Directors. Ms. Shaw has nearly 40 years of experience across a wide range of senior governance and commercial roles within UK and international banks. With this appointment, the number of Independent directors rises to eleven, with female representation amongst independent directors at 56%.

Subsequent to the end of the second fiscal quarter, on October 1, 2021, through its wealth management business in the UK, the Company completed its previously announced acquisition of the investment management business of Adam & Company, establishing the Company's entry into the Scottish market with a leading and well-established franchise which manages approximately £1.7 billion (C\$2.9 billion) in client assets.

As our Australian franchise grows, we continue to assess the appropriate ownership structure of that business to align our employee base in that region and provide the business with capital for growth.

On October 29, 2021 the Company announced that eighteen Investment Advisors in its Canadian wealth management business have been recognized in the 2021 Report on Business ranking of Canada's Top Wealth Advisors produced by The Globe and Mail and SHOOK Research. This represents the strongest participation of all Canadian independent wealth management firms.

Summary of results for Q2 fiscal 2022 and selected financial information excluding significant items⁽⁴⁾

| (C\$ thousands, except per share and % amounts) | Three months ended September 30 | | Quarter-over- quarter change | Six months ended September 30 | | YTD over YTD change |
|--|------------------------------------|------------|---------------------------------|----------------------------------|------------|------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Total revenue per IFRS | \$ 475,161 | \$ 390,357 | 21.7% | \$ 993,992 | \$ 768,085 | 29.4% |
| Total expenses per IFRS | 388,124 | 344,499 | 12.7% | 807,254 | 685,173 | 17.8% |
| Revenue | | | | | | |
| <i>Significant items recorded in Corporate and Other</i> | | | | | | |
| Fair value adjustments on certain illiquid and restricted marketable securities | — | — | — | 5,000 | — | n.m. |
| Total revenue excluding significant items | 475,161 | 390,357 | 21.7% | 998,992 | 768,085 | 30.1% |
| Expenses | | | | | | |
| <i>Significant items recorded in Canaccord Genuity Capital Markets</i> | | | | | | |
| Amortization of intangible assets | 160 | 743 | (78.5)% | 453 | 1,491 | (69.6)% |
| <i>Significant items recorded in Canaccord Genuity Wealth Management</i> | | | | | | |
| Amortization of intangible assets | 3,178 | 3,288 | (3.3)% | 6,326 | 6,614 | (4.4)% |
| Acquisition related costs | 1,920 | — | n.m. | 1,920 | — | n.m. |
| Incentive-based costs related to acquisitions ⁽²⁾ | \$ 2,095 | 625 | 235.2% | \$ 2,446 | 1,260 | 94.1% |
| <i>Significant items recorded in Corporate and Other</i> | | | | | | |
| Costs associated with reorganization of UK & Crown Dependencies ⁽⁴⁾ | 794 | — | n.m. | 794 | — | n.m. |
| Costs associated with redemption of convertible debentures ⁽³⁾ | 468 | — | n.m. | 5,932 | — | n.m. |
| Total significant items – expenses | \$ 8,615 | 4,656 | 85.0% | \$ 17,871 | 9,365 | 90.8% |
| Total expenses excluding significant items | 379,509 | 339,843 | 11.7% | 789,383 | 675,808 | 16.8% |
| Net income before taxes – adjusted | 95,652 | 50,514 | 89.4% | 209,609 | 92,277 | 127.2% |
| Income taxes – adjusted | 25,933 | 13,623 | 90.4% | 55,236 | 22,489 | 145.6% |
| Net income – adjusted | \$ 69,719 | \$ 36,891 | 89.0% | \$ 154,373 | \$ 69,788 | 121.2% |
| <i>Significant item impacting net income attributable to common shareholders</i> | | | | | | |
| Non-controlling interests – IFRS | \$ 5,202 | \$ 1,558 | 233.9% | \$ 6,254 | \$ 3,039 | 105.8% |
| Amortization of equity component of the non-controlling interests in CGWM UK | \$ 1,160 | — | n.m. | \$ 1,160 | — | n.m. |
| Non-controlling interests – adjusted | \$ 4,042 | \$ 1,558 | 159.4% | \$ 5,094 | \$ 3,039 | 67.6% |
| Net income attributable to common shareholders, adjusted | 63,326 | 32,982 | 92.0% | 144,577 | 62,047 | 133.0% |
| Earnings per common share – basic, adjusted | \$ 0.66 | \$ 0.34 | 94.1% | \$ 1.50 | \$ 0.64 | 134.4% |
| Earnings per common share – diluted, adjusted | \$ 0.58 | \$ 0.28 | 107.1% | \$ 1.31 | \$ 0.53 | 147.2% |

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

(2) Incentive-based costs related to the acquisitions and growth initiatives in the UK & Crown Dependencies wealth management business.

(3) During the six months ended September 30, 2021, the Company entered into a credit agreement for a senior secured first lien term loan facility ("loan facility") to partially fund the redemption of the convertible debentures. Transaction costs incurred in connection with the loan facility are recognized on an amortized cost basis and included in the effective interest rate of the facility. Interest associated with this loan facility is included in costs associated with redemption of convertible debentures for the six months ended September 30, 2021.

(4) Professional fees related to the issuance of Convertible Preferred Shares to HPS on July 29, 2021.

Financial condition at the end of second quarter fiscal 2022 vs. fourth quarter of fiscal 2021

- Cash and cash equivalents balance of \$1.7 billion, a decrease of \$158.0 million from \$1.9 billion
- Working capital of \$905.4 million, an increase of \$352.9 million from \$552.5 million
- Total shareholders' equity of \$1.15 billion, an increase of \$44.4 million from \$1.11 billion

Common and Series A and Series C Preferred Share Dividends

On November 8, 2021, the Board of Directors approved a dividend of \$0.075 per common share, payable on December 10, 2021, with a record date of November 26, 2021.

On November 8, 2021, the Board of Directors approved the following cash dividends: \$0.25175 per Series A Preferred Share payable on December 31, 2021 with a record date of December 17, 2021; and \$0.31206 per Series C Preferred Share payable on December 31, 2021 with a record date of December 17, 2021.

Management's Discussion and Analysis

Second quarter fiscal 2022 for the three and six months ended September 30, 2021 — this document is dated November 8, 2021

The following discussion of the financial condition and results of operations for Canaccord Genuity Group Inc. is provided to enable the reader to assess material changes in our financial condition and to assess results for the three- and six-month period ended September 30, 2021 compared to the corresponding period in the preceding fiscal year. The three-month period ended September 30, 2021 is also referred to as second quarter 2022 and Q2/22. Unless otherwise indicated or the context otherwise requires, the "Company" refers to Canaccord Genuity Group Inc. and "Canaccord Genuity Group" refers to the Company and its direct and indirect subsidiaries. This discussion should be read in conjunction with: the unaudited interim condensed consolidated financial statements for the three and six month period ended September 30, 2021, beginning on page 30 of this report; our Annual Information Form (AIF) dated June 24, 2021; and the 2021 annual Management's Discussion and Analysis (MD&A) including the audited consolidated financial statements for the fiscal year ended March 31, 2021 (Audited Annual Consolidated Financial Statements) in the Company's annual report dated June 1, 2021 (the 2021 Annual Report). There has been no material change to the information contained in the annual MD&A for fiscal 2021 except as disclosed in this MD&A. The Company's financial information is expressed in Canadian dollars unless otherwise specified.

Cautionary Statement Regarding Forward-Looking Information

This document may contain "forward-looking statements" (as defined under applicable securities laws). 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 business and economic conditions and the potential continued impacts of the COVID-19 pandemic on our business operations, financial results and financial condition and on the global economy and financial market 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. 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 and the potential continued impacts of the COVID-19 pandemic on our business operations, financial results and financial condition and on the global economy and financial market conditions discussed from time to time in the Company's interim condensed and annual consolidated financial statements and its annual report and Annual Information Form (AIF) filed on www.sedar.com as well as the factors discussed in the sections entitled "Risk Management" in this MD&A and "Risk Factors" in the AIF, which include market, liquidity, credit, operational, legal, cyber and regulatory risks. Material factors or assumptions that were used by the Company to develop the forward-looking information contained in this document include, but are not limited to, those set out in the Fiscal 2022 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 and its 2021 Annual Report and AIF filed on www.sedar.com. The preceding list is not exhaustive of all possible risk factors that may influence actual results. Readers are also cautioned that the preceding list of material factors or assumptions is not exhaustive.

Although the forward-looking information contained in this document is 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 document are made as of the date of this document and should not be relied upon as representing the Company's views as of any date subsequent to the date of this document. Certain statements included in this document may be considered "financial outlook" for purposes of applicable Canadian securities laws, and such financial outlook may not be appropriate for purposes other than this document. 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 information, whether as a result of new information, further developments or otherwise.

Presentation of Financial Information and Non-IFRS Measures

This MD&A is based on the unaudited interim condensed consolidated financial statements for the three and six-month period ended September 30, 2021 (Second Quarter 2022 Financial Statements) prepared in accordance with International Financial Reporting Standards (IFRS). The Second Quarter 2022 Financial Statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" (IAS 34), and using accounting policies consistent with those applied in preparing the Company's Audited Annual Consolidated Financial Statements for the year ended March 31, 2021.

NON-IFRS MEASURES

Certain non-IFRS measures are utilized by the Company as measures of financial performance. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Non-IFRS measures presented include assets under administration, assets under management, and figures that exclude significant items.

Assets under administration (AUA) and assets under management (AUM) are non-IFRS measures of client assets that are common to the wealth management business. AUA — Canada, AUM — Australia and AUM — UK & Crown Dependencies are the market value of client assets 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. AUM — Canada includes all assets managed on a discretionary basis under programs that include *CGWM's Managed Solutions Programs as well as its Private Investment Management Program*. Services provided include the selection of investments and the provision of investment advice. The Company's method of calculating AUA — Canada, AUM — Canada, AUM — Australia and AUM — UK & Crown Dependencies 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. AUM — Canada is also administered by the Company and is included in AUA — Canada.

Financial statement items that exclude significant items are non-IFRS measures. Significant items include restructuring costs, amortization of intangible assets acquired in connection with a business combination, impairment of goodwill and other assets and acquisition-related expense items, which include costs recognized in relation to both prospective and completed acquisitions, gains or losses related to business disposals including recognition of realized translation gains on the disposal of foreign operations, certain accounting charges related to the change in the Company's long-term incentive plan (LTIP) as recorded with effect on March 31, 2018, certain incentive-based costs related to the acquisitions and growth initiatives in the UK & Crown Dependencies wealth management business, loss related to the extinguishment of convertible debentures as recorded for accounting purposes, amortization and fair value adjustments to the equity and derivative liability components of the non-controlling interest in CGWM UK, certain expense items, typically included in development costs, which are considered by management to reflect a singular charge of a non-operating nature, as well as certain fair value adjustments on certain illiquid or restricted marketable securities as recorded for IFRS reporting purposes, but which are excluded for management reporting purposes and are not used by management to assess operating performance. See the Selected Financial Information Excluding Significant Items table on page 11.

Management believes that these non-IFRS measures allow for a better evaluation of the operating performance of the Company's business and facilitate meaningful comparison of results in the current period to those in prior periods and future periods. Figures that exclude significant items provide useful information by excluding certain items that may not be indicative of the Company's core operating results. A limitation of utilizing these figures that exclude significant items is that the IFRS accounting effects of these items do in fact reflect the underlying financial results of the Company's business; thus, these effects should not be ignored in evaluating and analyzing the Company's financial results. Therefore, management believes that the Company's IFRS measures of financial performance and the respective non-IFRS measures should be considered together.

Business Overview

Through its principal subsidiaries, Canaccord Genuity Group Inc. 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. Canaccord Genuity Group has wealth management offices located in Canada, the UK, Guernsey, Jersey, the Isle of Man and Australia. Canaccord Genuity Capital Markets, the Company's international capital markets division, operates in North America, the 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.

Our business is affected by the overall condition of the worldwide equity and debt markets.

On July 29, 2021, HPS Investment Partners, LLC, on behalf of certain investment accounts and funds it manages (collectively, "HPS"), completed its investment in the Company's UK wealth management division. HPS has acquired convertible preferred shares (the "Convertible Preferred Share") in the amount of £125.0 million (C\$218.0 million) issued by the Company's subsidiary, Canaccord Genuity Wealth Group Holdings (Jersey) Limited (CGWM UK). A portion of the proceeds was used to repay the senior secured first lien term loan facility of £69.0 million which was used to partially fund the redemption of the Company's 6.25% convertible unsecured senior subordinated debentures on April 9, 2021.

On an as converted basis the Convertible Preferred Shares represent 21.93% of the outstanding equity interest in CGWM UK. Cumulative dividends, when, as and if declared by the board of directors of CGWM UK, are payable by CGWM UK on the Convertible Preferred Shares at the greater of an annual 7.5% coupon and the proportionate share that such shares would receive, on an as converted basis, in respect of any dividends declared and paid in respect of ordinary shares of CGWM UK. No dividends may be paid on any other class of shares of CGWM UK unless and until the cumulative dividends on the Convertible Preferred Shares are declared and paid. If a liquidity event occurs before the end of five years the Convertible Preferred Shares will carry a liquidation preference equal to the greatest of (i) the amount of principal plus accrued but unpaid dividends attributable to the Convertible Preferred Shares had they been issued five years prior, (ii) an amount equal to 1.5 multiplied by the issue price of the Convertible Preferred Shares (less any previously paid dividends), or (iii) the amount which the holders of the Convertible Preferred Shares would receive on an as converted basis. If a liquidity event occurs on or after the fifth anniversary then the Convertible Preferred Shares will carry a liquidation preference equal to the greater of (i) the amount of principal plus accrued but unpaid dividends attributable to the Convertible Preferred Shares or (ii) the amount which the holders of the Convertible Preferred Shares would receive on an as converted basis. If a liquidity event has not occurred after five years, then CGWM UK has an option to acquire the Convertible Preferred Shares at the greater of the applicable liquidation preference amount and the amount which would provide the holders of the Convertible Preferred Shares with an internal rate of return of 11.5% (including all previously paid dividends). After the fifth anniversary the holders of the Convertible Preferred Shares have certain

rights in respect of initiating a liquidity event. The Convertible Preferred Shares carry customary minority rights in respect of CGWM UK governance and financial matters, including representation on the CGWM UK board of directors.

In connection with the issuance of the Convertible Preferred Shares, CGWM UK provided for the purchase of certain equity instruments in CGWM UK by management and employees of CGWM UK which will reflect an approximate 4.6% equity-equivalent interest in CGWM UK. As of September 30, 2021 £12.0 million (C\$20.8 million) of such equity instruments in CGWM UK were purchased by management in connection with this equity program and an additional £12.6 million (C\$21.4 million) will be purchased after September 30, 2021. Included in these equity instruments of CGWM UK were preferred shares with the same economic attributes as the Convertible Preferred Shares (the "Preferred Shares"). Preferred Shares in the amounts of £6.0 million (CAD\$10.4 million) were issued prior to September 30, 2021 and £1.5 million (CAD\$2.6 million) are expected to be issued after September 30, 2021. The other equity interests purchased, and expected to be purchased, by management and employees of CGWM UK are ordinary shares of CGWM UK with certain restrictions on transfer and limited governance rights. In connection with the purchase of the ordinary shares, a limited recourse loan of £4.0 million (CAD\$6.9 million) was made. A management incentive arrangement has also been implemented which will provide for certain incentives with performance thresholds related to the future growth of CGWM UK.

Operating results of Jitneytrade Inc. and Finlogik Inc. (collectively referred to as "Jitneytrade") since the closing date of June 6, 2018 are included as part of Canaccord Genuity Capital Markets Canada. In addition, operating results of Petsky Prunier LLC ("Petsky Prunier") since the closing date of February 13, 2019 are included as part of Canaccord Genuity Capital Markets US. Included as part of the Canaccord Genuity UK & Crown Dependencies Wealth Management segment are the operating results of Hargreave Hale Limited ("Hargreave Hale") since September 18, 2017, the operating results of McCarthy Taylor Limited (renamed as CG McCarthy Taylor Limited) ("McCarthy Taylor") since the closing date of January 29, 2019, and the operating results of Thomas Miller Wealth Management Limited (renamed as CG Wealth Planning Limited) ("Thomas Miller") since the closing date of May 1, 2019. Commencing in Q3/20, the Canaccord Genuity Australia wealth management segment includes the operating results of Patersons Securities Limited (renamed as Canaccord Genuity Financial Limited) ("Patersons") since the closing date of October 21, 2019.

Market Environment during Q2 fiscal 2022

Economic backdrop

During the three-month period, the combination of continued COVID-19 infections, ongoing supply bottlenecks, labour shortages and the end of extended jobless benefits in the U.S. contributed to the decline in global manufacturing activity. Sustained demand for manufactured products and tight supply conditions exacerbated the disparity between new orders and inventories, supporting elevated consumer and producer price inflation. Against this backdrop, the Federal Reserve telegraphed a reduction of its bond buying program over the coming months, and the regulatory crackdown on the technology, construction and energy-intensive sectors in China has weighed on the performance of emerging market equities.

The S&P 500, the S&P/TSX and the MSCI Emerging Market indexes returned 0.6%, 0.2% and -6.6% respectively during the three-month period. Commodity prices advanced further (5.2%), supported notably by European liquefied natural gas prices soaring 185%. Notwithstanding this positive backdrop, the Canadian dollar declined 2.2% and risky assets in general had a lackluster quarter.

Investment banking and advisory

The strong performance of commodities and the outperformance of small/mid-cap equities relative to large-cap equities during the second quarter provided a supportive market environment for our investment banking activities, though not as robust as in prior periods. Advisory activities continued to benefit from a very low cost of capital, with robust activity across several of our key midmarket focus sectors.

| Index Value at End of Fiscal Quarter | Q2/21 | | Q3/21 | | Q4/21 | | Q1/22 | | Q2/22 | | |
|--------------------------------------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|-------|
| | 2020-09-30 | (Y/Y) | 2020-12-31 | (Y/Y) | 2021-03-31 | (Y/Y) | 2021-06-30 | (Y/Y) | 2021-09-30 | (Y/Y) | (Q/Q) |
| S&P IFCI Global Small Cap | 258.3 | 5.8% | 304.3 | 13.9% | 320.7 | 67.1% | 355.0 | 50.4% | 340.0 | 31.6% | -4.2% |
| S&P IFCI Global Large Cap | 243.2 | 7.0% | 291.7 | 15.3% | 296.7 | 52.9% | 307.5 | 36.2% | 279.2 | 14.8% | -9.2% |

Our capital-raising and advisory activities are primarily focused on small and mid-capitalization companies in specific growth sectors of the global economy. These sectors may experience growth or downturns independent of broader economic and market conditions, and government regulation can also have a more pronounced impact on capital formation for smaller companies. Volatility in the business environment as well as changes in government policy and regulation for these industries or in the market for securities of companies within these industries in the regions where we operate could adversely affect our financial results and ultimately, the market value of our shares. Advisory revenues are primarily dependent on the successful completion of merger, acquisition and restructuring mandates.

Trading

When compared to the same period a year ago, trading volumes in our core focus segments decreased modestly. However, elevated commodity prices and renewed investor appetite for cyclical stocks are supporting higher levels of trading activity. Above-target inflation rates and expectations that central banks will eventually reduce their support to the economy are two key factors prompting investors to adjust their asset, sector and company weightings.

| Average Value During Fiscal Quarter/Year | Q2/21 | | Q3/21 | | Q4/21 | | Q1/22 | | Q2/22 | | |
|--|-----------|--------|-----------|--------|-----------|-------|-----------|-------|-----------|-------|-------|
| | 30-Sep-20 | (Y/Y) | 31-Dec-20 | (Y/Y) | 31-Mar-21 | (Y/Y) | 30-Jun-21 | (Y/Y) | 30-Sep-21 | (Y/Y) | (Q/Q) |
| Russell 2000 | 1511.1 | -1.5% | 1765.8 | 11.0% | 2195.5 | 45.6% | 2263.9 | 71.6% | 2232.6 | 47.8% | -1.4% |
| S&P 400 Mid Cap | 1871.2 | -2.7% | 2116.9 | 6.6% | 2498.9 | 33.5% | 2705.3 | 62.6% | 2695.9 | 44.1% | -0.3% |
| FTSE 100 | 6057.8 | -17.7% | 6201.6 | -15.4% | 6664.3 | -3.0% | 7008.1 | 17.2% | 7083.9 | 16.9% | 1.1% |

| Average Value During Fiscal Quarter/Year | Q2/21 | | Q3/21 | | Q4/21 | | Q1/22 | | Q2/22 | | |
|--|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-----------|-------|-------|
| | 30-Sep-20 | (Y/Y) | 31-Dec-20 | (Y/Y) | 31-Mar-21 | (Y/Y) | 30-Jun-21 | (Y/Y) | 30-Sep-21 | (Y/Y) | (Q/Q) |
| MSCI EU Mid Cap | 1078.8 | -0.4% | 1149.8 | 1.0% | 1257.7 | 14.8% | 1342.8 | 37.1% | 1405.4 | 30.3% | 4.7% |
| S&P/TSX | 16231.1 | -1.5% | 16850.4 | 0.4% | 18256.2 | 12.7% | 19574.5 | 32.1% | 20381.7 | 25.6% | 4.1% |

Global wealth management

Despite a subdued performance by financial markets during the three-month period, investor inflows into equity markets remained strong and supported the value of client assets in our wealth management businesses.

| | Q2/21 Change (Q/Q) | Q3/21 Change (Q/Q) | Q4/21 Change (Q/Q) | Q1/22 Change (Q/Q) | Q2/22 Change (Q/Q) | Fiscal 2021 Change (Y/Y) |
|---------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------------|
| Total Return (excl. currencies) | | | | | | |
| S&P 500 | 8.9% | 12.1% | 6.2% | 8.5% | 0.6% | 56.4% |
| S&P/TSX | 4.7% | 9.0% | 8.1% | 8.5% | 0.2% | 44.2% |
| MSCI EMERGING MARKETS | 8.8% | 16.1% | 4.0% | 3.9% | -6.6% | 53.5% |
| MSCI WORLD | 8.3% | 14.8% | 4.7% | 7.5% | -1.0% | 55.3% |
| S&P GS COMMODITY INDEX | 4.6% | 14.5% | 13.5% | 15.7% | 5.2% | 50.2% |
| US 10-YEAR T-BONDS | 0.1% | -1.9% | -6.7% | 3.8% | -0.1% | -8.1% |
| CAD/USD | 1.9% | 4.6% | 1.4% | 1.3% | -2.2% | 12.0% |
| CAD/EUR | -2.3% | 0.4% | 5.6% | 0.2% | 0.1% | 5.3% |

Outlook

Looking forward, we expect that declining COVID-19 infections, improved labour market conditions, improvements in the re-stocking cycle coupled with fewer transportation bottlenecks and supply-chain disruptions should support better growth conditions. However, headwinds that have the potential to delay recoveries include the phasing out of several government transfer programs, rising long-term interest rates, rising commodity prices, a growing energy crisis with several power shortfalls in Europe and Asia, and inflation.

Overall, we believe the global economy is transitioning from early-cycle to mid-cycle dynamics, a stage where central banks usually start reducing their support to the economy. This stage is typically characterized by slower economic growth rates, which tend to bring more volatility in financial markets, which should support trading activities in our wealth management and capital markets businesses. While rising long term interest rates have the potential to impair lending and borrowing activities, cost of capital remains favourable to stimulate investment banking and advisory services. Moreover, the relatively high level of realized and expected inflation could prompt more companies to restructure, merge or acquire competitors in order to gain pricing power and protect profit margins.

ABOUT CANACCORD GENUITY GROUP INC.'S OPERATIONS

Canaccord Genuity Group Inc.'s operations are divided into two business segments: Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management. Together, these operations offer a wide range of complementary investment banking services, investment products and brokerage services to the Company's institutional, corporate and private clients. The Company's administrative segment is referred to as Corporate and Other.

Canaccord Genuity Capital Markets

Canaccord Genuity Capital Markets is the global capital markets division of Canaccord Genuity Group Inc. (TSX: CF), offering institutional and corporate clients idea-driven investment banking, merger and acquisition, research, sales and trading services with capabilities in North America, the UK & Europe, Asia, Australia and the Middle East. We are committed to providing valued services to our clients throughout the entire lifecycle of their business and operating as a gold standard independent investment bank — expansive in resources and reach, but targeted in industry expertise, market focus and individual client attention.

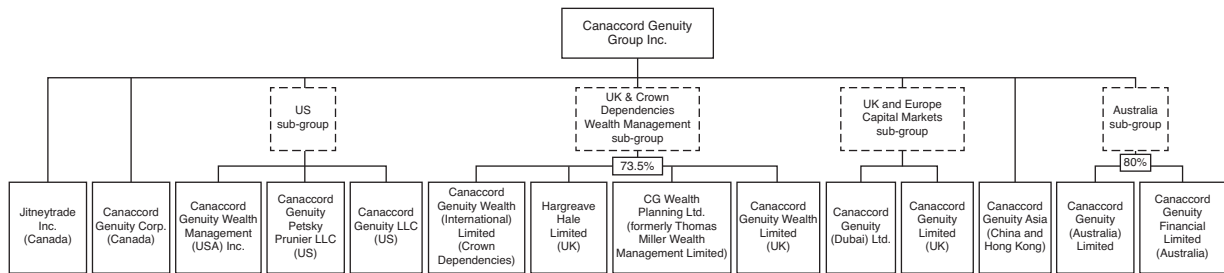
Canaccord Genuity Wealth Management

Canaccord Genuity Wealth Management operations provide comprehensive wealth management solutions and brokerage services to individual investors, private clients, charities and intermediaries through a full suite of services tailored to the needs of clients in each of its markets. The Company's wealth management division has Investment Advisors (IAs) and professionals in Canada, the UK, Jersey, Guernsey, the Isle of Man and Australia.

