

CANACCORD GENUITY GROUP INC. REPORTS THIRD QUARTER FISCAL 2021 RESULTS

Excluding significant items, Third quarter earnings per common share of \$0.62 ⁽¹⁾

TORONTO, February 3, 2021 –Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the third fiscal quarter ended December 31, 2020.

“Our business is performing in accordance with our stated strategy of providing a sustainable and growing earnings base from our wealth management operations, with significant upside during periods of capital markets strength,” said Dan Daviau, President & CEO of Canaccord Genuity Group Inc. “In our third fiscal quarter, we earned our strongest quarterly revenue on record and set new performance records in several businesses and verticals, entrenching our position as a leading mid-market investment bank and wealth management firm in each of our geographies.”

“In addition to increasing our quarterly common share dividend, we have also taken steps to increase our flexibility to deploy our capital in ways that will support our continued growth and provide optimized returns for our shareholders.”

In a separate press release issued today, the Company also announces that HPS Investment Partners, LLC, on behalf of investment funds it manages, has agreed to invest in the Company’s Wealth Management business in the UK and Crown Dependencies (“CGWM UK”). The net cash proceeds from the investment of approximately £120 million (C\$210 million) will be distributed by CGWM UK to the Company and used by the Company for corporate purposes to optimize shareholder value.

Third quarter and nine-month fiscal year-to-date highlights:

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

- Third quarter revenue of \$533.1 million, highest quarterly revenue on record
- Nine-month fiscal year-to-date revenue of \$1.3 billion, surpassing full fiscal year record
- Record quarterly investment banking revenue of \$213.4 million, an increase of 314.0% year-over-year on continued strength in mid-market life sciences, technology, sustainability and mining sectors
- Record quarterly advisory fees revenue of \$72.0 million, an increase of 18.6% year-over-year
- Excluding significant items ⁽¹⁾, diluted earnings per common share for the third quarter of \$0.62 per share (\$0.54 per share on an IFRS basis)
- Excluding significant items ⁽¹⁾, diluted earnings per common share for the first nine months of fiscal 2021 were \$1.16 per share (\$1.01 per share on an IFRS basis)
- Total client assets in our global wealth management businesses reached \$85.2 billion, an increase of 16.1% from Q2/21 and an increase of 17.1% from Q3/20, representing new records in each of our Canadian, UK & European and Australian businesses
- Purchased 217,100 common shares for cancellation under the normal course issuer bid during the nine months ended December 31, 2020
- Third quarter common share dividend of \$0.065 per share, reflecting stable and growing contributions from our global wealth management businesses

	Three months ended December 31		Quarter-over- quarter change	Three months ended September 30	
	Q3/21	Q3/20		Q2/21	Quarter-over- quarter change
Revenue	\$533,077	\$308,014	73.1 %	\$390,357	36.6 %
Third fiscal quarter highlights- adjusted¹					
Expenses - excluding significant items ¹	\$422,503	\$277,004	52.5 %	\$339,843	24.3 %
Earnings per common share – diluted, excluding significant items ¹	\$0.62	\$0.23	169.6 %	\$0.28	121.4 %
Net Income - excluding significant items ^{1,2}	\$78,971	\$30,458	159.3 %	\$36,891	114.1 %

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

Net Income attributable to common shareholders – excluding significant items ^{1,3}	\$75,160	\$27,619	172.1 %	\$32,982	127.9 %
Third fiscal quarter highlights- IFRS					
Expenses	\$433,803	\$285,731	51.8 %	\$344,499	25.9 %
Earnings per common share – diluted	\$0.54	\$0.17	217.6 %	\$0.25	116.0 %
Net Income ²	\$68,451	\$22,840	199.7 %	\$32,993	107.5 %
Net Income attributable to common shareholders ³	\$64,640	\$20,158	220.7 %	\$29,084	122.3 %

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

Excluding significant items ⁽¹⁾, the third quarter pre-tax net income contribution from the Company's combined global wealth management businesses improved by 110.3% year-over-year to a record \$39.2 million, and the pre-tax profit margin increased to 21.7%, a year-over-year improvement of 7.2 percentage points. This segment earned revenue of \$180.5 million for the third fiscal quarter and \$464.4 million for the first nine months of the fiscal year, year-over-year increases of 40.6% and 24.3% respectively.