Corporate and Other

Canaccord Genuity Group's administrative segment, described as Corporate and Other, includes revenues and expenses associated with providing correspondent brokerage services, bank and other interest, and activities not specifically allocable to either the Canaccord Genuity Capital Markets or Canaccord Genuity Wealth Management divisions. Also included in this segment are the Company's operations and support services, which are responsible for front and back-office information technology systems, compliance and risk management, operations, legal, finance, and other administrative functions of Canaccord Genuity Group Inc.

Corporate structure



The chart shows principal operating companies of the Canaccord Genuity Group as of September 30, 2021.

The Company owns 80% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd., and through that ownership an 80% indirect interest in Canaccord Genuity (Australia) Limited and Canaccord Genuity Financial Limited [previously Patersons Securities Limited] [March 31, 2021 — 80%], but for accounting purposes, as of September 30, 2021, the Company is considered to have an 85% interest because of shares held in an employee trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2021 — 85%].

Convertible preferred shares issued to HPS, preferred shares and ordinary shares issued, and expected to be issued, to management and employees of CGWM UK, together represent an approximate 26.5% as converted equity equivalent interest in CGWM UK, the UK and Crown Dependencies Wealth Management sub-group.

Consolidated Operating Results

SECOND QUARTER FISCAL 2022 SUMMARY DATA⁽¹⁾⁽²⁾⁽⁶⁾

| (C\$ thousands, except per share and % amounts, and number of employees) | Three months ended September 30 | | | Quarter over quarter change | Six months ended September 30 | | | YTD over YTD change |
|--|---------------------------------|--------------|--------------|-----------------------------|-------------------------------|------------|------------|---------------------|
| | 2021 | 2020 | 2019 | | 2021 | 2020 | 2019 | |
| Canaccord Genuity Group Inc. (CGGI) | | | | | | | | |
| Revenue | | | | | | | | |
| Commissions and fees | \$ 185,105 | \$ 167,575 | \$ 132,325 | 10.5% | \$ 367,858 | \$ 336,577 | \$ 274,117 | 9.3% |
| Investment banking | 106,261 | 131,625 | 51,992 | (19.3)% | 301,899 | 242,193 | 136,793 | 24.7% |
| Advisory fees | 139,413 | 37,281 | 42,015 | 274.0% | 217,407 | 58,327 | 95,819 | 272.7% |
| Principal trading | 30,390 | 42,746 | 21,260 | (28.9)% | 83,038 | 107,858 | 46,333 | (23.0)% |
| Interest | 8,458 | 6,005 | 16,661 | 40.8% | 16,125 | 13,010 | 31,846 | 23.9% |
| Other | 5,534 | 5,125 | 6,444 | 8.0% | 7,665 | 10,120 | 11,297 | (24.3)% |
| Total revenue | 475,161 | 390,357 | 270,697 | 21.7% | 993,992 | 768,085 | 596,205 | 29.4% |
| Expenses | | | | | | | | |
| Compensation expense | 290,234 | 250,796 | 157,780 | 15.7% | 612,560 | 503,610 | 352,688 | 21.8% |
| Other overhead expenses ⁽³⁾ | 95,384 | 93,689 | 92,082 | 1.8% | 186,724 | 181,532 | 190,549 | 0.9% |
| Acquisition-related costs | 1,920 | — | 3,602 | | 1,920 | — | 4,114 | |
| Restructuring costs | — | — | 1,098 | | — | — | 1,098 | |
| Costs associated with redemption of convertible debentures | 468 | — | — | | 5,932 | — | — | |
| Share of loss (gain) of an associate | 118 | 14 | (35) | n.m. | 118 | 31 | 234 | 280.6% |
| Total expenses | 388,124 | 344,499 | 254,527 | 12.7% | 807,254 | 685,173 | 548,683 | 17.8% |
| Income before income taxes | 87,037 | 45,858 | 16,170 | 89.8% | 186,738 | 82,912 | 47,522 | 125.2% |
| Net income | 61,785 | 32,993 | 13,178 | 87.3% | 134,838 | 61,957 | 37,468 | 117.6% |
| Net income attributable to: | | | | | | | | |
| CGGI shareholders | 56,583 | 31,435 | 13,488 | 80.0% | 128,584 | 58,918 | 37,693 | 118.2% |
| Non-controlling interests | 5,202 | 1,558 | (310) | 233.9% | 6,254 | 3,039 | (225) | 105.8% |
| Earnings per common share – diluted | 0.49 | 0.25 | 0.10 | 96.0% | 1.12 | 0.47 | 0.28 | 138.3% |
| Dividends per common share | \$ 0.075 | 0.055 | 0.05 | 36.4% | \$ 0.15 | 0.11 | 0.10 | 36.4% |
| Total assets | \$ 7,886,293 | \$ 5,651,721 | \$ 4,612,600 | 39.5% | | | | |
| Total liabilities | \$ 6,526,656 | \$ 4,710,600 | \$ 3,774,655 | 38.6% | | | | |
| Non-controlling interests | \$ 208,208 | \$ 5,439 | \$ 1,733 | n.m. | | | | |
| Total shareholders' equity | \$ 1,151,429 | \$ 935,682 | \$ 836,212 | 23.1% | | | | |
| Number of employees | 2,430 | 2,285 | 2,123 | 6.3% | | | | |
| Excluding significant items⁽⁵⁾ | | | | | | | | |
| Total revenue | 475,161 | 390,357 | 270,697 | 21.7% | 998,992 | 768,085 | 596,205 | 30.1% |
| Total expenses | 379,509 | 339,843 | 242,125 | 11.7% | 789,383 | 675,808 | 529,103 | 16.8% |
| Income before income taxes | 95,652 | 50,514 | 28,572 | 89.4% | 209,609 | 92,277 | 67,102 | 127.2% |
| Net income | 69,719 | 36,891 | 23,760 | 89.0% | 154,373 | 69,788 | 54,414 | 121.2% |
| Net income attributable to: | | | | | | | | |
| CGGI shareholders | 65,677 | 35,333 | 23,863 | 85.9% | 149,279 | 66,749 | 54,432 | 123.6% |
| Non-controlling interests | 4,042 | 1,558 | (103) | 159.4% | 5,094 | 3,039 | (18) | 67.6% |
| Net income attributable to common shareholders, adjusted | 63,326 | 32,982 | 21,512 | 92.0% | 144,577 | 62,047 | 49,730 | 133.0% |
| Earnings per common share – diluted | \$ 0.58 | \$ 0.28 | \$ 0.18 | 107.1% | \$ 1.31 | \$ 0.53 | \$ 0.41 | 147.2% |

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees. See Non-IFRS Measures on page 6.

(2) The operating results of the Australian operations have been fully consolidated, and a 15% non-controlling interest has been recognized for the three and six months ended September 30, 2021, September 30, 2020 and September 30, 2019. The operating results of the UK and Crown Dependencies wealth management operations have been fully consolidated, and a 1.5% non-controlling interest along with the minimum return entitlement and as converted interest of the Convertible Preferred Shares have been recognized for the three and six months ended September 30, 2021. [three and six months ended September 30, 2020 — \$nil]

(3) Consists of trading costs, premises and equipment, communication and technology, interest, general and administrative, amortization of tangible, intangible and right of use assets, and development costs.

(4) Restructuring costs for the three months ended September 30, 2019 were incurred in connection with our UK capital markets operations.

(5) Net income and earnings per common share excluding significant items reflect tax-effected adjustments related to such items. See the Selected Financial Information Excluding Significant Items table on the next page.

(6) Data includes the operating results Thomas Miller since May 1, 2019, and Patersons since October 21, 2019.

n.m.: not meaningful

SELECTED FINANCIAL INFORMATION EXCLUDING SIGNIFICANT ITEMS⁽¹⁾

| (C\$ thousands, except per share and % amounts) | Three months ended September 30 | | Quarter- over- quarter change | Six months ended September 30 | | YTD- over- YTD change |
|--|------------------------------------|------------|--|----------------------------------|------------|--------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Total revenue per IFRS | \$ 475,161 | \$ 390,357 | 21.7% | \$ 993,992 | \$ 768,085 | 29.4% |
| Total expenses per IFRS | \$ 388,124 | \$ 344,499 | 12.7% | \$ 807,254 | \$ 685,173 | 17.8% |
| Revenue | | | | | | |
| <i>Significant items recorded in Corporate and Other</i> | | | | | | |
| Fair value adjustments on certain illiquid and restricted marketable securities | — | — | — | 5,000 | — | n.m. |
| Total revenue excluding significant items | \$ 475,161 | \$ 390,357 | 21.7% | \$ 998,992 | \$ 768,085 | 30.1% |
| Expenses | | | | | | |
| <i>Significant items recorded in Canaccord Genuity Capital Markets</i> | | | | | | |
| Amortization of intangible assets | \$ 160 | \$ 743 | (78.5)% | \$ 453 | \$ 1,491 | (69.6)% |
| <i>Significant items recorded in Canaccord Genuity Wealth Management</i> | | | | | | |
| Amortization of intangible assets | \$ 3,178 | \$ 3,288 | (3.3)% | \$ 6,326 | \$ 6,614 | (4.4)% |
| Acquisition-related costs | \$ 1,920 | — | n.m. | \$ 1,920 | — | n.m. |
| Incentive based costs related to acquisitions ⁽²⁾ | \$ 2,095 | \$ 625 | 235.2% | \$ 2,446 | \$ 1,260 | 94.1% |
| <i>Significant items recorded in Corporate and Other</i> | | | | | | |
| Costs associated with reorganization of UK & Crown Dependencies ⁽⁴⁾ | 794 | — | n.m. | 794 | — | n.m. |
| Costs associated with redemption of convertible debentures ⁽³⁾ | \$ 468 | — | n.m. | \$ 5,932 | — | n.m. |
| Total significant items | \$ 8,615 | \$ 4,656 | 85.0% | \$ 17,871 | \$ 9,365 | 90.8% |
| Total expenses excluding significant items | \$ 379,509 | \$ 339,843 | 11.7% | \$ 789,383 | \$ 675,808 | 16.8% |
| Net income before taxes – adjusted | \$ 95,652 | \$ 50,514 | 89.4% | \$ 209,609 | \$ 92,277 | 127.2% |
| Income taxes – adjusted | \$ 25,933 | \$ 13,623 | 90.4% | \$ 55,236 | \$ 22,489 | 145.6% |
| Net income – adjusted | \$ 69,719 | \$ 36,891 | 89.0% | \$ 154,373 | \$ 69,788 | 121.2% |
| <i>Significant item impacting net income attributable to common shareholders</i> | | | | | | |
| Non-controlling interests – IFRS | \$ 5,202 | \$ 1,558 | 233.9% | \$ 6,254 | \$ 3,039 | 105.8% |
| Amortization of equity component of the non-controlling interests in CGWM UK | \$ 1,160 | — | n.m. | \$ 1,160 | — | n.m. |
| Non-controlling interests – adjusted | \$ 4,042 | \$ 1,558 | 159.4% | \$ 5,094 | \$ 3,039 | 67.6% |
| Net income attributable to common shareholders, adjusted | \$ 63,326 | \$ 32,982 | 92.0% | \$ 144,577 | \$ 62,047 | 133.0% |
| Earnings per common share – basic, adjusted | \$ 0.66 | \$ 0.34 | 94.1% | \$ 1.50 | \$ 0.64 | 134.4% |
| Earnings per common share – diluted, adjusted | \$ 0.58 | \$ 0.28 | 107.1% | \$ 1.31 | \$ 0.53 | 147.2% |

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6

(2) Incentive-based costs related to the acquisitions and growth initiatives in the UK & Crown Dependencies wealth management business.

(3) During the six months ended September 30, 2021, the Company entered into a credit agreement for a senior secured first lien term loan facility ("loan facility") to partially fund the redemption of the convertible debentures. Transaction costs incurred in connection with the loan facility are recognized on an amortized cost basis and included in the effective interest rate of the facility. Interest associated with this loan facility is included in costs associated with redemption of convertible debentures for the six months ended September 30, 2021.

(4) Professional fees related to the issuance by CGWM UK of Convertible Preferred Shares to HPS on July 29, 2021.

n.m.: not meaningful

Foreign exchange

Revenues and expenses from our foreign operations are initially recorded in their respective functional currencies and translated into Canadian dollars at exchange rates prevailing during the period. Fluctuations in foreign exchange contributed to certain changes in revenue and expense items in Canadian dollars when compared to the applicable prior periods and should be considered when reviewing the following discussion in respect of our consolidated results as well as the discussion in respect of Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management.

Geographies

Our Dubai operation is included as part of Canaccord Genuity Capital Markets UK & Europe. For purposes of the discussion provided herein the Canaccord Genuity Capital Markets operations in the UK, Europe and Dubai are referred to as "UK & Europe". Starting in Q1/20, our Asian based operations, comprising China and Hong Kong, have been combined with our Canadian and Australian capital markets operations to reflect management of these operating units. Also, commencing in Q3/20, our Australian wealth management business, comprised of the operating results of Patersons since October 21, 2019 and the wealth management business of Australia previously included as part of Canaccord Genuity Capital Markets Australia, is disclosed as a separate operating business in the discussions below. Comparatives have not been restated.

Goodwill

In determining whether to perform an impairment test, the Company considers factors such as its market capitalization, market conditions generally and overall economic conditions as well as market conditions in the key sectors in which the Company operates and the impact that such conditions are expected to have on the Company's operations.

Notwithstanding this determination as of September 30, 2021, changes or uncertainty in the economic environment may cause this determination to change. If the business climate changes and the Company is unable to achieve its internal forecasts the Company may determine that there has been impairment and the Company may be required to record a goodwill impairment charge in future periods in respect of the Canaccord Genuity Wealth Management business units in the UK & Crown Dependencies, Canaccord Genuity Wealth Management Australia, Canaccord Genuity Capital Markets Canada or Canaccord Genuity Capital Markets US. Adverse changes in the key assumptions utilized for purposes of impairment testing for goodwill and indefinite life intangible assets may result in the estimated recoverable amount of some or all of the applicable business units declining below the carrying value with the result that impairment charges may be required. The amount of any impairment charge would affect some or all of the amounts recorded for goodwill and indefinite life intangible assets. Any such impairment charges would be determined after incorporating the effect of any changes in key assumptions including any consequential effects of such changes on estimated operating income and on other factors. In addition, notwithstanding that there may be no change in the performance estimates used by the Company for purposes of determining whether there has been any impairment in its indefinite life intangible asset related to the Genuity brand name, in the event that the Company changes the way in which it uses that asset the Company may be required to record an impairment charge.

Revenue

Second quarter 2022 vs. second quarter 2021

On a consolidated basis, revenue is generated through six activities: commissions and fees associated with agency trading and private client wealth management activity, investment banking, advisory fees, principal trading, interest and other.

Revenue for the three months ended September 30, 2021 was \$475.2 million, an increase of 21.7% or \$84.8 million compared to the same period a year ago. The Canaccord Genuity Capital Markets segment experienced an increase of \$63.4 million or 26.2% in Q2/22 compared to the same quarter in the prior year due to higher revenue recorded in our US and UK & Europe operations. Further contributing to the overall increase in consolidated revenue was an increase of \$20.3 million or 13.9% in our global Canaccord Genuity Wealth Management segment compared to Q2/21.

Within our Canaccord Genuity Capital Markets operating segment, our US operations generated the largest revenue growth of \$66.5 million or 58.9% due to a significant increase in advisory fee revenue. Our UK & Europe operations also recorded a \$19.2 million or 129.8% increase in revenue over Q2/21, largely driven by an increase in investment banking and advisory activities. In Canada, overall revenue decreased by \$10.4 million or 15.4% compared to Q2/21 due to lower investment banking revenue as new issue activity, partially offset by a 57.6% increase in advisory fee revenue. In addition, there was a decline in revenue of \$11.9 million or 25.7% in our Australian operations, due to lower investment banking revenue and partially due to a decline in unrealized gains recorded in certain inventory and warrant positions earned in respect of investment banking activity and mandates in prior periods.

Revenue in our UK & Crown Dependencies wealth management operations increased by \$10.8 million or 16.8% compared to Q2/21 primarily as a result of increased commissions and fees revenue. Revenue from our North America wealth management operations increased by \$5.0 million or 7.5% compared to the three months ended September 30, 2020. In addition, there was \$18.8 million of revenue generated in our Australian wealth management operations, an increase of \$4.4 million or 30.9% compared to Q2/21.

Commissions and fees revenue is primarily generated from private client investment management trading activity and institutional sales and trading. Revenue generated from commissions and fees increased by \$17.5 million or 10.5% to \$185.1 million in Q2/22, mainly reflecting higher contributions from our Canadian and UK & Crown Dependencies wealth management businesses.

Investment banking revenue decreased by \$25.4 million or 19.3% to \$106.3 million in Q2/22 across all operating regions, except for our UK & Europe operations which experienced an increase of \$6.9 million compared to Q2/21. In the US and Canada, investment banking revenue was down \$6.0 million or 18.3% and \$9.4 million or 27.1%, respectively, compared to Q2/21.

Advisory fee revenue was \$139.4 million, an increase of \$102.1 million or 274.0% from the same quarter a year ago. Our US operations generated the highest increase of \$83.7 million compared to the same period in the prior year. Contributing to the large increase in the US was the completion of a significant advisory transaction during the quarter which made up nearly half of the revenue for the quarter. Additionally, our Canadian and UK & Europe operations both reported increases for the three months ended September 30, 2021,

Principal trading revenue was \$30.4 million in Q2/22, representing a \$12.4 million or 28.9% decrease compared to Q2/21, mainly as a result of decreased market and trading activity in our US and Canadian capital markets operations compared to the same period in the prior year which created unfavourable opportunities for trading profits.

Interest revenue was \$8.5 million for the three months ended September 30, 2021, representing an increase of \$2.5 million or 40.8% from Q2/21, mostly attributable to our Canadian wealth management operations. Other revenue was \$5.5 million for Q2/22, a small increase of \$0.4 million or 8.0% from the same period a year ago.

Year-to-date fiscal 2022 vs. year-to-date fiscal 2021

Revenue for the six months ended September 30, 2021 was \$994.0 million, an increase of 29.4% or \$225.9 million compared to the same period a year ago. Revenue from our capital markets operations increased by \$152.7 million or 32.1% to \$629.1 million for the six months ended September 30, 2021, as our core operating regions all experienced increases in revenue except for our Australian operations. Our wealth management operations also generated \$361.2 million on a year-to-date basis in fiscal 2022, representing an increase of \$77.3 million or 27.2% compared to the same period in the prior year.

Commissions and fees revenue was \$367.9 million, representing an increase of \$31.3 million or 9.3% compared to the six months ended September 30, 2020, reflecting the growth in our global wealth management operations.

Investment banking revenue increased by \$59.7 million or 24.7% to \$301.9 million compared to the first six months of fiscal 2021. The largest percentage increase was recorded in our Canadian operations, which recorded an increase of \$44.2 million or 77.2% compared to the same period in the prior year. Our US and UK & Europe operations reported increases of 10.0% and 71.9%, respectively, over the six months ended September 30, 2020. Offsetting these increases was a decline in investment banking revenue reported in our Australian capital markets operations of \$24.5 million or 31.6%, due to a decrease in investment banking activity in our focus sectors as well as lower unrealized gains in certain inventory and warrant positions earned in respect of investment banking activity.

Advisory fees revenue of \$217.4 million represented an increase of 272.7% or \$159.1 million compared to the same period in the prior year due to an increase across all the operating regions. In particular, our US operations generated advisory fee revenue of \$150.0 million in the six-month period ended September 30, 2021, an increase of \$123.9 million or 474% compared to the same period in the prior year. The completion of a significant advisory transaction during the current period contributed to the substantial increase in the period.

Revenue derived from principal trading was \$83.0 million, a decrease of \$24.8 million or 23.0% compared to the six months ended September 30, 2020. Our US operations showed the largest decline in revenue of \$17.0 million or 18.9%, while decreases were also recorded in our Canadian and UK & Europe operations.

Interest revenue increased by \$3.1 million or 23.9% compared to the six months ended September 30, 2020 to \$16.1 million on a year-to-date basis for fiscal 2022 mainly due to higher interest earned in our Canadian wealth management operations. Other revenue decreased by \$2.5 million to \$7.7 million during the six months ended September 30, 2021. During the six months ended September 30, 2021, there was a reduction to the fair value adjustment recorded on certain illiquid or restricted marketable securities, resulting in a reduction in other revenue of \$5.0 million recorded in the current period. This adjustment is excluded for management reporting purposes as it is not used by management to assess operating performance and is excluded for purposes of determining net income excluding significant items⁽¹⁾. Future changes in the unrealized fair value of the marketable securities as determined under applicable accounting standards may be significant and will be recorded through the consolidated statements of operations.

Expenses

Expenses for the three months ended September 30, 2021 were \$388.1 million, an increase of 12.7% or \$43.6 million from Q2/21. Total expenses excluding significant items⁽¹⁾ as a percentage of revenue decreased by 7.2 percentage points compared to the three months ended September 30, 2020 due to the increase in revenue and the non-variable nature of certain overhead expenses.

For the six months ended September 30, 2021, expenses were \$807.3 million compared to \$685.2 million for the same period in the prior year, an increase of 17.8%. Total expenses excluding significant items⁽¹⁾ as a percentage of revenue decreased by 9.0 percentage points compared to the six months ended September 30, 2020.

EXPENSES AS A PERCENTAGE OF REVENUE

| | Three months ended September 30 | | Quarter- over- quarter change | Six months ended September 30 | | YTD- over- YTD change |
|---|------------------------------------|--------------|--|----------------------------------|--------------|--------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Compensation expense | 61.1% | 64.2% | (3.1) p.p. | 61.6% | 65.6% | (4.0) p.p. |
| Other overhead expenses ⁽¹⁾ | 20.1% | 24.1% | (4.0) p.p. | 18.8% | 23.6% | (4.8) p.p. |
| Restructuring costs | 0.0% | 0.0% | 0.0 p.p. | 0.0% | 0.0% | 0.0 p.p. |
| Acquisition-related costs | 0.4% | 0.0% | 0.4 p.p. | 0.2% | 0.0% | 0.2 p.p. |
| Costs associated with redemption of convertible debentures | 0.1% | 0.0% | 0.1 p.p. | 0.6% | 0.0% | 0.6 p.p. |
| Share of loss of an associate | 0.0% | 0.0% | 0.0 p.p. | 0.0% | 0.0% | 0.0 p.p. |
| Total | 81.7% | 88.3% | (6.6) p.p. | 81.2% | 89.2% | (8.0) p.p. |

(1) Consists of trading costs, premises and equipment, communication and technology, interest, general and administrative, amortization and development costs.

p.p.: percentage points

Compensation expense

Second quarter 2022 vs. second quarter 2021

Compensation expense in Q2/22 was \$290.2 million, an increase of \$39.4 million or 15.7% compared to Q2/21. Total compensation expense as a percentage of revenue decreased from 64.2% in Q2/21 to 61.1% in Q2/22. The decrease in compensation ratio for the current quarter was partially due to a decrease in the performance share units (PSUs) expense recorded in the current period in connection with PSUs granted in prior periods as a percentage of revenue. The decrease in PSU expense in Q2/22 compared to Q2/21 was driven by an amendment of the PSU plan made during fiscal 2021 to include certain employment-related conditions to the vesting of the awards resulting in a change in the periodic amortization expense recorded over the vesting period.

The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to PSUs at September 30, 2021 was \$117.3 million compared to \$85.9 million at March 31, 2021. This balance will change as our amortization expense is recorded in future periods. In addition, changes to the fair value of the PSU's as measured in future periods may increase or decrease from the fair value recorded as of September 30, 2021 and such changes will be recorded through compensation expense.

[1] Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6

Year-to-date fiscal 2022 vs. year-to-date fiscal 2021

Compensation expense for the six months ended September 30, 2021 was \$612.6 million, an increase of \$109.0 million or 21.6% compared to the same period in the prior year due to the increase in incentive-based revenue and also due to the PSU adjustment discussed above. Compensation expense as a percentage of revenue decreased by 3.9 percentage points to 61.6% for the six months ended September 30, 2021.

OTHER OVERHEAD EXPENSES

| (C\$ thousands, except % amounts) | Three months ended September 30 | | Quarter- over- quarter change | Six months ended September 30 | | YTD- over- YTD change |
|-------------------------------------|------------------------------------|-----------|--|----------------------------------|-----------|--------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Trading costs | \$ 25,451 | \$ 27,783 | (8.4)% | \$ 53,835 | \$ 54,752 | (1.7)% |
| Premises and equipment | 5,195 | 4,984 | 4.2% | 9,358 | 9,362 | (0.0)% |
| Communication and technology | 18,958 | 17,284 | 9.7% | 35,489 | 34,032 | 4.3% |
| Interest | 5,353 | 6,671 | (19.8)% | 10,101 | 13,401 | (24.6)% |
| General and administrative | 21,782 | 20,181 | 7.9% | 43,339 | 36,099 | 20.1% |
| Amortization ⁽¹⁾ | 5,987 | 6,941 | (13.7)% | 11,856 | 13,493 | (12.1)% |
| Amortization of right of use assets | 5,715 | 6,078 | (6.0)% | 11,733 | 12,811 | (8.4)% |
| Development costs | 6,943 | 3,767 | 84.3% | 11,013 | 7,582 | 45.3% |
| Total other overhead expenses | 95,384 | 93,689 | 1.8% | 186,724 | 181,532 | 2.9% |

(1) Includes amortization of intangible assets. See the Selected Financial Information Excluding Significant Items table on page 11.

Second quarter 2022 vs. second quarter 2021

Other overhead expenses were \$95.4 million, an increase of 1.8% in Q2/22 compared to Q2/21. As a percentage of revenue, other overhead expenses were 20.1% in Q2/22 compared to 24.0% in Q2/21, a decrease of 3.9 percentage points.

General and administrative expense increased by \$1.6 million or 7.9% for the quarter ended September 30, 2021 compared to the same period in the prior year due to increased promotion and travel expense as activity levels increased following the easing of COVID 19 restrictions.

In our UK & Crown Dependencies wealth management operations, development costs increased by \$2.4 million due to incentive-based costs and other professional fees incurred in relation to the issuance of Convertible Preferred Shares to HPS completed on July 29, 2021 as discussed in the Business Overview section.

Communication and technology expense also increased by \$1.7 million or 9.7% to support the increased headcount and growth of the Company.

Partially offsetting these increases was a decline in interest expense of \$1.3 million or 19.8% compared to Q2/21 primarily as a result of the redemption of the 6.25% convertible unsecured senior subordinated debentures on April 9, 2021 which resulted in lower interest expense in our Corporate & Other segment.

Lower trading costs in our US and Canadian operations was the primary reason for the \$2.3 million decrease in trading costs in Q2/22 compared to Q2/21.

Amortization expense decreased by \$1.0 million or 13.7% mainly due to a reduction in intangible assets amortization in our Canadian capital markets operations compared to the same quarter in the prior year.

During the three months ended September 30, 2021, there were acquisition-related costs of \$1.9 million recorded in our UK & Crown Dependencies wealth management operations. These costs comprised of legal and other professional fees related to the acquisition of Adam & Company which was completed on October 1, 2021 as well as activity related to other acquisition opportunities. In addition, there were \$0.5 million of transaction costs related to the senior secured first lien term loan facility obtained in connection with the redemption of the 6.25% convertible senior subordinated debentures during Q1/22.

There were no acquisition-related costs incurred for the three months ended September 30, 2020.

Year-to-date fiscal 2022 vs. year-to-date fiscal 2021

Other overhead expenses for the six months ended September 30, 2021 increased by \$5.2 million to \$186.7 million, an increase of 2.9% from the same period a year ago. As a percentage of revenue, other overhead expenses decreased by 4.8 percentage points compared to the six months ended September 30, 2020.

General and administrative expense increased by \$7.2 million or 20.1% for the six months ended September 30, 2021 compared to the same period in the prior year due to increased promotion and travel expense as discussed above. Development costs increased by \$3.4 million largely due to the incentive-based costs and other professional fees in connection with the transaction with HPS during the current period.

The redemption of the 6.25% convertible unsecured senior subordinated debentures during the first six months of fiscal 2022 in our Corporate and Other segment was the primary reason for the decline in interest expense from \$13.4 million to \$10.1 million for the current period.

The decrease in amortization expense of \$1.6 million or 12.1% over the six months ended September 30, 2021 related to lower amortization of intangible assets acquired in connection with a prior acquisition in our Canadian capital markets operations.

As discussed above, there were \$1.9 million of acquisition-related costs recorded in our UK & Crown Dependencies wealth management operations during the six months ended September 30, 2021.

In order to partially fund the redemption of the convertible debentures and pursuant to the terms commitment letter entered into with investment funds and accounts managed or advised by HPS on March 18, 2021, the Company entered into a credit agreement on April 6, 2021 with the lenders, Lucid Agency Services Limited as administrative agent and Lucid Trustee Services Limited as security agent for a senior secured first lien term loan facility ("loan facility") in an aggregate principal amount of £69.0 million. This loan was repaid from the proceeds of the issuance of the Convertible Preferred Shares by Canaccord Genuity Wealth Group Holdings (Jersey) Limited to investment funds and accounts managed by HPS on July 29, 2021. Transaction costs incurred in connection with the loan facility are recognized on an amortized cost basis and included in the effective interest rate of the facility. Interest associated with this loan facility is included in costs associated with redemption of convertible debentures for the six months ended September 30, 2021.

Income tax

Second quarter 2022 vs. second quarter 2021

The effective tax rate for Q2/22 was 29.0% reflecting a 1.0 percentage point increase from the same quarter in the prior year due to the non-deductibility for tax purposes of certain expenses.

Year-to-date fiscal 2022 vs. year-to-date fiscal 2021

For the six months ended September 30, 2021, the effective tax rate was 27.8%, an increase of 2.5 percentage points from the same period last year. The increase in the effective tax rate was due to higher profits in higher tax rate jurisdictions such as the US in the current quarter, as well as the impact of increases in the future rates on the valuation of deferred tax liabilities.

Net income

Second quarter 2022 vs. second quarter 2021

Net income for Q2/22 was \$61.8 million compared to net income of \$33.0 million in the same period a year ago. Diluted earnings per common share were \$0.49 in Q2/22 compared to diluted earnings per common share of \$0.25 in Q2/21.

Excluding significant items⁽¹⁾ and before non-controlling interests and preferred share dividends, net income for Q2/22 was \$69.7 million compared to net income of \$36.9 million in Q2/21. Diluted earnings per common share, excluding significant items⁽¹⁾, were \$0.58 in Q2/22 compared to diluted earnings per common share excluding significant items⁽¹⁾ of \$0.28 in Q2/21.

Year-to-date fiscal 2022 vs. year-to-date fiscal 2021

Net income for the six months ended September 30, 2021 was \$134.8 million compared to net income of \$62.0 million in the same period a year ago. Diluted earnings per common share were \$1.12 in the current period compared to diluted earnings per common share of \$0.47 in the same period in the prior year.

Excluding significant items⁽¹⁾ and before non-controlling interests and preferred share dividends, year to date net income for fiscal 2022 was \$154.4 million compared to net income of \$69.8 million for the same period in fiscal 2021. Diluted earnings per common share, excluding significant items⁽¹⁾, were \$1.31 for the six-month period compared to diluted earnings per common share excluding significant items⁽¹⁾ of \$0.53 for the same period in the prior year.

Results of operations by business segment

CANACCORD GENUITY CAPITAL MARKETS⁽¹⁾⁽²⁾

| (C\$ thousands, except number of employees and % amounts) | Three months ended September 30 | | Quarter- over- quarter change | Six months ended September 30 | | YTD- over- YTD change |
|---|------------------------------------|------------|--|----------------------------------|------------|--------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Revenue | \$ 304,919 | \$ 241,549 | 26.2% | \$ 629,135 | \$ 476,402 | 32.1% |
| Expenses | | | | | | |
| Compensation expense | 176,252 | 142,521 | 23.7% | 360,127 | 287,784 | 25.1% |
| Other overhead expenses | 51,463 | 52,276 | (1.6)% | 103,793 | 103,586 | 0.2% |
| Total expenses | 227,715 | 194,797 | 16.9% | 463,920 | 391,370 | 18.5% |
| Intersegment allocations ⁽³⁾ | 4,359 | 4,563 | (4.5)% | 8,253 | 9,197 | (10.3)% |
| Income before income taxes ⁽³⁾ | \$ 72,845 | \$ 42,189 | 72.7% | \$ 156,962 | \$ 75,835 | 107.0% |
| Non-controlling interest ⁽²⁾ | 826 | 1,495 | (44.7)% | 1,600 | 2,918 | (45.2)% |
| Number of employees | 827 | 774 | 6.8% | | | |
| Excluding significant items⁽⁴⁾ | | | | | | |
| Total expenses | \$ 227,555 | \$ 194,054 | 17.3% | \$ 463,467 | \$ 389,879 | 18.9% |
| Intersegment allocations ⁽³⁾ | 4,359 | 4,563 | (4.5)% | 8,253 | 9,197 | (10.3)% |
| Income before income taxes ⁽³⁾ | \$ 73,005 | \$ 42,932 | 70.0% | \$ 157,415 | \$ 77,326 | 103.6% |
| Non-controlling interest ⁽²⁾ | 826 | 1,495 | (44.7)% | 1,600 | 2,918 | (45.2)% |

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees.

(2) The operating results of Canaccord Genuity (Australia) Limited have been consolidated and a 15% non-controlling interest has been recognized and included in the Canaccord Genuity Capital Markets business segment for the three and six months ended September 30, 2021 [three and six months ended September 30, 2020 — 15%]. The non-controlling interest is the portion of the net income after income taxes of Canaccord Genuity (Australia) Limited not attributable to the Company.

(3) Income before income taxes includes intersegment allocated costs. See the Intersegment Allocated Costs section on page 23.

(4) Refer to the Selected Financial Information Excluding Significant Items table on page 11.

[1] Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6

Canaccord Genuity Capital Markets provides investment banking, research, and sales and trading services to corporate, institutional and government clients, and it conducts principal trading activities in North America, the UK & Europe, Asia, Australia and the Middle East. Canaccord Genuity Capital Markets has offices in 19 cities in 9 countries worldwide.

Revenue from Canaccord Genuity Capital Markets is generated from commissions and advisory fees earned in connection with investment banking and advisory transactions and institutional sales and trading activity, as well as trading gains and losses from Canaccord Genuity Capital Markets' principal trading activity including its international trading operations.

REVENUE BY GEOGRAPHY AS A PERCENTAGE OF CANACCORD GENUITY CAPITAL MARKETS REVENUE

| | Three months ended September 30 | | Quarter- over- quarter change | Six months ended September 30 | | YTD- over- YTD change |
|---|------------------------------------|-------|--|----------------------------------|-------|--------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Revenue generated in: | | | | | | |
| Canada | 18.7% | 27.9% | (9.2) p.p | 27.6% | 25.8% | 1.8 p.p |
| UK & Europe | 11.2% | 6.1% | 5.1 p.p | 9.9% | 8.0% | 1.8 p.p |
| US | 58.8% | 46.8% | 12.1 p.p | 52.6% | 47.6% | 5.0 p.p |
| Australia | 11.3% | 19.2% | (7.9) p.p | 9.9% | 18.6% | (8.7) p.p |
| Canaccord Genuity Capital Markets (total) | 100% | 100% | | 100% | 100% | |

p.p.: percentage points

Second quarter 2022 vs. second quarter 2021

Revenue

Canaccord Genuity Capital Markets generated revenue of \$304.9 million in Q2/22, an increase of 26.2% or \$63.4 million from the same quarter a year ago. Our US operations recorded the most significant increase in revenue, with an increase of \$66.5 million or 58.9% compared to Q2/21, driven by a significantly higher advisory fees revenue in the US. Our UK & Europe operations also reflected an increase of \$19.2 million or 129.8% due to a growth in investment banking and advisory activities compared to Q2/21. Partially offsetting these increases were declines in our Canadian and Australia operations, primarily driven by lower investment banking activity in our focus sectors during the current quarter.

Expenses

Expenses for Q2/22 were \$227.7 million, an increase of 16.9% or \$32.9 million compared to Q2/21. Excluding significant items⁽¹⁾, total expenses as a percentage of revenue decreased by 5.7 percentage points compared to the same quarter in the prior year, primarily as a result of an increase in revenue and the fixed nature of certain overhead expenses.

Compensation expense

Compensation expense for Q2/22 increased by \$33.7 million or 23.7% compared to Q2/21. Total compensation expense as a percentage of revenue was 57.8%, 1.2 percentage points lower than in Q2/21. The lower compensation ratio was partially due to a fair value adjustment in connection with the PSUs as described above.

In Canada, total compensation as a percentage of revenue decreased by 1.6 percentage points compared to Q2/21 largely due to lower PSU expense recorded during the period compared to Q2/21. Our US operations experienced a decrease of 3.8 percentage points compared to the same period last year due to an increase in revenue relative to fixed staff costs, as well as a decrease in the fair value adjustment of PSUs. Total compensation as a percentage of revenue in our UK and Australian operations increased by 1.5 percentage points and 0.3 percentage points, respectively, due to an increase in fixed staff costs relative to revenue.

CANACCORD GENUITY CAPITAL MARKETS TOTAL COMPENSATION EXPENSE AS A PERCENTAGE OF REVENUE BY GEOGRAPHY

| | Three months ended September 30 | | Quarter- over- quarter change | Six months ended September 30 | | YTD- over- YTD change |
|---|------------------------------------|-------|--|----------------------------------|-------|--------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Canada | 50.1% | 51.7% | (1.6) p.p | 48.7% | 55.5% | (6.8) p.p |
| UK & Europe | 68.4% | 66.9% | 1.5 p.p | 66.8% | 66.6% | 0.2 p.p |
| US | 57.4% | 61.2% | (3.8) p.p | 59.0% | 61.4% | (2.4) p.p |
| Australia | 61.9% | 61.6% | 0.3 p.p | 62.1% | 61.9% | 0.2 p.p |
| Canaccord Genuity Capital Markets (total) | 57.8% | 59.0% | (1.2) p.p | 57.2% | 60.4% | (3.2) p.p |

p.p.: percentage points

Other overhead expenses

Total other overhead expenses excluding significant items⁽¹⁾ for Q2/22 were \$51.5 million or 16.9% as a percentage of revenue.

General and administrative expense in Q2/22 increased by \$1.2 million or 13.6% over Q2/21 across most of our capital markets operations, largely due to an increase in promotion and travel and conference expenses due to the easing of COVID-19 restrictions. In our Canadian capital markets operations, there was a decrease in general and administrative expense of \$1.0 million or 37.6% as a result of lower reserves related to ongoing legal matters.

Amortization expense in Q2/22 declined by \$0.6 million or 32.6% mainly due to a reduction in the amortization of intangible assets acquired in connection with prior acquisition in our Canadian capital markets operations.

There was a decrease of \$2.2 million or 9.8% in trading costs, largely due to lower costs recorded in our US operations.

Income before income taxes

Income before income taxes, including allocated overhead expenses, was \$72.8 million in Q2/22 compared to net income of \$42.2 million in the same quarter a year ago. Excluding significant items⁽¹⁾, income before income taxes, including allocated overhead expenses, was \$73.0 million in Q2/22, compared to the income before income taxes of \$42.9 million in Q2/21. The increase in income before income taxes was mostly attributable to higher revenue earned in our US operations during Q2/22 combined with a reduction in overhead expenses.

Year-to-date fiscal 2022 vs. year-to-date fiscal 2021

Revenue

For the six months ended September 30, 2021, Canaccord Genuity Capital Markets generated revenue of \$629.1 million, an increase of \$152.7 million or 32.1% from the six-month period a year ago. Our US and Canadian operations recorded the most significant increases, with revenue growing by \$104.6 million or 46.2% and \$50.7 million or 41.3%, respectively. In UK & Europe, revenue increased by \$23.8 million or 62.2% to \$62.1 million for the six months ended September 30, 2021 due to higher investment banking and advisory fees revenue. Offsetting these increases was a decline in revenue of \$26.4 million or 29.7% recorded in our Australian operations, driven primarily by lower investment banking activities in our focus sectors.

Expenses

Expenses for the six months ended September 30, 2021 were \$463.9 million, an increase of \$72.6 million or 18.5% compared to the same period in the prior year. Excluding significant items⁽¹⁾, total expenses as a percentage of revenue decreased by 8.2 percentage points compared to the six-month period in the prior year.

Compensation expense

Compensation expense for the six months ended September 30, 2021 increased by \$72.3 million or 25.1% compared to the same period in the prior year. Compensation expense as a percentage of revenue was 57.2%, a decrease of 3.2 percentage points compared to the first six months of fiscal 2021 partially due to the decrease in PSU fair value adjustment as discussed above.

Other overhead expenses

Other overhead expenses increased slightly by \$0.2 million or 0.2% over the same period in the prior year. Increased promotion and travel and conference costs led to an increase in general and administrative expense of \$3.1 million on a year over basis. This increase was partially offset by declines in trading costs of \$2.6 million or 5.8% as well as amortization expense of \$1.0 million or 28.6% compared to the first six months of fiscal 2021. Amortization expense for the six months ended September 30, 2021 was impacted by lower amortization of intangible assets in connection with a prior acquisition in our Canadian capital markets operations. The other overhead expenses did not change significantly compared to the first six months of fiscal 2021.

Income before income taxes

Income before income taxes, including allocated overhead expenses, was \$157.0 million for the six months ended September 30, 2021 compared to net income of \$75.8 million in the same period a year ago. Excluding significant items⁽¹⁾, income before income taxes, including allocated overhead expenses, was \$157.4 million in the current period, compared to income before income taxes of \$77.3 million in the first half of fiscal 2021. The increase in income before income taxes was mostly attributable to net contribution from higher revenue earned in our US and Canadian operations.

CANACCORD GENUITY WEALTH MANAGEMENT

Revenue from Canaccord Genuity Wealth Management is generated through traditional commission-based brokerage services, the sale of fee-related products and services, margin interest, and commissions and fees earned from investment banking and venture capital transactions by private clients.

CANACCORD GENUITY WEALTH MANAGEMENT NORTH AMERICA⁽¹⁾

| (C\$ thousands, except AUM and AUA (in C\$ millions), number of employees, Advisory Teams and % amounts) | Three months ended September 30 | | Quarter- over- quarter change | Six months ended September 30 | | YTD- over- YTD change |
|---|------------------------------------|-----------|--|----------------------------------|------------|--------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Revenue | \$ 72,367 | \$ 67,347 | 7.5% | \$ 176,525 | \$ 124,300 | 42.0% |
| Expenses | | | | | | |
| Compensation expense | 43,272 | 39,317 | 10.1% | 101,328 | 74,576 | 35.9% |
| Other overhead expenses | 14,583 | 12,321 | 18.4% | 29,671 | 22,513 | 31.8% |
| Total expenses | \$ 57,855 | \$ 51,638 | 12.0% | \$ 130,999 | \$ 97,089 | 34.9% |
| Intersegment allocations ⁽²⁾ | 4,620 | 3,972 | 16.3% | 9,451 | 7,880 | 19.9% |
| Income before income taxes ⁽²⁾ | \$ 9,892 | \$ 11,737 | (15.7)% | \$ 36,075 | \$ 19,331 | 86.6% |
| AUM discretionary ⁽³⁾ | 7,637 | 4,941 | 54.6% | | | |
| AUA ⁽⁴⁾ | 35,768 | 24,648 | 45.1% | | | |
| Number of Advisory Teams | 146 | 145 | 0.7% | | | |
| Number of employees | 463 | 438 | 5.7% | | | |
| Excluding significant items ⁽⁵⁾ | | | | | | |
| Total expenses | \$ 57,855 | \$ 51,638 | 12.0% | \$ 130,999 | \$ 97,089 | 34.9% |
| Intersegment allocations ⁽²⁾ | 4,620 | 3,972 | 16.3% | 9,451 | 7,880 | 19.9% |
| Income before income taxes ⁽²⁾ | \$ 9,892 | \$ 11,737 | (15.7)% | \$ 36,075 | \$ 19,331 | 86.6% |

(1) Data is in accordance with IFRS except for AUM, AUA, number of Advisory Teams and number of employees. See Non-IFRS Measures on page 6.

(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 23.

- (3) AUM in Canada are assets managed on a discretionary basis under our programs that include CGWM's Investment Counselling Program (including both Separately and/or Unified Managed Accounts) as well as its Private Investment Management Program
- (4) AUA in Canada is the market value of client assets administered by the Company, from which the Company earns commissions and fees and includes AUM.
- (5) Refer to the Selected Financial Information Excluding Significant Items table on page 11.

Second quarter 2022 vs. second quarter 2021

Revenue from Canaccord Genuity Wealth Management North America was \$72.4 million, an increase of \$5.0 million or 7.5% compared to the three months ended September 30, 2020. The increase was driven by a growth in commissions and fees and interest revenue reflecting an increase in AUM, partially offset by lower investment banking activity.

AUA in Canada increased by 45.1% to \$35.8 billion at September 30, 2021, compared to \$24.6 billion at September 30, 2020. There were 146 Advisory Teams in Canada, an increase of 1 from a year ago. Fee-related revenue in our North American operations as a percentage of total revenue increased by 12.7 percentage points compared to Q2/21 and accounted for 45.1% of the wealth management revenue in Canada during the second quarter of fiscal 2022.

Total expenses for Q2/22 were \$57.9 million, an increase of \$6.2 million or 12.0% compared to Q2/21. Total compensation expense was \$43.3 million, an increase of 10.1%. Total compensation expense as a percentage of revenue increased by 1.4 percentage points to 59.8% in Q2/22 compared to Q2/21.

Other overhead costs increased by \$2.3 million compared to the three months ended September 30, 2020. Trading costs increased by \$0.9 million or 25.5% from Q2/21 due to higher trading activity. Communication and technology expense increased by \$0.5 million or 46.5% to support the continued growth in our North American wealth management operations. Also, development costs increased by \$0.5 million or 19.1% as a result of the amortization of new hire incentive-based payments to new recruits.

Year-to-date fiscal 2022 vs. year-to-date fiscal 2021

Revenue from Canaccord Genuity Wealth Management North America was \$176.5 million for the six months ended September 30, 2021, an increase of \$52.2 million or 42.0% compared to the same period in the prior year, largely due to an increase in commission and fees revenue as well as investment banking revenue.

Total expenses for the six months ended September 30, 2021 were \$131.0 million, an increase of \$33.9 million or 34.9% compared to the same period in the prior year. Total compensation expense as a percentage of revenue decreased by 2.6 percentage point to 57.4% for the six-month period ended September 30, 2021, partially as a result of a decrease in PSU expense recorded in the current period due to a change in the periodic expense recorded during the vesting period.

Other overhead expenses increased by 31.8% over the same period in the prior year. General and administrative expense increased by \$3.2 million or 93.7% primarily due to a reversal of margin and other client reserves recorded in the first half of fiscal 2021 which led to an unusually low reserve expense for the prior period.

Trading costs increased by \$1.5 million or 18.3% due to higher activity as reflected by the higher commission and fees revenue.

Income before income taxes was \$36.1 million for the six months ended September 30, 2021 compared to income before taxes of \$19.3 million in the same period in the prior year primarily due to an increase in revenue.

CANACCORD GENUITY WEALTH MANAGEMENT UK & CROWN DEPENDENCIES⁽¹⁾⁽⁵⁾

| (C\$ thousands, except AUM (in C\$ millions), number of employees, investment professionals and fund managers, and % amounts) | Three months ended September 30 | | Quarter- over- quarter change | Six months ended September 30 | | YTD- over- YTD change |
|---|------------------------------------|-----------|--|----------------------------------|------------|--------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Revenue | \$ 75,109 | \$ 64,308 | 16.8% | \$ 148,438 | \$ 132,259 | 12.2% |
| Expenses | | | | | | |
| Compensation expense | 41,213 | 35,541 | 16.0% | 81,599 | 72,989 | 11.8% |
| Other overhead expenses | 19,843 | 18,240 | 8.8% | 36,489 | 36,248 | 0.7% |
| Acquisition-related cost | 1,920 | — | | 1,920 | — | |
| Total expenses | 62,976 | 53,781 | 17.1% | 120,008 | 109,237 | 9.9% |
| Intersegment allocations ⁽²⁾ | 306 | 276 | 10.9% | 562 | 565 | (0.5)% |
| Income before income taxes ⁽²⁾ | 11,827 | 10,251 | 15.4% | 27,868 | 22,457 | 24.1% |
| Non-controlling interest ⁽⁶⁾ | 4,162 | — | n.m. | 4,162 | — | n.m. |
| AUM ⁽³⁾ | 57,508 | 45,380 | 26.7% | | | |
| Number of investment professionals and fund managers | 204 | 208 | (1.9)% | | | |
| Number of employees | 545 | 530 | 2.8% | | | |
| Excluding significant items ⁽⁴⁾ | | | | | | |
| Total expenses | \$ 55,107 | \$ 49,968 | 10.3% | \$ 108,761 | \$ 101,602 | 7.0% |
| Intersegment allocations ⁽²⁾ | 306 | 276 | 10.9% | 562 | 565 | (0.5)% |
| Income before income taxes ⁽²⁾ | 19,696 | 14,064 | 40.0% | 39,115 | 30,092 | 30.0% |
| Non-controlling interest ⁽⁶⁾ | 3,002 | — | n.m. | 3,002 | — | n.m. |

(1) Data is in accordance with IFRS except for AUM, number of investment professionals and fund managers and number of employees. See Non-IFRS Measures on page 6.

(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 23.

(3) AUM in the UK & Crown Dependencies is the market value of client assets managed and administered by the Company, from which the Company earns commissions and fees. This measure includes both discretionary and non-discretionary accounts.

(4) Refer to the Selected Financial Information Excluding Significant Items table on page 11.

(5) Includes the operating results of Thomas Miller since the acquisition date of May 1, 2019.

(6) The non-controlling interest is the portion of the net income after income taxes of CGWM UK not attributable to the Company

Second quarter 2022 vs. second quarter 2021

Revenue generated by our Canaccord Genuity Wealth Management UK & Crown Dependencies operation is largely generated through fee-related accounts and portfolio management activities and, as such, is less sensitive to changes in levels of trading activity. Revenue for Q2/22 was \$75.1 million, an increase of \$10.8 million or 16.8% compared to Q2/21. Measured in local currency (GBP), revenue was £43.3 million in Q2/22 compared to £37.4 million in Q2/21, an increase of 15.8% compared to the same quarter last year. The increase was largely due to higher commissions and fees revenue earned during the quarter.

AUM in the UK & Crown Dependencies as of September 30, 2021 was \$57.5 billion, an increase of 26.7% compared to \$45.4 billion as of September 30, 2020. Measured in local currency (GBP), AUM increased by 27.6% from £26.4 billion at September 30, 2020 to £33.6 billion at September 30, 2021. Fee-related revenue in our UK & Crown Dependencies wealth management operations accounted for 79.2% of total revenue in Q2/22, an increase of 4.0 percentage points.

Driven by the increase in revenue, total compensation expense increased by \$5.7 million or 16.0% in Q2/22 compared to the three months ended September 30, 2021. Total compensation expense as a percentage of revenue decreased slightly by 0.4 percentage points from 55.3% in Q2/21 to 54.9% in Q2/22.

Other overhead expenses for the three months ended September 30, 2021 were \$19.8 million for Q2/22 compared to \$18.2 million in Q2/21, an increase of \$1.6 million or 8.8% quarter over quarter. The majority of the increase was related to higher development costs in Q2/22, comprised of certain incentive-based costs and professional fees related to the issuance of the Convertible Preferred Shares to HPS in our UK & Crown Dependencies wealth management operations. This increase was partially offset by a decline in general and administrative expense of \$0.6 million compared to the same period in the prior year.

There were acquisition-related costs of \$1.9 million recorded in Q2/22. These costs comprised of legal and other professional fees related to the acquisition of Adam & Company completed on October 1, 2021 as well as other potential acquisitions.

Income before income taxes was \$11.8 million compared to \$10.3 million in Q2/21. Excluding significant items⁽¹⁾, income before income taxes was \$19.7 million, representing a \$5.6 million increase from the same period in the prior year due to the increase in revenue.

Year-to-date fiscal 2022 vs. year-to-date fiscal 2021

Revenue from Canaccord Genuity Wealth Management UK & Crown Dependencies was \$148.4 million, an increase of \$16.2 million or 12.2% compared to the same period in the prior year.

Expenses for the six months ended September 30, 2021 increased by \$10.8 million or 9.9% over the same period in the prior year. The largest increase was a \$8.6 million increase in compensation expense over the first six-months of fiscal 2021, in line with the increase in commission-based revenue. Compensation expense as a percentage of revenue decreased slightly by 0.2 percentage points to 55.0% for the six months ended September 30, 2021.

Other overhead expenses for the six months ended September 30, 2021 were \$36.5 million compared to \$36.2 million in the same period in the prior year, a slight increase of 0.7% compared to the same period in the prior year. The largest increase in overhead expenses was in development costs, which increased by \$1.4 million or 75.4% year over year as a result of costs associated with the transaction with HPS in our UK & Crown Dependencies wealth management operations as discussed above.

As discussed above, there were acquisition-related costs of \$1.9 million recorded in the six-months ended September 30, 2021 related to the acquisition of Adam & Company completed on October 1, 2021 as well as other potential acquisitions.

Income before income taxes was \$27.9 million compared to \$22.5 million in the six months ended September 30, 2020. Excluding significant items⁽¹⁾, which includes acquisition-related costs, amortization of intangible assets acquired in business combination, acquisition-related costs as well as certain incentive-based costs related to the acquisitions and growth initiatives of the UK wealth business, income before income taxes was \$39.1 million, representing a \$9.0 million or 30.0% increase from the same period in the prior year reflecting the net contribution from higher revenue.

CANACCORD GENUITY WEALTH MANAGEMENT AUSTRALIA⁽¹⁾⁽²⁾

| (C\$ thousands, except AUM (in C\$ millions), number of employees, investment professionals and fund managers, and % amounts) | Three months ended September 30 | | Quarter- over- quarter change | Six months ended September 30 | | YTD- over- YTD change |
|---|------------------------------------|-----------|--|----------------------------------|-----------|--------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Revenue | \$ 18,752 | \$ 14,322 | 30.9% | \$ 36,269 | \$ 27,356 | 32.6% |
| Expenses | | | | | | |
| Compensation expense | 12,482 | 10,116 | 23.4% | 24,360 | 18,631 | 30.7% |
| Other overhead expenses | 4,293 | 3,230 | 32.9% | 7,439 | 7,184 | 3.5% |
| Restructuring costs | — | — | | — | — | |
| Acquisition-related cost | — | — | | — | — | |
| Total expenses | 16,775 | 13,346 | 25.7% | 31,799 | 25,815 | 23.2% |
| Intersegment allocations ⁽²⁾ | — | — | | — | 15 | (100.0)% |
| Income before income taxes ⁽²⁾ | 1,977 | 976 | 102.6% | 4,470 | 1,526 | 192.9% |
| Non-controlling interest ⁽⁶⁾ | 214 | 63 | 239.7% | 492 | 121 | 306.6% |
| AUM ⁽⁴⁾ | 4,814 | 3,366 | 43.0% | | | |
| Number of investment professionals and fund managers | 108 | 115 | (6.1)% | | | |
| Number of employees | 215 | 198 | 8.6% | | | |
| Excluding significant items ⁽⁵⁾ | | | | | | |
| Total expenses | \$ 16,657 | \$ 13,246 | 25.8% | \$ 31,560 | \$ 25,576 | 23.4% |
| Intersegment allocations ⁽³⁾ | — | — | | — | 15 | (100.0)% |
| Income before income taxes ⁽³⁾ | 2,095 | 1,076 | 94.7% | 4,709 | 1,765 | 166.8% |
| Non-controlling interest ⁽⁶⁾ | 214 | 63 | 239.7% | 492 | 121 | 306.6% |

(1) Data is in accordance with IFRS except for AUM, number of investment advisors and number of employees. See Non-IFRS Measures on page 6.

(2) Includes the operating results of Patersons which was acquired on October 21, 2019.

(3) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 23.

(4) AUM is the market value of client assets managed and administered by the Company.

(5) Refer to the Selected Financial Information Excluding Significant Items table on page 11.

(6) The non-controlling interest is the portion of the net income after income taxes of Canaccord Genuity Wealth Management Australia not attributable to the Company.

n.m.: not meaningful

Second quarter 2022 vs. second quarter 2021

During the three months ended September 30, 2021, Canaccord Genuity Wealth Management Australia generated revenue of \$18.8 million, an increase of \$4.4 million or 30.9% compared to Q2/21. AUM in the Australian wealth management operations was \$4.8 billion as of September 30, 2021, an increase of \$1.4 billion or 43.0% compared to Q2/21 partially due to increases in market values. In addition, client assets totalling \$16.6 billion are also held in other accounts on our Australian wealth management trading platforms compared to \$12.1 billion as of September 30, 2020. Fee-related revenue in our Australian operations as a percentage of total revenue accounted for 27.1% of the wealth management revenue during the second quarter of fiscal 2022, a slight increase of 0.5 percentage points from the three months ended September 30, 2020.

Total compensation expense increased by \$2.4 million or 23.4% in Q2/22 compared to Q2/21. Total compensation expense as a percentage of revenue was 66.6% for Q2/22, a decrease of 4.1 percentage points from the same period in the prior year.

Other overhead expenses increased by 32.9% compared to the three months ended September 30, 2020, mainly driven by increases in communication and technology expense, general and administrative expense and development costs to support the growth of this segment.

Income before income taxes was \$2.0 million in Q2/22 compared to \$1.0 million in Q2/21. Excluding significant items⁽¹⁾, pre-tax income was \$2.1 million for the three months ended September 30, 2021 compared to \$1.1 million in the same period in the prior year.

Year-to-date fiscal 2022 vs. year-to-date fiscal 2021

Revenue from Canaccord Genuity Wealth Management Australia was \$36.3 million in the first six months of fiscal 2022 compared to \$27.4 million, an increase of \$8.9 million or 32.6%.

Expenses for the six months ended September 30, 2021 totalled \$31.8 million compared to \$25.8 million for the same period in the prior year. Total compensation expense as a percentage of revenue was 67.2%, a slight decrease of 0.9% compared to the first six months of fiscal 2021. Other overhead expenses were \$7.4 million, an increase of 3.5% compared to the six months ended September 30, 2020, with increases in general and administrative expenses and development costs partially offset by a decrease in amortization of right of use assets expense.

Income before income taxes was \$4.5 million in the six months ended September 30, 2021, an increase of \$2.9 million or 192.9% from the same period in the prior year. Excluding significant items⁽¹⁾, which includes amortization of intangible assets acquired in business combination, income before income taxes was \$4.7 million compared to \$1.8 million in the first six months of fiscal 2021, reflecting the positive net contribution of our expansion in this business unit.

CORPORATE AND OTHER⁽¹⁾

| (C\$ thousands, except number of employees and % amounts) | Three months ended September 30 | | Quarter- over- quarter change | Six months ended September 30 | | YTD- over- YTD change |
|--|------------------------------------|----------|--|----------------------------------|----------|--------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Revenue | \$ 4,014 | \$ 2,831 | 41.8% | \$ 3,625 | \$ 7,768 | (53.3)% |
| Expenses | | | | | | |
| Compensation expense | 17,015 | 23,301 | (27.0)% | 45,146 | 49,630 | (9.0)% |
| Other overhead expenses | 5,202 | 7,622 | (31.8)% | 9,332 | 12,001 | (22.2)% |
| Costs associated with redemption of convertible debentures | 468 | — | — | 5,932 | — | |

| (C\$ thousands, except number of employees and % amounts) | Three months ended September 30 | | Quarter- over- quarter change | Six months ended September 30 | | YTD- over- YTD change |
|---|------------------------------------|----------|--|----------------------------------|----------|--------------------------------|
| | 2021 | 2020 | | 2021 | 2020 | |
| Share of loss of an associate | 118 | 14 | n.m. | 118 | 31 | 280.6% |
| Total expenses | 22,803 | 30,937 | (26.3)% | 60,528 | 61,662 | (1.8)% |
| Intersegment allocations ⁽²⁾ | (9,285) | (8,811) | (5.4)% | (18,266) | (17,657) | (3.4)% |
| (Loss) before income taxes ⁽²⁾ | (9,504) | (19,295) | 50.7% | (38,637) | (36,237) | (6.6)% |
| Number of employees | 380 | 345 | 10.1% | | | |
| Excluding significant items ⁽³⁾ | | | | | | |
| Revenue | \$ 4,014 | \$ 2,831 | 41.8% | \$ 8,625 | \$ 7,768 | 11.0% |
| Total expenses | 22,335 | 30,937 | (27.8)% | 54,596 | 61,662 | (11.5)% |
| Intersegment allocations ⁽²⁾ | (9,285) | (8,811) | (5.4)% | (18,266) | (17,657) | (3.4)% |
| Loss before income taxes ⁽²⁾ | (9,036) | (19,295) | 53.2% | (27,705) | (36,237) | 23.5% |

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees. See Non-IFRS Measures on page 6.

(2) Loss before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 23.

(3) Refer to the Selected Financial Information Excluding Significant Items table on page 11.

n.m.: not meaningful

This segment, described as Corporate and Other, includes revenues and expenses associated with providing correspondent brokerage services, bank and other interest, foreign exchange gains and losses, and expenses not specifically allocable to either the Canaccord Genuity Capital Markets or Canaccord Genuity Wealth Management divisions. Also included in this segment are the Company's Canadian-based operations and support services, which are responsible for front- and back-office information technology systems, compliance and risk management, operations, finance, and all administrative functions.

Second quarter 2022 vs. second quarter 2021

Revenue in the Corporate and Other segment for the three months ended September 30, 2021 was \$4.0 million, an increase of \$1.2 million from the same quarter a year ago due to an increase in interest revenue as well as higher foreign exchange gains.

Expenses for Q2/22 decreased by \$8.1 million or 26.3%, to \$22.8 million compared to the three months ended September 30, 2020. Compensation expense decreased by \$6.3 million or 27% compared to the three months ended September 30, 2020, driven by a decrease in the fair value adjustment of the PSUs.

The decrease in other overhead expenses of \$2.4 million over Q2/21 was mainly related to an increase in trading costs recovery from our Canadian capital markets and wealth management operations. Interest expense also decreased by \$2.3 million or 86.7% as a result of the redemption of the 6.25% convertible unsecured senior subordinated debentures during the first quarter of fiscal 2022. There were also professional fees incurred of \$0.5 million in connection with the redemption of the convertible debentures recorded in Q2/22.

Overall, the loss before income taxes was \$9.5 million in Q2/22 compared to a loss of \$19.3 million in Q2/21. Excluding significant items⁽¹⁾, loss before income taxes was \$9.0 million for the three months ended September 30, 2021, compared to \$19.3 million for the same period in the prior year.

Year-to-date fiscal 2022 vs. year-to-date fiscal 2021

Revenue in the Corporate and Other segment for the six months ended September 30, 2021 was \$3.6 million, a decrease of \$4.1 million or 53.3% from the same period a year ago. During the six months ended September 30, 2021, there was a reduction to the fair value adjustment recorded on certain illiquid or restricted marketable securities, resulting in a reduction in revenue of \$5.0 million recorded. This adjustment is excluded for management reporting purposes as it is not used by management to assess operating performance and is excluded for purposes of determining net income excluding significant items⁽¹⁾. Future changes in the unrealized fair value of the marketable securities as determined under applicable accounting standards may be significant and will be recorded through the consolidated statements of operations.

Expenses for the six months ended September 30, 2021 decreased by \$1.1 million or 1.8% compared to the first six months of fiscal 2021.

Compensation expense decreased by \$4.5 million or 9.0% compared to the six months ended September 30, 2020, largely driven by a lower PSU fair value adjustment recorded in the current period.

Other overhead expenses decreased by 22.2% compared to the same period in the prior year largely due to a decrease in interest expenses resulting from the redemption of the convertible debentures as discussed above, partially offset by increases in communication and technology expense and general and administrative expense to support the growth of our infrastructure teams.

As discussed above, in order to partially fund the redemption of the convertible debentures, the Company entered into a senior secured first lien term loan facility ("loan facility") of £69.0 million with HPS. Transaction costs incurred in connection with the loan facility were recognized on an amortized cost basis and included in the effective interest rate of the facility. Interest associated with this loan facility is included in costs associated with redemption of convertible debentures for the six months ended September 30, 2021.

Overall, the loss before income taxes was \$38.6 million for the six months ended September 30, 2021 compared to \$36.2 million for the same period in the prior year. Excluding significant items⁽¹⁾, loss before income taxes was \$27.7 million for the first six months of fiscal 2022, a \$8.5 million reduction from the loss before income taxes generated in the same period in the prior year.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6.

Quarterly Results

Our quarterly results are generally not significantly affected by seasonal factors. However, the Company's revenue and income can experience considerable variations from quarter to quarter and year to year due to factors beyond the Company's control. The business is affected by the overall condition of the global capital markets. The Company's revenue from an underwriting transaction is recorded only when the transaction has been substantially completed. Consequently, the timing of revenue recognition can materially affect Canaccord Genuity Group Inc.'s quarterly results.

The following table provides selected quarterly financial information for the eight most recently completed financial quarters ended on or before September 30, 2021. This information is unaudited but reflects all adjustments of a recurring nature, which are, in the opinion of management, necessary to present a fair statement of the results of operations for the periods presented. Quarter-to-quarter comparisons of financial results are not necessarily meaningful and should not be relied upon as indications of future performance.

| (C\$ thousands, except number of employees and % amounts) | Fiscal 2022 | | Fiscal 2021 | | | | Fiscal 2020 | |
|---|----------------|----------------|-------------|---------|---------|---------|-------------|---------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Revenue | | | | | | | | |
| Canaccord Genuity Capital Markets | 304,919 | 324,216 | 486,951 | 348,875 | 241,549 | 234,853 | 176,579 | 174,174 |
| Canaccord Genuity Wealth Management: | | | | | | | | |
| North America | 72,367 | 104,158 | 107,000 | 92,741 | 67,347 | 56,953 | 56,733 | 46,019 |
| UK & Crown Dependencies | 75,109 | 73,329 | 74,950 | 70,120 | 64,308 | 67,951 | 68,354 | 71,300 |
| Australia | 18,752 | 17,517 | 17,257 | 17,636 | 14,322 | 13,034 | 12,851 | 11,065 |
| Corporate and Other | 4,014 | (389) | 20,368 | 3,705 | 2,831 | 4,937 | 5,131 | 5,456 |
| Total revenue | 475,161 | 518,831 | 706,526 | 533,077 | 390,357 | 377,728 | 319,648 | 308,014 |
| Net income | 61,785 | 73,053 | 139,394 | 68,451 | 32,993 | 28,964 | 26,246 | 22,840 |
| Earnings per common share – basic | \$ 0.56 | \$ 0.72 | \$ 1.07 | \$ 0.67 | \$ 0.30 | \$ 0.26 | \$ 0.25 | \$ 0.21 |
| Earnings per common share – diluted | \$ 0.49 | \$ 0.63 | \$ 0.93 | \$ 0.54 | \$ 0.25 | \$ 0.22 | \$ 0.21 | \$ 0.17 |
| Net Income excluding significant items ⁽¹⁾ | 69,719 | 84,654 | 137,128 | 78,971 | 36,891 | 32,897 | 21,451 | 30,458 |
| Earnings per common share, excluding significant items ⁽¹⁾ – basic | \$ 0.66 | \$ 0.84 | \$ 1.38 | \$ 0.78 | \$ 0.34 | \$ 0.30 | \$ 0.20 | \$ 0.29 |
| Earnings per common share, excluding significant items ⁽¹⁾ – diluted | \$ 0.58 | \$ 0.73 | \$ 1.20 | \$ 0.62 | \$ 0.28 | \$ 0.25 | \$ 0.17 | \$ 0.23 |

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6.

With substantially increased capital raising and advisory activity in our core focus areas as well as continued contribution from our global wealth management operations, the Company posted quarterly firm wide revenue of \$475.2 million in Q2/22, a decline from the exceptionally strong performances in the previous three quarters, but an increase of 4.7% from the average quarterly revenue of the past eight quarters. Revenue from our core business activities including advisory activities and commission and fees continued to be strong in Q2/22, while reduced trading and investment banking activity levels in our key markets contributed to a year over year decline in our investment banking and principal trading revenue for the three-month period. Our advisory revenue was particularly strong in the current quarter at \$139.4 million, an increase of 78.7% from the previous record in Q1/22, and a 274.0% increase year over year.

Our Canaccord Genuity Capital Markets operations generated revenue of \$304.9 million, an increase of 26.2% over Q2/21 and a decrease of 6.0% on a sequential basis. The quarterly revenue earned in our US capital markets operations in the past eight quarters has been consistently strong, with revenue reaching \$179.4 million in Q2/22, the second highest quarterly revenue generated by this operating region. Our US operations recorded advisory revenue of \$103.6 million in Q2/22, a record for the US capital markets operations and also contributed to the record advisory revenue recorded by the consolidated group this quarter. Our US operations have also been consistently profitable over the last eight consecutive quarters, with pre-tax income excluding significant items⁽¹⁾ reaching a near record high of \$46.1 million in Q2/22.

Revenue in our Canadian capital markets operations was \$57.1 million, a decrease from the exceptionally strong performance in the three previous quarters. The Canadian operating region has been consistently profitable for the past eight quarters, with pre-tax profit margins excluding significant items⁽¹⁾ reaching 24.7% in Q2/22.

Revenue in our Australian capital markets operations decreased by \$11.9 million compared to stronger quarterly performances during fiscal 2021 driven by decreased investment banking activity in our focus sectors, however, the region showed an improvement of 23.0% in revenue compared to the previous quarter. The pre-tax profit margin for our Australian capital markets operations was 26.7%, an increase of 2.5 percentage points from the previous quarter.

Our UK & Europe capital markets operations recorded an increase in revenue compared to both Q2/21 and Q1/22 of 129.8% and 21.2%, respectively, as a result of a stronger market for investment banking and advisory activities. The increase in revenue led to income before income taxes of \$3.7 million for the current quarter, the highest in the past eight quarters.

Our Canaccord Genuity Wealth Management North America operations have been positively impacted by improved transaction activity and a growth in client assets. Revenue was \$72.4 million in Q2/22, an increase of \$5.0 million or 7.5% compared to Q2/21 but a decrease of \$31.8 million or 30.5% compared to the previous quarter due to lower investment banking revenue. Assets under administration were \$35.8 billion,

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6.

an increase of 45.1% year over year and 3.4% over the prior quarter, reflecting net inflows of new assets as well as higher market values. Assets under management which are included in assets under administration increased by 54.6% from \$4.9 billion in Q2/21 to \$7.6 billion in Q2/22.

The Canaccord Genuity Wealth Management UK & Crown Dependencies operations have contributed consistently to our revenue and profitability levels. Revenue for Q2/22 was \$75.1 million, the highest in the past eight quarters. Pre-tax profit margins continued to be strong at 26.2% in Q2/22 excluding significant items⁽¹⁾. At the end of Q2/22, fee-related revenue was at 79.2%, an increase of 4.0 percentage points from Q2/21. Assets under management for this group increased by 26.7% as of the end of Q2/22 to \$57.5 billion compared to Q2/21 due to the growth in market values as well as net new assets.

Revenue in our Australia wealth management operations reached a high of \$18.8 million in Q2/22. Assets under management as of September 30, 2021 were \$4.8 billion, an improvement of 2.6% compared to the previous quarter.

The movement in revenue in the Corporate and Other division in Q1/22 and Q4/21 were mainly due to fair value adjustment recorded on certain illiquid or restricted marketable securities. In prior quarters, changes in revenue in the Corporate and Other segment was attributable to interest revenue and foreign exchange gains or losses resulting from fluctuations in the Canadian dollars.

Intersegment Allocated Costs

Included in the Corporate and Other segment are certain support services and other expenses that have been incurred to support the activities within the Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management segments in Canada. Certain trading, clearing and settlement charges are included as a trading cost in the applicable business units and as a trading cost recovery in Corporate and Other. In addition, certain overhead costs are charged by Canaccord Genuity Capital Markets UK & Europe to Canaccord Genuity Wealth Management UK & Crown Dependencies and included in intersegment allocated costs for these business units.

Financial Condition

Below are specific changes in selected items on the Q2/22 unaudited interim condensed consolidated statement of financial position as compared to the Audited Annual Consolidated Financial Statements.

ASSETS

Cash and cash equivalents were \$1.7 billion on September 30, 2021 compared to \$1.9 billion on March 31, 2021. Refer to the Liquidity and Capital Resources section on page 24 for more details.

Securities owned were \$1.1 billion on September 30, 2021 compared to \$1.0 billion on March 31, 2021 mainly due to an increase in corporate and government debt owned as of September 30, 2021.

Accounts receivable were \$4.3 billion at September 30, 2021 compared to \$4.0 billion at March 31, 2021, mainly due to an increase in receivables with brokers and investment dealers and clients.

Goodwill was \$378.6 million and intangible assets were \$143.8 million on September 30, 2021. On March 31, 2021, goodwill was \$380.1 million and intangible assets were \$150.9 million. These amounts represent the goodwill and intangible assets acquired through the purchases of Genuity Capital Markets, Collins Stewart Hawkpoint plc, Eden Financial Ltd., Hargreave Hale, Jitneytrade, McCarthy Taylor, Petsky Prunier, Thomas Miller, and Patersons.

Right-of-use assets were \$76.9 million compared to \$85.2 million at March 31, 2021, mainly due to amortization recorded during the period.

Other assets, consisting of income taxes receivable, deferred tax assets, equipment and leasehold improvements, and investments, were \$133.4 million at September 30, 2021 compared to \$117.2 million at March 31, 2021.

LIABILITIES AND NON-CONTROLLING INTERESTS

Securities sold short were \$1.2 billion at September 30, 2021 compared to \$889.6 million at March 31, 2021, mostly due to an increase in short positions in corporate and government debt.

Accounts payable and accrued liabilities, including provisions, were \$5.0 billion at September 30, 2021, a decrease from \$5.2 billion at March 31, 2021, mainly due to decreases in payables to brokers and investment dealers and clients.

Subordinated debt, income taxes payable and deferred tax liabilities, were \$30.7 million at September 30, 2021, a decrease from \$77.3 million at March 31, 2021. The decrease was mostly due to the decrease in income tax payable.

There were also lease liabilities of \$84.8 million recorded as of September 30, 2021 [March 31, 2021 — \$94.9 million].

As discussed above, on July 29, 2021, HPS acquired Convertible Preferred Shares in the amount of £125.0 million (C\$218.0 million) issued by the Company's subsidiary, CGWM UK.

The Convertible Preferred Shares and Preferred Shares issued, and to be issued, to management and employees of CGWM UK were treated as a compound instrument comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle the instrument, if applicable, by delivering the economic equivalent of a variable number of common shares of CGWM UK. The equity component of the Convertible Preferred Shares and Preferred Shares is included in the shareholders' equity and the derivative liability component of £20.0million (C\$34.2 million) is included in other liabilities in the statement of financial position as of September 30, 2021.

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for its acquisitions of Hargreave Hale, Thomas Miller and Adam & Company. The loan is repayable in instalments of principal and interest and matures in September 2024. The interest rate on this loan is 3.4248% per annum as at September 30, 2021 [March 31, 2021 — 2.6584% per annum].

In connection with the acquisition of Adam & Company on October 1, 2021, a subsidiary of the Company increased its bank loan by an additional £53.3 million (C\$91.2 million as of September 30, 2021). The proceeds from the additional bank loan net of financing charges of £51.8 million [C\$ 88.5 million] has been included in cash on the statement of operations as of September 30, 2021. The total bank loans outstanding as of September 30, 2021 was \$160.9 million [March 31, 2021 — \$78.3 million].

Excluding the bank loan in connection with the acquisitions of Hargreave Hale, Thomas Miller and Adam & Company as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of \$661.2 million [March 31, 2021 — \$637.1 million]. These credit facilities, consisting of call loans, letters of credit and daylight overdraft facilities, are collateralized by unpaid client securities and/or securities owned by the Company. As of September 30, 2021, there were no balances outstanding under these other credit facilities [March 31, 2021 — \$nil].

There was deferred consideration of \$8.0 million as of September 30, 2021 related to the acquisition of Hargreave Hale [March 31, 2021 — \$8.1 million]. During the period ended September 30, 2021, the Company paid the remaining contingent consideration in connection with the purchase of Petsky Prunier in cash [March 31, 2021 — \$29.2 million].

Non-controlling interests were \$208.2 million at September 30, 2021 compared to \$8.2 million as at March 31, 2021, an increase of \$200.0 million related to the equity portion of the Convertible Preferred Shares component issued by CGWM UK. Non-controlling interests also include 15% [March 31, 2021 — 15%] of the net assets of our operations in Australia.

Off-Balance Sheet Arrangements

A subsidiary of the Company has entered into secured irrevocable standby letters of credit from a financial institution totaling \$2.9 million (US\$2.3 million) [March 31, 2021 — \$2.9 million (US\$2.3 million)] as rent guarantees for its leased premises in New York. As of September 30, 2021 and March 31, 2021, there were no outstanding balances under these standby letters of credit.

Bank Indebtedness and Other Credit Facilities

The Company enters into call loans or overdraft positions primarily to facilitate the securities settlement process for both client and Company securities transactions. The bank indebtedness is collateralized by unpaid client securities and/or securities owned by the Company. As of September 30, 2021, and March 31, 2021, the Company had no bank indebtedness outstanding under these facilities.

In the normal course of business, the Company enters into contracts that give rise to commitments of future minimum payments that affect its liquidity.

The following table summarizes the Company's long-term contractual obligations on September 30, 2021:

| (C\$ thousands) | Total | Fiscal 2023 | Fiscal 2024 – Fiscal 2025 | Fiscal 2026 – Fiscal 2027 | Thereafter |
|---|----------------|---------------|------------------------------|------------------------------|---------------|
| Premises and equipment operating leases | 125,212 | 27,020 | 46,349 | 18,612 | 33,231 |
| Bank loan ⁽¹⁾ | 174,016 | 12,356 | 161,660 | — | — |
| Total contractual obligations | 299,228 | 39,376 | 208,009 | 18,612 | 33,231 |

(1) Bank loan obtained to finance a portion of the cash consideration for the acquisitions of Hargreave Hale, Thomas Miller and Adam & Company. The bank loan bears interest at 3.4248% [March 31, 2021 — 2.6584%] per annum and is repayable in instalments of principal and interest and matures in September 2024.

Liquidity and Capital Resources

The Company has a capital structure comprised of preferred shares, common shares, contributed surplus, retained earnings and accumulated other comprehensive income. On September 30, 2021, cash and cash equivalents were \$1.7 billion, a decrease of \$158.0 million from \$1.9 billion as of March 31, 2021. During the six months ended September 30, 2021, financing activities used cash in the amount of \$23.2 million, mainly due to redemption of convertible debentures, payment of deferred and contingent consideration, purchase of shares under the normal course issuer bid (NCIB), purchases of common shares for the long-term incentive plan (LTIP), and cash dividends paid on common and preferred shares, partially offset by proceeds from bank loan obtained in connection with the acquisition of Adam & Company as well as net proceeds from the issuance of convertible preferred shares in the UK & Crown Dependencies wealth management operations. Investing activities used cash in the amount of \$13.0 million for the purchase of equipment and leasehold improvements and investments. Operating activities used cash in the amount of \$115.9 million, which was largely due to changes in non-cash working capital. A decrease in cash of \$5.9 million was attributable to the effect of foreign exchange translation on cash balances.

Compared to the six months ended September 30, 2020, cash used in financing activities decreased by \$80.4 million due to redemption of convertible debentures, additional payments of deferred and contingent consideration, purchases of common shares under the NCIB, partially offset by proceeds from bank loan obtained in connection with the acquisition of Adam & Company as well as net proceeds from the issuance of convertible preferred shares in the UK & Crown Dependencies wealth management in the current year. Cash used in investing activities increased by \$11.1 million during the six months ended September 30, 2021 compared to the same period last year, mainly due to the purchase of investments. Changes in non-cash working capital balances led to a decrease in cash provided by operating activities of \$135.4 million. In

addition, cash balances decreased by \$0.6 million from the effects of foreign exchange translation on cash balances in Q2/22 compared to Q2/21. Overall, cash and cash equivalents increased by \$820.7 million from \$904.6 million at September 30, 2020 to \$1.7 billion at September 30, 2021.

The Company's business requires capital for operating and regulatory purposes. The Company's working capital, including cash and cash equivalents, is fully deployed by the Company in its operations to support regulatory capital levels as required and counter-party requirements including cash deposit requirements needed to maintain current levels of activity. The majority of current assets reflected on the Company's unaudited interim condensed consolidated statement of financial position are highly liquid. The majority of the positions held as securities owned are readily marketable, and all are recorded at their fair value. Securities sold short are highly liquid securities. The fair value of these securities fluctuates daily as factors such as changes in market conditions, economic conditions and investor outlook affect market prices. Client receivables are secured by readily marketable securities and are reviewed daily for impairment in value and collectability. Receivables and payables from brokers and dealers represent the following: current open transactions that generally settle within the normal two-day settlement cycle; collateralized securities borrowed and/or loaned in transactions that can be closed within a few days on demand; and balances on behalf of introducing brokers representing net balances in connection with their client accounts.

Convertible Debentures

On April 9, 2021, the Company completed the redemption of its 6.25% convertible unsecured senior subordinated debentures for \$168.1 million.

Outstanding Share Data

| | Outstanding shares as of September 30 | |
|--|---------------------------------------|-------------|
| | 2021 | 2020 |
| Preferred shares | | |
| Series A – issued shares outstanding | 4,540,000 | 4,540,000 |
| Series C – issued shares outstanding | 4,000,000 | 4,000,000 |
| Common shares | | |
| Issued shares excluding unvested shares ⁽¹⁾ | 94,688,860 | 96,872,618 |
| Issued shares outstanding ⁽²⁾ | 106,444,446 | 107,783,782 |
| Issued shares outstanding – diluted ⁽³⁾ | 110,765,418 | 129,631,979 |
| Average shares outstanding – basic | 96,598,506 | 96,525,851 |
| Average shares outstanding – diluted ⁽⁴⁾ | 110,379,734 | 123,548,171 |

(1) Excludes 11,178,632 unvested shares purchased by employee benefit trusts for the LTIP, 454,599 shares committed to be purchased under the normal course issuer bid and 122,355 outstanding shares related to share purchase loans

(2) Includes 11,178,632 unvested shares purchased by employee benefit trusts for the LTIP, 454,599 shares committed to be purchased under the normal course issuer bid and 122,355 outstanding shares related to share purchase loans

(3) Includes 4,320,972 share issuance commitments net of forfeitures.

(4) This is the diluted share number used to calculate diluted EPS.

On August 18, 2021, the Company filed a notice to renew the normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 5,342,990 of its common shares during the period from August 21, 2021 to August 20, 2022 through the facilities of the TSX and on alternative trading systems in accordance with the requirements of the TSX. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares for cancellation. The maximum number of shares that may be purchased under the current NCIB represents 5.0% of the Company's outstanding common shares at the time of the Notice. During the six months ended September 30, 2021, there were 2,181,216 shares purchased under the NCIB (including 73,000 shares purchased but not yet cancelled as of September 30, 2021). There were also 70,000 shares purchased during the year ended March 31, 2021 and cancelled during the six months ended September 30, 2021.

The Company has entered into a predefined plan with a designated broker to allow for the repurchase of its common shares under this NCIB. The Company's broker may repurchase the common shares under the plan on any trading day during the NCIB, including at any time during the Company's internal trading blackout periods. The plan has been reviewed by the TSX and will terminate on the earlier of the termination of the plan by the Company in accordance with its terms and the expiry of the NCIB.

The ability to make purchases under the current NCIB commenced on August 21, 2021 and will continue for one year (to August 20, 2022) at the discretion of the Company. The maximum consideration will be the market price of the securities at the time of acquisition. In order to comply with the trading rules of the TSX, the daily purchases are limited to 105,393 common shares of the Company (which is 25% of the average daily trading volume of common shares of the Company on the TSX (ADTV) in the six calendar months from February 2021 to July 2021 (25% of the ADTV of 421,574).

As of October 31, 2021, the Company has 106,043,846 common shares issued and outstanding.

Share-Based Payment Plans

There have been no updates to the share-based payment plans discussed in the 2021 Annual Report except for the senior deferred share units plan adopted on June 1, 2021. Refer to Note 17 in the unaudited interim condensed consolidated financial statements for the six months ended September 30, 2021.

Financial Instruments

FOREIGN EXCHANGE

The Company manages its foreign exchange risk by periodically hedging pending settlements in foreign currencies. Realized and unrealized gains and losses related to these transactions are recognized in income during the period. On September 30, 2021, forward contracts outstanding to sell US dollars had a notional amount of US \$0.5 million, a decrease of US \$1.9 million compared to September 30, 2020. Forward contracts outstanding to buy US dollars had a notional amount of US \$3.0 million, a decrease of US \$0.2 million from September 30, 2020. The fair value of these contracts was nominal. Some of the Company's operations in the US, the UK & Crown Dependencies, Australia, Hong Kong and China are conducted in the local currency; however, any foreign exchange risk in respect of these transactions is generally limited as pending settlements on both sides of the transaction are typically in the local currency.

These contracts were entered into in an attempt to mitigate foreign exchange risk on pending security settlements in foreign currencies. The fair value of these contracts is nominal due to their short term to maturity.

The Company's Canaccord Genuity Wealth Management segment in the UK & Crown Dependencies trades foreign exchange forward contracts on behalf of its clients and establishes matching contracts with the counterparties. The Company has no significant net exposure, assuming no counterparty default.

FUTURES

The Company's Canadian operations are involved in trading various futures contracts, in an attempt to mitigate market risk, interest rate risk, yield curve risk and liquidity risk. Futures contracts are agreements to buy or sell a standardized amount of an underlying asset, at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and are subject to daily cash margining. The Company's Canadian operations have traditionally engaged in the trading of Canadian & US Government bond futures contracts to mitigate its risk. The Company's Canadian operations also began trading other types of futures contracts, including but not limited to, index futures and commodity futures.

At September 30, 2021, the notional amount of the Canadian bond futures contracts outstanding was long \$11.9 million [March 31, 2021 — short \$1.1 million].

The fair value of all of the above futures contracts is nominal due to their short term to maturity. Realized and unrealized gains and losses related to these contracts are recognized in net income (loss) during the reporting period.

Related Party Transactions

The Company's related parties include the following persons and/or entities: (a) entities that are controlled or significantly influenced by the Company, and (b) key management personnel, who are comprised of the directors of the Company, as well as executives involved in strategic decision-making for the Company. A list of the Company's principal trading subsidiaries and principal intermediate holding companies is disclosed in Note 24 of Audited Annual Consolidated Financial Statements.

Security trades executed for employees, officers and directors of the Company are transacted in accordance with terms and conditions applicable to all clients. Commission income on such transactions in the aggregate is not material in relation to the overall operations of the Company.

The Company offers various share-based payment plans to its key management personnel, including common share purchase loans, a long-term incentive plan, performance share units, deferred share units plan (DSUs) for senior executives and a performance stock option plan. Directors have the right to acquire DSUs. As referred to above certain equity instruments in CGWM UK were purchased by, and are expected to be purchased by, management and employees of CGWM UK in the aggregate amount of £24.6 million (CAD\$42.2 million) in connection with the purchase of the Convertible Preferred Shares to HPS. In connection with the issuance of the ordinary shares, a limited recourse loan of £4.0 million (CAD\$6.9 million) was made.

Accounts receivable and accounts payable and accrued liabilities include the following balances with key management personnel:

| (C\$ thousands) | September 30, 2021 \$ | March 31, 2021 \$ |
|--|-----------------------------|-------------------------|
| Accounts receivable | 5,994 | 4,686 |
| Accounts payable and accrued liabilities | 3,210 | 1,562 |

Critical Accounting Policies and Estimates

The unaudited interim condensed consolidated financial statements for the quarter ended September 30, 2021 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" (IAS 34), as issued by the International Accounting Standards Board (IASB).

The preparation of the unaudited interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying note disclosures, and the disclosure of contingent liabilities at the reporting date. Therefore, actual results may differ from those estimates and assumptions. The significant judgments, estimates and assumptions include consolidation, revenue recognition, share-based payments, income taxes, valuation of deferred tax assets, impairment of goodwill, intangible assets and other long-lived assets, allowance for credit losses, fair value

of financial instruments, capitalization of intangible assets related to software costs and provisions. Amendments may be made to estimates relating to net assets acquired in an acquisition as well as the allocation of identifiable intangible assets between indefinite life and finite lives.

In particular, the assessment for impairment of goodwill and identifiable indefinite life intangible assets requires management's best estimates in order to determine fair values using discounted cash flow projections that employ the following key assumptions: future cash flows, growth projections and discount rates. Goodwill and intangible assets with indefinite lives are tested for impairment annually at March 31, and when circumstances indicate the carrying value may potentially be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the cash generating units (CGU) to which goodwill and indefinite life intangible assets are allocated. Where the carrying amount of a CGU exceeds its recoverable amount, an impairment loss is recognized. Any impairment loss first reduces the carrying amount of any goodwill allocated to the CGUs and then if any impairment loss remains, the other assets of the unit are reduced on a pro rata basis. Impairment losses relating to goodwill cannot be reversed in future periods. The Company considers the relationship between its market capitalization and the book value of its equity, among other factors, when reviewing for indicators of impairment.

The Convertible Preferred Shares issued to HPS contain no obligation for the Company to deliver cash or other financial assets to HPS. Judgment was used to conclude that the Convertible Preferred Shares are a compound instrument comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle the instrument by delivering a variable number of common shares of CGWM UK.

The fair value of the Convertible Preferred Shares at issuance was allocated to its respective equity and derivative components. The fair value of the derivative was established first and the residual amount was recorded to the equity component. The derivative component will be remeasured at the end of each reporting period using the Company's best estimate of its values with any changes in fair value recorded through the net income for the period. Significant judgment is required in respect of the estimates and the assumptions to be used in the determination of the fair value of the derivative liability at each reporting period.

Significant accounting policies used and policies requiring management's judgment and estimates have not changed during the second quarter of fiscal 2022 and are discussed under "Critical Accounting Policies and Estimates" in our 2021 Annual Report.

Changes in Accounting Policies

The accounting policies applied in the preparation of the Q2/22 unaudited interim condensed consolidated financial statements are consistent with those discussed in Note 5 of the 2021 Audited Annual Consolidated Financial Statements.

Future Changes in Accounting Policies and Estimates

There have been no updates to the "Future Changes in Accounting Policies and Estimates" disclosed in our 2021 Annual Report, during the six months ended September 30, 2021.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

DISCLOSURE CONTROLS AND PROCEDURES

As of September 30, 2021, an evaluation was carried out, under the supervision of and with the participation of management, including the President & CEO and the Executive Vice President & Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as defined under *National Instrument 52-109*. Based on that evaluation, the President & CEO and the Executive Vice President & Chief Financial Officer concluded that our disclosure controls and procedures were effective as at September 30, 2021.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes made in our internal control over financial reporting that occurred during the quarter ended September 30, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Dividend Policy

Although dividends are expected to be declared and paid quarterly, the Board of Directors, in its sole discretion, will determine the amount and timing of any dividends. All dividend payments will depend on general business conditions, the Company's financial condition, results of operations, capital requirements and such other factors as the Board determines to be relevant.

Dividend Declaration

On November 8, 2021, the Board of Directors approved a dividend of \$0.075 per common share, payable on December 10, 2021, with a record date of November 26, 2021.

On November 8, 2021, the Board of Directors approved the following cash dividends: \$0.25175 per Series A Preferred Share payable on December 31, 2021 with a record date of December 17, 2021; and \$0.31206 per Series C Preferred Share payable on December 31, 2021 with a record date of December 17, 2021.

Risks

The Company's ability to maintain and successfully execute its business strategy depends upon the personal reputation, judgment, business generation capabilities and project execution skills of its senior professionals. Any management disruption could result in a loss of clients and customers, or revenues from clients and customers, and could significantly affect the Company's business and results of operations.

The securities industry and the Company's activities are by their very nature subject to a number of inherent risks. Economic conditions, competition and market factors such as volatility in the Canadian and international markets, interest rates, commodity prices, market prices, trading volumes and liquidity will have an impact on the Company's profitability. An investment in the common or preferred shares of the Company involves a number of risks, including market, liquidity, credit, operational, legal, cyber and regulatory risks, which could be substantial and are inherent in the Company's business. The Company is also directly exposed to market price risk, liquidity risk and volatility risk as a result of its trading activities in equity securities and to interest rate risk and credit spread risk as a result of its trading in fixed income securities. In addition, the Company's operations in the UK are exposed to market risk and volatility risk associated with the UK's decision to depart from the EU, referred to as "Brexit". Globally, Canaccord Genuity Wealth Management revenue is dependent on both trading volumes and asset values and, as such, is dependent on the level of market activity, investor confidence and the level of market prices. In the Company's Canadian and Australian wealth management businesses, revenue is also influenced by the level of financing activity by small-cap corporate issuers. Canaccord Genuity Capital Markets' revenue is dependent on financing activity by corporate issuers, participation in advisory engagements, the success of its market making and principal trading, as well as the willingness of institutional clients to actively trade and participate in capital markets transactions. There may also be a lag between market fluctuations, changes in business conditions and the level of the Company's market activity and the impact that these factors have on the Company's operating results and financial position.

The financial services business is subject to extensive regulation in all of the regions where Canaccord Genuity operates. Compliance with many of the regulations applicable to the Company involves a number of risks, particularly in areas where applicable regulations may be subject to interpretation and change. Changing regulations and interpretations could have a significant impact on the Company's business and profitability. The Company has a disciplined capital management framework to maintain the level of capital that will meet the Company's regulated subsidiaries' target ratios as set out by the respective regulators, to fund current and future operations, to ensure that the firm is able to meet its financial obligations as they come due, and to support the creation of shareholder value. The regulatory bodies that govern the Company's subsidiaries' use of regulatory capital are listed in Note 26 of the Company's 2021 Audited Annual Consolidated Financial Statements.

The Company and its affiliates provide financial advisory, underwriting and other services to, and trade the securities of issuers that are involved with new and emerging industries, including the US cannabis industry. Activities within such industries, including the US cannabis industry, typically have not had the benefit of a history of successful operating results. In addition to the economic uncertainties associated with new industries, new activities and new issuers, the laws applicable to such industries or activities, particularly the US cannabis industry and the activities of issuers in that industry, and the effect or enforcement of such laws are undetermined, conflicting and uncertain. With respect to the US cannabis industry, cannabis continues to be a controlled substance under the United States Controlled Substances Act and as such, there is a risk that certain issuers, while in compliance with applicable state law, may be prosecuted under federal law. Accordingly, the Company has adopted policies and procedures reasonably designed to ensure compliance with the United States Currency and Foreign Transactions Reporting Act of 1970 (the "Bank Secrecy Act") and the guidance issued by the United States Department of the Treasury Financial Crimes Enforcement Network, FIN-2014-G001 (the "FinCEN Guidance") relating to providing financial services to marijuana related businesses in the United States (as that term is used in the FinCEN Guidance). While the Company takes steps to identify the risks associated with emerging industries, including the US cannabis industry, and only provides services to those issuers where it determines that there is no material risk to the Company or where any risk is unlikely to result in a material adverse consequence to the Company, there is a risk that the Company could be the subject of third party proceedings which may have a material adverse effect on the Company business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favour of the Company. The Company has determined that any such proceedings are unlikely and, accordingly, has not recorded a provision in respect of such matters.

Risks associated with emerging industries such as the cannabis, e-cigarette and vaping industries also include the risk of the insolvency of issuers and the consequent inability of such issuers to satisfy their indemnification obligations to the Company. Accordingly, in the event of a loss to the Company, the ability of the Company to recover amounts in respect of any indemnity claims also cannot be predicted with certainty.

Pandemic risk is the risk of large-scale outbreaks of infectious diseases that can greatly increase morbidity and mortality over a wide geographic area and cause significant social and economic disruption. Such disruptions could have a negative impact on the Company's operations and could prevent the Company from operating as it would under normal conditions. The global outbreak of COVID-19 and the declaration of a pandemic by the World Health Organization in March 2020 caused a significant disruption in economic activity and resulted in a sharp downturn in global equity markets, which impacted the normal operation of the Company's business. In the early stages of the outbreak, the Company overhauled its Disaster Recovery Plan in preparation of an escalation of the outbreak. This overhaul included the setup of low-latency remote access trading systems for trading desks, updates of technology solutions and the network infrastructure, load testing of remote access systems, and policy and procedural enhancements to reduce the need for manual processes to ensure the smooth operations of the business in the event of a remote working environment. As a result, the Company was well prepared and experienced no visible disruptions to its operations as a result of most employees working from remote locations. Trading desks operated smoothly and effectively to both service clients and to limit the Company's exposure and risks in managing its own inventory and trading positions. Although the Company's systems, processes and procedures were effective in limiting the risk associated with the outbreak of the COVID-19 pandemic, there is a risk that such systems, processes and procedures may not be successful in the event of future pandemics or in the event that conditions under the COVID-19 pandemic deteriorate or persist for an extended period of time.

Understanding the added pressures that a prolonged remote work environment placed on our employees and their families, we expanded our support system to include resources to keep employees engaged and healthy while working remotely, and we have also implemented increased health and safety measures at all office locations to protect the health and well being of our employees and clients.

Cybersecurity risk is the risk that the Company's information networks, data or internal systems will be damaged, disrupted, misappropriated, stolen, accessed without permission or otherwise attacked. This risk exists due to the interconnected nature of the Company's business with its clients, suppliers, vendors, partners and the public via the internet and other networks. As a result of this interconnectivity, third parties with which the Company does business with or that facilitate the Company's business may also be a source of cybersecurity risk to the firm. The Company has implemented a third-party risk management framework as part of onboarding new vendors and other third parties as well as vetting existing vendors. The purpose of this mitigant is to ensure all parties interacting with the Company are adhering to high standards as it relates to cybersecurity.

The Company devotes considerable effort and resources to defend against and mitigate cybersecurity risk, including increasing awareness throughout the organization by implementing a firm-wide cybersecurity training program for all employees. The Company's management of cybersecurity risk, as well as any reported incidents, is regularly presented to both senior management via the Cybersecurity Committee and the Audit Committee of the Board of Directors.

Further discussion regarding risks can be found in our Annual Information Form.

Additional Information

A comprehensive discussion of the Company's business, strategies, objectives and risks is available in our Annual Information Form and in the Management's Discussion and Analysis and Audited Annual Consolidated Financial Statements included in our fiscal 2021 Annual Report, which are available on our website at www.cgf.com/investor-relations and on SEDAR at www.sedar.com

Shareholder Information

Corporate Headquarters

STREET ADDRESS

Canaccord Genuity Group Inc.
609 Granville Street, Suite 2200
Vancouver, BC, Canada

MAILING ADDRESS

Pacific Centre
609 Granville Street, Suite 2200
P.O. Box 10337
Vancouver, BC V7Y 1H2, Canada

Stock Exchange Listing

Common shares:
TSX: CF

Preferred shares:
Series A (TSX): CF.PR.A.
Series C (TSX): CF.PR.C.

Corporate Website

www.canaccordgenuity.com

General Shareholder Inquiries and Information

INVESTOR RELATIONS

161 Bay Street, Suite 3000
Toronto, ON, Canada
Telephone: 416.869.7293
Fax: 416.947.8343
Email: investor.relations@cgf.com

Media Relations and Inquiries from Institutional Investors and Analysts

Christina Marinoff

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

The Canaccord Genuity Group Inc. 2021 Annual Report is available on our website at www.cgf.com. For a printed copy, please contact the Investor Relations department.

Expected Dividend⁽¹⁾ and Earnings Release Dates for the next four quarters

| | Expected earnings release date | Preferred dividend record date | Preferred dividend payment date | Common dividend record date | Common dividend payment date |
|-------|--------------------------------|--------------------------------|---------------------------------|-----------------------------|------------------------------|
| Q3/22 | February 9, 2022 | March 18, 2022 | March 31, 2022 | February 25, 2022 | March 10, 2022 |
| Q4/22 | June 2, 2022 | June 17, 2022 | June 30, 2022 | June 17, 2022 | June 30, 2022 |
| Q1/23 | August 4, 2022 | September 16, 2022 | September 30, 2022 | September 2, 2022 | September 15, 2022 |
| Q2/23 | November 2, 2022 | December 23, 2022 | January 3, 2023 | December 2, 2022 | December 15, 2022 |

(1) Dividends are subject to Board of Directors approval. All dividend payments will depend on general business conditions and the Company's financial conditions, results of operations, capital requirements and such other factors as the Board determines to be relevant.

Shareholder Administration

For information about stock transfers, address changes, dividends, lost stock certificates, tax forms and estate transfers, contact:

COMPUTERSHARE INVESTOR SERVICES INC.

100 University Avenue, 9th Floor
Toronto, ON M5J 2Y1
Telephone toll free (North America):
1.800.564.6253
International: 514.982.7555
Fax: 1.866.249.7775
Toll free fax (North America) or
International fax: 416.263.9524
Email: service@computershare.com
Website: www.computershare.com

Offers enrolment for self-service account management for registered shareholders through the Investor Centre.

Financial Information

For present and archived financial information, please visit
www.canaccordgenuitygroup.com

Auditor

Ernst & Young LLP
Chartered Professional Accountants
Vancouver, BC

Canaccord Genuity Group Inc.

Unaudited Interim Condensed Consolidated Statements of Financial Position

| As at (in thousands of Canadian dollars) | Notes | September 30, 2021 \$ | March 31, 2021 \$ |
|---|-------|-----------------------------|-------------------------|
| ASSETS | | | |
| Current | | | |
| Cash and cash equivalents | | \$1,725,252 | \$1,883,292 |
| Securities owned | 4 | 1,136,754 | 1,041,583 |
| Accounts receivable | 6,18 | 4,291,580 | 3,973,442 |
| Income taxes receivable | | 8,012 | 738 |
| Total current assets | | 7,161,598 | 6,899,055 |
| Deferred tax assets | | 83,674 | 81,229 |
| Investments | 7 | 20,430 | 12,193 |
| Equipment and leasehold improvements | | 21,271 | 23,070 |
| Intangible assets | 9 | 143,839 | 150,923 |
| Goodwill | 9 | 378,610 | 380,115 |
| Right-of-use assets | | 76,871 | 85,216 |
| Total assets | | \$7,886,293 | \$7,631,801 |
| LIABILITIES AND EQUITY | | | |
| Current | | | |
| Securities sold short | 4 | 1,219,252 | 889,607 |
| Accounts payable and accrued liabilities | 6,18 | 4,981,317 | 5,160,600 |
| Provisions | 20 | 7,556 | 10,357 |
| Income taxes payable | | 8,183 | 56,285 |
| Subordinated debt | 5,11 | 7,500 | 7,500 |
| Current portion of bank loan | 12 | 6,836 | 12,119 |
| Current portion of lease liabilities | | 25,536 | 24,311 |
| Current portion of contingent consideration | 5 | — | 17,706 |
| Convertible debentures | 13 | — | 168,112 |
| Total current liabilities | | 6,256,180 | 6,346,597 |
| Deferred tax liabilities | | 15,010 | 13,552 |
| Bank loan | 12 | 154,016 | 66,200 |
| Lease liabilities | | 59,284 | 70,591 |
| Other liabilities | 5,8 | 42,166 | 19,577 |
| Total liabilities | | 6,526,656 | 6,516,517 |
| Equity | | | |
| Preferred shares | 14 | 205,641 | 205,641 |
| Common shares | 15 | 624,927 | 662,366 |
| Contributed surplus | | 32,317 | 62,402 |
| Retained earnings | | 181,882 | 73,220 |
| Accumulated other comprehensive income | | 106,662 | 103,465 |
| Total shareholders' equity | | 1,151,429 | 1,107,094 |
| Non-controlling interests | 8 | 208,208 | 8,190 |
| Total equity | | 1,359,637 | 1,115,284 |
| Total liabilities and equity | | \$7,886,293 | \$7,631,801 |

See accompanying notes

"Daniel Daviau"

"Terrence A. Lyons"

DANIEL DAVIAU**TERRENCE A. LYONS**

Director

Director

Canaccord Genuity Group Inc.

Unaudited Interim Condensed Consolidated Statements of Operations

| (in thousands of Canadian dollars, except per share amounts) | Notes | For the three months ended | | For the six months ended | |
|---|-------|----------------------------|--------------------|--------------------------|--------------------|
| | | September 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 |
| REVENUE | | | | | |
| Commissions and fees | | \$185,105 | \$167,575 | \$367,858 | \$336,577 |
| Investment banking | | 106,261 | 131,625 | 301,899 | 242,193 |
| Advisory fees | | 139,413 | 37,281 | 217,407 | 58,327 |
| Principal trading | | 30,390 | 42,746 | 83,038 | 107,858 |
| Interest | | 8,458 | 6,005 | 16,125 | 13,010 |
| Other | | 5,534 | 5,125 | 7,665 | 10,120 |
| | | 475,161 | 390,357 | 993,992 | 768,085 |
| EXPENSES | | | | | |
| Compensation expense | | 290,234 | 250,796 | 612,560 | 503,610 |
| Trading costs | | 25,451 | 27,783 | 53,835 | 54,752 |
| Premises and equipment | | 5,195 | 4,984 | 9,358 | 9,362 |
| Communication and technology | | 18,958 | 17,284 | 35,489 | 34,032 |
| Interest | | 5,353 | 6,671 | 10,101 | 13,401 |
| General and administrative | | 21,782 | 20,181 | 43,339 | 36,099 |
| Amortization | | 5,987 | 6,941 | 11,856 | 13,493 |
| Amortization of right of use assets | | 5,715 | 6,078 | 11,733 | 12,811 |
| Development costs | | 6,943 | 3,767 | 11,013 | 7,582 |
| Acquisition related costs | 21 | 1,920 | — | 1,920 | — |
| Costs associated with redemption of convertible debentures | 5,13 | 468 | — | 5,932 | — |
| Share of loss of an associate | 7 | 118 | 14 | 118 | 31 |
| | | 388,124 | 344,499 | 807,254 | 685,173 |
| Net income before income taxes | | 87,037 | 45,858 | 186,738 | 82,912 |
| Income taxes (recovery) | | | | | |
| Current | | 32,646 | 16,741 | 47,391 | 22,187 |
| Deferred | | (7,394) | (3,876) | 4,509 | (1,232) |
| | 10 | 25,252 | 12,865 | 51,900 | 20,955 |
| Net income for the period | | \$ 61,785 | \$ 32,993 | 134,838 | \$ 61,957 |
| Net income attributable to: | | | | | |
| CGGI shareholders | | \$ 56,583 | \$ 31,435 | \$128,584 | \$ 58,918 |
| Non-controlling interests | | \$ 5,202 | \$ 1,558 | \$ 6,254 | \$ 3,039 |
| Weighted average number of common shares outstanding (thousands) | | | | | |
| Basic | | 96,138 | 97,669 | 96,599 | 96,526 |
| Diluted | | 110,084 | 125,254 | 110,380 | 123,548 |
| Net income per common share | | | | | |
| Basic | 15 | \$ 0.56 | \$ 0.30 | \$ 1.28 | \$ 0.56 |
| Diluted | 15 | \$ 0.49 | \$ 0.25 | \$ 1.12 | \$ 0.47 |
| Dividend per common share | 16 | \$ 0.075 | \$ 0.055 | \$ 0.15 | \$ 0.11 |
| Dividend per Series A Preferred Share | 16 | \$ 0.25 | \$ 0.24 | \$ 0.49 | \$ 0.48 |
| Dividend per Series C Preferred Share | 16 | \$ 0.31 | \$ 0.31 | \$ 0.62 | \$ 0.62 |

See accompanying notes

Canaccord Genuity Group Inc. Unaudited Interim Condensed Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars)

| | For the three months ended | | For the six months ended | |
|--|----------------------------|-----------------------|--------------------------|-----------------------|
| | September 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 |
| Net income for the period | \$61,785 | \$32,993 | \$134,838 | \$ 61,957 |
| Other comprehensive income (loss) | | | | |
| Net change in unrealized gains (losses) on translation of foreign operations | 9,144 | 1,617 | 2,993 | (24,912) |
| Comprehensive income for the period | 70,929 | 34,610 | 137,831 | 37,045 |
| Comprehensive income attributable to: | | | | |
| CGGI shareholders | \$65,080 | \$32,954 | \$130,157 | \$ 33,427 |
| Non-controlling interests [Note 8] | \$ 5,849 | \$ 1,656 | \$ 7,674 | \$ 3,618 |

See accompanying notes

Canaccord Genuity Group Inc.

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

| For the six months ended (in thousands of Canadian dollars) | Notes | September 30, 2021 | September 30, 2020 |
|---|-----------|-----------------------|-----------------------|
| Preferred shares, opening and closing | 14 | \$ 205,641 | \$ 205,641 |
| Common shares, opening | | 662,366 | 663,553 |
| Shares issued in connection with share-based payments | | — | 10 |
| Acquisition of common shares for long-term incentive plan (LTIP) | | (56,002) | (20,429) |
| Release of vested common shares from employee benefit trusts | | 29,413 | 34,903 |
| Shares issued through exercise of performance share options (PSOs) | | 2,903 | — |
| Adjustment to shares committed to be purchased under normal course issuer bid | | 1,672 | (1,444) |
| Shares purchased and cancelled under normal course issuer bid | | (15,128) | (206) |
| Unvested share purchase loans | | (297) | 402 |
| Common shares, closing | 15 | 624,927 | 676,789 |
| Convertible debentures – equity, opening and closing | | — | 5,156 |
| Contributed surplus, opening | | 62,402 | 101,501 |
| Share-based payments, amortization net of vestings | | (25,264) | (24,927) |
| Change in current and deferred taxes relating to share based payments | | 8,662 | 1,069 |
| Shares purchased and cancelled under normal course issuer bid | | (13,780) | 14 |
| Unvested share purchase loans | | 297 | (402) |
| Contributed surplus, closing | | 32,317 | 77,255 |
| Retained earnings (deficit), opening | | 73,220 | (193,131) |
| Net income attributable to CGGI shareholders | | 128,584 | 58,918 |
| Financial instruments measured at fair value through other comprehensive income | | — | 4,091 |
| Preferred shares dividends | 16 | (4,702) | (4,702) |
| Common shares dividends | 16 | (15,220) | (10,651) |
| Retained earnings (deficit), closing | | 181,882 | (145,475) |
| Deferred consideration, opening and closing | | — | 6,545 |
| Accumulated other comprehensive income, opening | | 103,465 | 139,353 |
| Reclassification of other comprehensive income to non-controlling interest | | 1,624 | — |
| Reclassification of realized gains on disposal of financial instruments measured at fair value through other comprehensive income | | — | (4,091) |
| Other comprehensive income (loss) attributable to CGGI shareholders | | 1,573 | (25,491) |
| Accumulated other comprehensive income, closing | | 106,662 | 109,771 |
| Total shareholders' equity | | 1,151,429 | 935,682 |
| Total non-controlling interest | 8 | 208,208 | 5,439 |
| Total equity | | 1,359,637 | 941,121 |

See accompanying notes

Canaccord Genuity Group Inc.

Unaudited Interim Condensed Consolidated Statements of Cash Flows

| For the six months ended (in thousands of Canadian dollars) | Notes | September 30, 2021 \$ | September 30, 2020 \$ |
|--|-------|-----------------------------|-----------------------------|
| OPERATING ACTIVITIES | | | |
| Net income for the period | | \$ 134,838 | \$ 61,957 |
| Items not affecting cash | | | |
| Amortization | | 11,856 | 13,493 |
| Amortization of right of use assets | | 11,733 | 12,811 |
| Deferred income tax expense | | 4,509 | (1,232) |
| Share-based compensation expense | 17 | 44,350 | 47,291 |
| Share of loss of associate | 7 | 118 | 31 |
| Interest expense in connection with lease liabilities | | 2,941 | 2,786 |
| Changes in non-cash working capital | | | |
| (Increase)/decrease in securities owned | | (95,172) | 28,051 |
| (Increase)/decrease in accounts receivable | | (318,138) | 145,372 |
| Decrease in net income taxes payable | | (48,133) | (5,646) |
| Increase/(decrease) in securities sold short | | 329,645 | (174,108) |
| Decrease in accounts payable, accrued liabilities and provisions | | (194,480) | (111,336) |
| Cash (used in)/provided by operating activities | | (115,933) | 19,470 |
| FINANCING ACTIVITIES | | | |
| Repayment of bank loan | | (5,127) | — |
| Proceeds from bank loan obtained in connection with the acquisition of Adam & Company | 21 | 88,465 | — |
| Acquisition of common shares for long-term incentive plan | | (56,002) | (20,429) |
| Proceeds from issuance of convertible preferred shares in UK & Crown Dependencies wealth management operations, net of acquisition related costs | | 207,981 | — |
| Redemption of convertible debentures | | (168,112) | — |
| Proceeds from exercise of performance share options | | 2,903 | — |
| Purchase and cancellation of common shares under normal course issuer bid | | (28,908) | (192) |
| Cash dividends paid on common shares | | (15,220) | (10,651) |
| Cash dividends paid on preferred shares | | (4,702) | (4,702) |
| Payment of deferred and contingent consideration | | (29,198) | (53,698) |
| Lease payments | | (15,280) | (13,968) |
| Cash used in financing activities | | (23,200) | (103,640) |
| INVESTING ACTIVITIES | | | |
| Purchase of equipment and leasehold improvements | | (1,253) | (1,221) |
| Purchase of investments | | (9,109) | (663) |
| Purchase of intangibles | | (2,664) | — |
| Cash used in investing activities | | (13,026) | (1,884) |
| Effect of foreign exchange on cash balances | | (5,881) | (6,459) |
| Decrease in cash position | | (158,040) | (92,513) |
| Cash position, beginning of period | | 1,883,292 | 997,111 |
| Cash position, end of period | | 1,725,252 | 904,598 |
| Supplemental cash flow information | | | |
| Interest received | | \$ 16,198 | \$ 13,363 |
| Interest paid | | \$ 9,359 | \$ 12,856 |
| Income taxes paid | | \$ 98,304 | \$ 27,064 |

See accompanying notes

Notes to Unaudited Interim Condensed Consolidated Financial Statements

(in thousands of Canadian dollars, except per share amounts)

1. Corporate Information

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the Company or CGGI) is a leading independent, full-service investment dealer with capital markets operations in North America, the UK & Europe, Asia, Australia and the Middle East. The Company also has wealth management operations in Canada, the UK, the Crown Dependencies and Australia. The Company has operations in each of the two principal segments of the securities industry: capital markets and wealth management. Together, these operations offer a wide range of complementary investment products, brokerage services and investment banking services to the Company's private, institutional and corporate clients.

Canaccord Genuity Group Inc. was incorporated on February 14, 1997 by the filing of a memorandum and articles with the Registrar of Companies for British Columbia under the *Company Act* (British Columbia) and continues in existence under the *Business Corporations Act* (British Columbia). The Company's head office is located at Suite 2200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1H2. The Company's registered office is located at Suite 400 – 725 Granville Street, Vancouver, British Columbia, V7Y 1G5.

The Company's common shares are publicly traded under the symbol CF on the Toronto Stock Exchange (TSX). The Company's Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A. The Company's Series C Preferred Shares are listed on the TSX under the symbol CF.PR.C.

The Company's business experiences considerable variations in revenue and income from quarter to quarter and year to year due to factors beyond the Company's control. The Company's business is affected by the overall condition of the worldwide equity and debt markets.

2. Basis of Preparation

STATEMENT OF COMPLIANCE

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" (IAS 34), as issued by the International Accounting Standards Board (IASB).

These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the year ended March 31, 2021 (March 31, 2021 consolidated financial statements) filed on SEDAR on June 1, 2021. All defined terms used herein are consistent with those terms defined in the March 31, 2021 consolidated financial statements.

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis except for investments, securities owned and securities sold short, deferred and contingent consideration. All of these have been measured at fair value as set out in the relevant accounting policies except for certain investments which have been accounted for under the equity method.

These unaudited interim condensed consolidated financial statements are presented in thousands of Canadian dollars, except when otherwise indicated.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on November 8, 2021.

USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying note disclosures, and the disclosure of contingent liabilities at the reporting date. Therefore, actual results may differ from those estimates and assumptions. The global pandemic related to the outbreak of COVID-19 has cast additional uncertainty on the assumptions used by management in making its judgements and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 pandemic is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. Given that the full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the global economy and the Company's business is highly uncertain and difficult to predict at this time, there is a higher level of uncertainty with respect to management's judgements and estimates. The extent to which the Company's business and financial condition will continue to be affected by the COVID-19 pandemic will depend on future developments including the spread of variants, efficacy of vaccines against new variants, the achievement of mass vaccinations and the impact of related controls and public health restrictions imposed by government authorities.

Significant judgments, estimates and assumptions have been made in respect of a number of matters including consolidation, revenue recognition, share-based payments, income taxes and valuation of deferred tax assets, impairment and testing of goodwill, intangible assets and other long-lived assets, allowance for credit losses, fair values of level 2 and 3 financial instruments, capitalization of intangible assets related to software costs, provisions and the valuation of the non-controlling interest — derivative component. Amendments may be made to estimates relating to net assets acquired in an acquisition as well as the allocation of identifiable intangible assets between indefinite and finite lives.

During the period ended September 30, 2021, certain institutional investors completed the purchase of Convertible Preferred Shares issued by Canaccord Genuity Wealth Group Holdings (Jersey) Limited (CGWM UK), a subsidiary of the Company. The Convertible Preferred Shares issued contain no obligation for the Company to deliver cash or other financial assets. Judgment was used to conclude that the Convertible Preferred Shares are a compound instrument comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle the instrument, if applicable, by delivering the economic equivalent of a variable number of common shares of CGWM UK.

The fair value of the Convertible Preferred Shares at issuance was allocated to its respective equity and derivative components. The fair value of the derivative was established first and the residual amount was recorded as the equity component. The derivative component will be remeasured at the end of each reporting period using the Company's best estimate of its value with any changes in fair value recorded through net income for the period. Significant judgment is required in respect of the estimates and assumptions to be used in the determination of the fair value of the derivative component at each reporting period.

In the discussions below, unless otherwise noted, Hargreave Hale Limited is referred to as "Hargreave Hale", Petsky Prunier LLC is referred to as "Petsky Prunier", McCarthy Taylor Limited (renamed as CG McCarthy Taylor Limited) is referred to as "McCarthy Taylor", Thomas Miller Wealth Management Limited (renamed as CG Wealth Planning Limited) and the private client business of Thomas Miller Investment (Isle of Man) Limited are referred to as "Thomas Miller", Patersons Securities Limited (renamed as Canaccord Genuity Financial Limited) is referred to as "Patersons", and Jitneytrade Inc., Finlogik Capital Inc. and Finlogik Inc. are collectively referred to as "Jitneytrade".

3. Adoption of New and Revised Standards

There were no new accounting standards adopted for the period ended September 30, 2021.

4. Securities Owned and Securities Sold Short

| | September 30, 2021 | | March 31, 2021 | |
|-------------------------------------|--------------------|-----------------------|------------------|-----------------------|
| | Securities owned | Securities sold short | Securities owned | Securities sold short |
| Corporate and government debt | \$ 822,780 | 1,103,035 | \$ 770,455 | \$ 777,996 |
| Equities and convertible debentures | 313,974 | 116,217 | 271,128 | 111,611 |
| | \$ 1,136,754 | \$ 1,219,252 | \$ 1,041,583 | \$ 889,607 |

As at September 30, 2021, corporate and government debt maturities range from 2021 to 2082 [March 31, 2021 – 2021 to 2080] and bear interest ranging from 0.00% to 16.00% [March 31, 2021 – 0.00% to 31.50%].

5. Financial Instruments

The categories of financial instruments, other than cash and cash equivalents, investments accounted for under the equity method and lease liabilities held by the Company at September 30, 2021 and March 31, 2021 are as follows:

| | Fair value through profit and loss | | Fair value through other comprehensive income | | Amortized cost | | Total | |
|---|---------------------------------------|-------------------------|--|-------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
| | September 30, 2021 \$ | March 31, 2021 \$ | September 30, 2021 \$ | March 31, 2021 \$ | September 30, 2021 \$ | March 31, 2021 \$ | September 30, 2021 \$ | March 31, 2021 \$ |
| Financial assets | | | | | | | | |
| Securities owned | 1,136,754 | 1,041,583 | — | — | — | — | 1,136,754 | 1,041,583 |
| Accounts receivable from brokers and investment dealers | — | — | — | — | 2,263,631 | 2,434,162 | 2,263,631 | 2,434,162 |
| Accounts receivable from clients | — | — | — | — | 1,291,462 | 848,549 | 1,291,462 | 848,549 |
| RRSP cash balances held in trust | — | — | — | — | 525,376 | 494,476 | 525,376 | 494,476 |
| Other accounts receivable | — | — | — | — | 211,111 | 196,255 | 211,111 | 196,255 |
| Investments | 7,058 | 6,882 | — | — | — | — | 7,058 | 6,882 |
| Total financial assets | 1,143,812 | 1,048,465 | — | — | 4,291,580 | 3,973,442 | 5,435,392 | 5,021,907 |
| Financial liabilities | | | | | | | | |
| Securities sold short | 1,219,252 | 889,607 | — | — | — | — | 1,219,252 | 889,607 |
| Accounts payable to brokers and investment dealers | — | — | — | — | 1,533,601 | 1,845,236 | 1,533,601 | 1,845,236 |
| Accounts payable to clients | — | — | — | — | 2,805,964 | 2,559,721 | 2,805,964 | 2,559,721 |
| Other accounts payable and accrued liabilities | — | — | — | — | 641,752 | 755,643 | 641,752 | 755,643 |
| Subordinated debt | — | — | — | — | 7,500 | 7,500 | 7,500 | 7,500 |
| Convertible debentures | — | — | — | — | — | 168,112 | — | 168,112 |
| Deferred consideration | 7,984 | 8,087 | — | — | — | — | 7,984 | 8,087 |
| Contingent consideration | — | 29,196 | — | — | — | — | — | 29,196 |
| Bank loan | — | — | — | — | 160,852 | 78,319 | 160,852 | 78,319 |
| Non-controlling interest – derivative | 34,182 | — | — | — | — | — | 34,182 | — |
| Total financial liabilities | 1,261,418 | 926,890 | — | — | 5,149,669 | 5,414,531 | 6,411,087 | 6,341,421 |

The Company has not designated any financial instruments as fair value through profit or loss upon initial recognition.

FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognized or disclosed are categorized within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at September 30, 2021, the Company held the following classes of financial instruments measured at fair value:

| | September 30, 2021 | Estimated fair value September 30, 2021 | | |
|--|-----------------------|--|------------------|-----------------|
| | | Level 1 | Level 2 | Level 3 |
| Securities owned | | | | |
| Corporate debt | 25,122 | — | 25,122 | — |
| Government debt | 797,658 | 387,214 | 410,444 | — |
| Corporate and government debt | 822,780 | 387,214 | 435,566 | — |
| Equities | 310,748 | 215,102 | 72,240 | 23,406 |
| Convertible debentures | 3,226 | — | 3,226 | — |
| Equities and convertible debentures | 313,974 | 215,102 | 75,466 | 23,406 |
| | 1,136,754 | 602,316 | 511,032 | 23,406 |
| Investments | 7,058 | — | — | 7,058 |
| | 1,143,812 | 602,316 | 511,032 | 30,464 |
| Securities sold short | | | | |
| Corporate debt | (239,525) | — | (239,525) | — |
| Government debt | (863,510) | (429,919) | (433,591) | — |
| Corporate and government debt | (1,103,035) | (429,919) | (673,116) | — |
| Equities | (116,217) | (96,990) | (19,227) | — |
| Convertible debentures | — | — | — | — |
| Equities and convertible debentures | (116,217) | (96,990) | (19,227) | — |
| | (1,219,252) | (526,909) | (692,343) | — |
| Deferred consideration | (7,984) | — | — | (7,984) |
| Non-controlling interest - derivative | (34,182) | — | — | (34,182) |
| | (1,261,418) | (526,909) | (692,343) | (42,166) |

As at March 31, 2021, the Company held the following classes of financial instruments measured at fair value:

| | March 31, 2021 \$ | Estimated fair value March 31, 2021 | | |
|--|----------------------|--|------------------|-----------------|
| | | Level 1 \$ | Level 2 \$ | Level 3 \$ |
| Securities owned | | | | |
| Corporate debt | 20,419 | — | 20,419 | — |
| Government debt | 750,036 | 336,494 | 413,542 | — |
| Corporate and government debt | 770,455 | 336,494 | 433,961 | — |
| Equities | 267,148 | 157,535 | 69,861 | 39,752 |
| Convertible debentures | 3,980 | — | 3,980 | — |
| Equities and convertible debentures | 271,128 | 157,535 | 73,841 | 39,752 |
| | 1,041,583 | 494,029 | 507,802 | 39,752 |
| Investments | 6,882 | — | — | 6,882 |
| | 1,048,465 | 494,029 | 507,802 | 46,634 |
| Securities sold short | | | | |
| Corporate debt | (10,834) | — | (10,834) | — |
| Government debt | (767,162) | (345,224) | (421,938) | — |
| Corporate and government debt | (777,996) | (345,224) | (432,772) | — |
| Equities | (111,611) | (98,141) | (13,470) | — |
| Convertible debentures | — | — | — | — |
| Equities and convertible debentures | (111,611) | (98,141) | (13,470) | — |
| | (889,607) | (443,365) | (446,242) | — |
| Deferred considerations | (8,087) | — | — | (8,087) |
| Contingent consideration | (29,196) | — | — | (29,196) |
| | (926,890) | (443,365) | (446,242) | (37,283) |

Movement in net Level 3 financial assets

| | |
|--|-----------------|
| Balance, March 31, 2021 | \$ 9,351 |
| Payment of contingent consideration in connection with acquisition of Thomas Miller | 5,142 |
| Payment of contingent consideration in connection with acquisition of Petsky Prunier | 24,055 |
| Movement in fair value of level 3 securities owned during the period | (16,307) |
| Addition of investments | 3,140 |
| Addition of non-controlling interest derivative in connection with Convertible Preferred Shares [Note 8] | (34,682) |
| Reclassification of investments from FVPTL to equity investment | (3,000) |
| Foreign exchange revaluation | 599 |
| Balance, September 30, 2021 | (11,702) |

FAIR VALUE ESTIMATION**i. Level 2 financial instruments**

Level 2 financial instruments include the Company's investment in certain corporate and government debt, convertible debt, and over-the-counter equities. The fair values of corporate and government debt, and convertible debt classified as Level 2 are determined using the quoted market prices of identical assets or liabilities in markets that do not have transactions which take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company regularly reviews the transaction frequency and volume of trading in these instruments to determine the accuracy of pricing information.

ii. Level 3 financial instruments

The fair value for Level 3 investments classified as held for trading is determined by the Company using a market-based approach with information that the Company has determined to be reliable and represents the best estimate of fair value readily available. Prices for held for trading investments are determined based on the last trade price or offer price, or, if these prices are considered stale, the Company obtains information based on certain inquiries, recent trades or pending new issues. The fair value of the level 3 held for trading investments as at September 30, 2021 was \$23.4 million [March 31, 2021 – \$39.8 million].

As at September 30, 2021, the Company, through a wholly owned subsidiary, held an investment of \$3.9 million in Capital Markets Gateway. In addition, the Company also held an investment of \$3.1 million in InvestX Capital Ltd. These investments have been classified as Level 3 financial instruments as of September 30, 2021 given that they do not have any observable inputs or market indicators. [Note 7] During the six months ended September 30, 2021, the investment held in Katapult Technology Corp. was reclassified from FVTPL to an equity accounted investment.

Level 3 financial liabilities also include the deferred consideration included as part of the total purchase consideration for the acquisition of Hargreave Hale. During the period ended September 30, 2021, the Company paid the remaining contingent consideration in cash. In addition, the Company recognized \$34.2 million as the derivative component of the Convertible Preferred Shares and Preferred Shares issued to institutional investors and to management and employees of CGWM UK during the six months ended September 30, 2021. [Note 8]. The deferred and contingent consideration and the non-controlling interests – derivative are included as other liabilities in the statement of financial position as at September 30, 2021.

The fair value measurements determined as described above may not be indicative of net realizable value or reflective of future values, although the Company believes its valuation methods are appropriate and consistent with those which would be utilized by a market participant.

FOREIGN EXCHANGE FORWARD CONTRACTS

The Company uses derivative financial instruments to manage foreign exchange risk on pending security settlements in foreign currencies. The fair value of these contracts is nominal due to their short term to maturity.

Realized and unrealized gains and losses related to these contracts are recognized in the consolidated statements of operations during the reporting period.

Forward contracts outstanding at September 30, 2021:

| | Notional amount (millions) | Average price | Maturity | Fair value |
|--------------------|-------------------------------|------------------|-----------------|------------|
| To sell US dollars | USD\$ 0.5 | \$ 1.27(CAD/USD) | October 1, 2021 | \$ — |
| To buy US dollars | USD\$ 3.0 | \$ 1.27(CAD/USD) | October 1, 2021 | \$ (0.01) |

Forward contracts outstanding at March 31, 2021:

| | Notional amount (millions) | Average price | Maturity | Fair value |
|--------------------|-------------------------------|-----------------|---------------|------------|
| To sell US dollars | USD\$ nil | — | — | — |
| To buy US dollars | USD\$ 5.9 | \$1.26(CAD/USD) | April 1, 2021 | \$(0.01) |

The Company's Canaccord Genuity Wealth Management segment in the UK & Crown Dependencies trades foreign exchange forward contracts on behalf of its clients and establishes matching contracts with the counterparties. The Company has no significant net exposure, assuming no counterparty default. The principal currencies of the forward contracts are: the UK pound sterling, the US dollar, or the Euro. The weighted average

term to maturity is 51 days as at September 30, 2021 [March 31, 2021 – 54 days]. The table below shows the fair value of the forward contract assets and liabilities, and the notional value of these forward contracts as at September 30, 2021 and March 31, 2021, respectively. The fair value of the forward contract assets and liabilities is included in the accounts receivable and payable balances.

| | September 30, 2021 | | | March 31, 2021 | | |
|------------------------------------|--------------------|-------------|-----------------|----------------|-------------|-----------------|
| | Assets | Liabilities | Notional amount | Assets | Liabilities | Notional amount |
| Foreign exchange forward contracts | \$168 | \$159 | \$19,045 | \$113 | \$100 | \$19,014 |

FUTURES

The Company's Canadian operations are involved in trading bond futures contracts, which are agreements to buy or sell a standardized amount of an underlying Government of Canada bond, at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and are subject to daily cash margining. The Company's Canadian operations trade in bond futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. At September 30, 2021, the notional amount of the bond futures contracts outstanding was long \$11.9 million [March 31, 2021 – short \$1.1 million].

The fair value of all of the above futures contracts is nominal due to their short term to maturity and are included in accounts receivable and accounts payable and accrued liabilities. Realized and unrealized gains and losses related to these contracts are recognized in the statement of operations during the reporting period.

SECURITIES LENDING AND BORROWING

| | Cash | | Securities | |
|--------------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|
| | Loaned or delivered as collateral | Borrowed or received as collateral | Loaned or delivered as collateral | Borrowed or received as collateral |
| September 30, 2021 | \$275,406 | \$126,785 | \$166,620 | \$273,618 |
| March 31, 2021 | \$232,558 | \$ 39,404 | \$ 63,536 | \$232,126 |

Securities lending and borrowing are included in the accounts receivable and accounts payable and accrued liabilities balances on the statements of financial position.

BANK INDEBTEDNESS

The Company enters into call loans or overdraft positions primarily to facilitate the securities settlement process for both client and Company securities transactions. The bank indebtedness is collateralized by either unpaid client securities and/or securities owned by the Company. As at September 30, 2021 the Company had \$nil balance outstanding [March 31, 2021 – \$nil].

BANK LOAN

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for its acquisitions of Hargreave Hale, Thomas Miller and Adam & Company. The balance outstanding at September 30, 2021, net of unamortized financing fees, was \$160.9 million [March 31, 2021 – \$78.3 million] [Note 12].

SHORT-TERM LOAN FACILITY

On April 9, 2021, the Company redeemed the entire \$132.7 million principal amount of its outstanding Debentures due December 31, 2023. The total redemption price including accrued interest was \$168.1 million which was fully accrued at March 31, 2021. [Note 13] In order to fund the redemption in part, and pursuant to the terms of a commitment letter entered into with certain institutional investors on March 18, 2021, the Company entered into a credit agreement on April 6, 2021 with certain lenders for a senior secured first lien term loan facility in an aggregate principal amount of £69.0 million. This loan was repaid from the proceeds of the issuance of the Convertible Preferred Shares by CGWM UK to certain institutional investors on July 29, 2021 [Note 8].

OTHER CREDIT FACILITIES

Excluding the bank loan in connection with the acquisitions of Hargreave Hale, Thomas Miller and Adam & Company as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of \$661.2 million [March 31, 2021 – \$637.1 million]. These credit facilities, consisting of call loans, letters of credit and daylight overdraft facilities, are collateralized by unpaid client securities and/or securities owned by the Company. As of September 30, 2021, there were no balances outstanding under these other credit facilities [March 31, 2021 – \$nil].

A subsidiary of the Company has also entered into secured irrevocable standby letters of credit from a financial institution totaling \$2.9 million (US \$2.3 million) [March 31, 2021 – \$2.9 million (US\$2.3 million)] as rent guarantees for its leased premises in New York. As of September 30, 2021 and March 31, 2021, there were no outstanding balances under these standby letters of credit.

6. Accounts Receivable and Accounts Payable and Accrued Liabilities

ACCOUNTS RECEIVABLE

| | September 30, 2021 | March 31, 2021 |
|----------------------------------|---------------------|---------------------|
| Brokers and investment dealers | \$ 2,263,631 | \$ 2,434,162 |
| Clients | 1,291,462 | 848,549 |
| RRSP cash balances held in trust | 525,376 | 494,476 |
| Other | 211,111 | 196,255 |
| | \$ 4,291,580 | \$ 3,973,442 |

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | September 30, 2021 | March 31, 2021 |
|--------------------------------|---------------------|---------------------|
| Brokers and investment dealers | \$ 1,533,601 | \$ 1,845,236 |
| Clients | 2,805,964 | 2,559,721 |
| Other | 641,752 | 755,643 |
| | \$ 4,981,317 | \$ 5,160,600 |

Amounts due from and to brokers and investment dealers include balances from resale and repurchase agreements, securities loaned and borrowed, as well as brokers' and dealers' counterparty balances.

Client security purchases are entered into on either a cash or a margin basis. In the case of a margin account, the Company extends a loan to a client for the purchase of securities, using securities purchased and/or other securities in the client's account as collateral. Amounts loaned to any client are limited by the margin regulations of the Investment Industry Regulatory Organization of Canada (IIROC) and other regulatory authorities and are subject to the Company's credit review and daily monitoring procedures.

Amounts due from and to clients are due by the settlement date of the trade transaction. Margin loans are due on demand and are collateralized by the assets in the client's account. Interest on margin loans and on amounts due to clients is based on a floating rate [September 30, 2021 – 5.45% to 6.25% and 0.00% to 0.05%]; [March 30, 2021 – 5.45% to 6.25% and 0.00% to 0.05%].

As at September 30, 2021, the allowance for doubtful accounts was \$6.7 million [March 31, 2021 – \$6.8 million].

7. Investments

| | September 30, 2021 | March 31, 2021 |
|--|--------------------|------------------|
| Investments accounted for under the equity method | \$ 13,372 | \$ 5,311 |
| Investments held as fair value through profit and loss | 7,058 | 6,882 |
| | \$ 20,430 | \$ 12,193 |

The Company, through a wholly owned subsidiary, invested \$4.0 million for 1,334,001 Class B Units, at \$3.00 per unit, in Canaccord Genuity Growth II Corp (CGGIIIC). CGGIIIC was a special purpose acquisition corporation formed to effect an acquisition of one or more businesses. On April 23, 2021, CGGIIIC announced that it has completed its qualifying transaction with Taiga Motors Corporation (Taiga). The Company is no longer considered to exert significant influence over the operations of Taiga. Accordingly, the investment in Taiga is accounted for under financial assets measured at FVTPL and included in securities owned on the consolidated statement of financial position as at September 30, 2021.

The Company, through a wholly owned subsidiary, invested \$1.8 million for 15,179 proportionate voting units and 141,375 Class B units in the capital of Subversive Real Estate Acquisition REIT LP (Subversive). The Company does not exert significant influence over the operations of Subversive, and the investment is accounted for under financial assets measured at FVTPL and included in investments on the consolidated statement of financial position as of September 30, 2021.

The Company, through a wholly owned subsidiary, invested \$0.01 million to purchase 6,468,750 common shares of Sustainable Climate Opportunities Acquisition Corp. (Sustainable), at \$0.0001 par value per share. Also, the Company, through a wholly owned subsidiary, invested \$0.01 million in 600,000 private placement warrants at \$0.01 per warrant and 1,552,500 Class B Founder shares at \$0.0001 par value of Environmental Impact Acquisition Corp (Environmental). The Company, through a wholly owned subsidiary, also purchased 500,000 Class Y units for \$0.6 million (USD 0.5 million), in Velocity Sponsor LLC (Velocity) which is the sponsor company of Velocity Acquisition Corp. The Company currently owns 7.5% interest in Velocity Sponsor LLC. The Company does not exert significant influence on the operations of Sustainable, Environmental or Velocity. Accordingly, these investments are accounted for as financial assets recorded at FVTPL and included as investments on the consolidated statement of financial position as of September 30, 2021.

The Company, through a wholly owned subsidiary, made an investment of \$1.4 million for Class B preferred share and warrants of Canaccord Genuity G Ventures Corp. (CGGV). CGGV is a special purpose acquisition corporation formed to effect an acquisition of one or more businesses. The Company holds a 20.0% interest in CGGV and is considered to exert significant influence over the operations of CGGV. Accordingly, the investment in CGGV is accounted for using the equity method. The Company's equity portion of the net loss of CGGV for the period ended September 30, 2021 was \$0.1 million.

The Company held an investment of \$3.0 million in convertible unsecured subordinated debentures of Katapult Technology Corp. (Katapult). As part of the debenture financing, Katapult also granted the Company warrants to acquire 12.0 million common shares which are exercisable at any time prior to the maturity of the debentures. The Company also held investments of \$0.7 million in Series A preferred share units in Link Investment Management Inc. (“Link”) and \$4.0 million in Series A preferred share units of International Deal Gateway Blockchain Inc. (“IDG”). The Company is considered to exert significant influence over the operations of Katapult, Link and IDG factoring in potential voting rights, even though the Company does not currently have any entitlement to a share of the net assets of these companies. Accordingly, these investments are treated as equity investments and included as investments in the consolidated statement of financial position as at September 30, 2021.

The Company, through a wholly owned subsidiary, held an investment in Capital Markets Gateway Inc. (CMG) for US\$3.1 million (\$3.9 million) [March 31, 2021 – US\$3.1 million (\$3.9 million)]. In addition, the Company also held an investment of US\$2.5 million (\$3.1 million) in Series A preferred shares of InvestX Capital Ltd (“InvestX”). The Company does not exert significant influence over the operations of CMG or InvestX. Accordingly, the investments in CMG and InvestX are accounted for as financial assets measured at FVTPL and included as investments on the consolidated statement of financial position as at September 30, 2021.

8. Non-Controlling Interests

The non-controlling interests as of September 30, 2021 comprised of the following:

| | Australia | | UK & Crown Dependencies | | Total | |
|---|------------|------------|-------------------------|------------|------------|------------|
| | 2021 \$ | 2020 \$ | 2021 \$ | 2020 \$ | 2021 \$ | 2020 \$ |
| As at and for the period ended September 30 | | | | | | |
| Balance, opening | 8,190 | 156 | — | — | 8,190 | 156 |
| Comprehensive income attributable to non-controlling interests | 2,935 | 3,618 | 4,739 | — | 7,674 | 3,618 |
| Foreign exchange on non-controlling interests | 440 | 1,665 | — | — | 440 | 1,665 |
| Dividends paid to non-controlling interest | (4,118) | — | — | — | (4,118) | — |
| Issuance of convertible preferred shares, net of discount | — | — | 212,449 | — | 212,449 | — |
| Issuance of equity instrument to management | — | — | 20,809 | — | 20,809 | — |
| Acquisition-related costs, net of deferred tax | — | — | (2,670) | — | (2,670) | — |
| Share-based payment | — | — | 1,740 | — | 1,740 | — |
| Reclassification to derivative liability on issuance date | — | — | (34,682) | — | (34,682) | — |
| Reclassification of other comprehensive income on issuance date | — | — | (1,624) | — | (1,624) | — |
| Balance, ending | 7,447 | 5,439 | 200,761 | — | 208,208 | 5,439 |

| | Three months ended 2021 \$ | Three months ended 2020 \$ | Six months ended 2021 \$ | Six months ended 2020 \$ |
|--|----------------------------------|----------------------------------|--------------------------------|--------------------------------|
| Comprehensive income attributable to non-controlling interests | | | | |
| Australia | 1,110 | 1,656 | 2,935 | 3,618 |
| UK & Crown Dependencies | 4,739 | — | 4,739 | — |
| Total | 5,849 | 1,656 | 7,674 | 3,618 |

UK & Crown Dependencies Wealth Management

On July 29, 2021, certain institutional investors acquired convertible preferred shares (the “Convertible Preferred Shares”) in the amount of £125.0 million (C\$218.0 million) issued by CGWM UK. A portion of the proceeds was used to repay the senior secured first lien term loan facility of £69.0 million which was used to partially fund the redemption the Company’s 6.25% convertible unsecured senior subordinated debentures on April 9, 2021 [Notes 5 and 13].

On an as converted basis the Convertible Preferred Shares represent 21.93% of the outstanding equity interest in CGWM UK. Cumulative dividends, when, as and if declared by the board of directors of CGWM UK, are payable by CGWM UK on the Convertible Preferred Shares at the greater of an annual 7.5% coupon and the proportionate share that such shares would receive, on an as converted basis, in respect of any dividends declared and paid in respect of ordinary shares of CGWM UK. No dividends may be paid on any other class of shares of CGWM UK unless and until the cumulative dividends on the Convertible Preferred Shares are declared and paid. If a liquidity event occurs before the end of five years the Convertible Preferred Shares will carry a liquidation preference equal to the greatest of (i) the amount of principal plus accrued but unpaid dividends attributable to the Convertible Preferred Shares had they been issued five years prior, (ii) an amount equal to 1.5 multiplied by the issue price of the Convertible Preferred Shares (less any previously paid dividends), or (iii) the amount which the holders of the Convertible Preferred Shares would receive on an as converted basis. If a liquidity event occurs on or after the fifth anniversary then the Convertible Preferred Shares will carry a liquidation preference equal to the greater of (i) the amount of principal plus accrued but unpaid dividends attributable to the Convertible Preferred Shares or (ii) the amount which the holders of the Convertible Preferred Shares would receive on an as converted basis. If a liquidity event has not occurred after five years, then CGWM UK has an option to acquire the Convertible Preferred Shares at the greater of the applicable liquidation preference amount and the amount which would provide the holders of the Convertible Preferred Shares with an internal rate of return of 11.5% (including all previously paid dividends). After the fifth anniversary the holders of the Convertible Preferred Shares have certain rights in respect of initiating a liquidity event. The Convertible Preferred Shares carry customary minority rights in respect of CGWM UK governance and financial matters, including representation on the CGWM UK board of directors.

In connection with the issuance of the Convertible Preferred Shares, CGWM UK provided for the purchase of certain equity instruments in CGWM UK by management and employees of CGWM UK which will reflect an approximate 4.6% equity-equivalent interest in CGWM UK. As of September 30, 2021, £12.0 million (CAD\$20.8 million) of such equity instruments in CGWM UK were purchased in connection with this equity program and an

additional £12.6 million (C\$21.4 million) is expected to be purchased after September 30, 2021. Included in these equity instruments of CGWM UK were preferred shares with the same economic attributes as the Convertible Preferred Shares (the “Preferred Shares”). Preferred Shares in the amounts of £6.0 million (CAD\$10.4 million) were issued to management prior to September 30, 2021 and £1.5 million (CAD\$2.6 million) are expected to be issued after September 30, 2021. The other equity interests purchased, and expected to be purchased, by management and employees of CGWM UK are ordinary shares of CGWM UK with certain restrictions on transfer and limited governance rights. In connection with the purchase of the ordinary shares, a limited recourse loan of £4.0 million (CAD\$6.9 million) was made. A management incentive arrangement has also been implemented which will provide for certain incentives with performance thresholds related to the future growth of CGWM UK.

The Convertible Preferred Shares and Preferred Shares do not give rise to any obligation for the Company to deliver cash or other financial assets to the holders thereof. The Convertible Preferred Shares and Preferred Shares were treated as a compound instrument comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle the instrument by delivering, if applicable, the economic equivalent of a variable number of common shares of CGWM UK. The equity component of the Convertible Preferred Shares and Preferred Shares are included in equity and the derivative liability component is included in other liabilities in the statement of financial position as of September 30, 2021.

The fair value of the Convertible Preferred Shares and Preferred Shares at issuance was allocated to the respective equity and derivative liability components. The fair value of the derivative liability was established first and the residual amount was recorded to the equity component. The derivative component will be remeasured at the end of each reporting period using the Company’s best estimate of its value.

The Company uses a black scholes model to estimate the fair value of the derivative liability embedded in the Convertible Preferred Shares and Preferred Shares. The fair value is calculated using the estimated fair value as determined on a converted equity equivalent basis and the amount of the liquidation preference of the Convertible Preferred Shares and Preferred Shares. Other assumptions include estimates in respect of volatility, the risk-free interest and dividend rates.

Significant judgment is involved in the assumptions and estimates used to determine the fair value of the derivative component at each reporting period.

Australia

The Company owns 80% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd., and through that ownership an 80% indirect interest in Canaccord Genuity (Australia) Limited and Canaccord Genuity Financial Limited as of September 30, 2021 [March 31, 2021 – 80%]. Canaccord Genuity (Australia) Limited (CGAL) operates in the capital markets segment, while the wealth management business is carried out by Canaccord Genuity Financial Limited (CGFL).

| 9. | Goodwill and Other Intangible Assets | | | | | | | | | | |
|---|--------------------------------------|----------------------------------|----------------|---------------------------|---------------|---------------------|--------------------|------------------|---------------------|-----------------|----------------|
| | Goodwill | Brand names (indefinite life) | Brand names | Customer relationships | Technology | Trading licenses | Fund management | Contract book | Favourable lease | Client Books | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Gross amount | | | | | | | | | | | |
| Balance, March 31, 2021 | 702,747 | 44,930 | 544 | 163,546 | 39,632 | 625 | 38,781 | 6,150 | 526 | — | 294,734 |
| Additions | — | — | — | — | 773 | — | — | — | — | 1,891 | 2,664 |
| Foreign exchange | (1,505) | — | 5 | (1,803) | (445) | (17) | (493) | 43 | 5 | — | (2,705) |
| Reclassification | — | — | — | 181 | (181) | — | — | — | — | — | — |
| Balance, September 30, 2021 | 701,242 | 44,930 | 549 | 161,924 | 39,779 | 608 | 38,288 | 6,193 | 531 | 1,891 | 294,693 |
| Accumulated amortization and impairment | | | | | | | | | | | |
| Balance, March 31, 2021 | (322,632) | — | (364) | (96,245) | (27,194) | (625) | (12,811) | (6,150) | (422) | — | (143,811) |
| Amortization | — | — | (90) | (4,757) | (1,472) | — | (1,824) | — | (103) | (109) | (8,355) |
| Foreign exchange | — | — | (5) | 845 | 319 | 17 | 183 | (43) | (6) | 2 | 1,312 |
| Balance, September 30, 2021 | (322,632) | — | (459) | (100,157) | (28,347) | (608) | (14,452) | (6,193) | (531) | (107) | (150,854) |
| Net book value | | | | | | | | | | | |
| March 31, 2021 | 380,115 | 44,930 | 180 | 67,301 | 12,438 | — | 25,970 | — | 104 | — | 150,923 |
| September 30, 2021 | 378,610 | 44,930 | 90 | 61,767 | 11,432 | — | 23,836 | — | — | 1,784 | 143,839 |

Identifiable intangible assets purchased through the acquisitions of Genuity Capital Markets (Genuity), the initial 50% interest in Canaccord Genuity (Australia) Limited (Canaccord Genuity Australia), Collins Stewart Hawkpoint plc (CSHP), Eden Financial Ltd., Hargreave Hale, Jitneytrade, Petsky Prunier, McCarthy Taylor, Thomas Miller and Patersons are customer relationships, non-competition agreements, trading licences, fund management contracts, technology and brand names acquired through the acquisition of Petsky Prunier, which have finite lives and are amortized on a straight-line basis over their estimated useful lives. Branding acquired through the acquisition of Genuity is considered to have an indefinite life as the Company has no plans to cease its use in the future.

IMPAIRMENT TESTING OF GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSETS

The carrying amounts of goodwill and indefinite life intangible assets acquired through business combinations have been allocated to the cash-generating units (CGUs) as follows:

| | Intangible assets with indefinite lives | | Goodwill | | Total | |
|---|---|-------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|
| | September 30, 2021 \$ | March 31, 2021 \$ | September 30, 2021 \$ | March 31, 2021 \$ | September 30, 2021 \$ | March 31, 2021 \$ |
| Canaccord Genuity Capital Markets CGUs | | | | | | |
| Canada | \$44,930 | \$44,930 | \$101,732 | \$101,732 | \$146,662 | \$146,662 |
| US (Petsky Prunier) | — | — | 98,333 | 97,441 | 98,333 | 97,441 |
| Canaccord Genuity Wealth Management CGUs | | | | | | |
| UK & Crown Dependencies (Channel Islands) | — | — | 92,176 | 93,374 | 92,176 | 93,374 |
| UK & Crown Dependencies (UK wealth) | — | — | 83,566 | 84,651 | 83,566 | 84,651 |
| Australia | — | — | 2,803 | 2,917 | 2,803 | 2,917 |
| | \$44,930 | \$44,930 | \$378,610 | \$380,115 | \$423,540 | \$425,045 |

Goodwill and intangible assets with indefinite lives are tested for impairment annually at March 31, and when circumstances indicate the carrying value may potentially be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the CGU to which goodwill and indefinite life intangible assets are allocated. Where the carrying amount of a CGU exceeds its recoverable amount, an impairment loss is recognized. Any impairment loss first reduces the carrying amount of any goodwill allocated to the CGUs and then if any impairment loss remains, the other assets of the unit are reduced on a pro rata basis. Impairment losses relating to goodwill cannot be reversed in future periods. The Company considers the relationship between its market capitalization and the book value of its equity, among other factors, when reviewing for indicators of impairment. As of September 30, 2021 no indicators of impairment were identified.

10. Income Taxes

The Company's income tax expense differs from the amount that would be computed by applying the combined federal and provincial/state income tax rates as a result of the following:

| | For the three months ended | | For the six months ended | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | September 30, 2021 \$ | September 30, 2020 \$ | September 30, 2021 \$ | September 30, 2020 \$ |
| Net income before income taxes | 87,037 | 45,858 | 186,738 | 82,912 |
| Income taxes at the statutory rate of 27.0% (F2022: 27.0%) | 23,501 | 12,301 | 50,422 | 22,306 |
| Difference in tax rates in foreign jurisdictions | 575 | (206) | (374) | (219) |
| Non-deductible items affecting the determination of taxable income | 1,193 | 369 | 1,023 | 783 |
| Share based payments | (86) | (397) | (2,758) | (2,351) |
| Change in accounting and tax base estimate | 544 | 746 | 99 | 970 |
| Impact of change in tax rate on deferred tax liabilities in connection with intangible assets acquired in respect of previous acquisitions | (1,484) | | 3,163 | |
| Other | 1,009 | 52 | 325 | (534) |
| Income tax expense – current and deferred | 25,252 | 12,865 | 51,900 | 20,955 |

11. Subordinated Debt

| | September 30, 2021 \$ | March 31, 2021 \$ |
|---|--------------------------|----------------------|
| Loan payable, interest payable monthly at prime + 4% per annum, due on demand | 7,500 | 7,500 |

The loan payable is subject to a subordination agreement and may only be repaid with the prior approval of the Investment Industry Regulatory Organization of Canada (IIROC). As at September 30, 2021 and March 31, 2021, the interest rates for the subordinated debt were 6.45% and 6.45%, respectively. The carrying value of subordinated debt approximates its fair value due to the short-term nature of this liability.

12. Bank Loan

| | September 30, 2021 | March 31, 2021 |
|----------------------------------|--------------------|----------------|
| | \$ | \$ |
| Loan | \$ 164,074 | \$ 79,051 |
| Less: Unamortized financing fees | (3,222) | (732) |
| | 160,852 | 78,319 |
| Current portion | 6,836 | 12,119 |
| Long term portion | \$ 154,016 | \$ 66,200 |

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for its acquisitions of Hargreave Hale, Thomas Miller and Adam & Company. The loan is repayable in instalments of principal and interest and matures in September 2024. The interest rate on this loan is 3.4248% annum as at September 30, 2021 [March 31, 2021 – 2.1288% per annum].

In connection with the acquisition of Adam & Company on October 1, 2021 [Note 21], a subsidiary of the Company increased its bank loan by an additional £53.3 million (C\$91.2 million as of September 30, 2021) [Note 5]. The proceeds from the additional bank loan, net of financing charges, is £51.8 million [C\$ 88.5 million] and has been included in cash on the statement of operations as of September 30, 2021.

13. Convertible Debentures

| | September 30, 2021 | March 31, 2021 |
|------------------------|--------------------|----------------|
| Convertible debentures | — | \$168,112 |

On April 9, 2021, the Company completed the redemption of its 6.25% convertible unsecured senior subordinated debentures. The redemption price of \$168.1 million was fully accrued as of March 31, 2021. The Company entered into a term loan facility to partially fund the redemption [Note 5]. This term loan facility has been repaid from the proceeds of the issuance of Convertible Preferred Shares by Canaccord Genuity Wealth Group Holdings (Jersey) Limited to certain institutional investors on July 29, 2021 [Note 8].

14. Preferred Shares

| | September 30, 2021 | | March 31, 2021 | |
|--|--------------------|---------------------|----------------|---------------------|
| | Amount \$ | Number of shares | Amount \$ | Number of shares |
| Series A Preferred Shares issued and outstanding | 110,818 | 4,540,000 | 110,818 | 4,540,000 |
| Series C Preferred Shares issued and outstanding | 97,450 | 4,000,000 | 97,450 | 4,000,000 |
| Series C Preferred Shares held in treasury | (2,627) | (106,794) | (2,627) | (106,794) |
| | 94,823 | 3,893,206 | 94,823 | 3,893,206 |
| | 205,641 | 8,433,206 | 205,641 | 8,433,206 |

On September 1, 2021, the Company announced the reset of the dividend rate on its Cumulative 5-year Rate Reset First Preferred Shares, Series A (the “Series A Preferred Shares”). Quarterly cumulative cash dividends, as declared, were paid at an annual rate of 3.885% for the five years ended September 30, 2021. Commencing October 1, 2021 and ending on and including September 30, 2026, quarterly cumulative dividends, if declared, will be paid at an annual rate of 4.028%. The dividend rate will be reset every five years at a rate equal to the five-year Government of Canada yield plus 3.21%.

Holders of Series A Preferred Shares had the option to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series B (Series B Preferred Series), subject to certain conditions, on September 30, 2021 and have the option on September 30 every five years thereafter. The number of shares tendered for conversion by the conversion deadline of September 30, 2021 was below the minimum required to proceed with the conversion and, accordingly, no Series B Preferred Shares were issued. Series B Preferred Shares would entitle any holders thereof to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 3.21%.

The Company had the option to redeem the Series A Preferred Shares on September 30, 2021 and has the option to redeem on September 30 every five years thereafter, in whole or in part, at \$25.00 per share together with all declared and unpaid dividends.

Terms of the Series A and C Preferred Shares are disclosed in Note 19 of the March 31, 2021 consolidated financial statements.

15. Common Shares

| | September 30, 2021 | | March 31, 2021 | |
|---|--------------------|---------------------|----------------|---------------------|
| | Amount \$ | Number of shares | Amount \$ | Number of shares |
| Issued and fully paid | 737,275 | 106,444,446 | 749,500 | 108,191,331 |
| Shares committed to repurchase under the normal course issuer bid | (6,509) | (454,599) | (8,181) | (689,500) |
| Held for share-based payment plans | (1,698) | (122,355) | (1,401) | (122,355) |
| Held for the LTIP | (104,141) | (11,178,632) | (77,552) | (11,588,393) |
| | 624,927 | 94,688,860 | 662,366 | 95,791,083 |

[i] AUTHORIZED

Unlimited common shares without par value

[ii] ISSUED AND FULLY PAID

| | Number of shares | Amount \$ |
|--|---------------------|--------------|
| Balance, March 31, 2021 | 108,191,331 | 749,500 |
| Shares cancelled under normal course issuer bid | (2,178,216) | (15,128) |
| Shares issued in connection with exercise of PSO [note 17] | 431,331 | 2,903 |
| Balance, September 30, 2021 | 106,444,446 | 737,275 |

On August 18, 2021, the Company filed a notice to renew the normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 5,342,990 of its common shares during the period from August 21, 2021 to August 20, 2022 through the facilities of the TSX and on alternative trading systems in accordance with the requirements of the TSX. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares for cancellation. The maximum number of shares that may be purchased under the current NCIB represents 5.0% of the Company's outstanding common shares at the time of the notice. During the six months ended September 30, 2021, there were 2,181,216 shares purchased under the NCIB (including 73,000 shares purchased but not yet cancelled as of September 30, 2021). There were also 70,000 shares purchased under the NCIB during the year ended March 31, 2021 and cancelled during the six months ended September 30, 2021.

[iii] EARNINGS PER COMMON SHARE

| | For the three months ended | | For the six months ended | |
|---|----------------------------|-----------------------|--------------------------|-----------------------|
| | September 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 |
| Basic earnings per common share | | | | |
| Net income attributable to CGGI shareholders | \$ 56,583 | \$ 31,435 | \$ 128,584 | \$ 58,918 |
| Preferred shares dividends | (2,351) | (2,351) | (4,702) | (4,702) |
| Net income available to common shareholders | 54,232 | 29,084 | 123,882 | 54,216 |
| Weighted average number of common shares (number) | 96,137,663 | 97,669,184 | 96,598,506 | 96,525,851 |
| Basic earnings per share | \$ 0.56 | \$ 0.30 | \$ 1.28 | \$ 0.56 |
| Diluted earnings per common share | | | | |
| Net income available to common shareholders | 54,232 | 29,084 | 123,882 | 54,216 |
| Interest on convertible debentures, net of tax | — | 1,728 | — | 3,451 |
| Adjusted net earnings available to common shareholders | 54,232 | 30,812 | 123,882 | 57,667 |
| Weighted average number of common shares (number) | 96,137,663 | 97,669,184 | 96,598,506 | 96,525,851 |
| Dilutive effect in connection with LTIP (number) | 10,930,018 | 10,652,058 | 10,914,972 | 10,595,885 |
| Dilutive effect in connection with other share-based payment plans (number) | — | 1,703,643 | — | 1,680,235 |
| Dilutive effect in connection with performance stock options (number) | 3,016,214 | 483,345 | 2,866,256 | — |
| Dilutive effect in connection with convertible debentures (number) | — | 13,272,500 | — | 13,272,500 |
| Dilutive effect in connection with acquisition of Petsky Prunier (number) | — | 1,473,700 | — | 1,473,700 |
| Adjusted weighted average number of common shares (number) | 110,083,895 | 125,254,430 | 110,379,734 | 123,548,171 |
| Diluted earnings per common share | \$ 0.49 | \$ 0.25 | \$ 1.12 | \$ 0.47 |

16. Dividends

COMMON SHARE DIVIDENDS

The Company declared the following common share dividend during the six months ended September 30, 2021:

| Record date | Payment date | Cash dividend per common share | | Total common dividend amount |
|-----------------|--------------------|--------------------------------|-------|------------------------------|
| June 18, 2021 | June 30, 2021 | \$ | 0.075 | \$ 8,059 |
| August 27, 2021 | September 10, 2021 | \$ | 0.075 | \$ 8,015 |

On November 8, 2021, the Board of Directors approved a dividend of \$0.075 per common share, payable on December 10, 2021, with a record date of November 26, 2021 [Note 21].

PREFERRED SHARE DIVIDENDS

The Company declared the following preferred share dividends during the six months ended September 30, 2021:

| Record date | Payment date | Cash dividend per Series A Preferred Share | | Cash dividend per Series C Preferred Share | | Total preferred dividend amount |
|--------------------|--------------------|--|---------|--|---------|---------------------------------|
| June 18, 2021 | June 30, 2021 | \$ | 0.24281 | \$ | 0.31206 | \$ 2,351 |
| September 17, 2021 | September 30, 2021 | \$ | 0.24281 | \$ | 0.31206 | \$ 2,351 |

On November 8, 2021, the Board approved a cash dividend of \$0.25175 per Series A Preferred Share payable on December 31, 2021 to Series A Preferred shareholders of record as at December 17, 2021 [Note 21].

On November 8, 2021, the Board approved a cash dividend of \$0.31206 per Series C Preferred Share payable on December 31, 2021 to Series C Preferred shareholders of record as at December 17, 2021 [Note 21].

17. Share-Based Payment Plans

I. LONG-TERM INCENTIVE PLAN

Under the long-term incentive plan (LTIP or the Plan), eligible participants are awarded restricted share units (RSUs), which generally vest over three years. All awards under the LTIP are settled by transfer of shares from employee benefit trusts (Trusts) which are funded by the Company, or certain of its subsidiaries, as the case may be, with cash which is used by the trustees to purchase common shares on the open market that will be held in the Trusts until the RSUs vest. No further shares may be issued from treasury under the LTIP.

For RSUs granted as part of the normal course incentive compensation payment cycle, vesting will continue after termination of employment so long as the employee does not violate certain post-termination restrictions and is not engaged in certain competitive or soliciting activities as provided in the Plan. These RSUs are expensed in the period in which those awards are deemed to be earned with, a corresponding increase in contributed surplus, which is generally either the fiscal period in which the awards are made or the immediately preceding fiscal year for those awards made after the end of such fiscal year but determined and earned in respect of that fiscal year.

For certain awards, typically new hire awards or retention awards, vesting is subject to continued employment, and therefore these awards are subject to a continuing service requirement. Accordingly, the Company recognizes the cost of such awards as an expense on a graded basis over the applicable vesting period, with a corresponding increase in contributed surplus.

There were 4,338,305 RSUs granted in lieu of cash compensation to employees during the six-month period ended September 30, 2021 [September 30, 2020 – 4,771,468 RSUs]. The Trusts purchased 4,203,776 common shares during the six months ended September 30, 2021 [September 30, 2020 – 3,077,128 common shares].

The fair value of the RSUs at the measurement date is based on the fair value on the grant date. The weighted average fair value of RSUs granted during the six-month period ended September 30, 2021 was \$13.35 [September 30, 2020 – \$5.60].

| | Number |
|--|-------------|
| Awards outstanding, March 31, 2021 | 11,663,809 |
| Grants | 4,338,305 |
| Vested | (4,613,537) |
| Forfeited | (178,670) |
| Awards outstanding, September 30, 2021 | 11,209,907 |

| | Number |
|--|-------------|
| Common shares held by the Trusts, March 31, 2021 | 11,588,393 |
| Acquired | 4,203,776 |
| Released on vesting | (4,613,537) |
| Common shares held by the Trusts, September 30, 2021 | 11,178,632 |

II. PERFORMANCE SHARE UNITS

The Company adopted a performance share unit (PSU) plan for certain senior executives. The PSUs are a notional equity-based instrument linked to the value of the Company's common shares. At the end of a three-year vesting period, the number of PSUs which vest is a multiple of the number of PSUs originally granted ranging from 0x to 2x based upon performance against certain metrics pre-determined for each annual grant. The PSUs cliff-vest on the third anniversary of the date of the grant. The number of PSUs that vest is also adjusted for dividends paid during the vesting period. The PSUs are settled in cash, based on the market price of the Company's shares at the time of vesting.

The PSUs were measured at fair value on the grant date. Changes in value of the PSUs at each reporting period are amortized over the remaining vesting period and recorded as a compensation expense in the statement of operations. During the year ended March 31, 2021, the PSU plan was amended to include certain employment-related conditions to the vesting of the awards resulting in a change in the periodic expense recorded during the vesting period. The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to PSUs at September 30, 2021 was \$117.3 million [March 31, 2021 – \$85.9 million].

III. PERFORMANCE STOCK OPTIONS

The Company adopted a performance share option (PSO) plan for certain senior executives. The PSOs have a term of five years and will time-vest ratably over four years (with one-third vesting on each of the second, third and fourth anniversaries of the date of the grant). The PSOs will also be subject to market (stock price) performance vesting conditions, and have a four times exercise price cap on payout value (i.e., the gain on the exercise of the options is limited to three times the exercise price). During the six months ended September 30, 2021, the stock price performance vesting conditions had been met on all the outstanding options. A total of 3,399,004 options outstanding (net of options already exercised) had met both stock price performance and time-based vesting conditions and are therefore fully vested and outstanding.

The following is a summary of the Company's PSOs as at September 30, 2021:

| | Number of PSOs | Weighted average exercise price (\$) |
|-----------------------------|----------------|--------------------------------------|
| Balance, March 31, 2021 | 6,237,001 | \$ 6.78 |
| Exercised | (431,331) | \$ 6.73 |
| Balance, September 30, 2021 | 5,805,670 | \$ 6.79 |

IV. SENIOR EXECUTIVE DEFERRED SHARE UNITS

On June 1, 2021, the Company adopted a deferred share unit (DSUs) plan for certain key senior executives. All DSU awards will be cash settled on the retirement of the employee, a "good leaver" departure after three years from the date of grant, or death. The DSUs are settled in cash one year after the participants' departure from the Company under certain conditions of the plan.

The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to DSUs at September 30, 2021 was \$3.3 million [March 31, 2021 – \$ nil].

V. SHARE-BASED COMPENSATION EXPENSE

| | For the three months ended | | For the six months ended | |
|---|----------------------------|--------------------|--------------------------|--------------------|
| | September 30, 2021 | September 30, 2020 | September 30, 2021 | September 30, 2020 |
| Long-term incentive plan | \$ 3,130 | \$ 1,381 | \$ 4,822 | \$ 3,192 |
| Deferred share units (cash-settled) | 175 | (50) | 1,208 | 1,076 |
| Deferred share units (cash-settled) – senior executives | 1,804 | — | 3,297 | — |
| PSU (cash-settled) | 14,569 | 19,215 | 32,352 | 40,092 |
| PSO | 408 | 694 | 931 | 1,635 |
| Other share-based payment plan | 1,740 | 642 | 1,740 | 1,296 |
| Total share-based compensation expense | \$ 21,826 | \$ 21,882 | \$ 44,350 | \$ 47,291 |

18.

Related Party Transactions

Security trades executed by the Company for officers and directors are transacted in accordance with the terms and conditions applicable to all clients. Commission income on such transactions in the aggregate is not material in relation to the overall operations of the Company.

Accounts receivable and accounts payable and accrued liabilities include the following balances with key management personnel:

| | September 30, 2021 | March 31, 2021 |
|--|--------------------|----------------|
| Accounts receivable | 5,994 | \$ 4,686 |
| Accounts payable and accrued liabilities | 3,210 | 1,562 |

19. Segmented Information

The Company operates in two industry segments as follows:

Canaccord Genuity Capital Markets – includes investment banking, advisory, research and trading activities on behalf of corporate, institutional and government clients as well as principal trading activities in Canada, the UK, Europe and Dubai, Australia and the US. Operations located in Other Foreign Locations under Canaccord Genuity Asia are also included in Canaccord Genuity Capital Markets.

Canaccord Genuity Wealth Management – provides brokerage services and investment advice to retail or institutional clients in Canada, the US, the UK & Crown Dependencies and Australia.

Corporate and Other includes correspondent brokerage services, interest and foreign exchange revenue and expenses not specifically allocable to Canaccord Genuity Capital Markets or Canaccord Genuity Wealth Management.

The Company's industry segments are managed separately because each business offers different services and requires different personnel and marketing strategies. The Company evaluates the performance of each business based on operating results, without regard to non-controlling interests.

The Company does not allocate total assets, liabilities or equipment and leasehold improvements to the segments. Amortization of tangible assets is allocated to the segments based on the square footage occupied. Amortization of identifiable intangible assets is allocated to the Canaccord Genuity Capital Markets Canada segment, as it relates to the acquisitions of Genuity and Jitneytrade. Amortization of the identifiable intangible assets acquired through the purchase of Collins Stewart Hawkpoint plc (CSHP) is allocated to the Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management segments in the UK & Crown Dependencies (Channel Islands). Amortization of identifiable intangible assets acquired through the acquisitions of Eden Financial Ltd., Hargreave Hale, McCarthy Taylor and Thomas Miller is allocated to the Canaccord Genuity Wealth Management UK & Crown Dependencies (UK Wealth) segment. Amortization of identifiable intangible assets acquired through the acquisition of Petsky Prunier is allocated to the Canaccord Genuity Capital Markets US segment. Amortization of identifiable intangible assets acquired through the acquisition of Patersons is allocated to Canaccord Genuity Wealth Management Australia. There are no significant

intersegment revenues. Income taxes are managed on a Company basis and are not allocated to operating segments. All revenue and operating profit is derived from external customers. The Company also does not allocate cash flows by reportable segments.

| | For the three months ended | | | | | | | |
|---|--|--|------------------------------|-------------|--|--|------------------------------|-------------|
| | September 30, 2021 | | | | September 30, 2020 | | | |
| | Canaccord Genuity Capital Markets \$ | Canaccord Genuity Wealth Management \$ | Corporate and Other \$ | Total \$ | Canaccord Genuity Capital Markets \$ | Canaccord Genuity Wealth Management \$ | Corporate and Other \$ | Total \$ |
| Commissions and fees | 41,966 | 143,136 | 3 | 185,105 | 49,118 | 118,457 | — | 167,575 |
| Investment banking | 89,544 | 16,717 | — | 106,261 | 108,985 | 22,640 | — | 131,625 |
| Advisory fees | 138,978 | 435 | — | 139,413 | 36,662 | 563 | 56 | 37,281 |
| Principal trading | 30,406 | (16) | — | 30,390 | 42,430 | 316 | — | 42,746 |
| Interest | 2,113 | 4,835 | 1,510 | 8,458 | 1,766 | 3,199 | 1,040 | 6,005 |
| Other | 1,912 | 1,121 | 2,501 | 5,534 | 2,588 | 802 | 1,735 | 5,125 |
| Expenses, excluding undernoted | 219,077 | 121,693 | 20,850 | 361,620 | 186,514 | 107,235 | 27,279 | 321,028 |
| Amortization | 1,222 | 4,563 | 202 | 5,987 | 1,814 | 5,022 | 105 | 6,941 |
| Amortization of right of use assets | 3,584 | 1,349 | 782 | 5,715 | 3,341 | 1,907 | 830 | 6,078 |
| Development costs | 292 | 6,624 | 27 | 6,943 | 360 | 3,370 | 37 | 3,767 |
| Interest expense | 3,540 | 1,457 | 356 | 5,353 | 2,768 | 1,231 | 2,672 | 6,671 |
| Acquisition related costs | — | 1,920 | — | 1,920 | — | — | — | — |
| Costs associated with redemption of convertible debentures | — | — | 468 | 468 | — | — | — | — |
| Share of loss of an associate | — | — | 118 | 118 | — | — | 14 | 14 |
| Income (loss) before intersegment allocations and income taxes | 77,204 | 28,622 | (18,789) | 87,037 | 46,752 | 27,212 | (28,106) | 45,858 |
| Intersegment allocations | 4,359 | 4,926 | (9,285) | — | 4,563 | 4,248 | (8,811) | — |
| Income (loss) before income taxes | 72,845 | 23,696 | (9,504) | 87,037 | 42,189 | 22,964 | (19,295) | 45,858 |

| | For the six months ended | | | | | | | |
|---|--|--|------------------------------|-------------|--|--|------------------------------|-------------|
| | September 30, 2021 | | | | September 30, 2020 | | | |
| | Canaccord Genuity Capital Markets \$ | Canaccord Genuity Wealth Management \$ | Corporate and Other \$ | Total \$ | Canaccord Genuity Capital Markets \$ | Canaccord Genuity Wealth Management \$ | Corporate and Other \$ | Total \$ |
| Commissions and fees | 81,826 | 286,027 | 5 | 367,858 | 98,515 | 238,062 | — | 336,577 |
| Investment banking | 240,673 | 61,226 | — | 301,899 | 206,493 | 35,700 | — | 242,193 |
| Advisory fees | 214,984 | 2,423 | — | 217,407 | 57,242 | 1,029 | 56 | 58,327 |
| Principal trading | 82,751 | 287 | — | 83,038 | 107,351 | 507 | — | 107,858 |
| Interest | 4,038 | 9,087 | 3,000 | 16,125 | 3,334 | 6,902 | 2,774 | 13,010 |
| Other | 4,863 | 2,182 | 620 | 7,665 | 3,467 | 1,715 | 4,938 | 10,120 |
| Expenses, excluding undernoted | 447,349 | 255,393 | 51,839 | 754,581 | 374,914 | 208,696 | 54,245 | 637,855 |
| Amortization | 2,540 | 9,007 | 309 | 11,856 | 3,556 | 9,727 | 210 | 13,493 |
| Amortization of right of use assets | 7,170 | 3,042 | 1,521 | 11,733 | 6,796 | 4,425 | 1,590 | 12,811 |
| Development costs | 430 | 10,502 | 81 | 11,013 | 432 | 7,040 | 110 | 7,582 |
| Interest expense | 6,431 | 2,942 | 728 | 10,101 | 5,672 | 2,253 | 5,476 | 13,401 |
| Acquisition related costs | — | 1,920 | — | 1,920 | — | — | — | — |
| Costs associated with redemption of convertible debentures | — | — | 5,932 | 5,932 | — | — | — | — |
| Share of loss of an associate | — | — | 118 | 118 | — | — | 31 | 31 |
| Income (loss) before intersegment allocations and income taxes | 165,215 | 78,426 | (56,903) | 186,738 | 85,032 | 51,774 | (53,894) | 82,912 |
| Intersegment allocations | 8,253 | 10,013 | (18,266) | — | 9,197 | 8,460 | (17,657) | — |
| Income (loss) before income taxes | 156,962 | 68,413 | (38,637) | 186,738 | 75,835 | 43,314 | (36,237) | 82,912 |

For geographic reporting purposes, the Company's business operations are grouped into Canada, the US, the UK & Europe (including Dubai), Australia and Other Foreign Locations (OFL), which is comprised of our Asian operations. The OFL geography is allocated to our Canadian and Australian capital markets operations. The following table presents the revenue of the Company by geographic location (revenue is attributed to

geographic areas on the basis of location of the underlying corporate operating results):

| | For the three months ended | | For the six months ended | |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | September 30, 2021 \$ | September 30, 2020 \$ | September 30, 2021 \$ | September 30, 2020 \$ |
| Canada | 131,543 | 135,168 | 350,021 | 250,218 |
| UK, Europe and Crown Dependencies | 109,128 | 79,113 | 210,528 | 170,548 |
| United States | 181,329 | 115,418 | 334,779 | 231,177 |
| Australia | 53,161 | 60,658 | 98,664 | 116,142 |
| | 475,161 | 390,357 | 993,992 | 768,085 |

20. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. At each reporting date, the Company assesses the adequacy of its pre-existing provisions and adjusts the amounts as necessary. The following is a summary of the changes during the six months ended September 30, 2021:

| | Legal provisions | Restructuring provisions | Total provisions |
|-----------------------------|------------------|--------------------------|------------------|
| Balance, March 31, 2021 | \$ 8,551 | \$ 1,806 | \$ 10,357 |
| Additions | 623 | — | 623 |
| Utilized | (3,407) | (17) | (3,424) |
| Balance, September 30, 2021 | 5,767 | 1,789 | 7,556 |

COMMITMENTS, LITIGATION PROCEEDINGS AND CONTINGENT LIABILITIES

In the normal course of business, the Company is involved in litigation, and as of September 30, 2021, it was a defendant in various legal actions. The Company has established provisions for matters where payments are probable and can be reasonably estimated. While the outcome of these actions is subject to future resolution, management's evaluation and analysis of these actions indicate that, individually and in the aggregate, the probable ultimate resolution of these actions will not have a material effect on the financial position of the Company.

The Company is also subject to asserted and unasserted claims arising in the normal course of business which, as of September 30, 2021, have not resulted in the commencement of legal actions. The Company cannot determine the effect of all asserted and unasserted claims on its financial position; however, where losses arising from asserted and unasserted claims are considered probable and where such losses can be reasonably estimated, the Company has recorded a provision.

There were no additional changes to the Company's commitments or contingencies from those described in Note 28 of the March 31, 2021 audited consolidated financial statements.

The Company has entered into a lease for which the asset is still under construction, and therefore the right-of-use asset and the lease liability related to this lease is not recorded, as at September 30, 2021, since the lease has not yet commenced. The Company's undiscounted lease commitments were as follows, as at:

| | September 30, 2021 |
|-------------------|-----------------------|
| Less than 1 year | \$ 348 |
| From 1 to 3 years | 8,343 |
| Thereafter | 34,177 |
| | 42,868 |

21. Subsequent Events

I. ACQUISITION

On October 1, 2021, the Company, through its wealth management business in the UK ("CGWM UK") completed its acquisition of the private client investment management business of Adam & Company for £54.0 million (C\$94.9 million). In connection with the completion of the acquisition, a subsidiary of the Company modified its existing banking arrangements and increased its bank loan by an additional £53.3 million (C\$91.2 million as of September 30, 2021) [Notes 5 and 12]. The proceeds from the additional bank loan, net of financing charges, of £51.8 million (C\$ 88.5 million) has been included in cash on the statement of operations as of September 30, 2021. There were \$1.9 million of acquisition-related costs recorded during the six months ended September 30, 2021, comprised of legal and other professional fees.

II. DIVIDENDS

On November 8, 2021, the Board of Directors approved a dividend of \$0.075 per common share, payable on December 10, 2021, with a record date of November 26, 2021 [Note 16].

On November 8, 2021, the Board of Directors approved the following cash dividends: \$0.25175 per Series A Preferred Share payable on December 31, 2021 with a record date of December 17, 2021; and \$0.31206 per Series C Preferred Share payable on December 31, 2021 with a record date of December 17, 2021 [Note 16].

22.

Comparatives

Certain comparative amounts have been reclassified to conform with the presentation adopted in the current period. Other liabilities now includes deferred consideration and contingent consideration which were previously presented separately.