Canaccord Genuity Wealth Management North America generated record quarterly revenue of \$92.7 million and, after intersegment allocations and before taxes, recorded net income of \$20.1 million in Q3/21.

Wealth management operations in the UK & Europe generated \$70.1 million in revenue and, after intersegment allocations, and excluding significant items ⁽¹⁾, recorded net income of \$16.0 million before taxes in Q3/21.

Wealth management operations in Australia generated \$17.6 million in revenue and, after intersegment allocations and before taxes, and excluding significant items ⁽¹⁾ recorded net income of \$3.1 million before taxes in Q3/21.

Our North American wealth management business was the largest contributor of revenue and net income for the three-month period. Revenue earned by this business increased by 101.5% year-over-year, primarily due to increased investment banking revenue from higher new issue activity, in addition to higher commissions and fees revenue. The robust environment for new-issue activities boosted investment banking revenue in this business to \$37.4 million for the three-month period. The pre-tax profit margin in this business increased by 12.6 percentage points to 21.6% for the three-month period and increased by 5.1 percentage points to 18.1% for the first nine months of the fiscal year.

In the UK & Europe, third quarter revenue decreased by 1.7% compared to the same period one year ago, primarily due to the reduction in interest revenue attributable to the lower interest rate environment. Excluding significant items ⁽¹⁾, the pre-tax profit margin in this business was 22.8% for the third quarter of fiscal 2021, an improvement of 2.7 percentage points compared to the same quarter in the prior year.

Our Australian wealth management operations earned revenue of \$17.6 million and excluding significant items ⁽¹⁾, pre-tax net income of \$3.1 million in the third quarter of fiscal 2021, reflecting contributions from the acquisition of Patersons Securities Limited in Q3/20.

Total client assets in the Company's global wealth management businesses at the end of the third fiscal quarter amounted to \$85.2 billion. Each of our wealth management businesses achieved record client asset levels during the third fiscal quarter.

- Client assets in North America were \$29.3 billion as at December 31, 2020, an increase of 18.8% from \$24.6 billion at the end of the previous quarter and an increase of 39.5% from \$21.0 billion at December 31, 2019.
- Client assets in the UK & Europe were \$51.8 billion (£29.7 billion) as at December 31, 2020, an increase of 14.1% from \$45.4 billion (£26.4 billion) at the end of the previous quarter and an increase of 7.6% from \$48.1 billion (£28.1 billion) at December 31, 2019.
- Client assets in Australia were \$4.2 billion (AUD 4.3 billion) as at December 31, 2020, an increase of 24.0 % from \$3.4 billion (AUD 3.5 billion) at the end of the previous quarter and an increase of 13.1% from \$3.7 billion (AUD 4.1 billion) at December 31, 2019. In addition to client assets held in our investment management platform, client assets totalling \$15.2 billion (AUD 15.5 billion) are also held in other non-managed accounts on our Australian wealth management trading platform.

Canaccord Genuity Capital Markets

Excluding significant items ⁽¹⁾, the Company's global capital markets businesses contributed pre-tax net income of \$92.5 million for the third quarter, an increase of 477.6% compared to the same period in the previous fiscal year and the pre-tax profit margin for this segment increased by 17.3 percentage points year-over-year, to 26.5% primarily attributable to increased activity in our Canadian and US businesses. Globally, this segment earned revenue of \$825.3 million for the first nine months of the fiscal year, an improvement of 60.9%, compared to the same period a year ago. Revenue for the third quarter was \$348.9 million, an increase of 100.3% from \$174.2 million for the third quarter of fiscal 2020, and reflects record revenue contributions from our U.S., Canadian and Australian operations.

- Canaccord Genuity Capital Markets led or co-led 108 investment banking transactions globally, raising total proceeds of C\$4.3 billion during fiscal Q3/21.
- Canaccord Genuity Capital Markets participated in 187 investment banking transactions globally, raising total proceeds of C\$19.5 billion during fiscal Q3/21.

The US capital markets business was the largest contributor of revenue for this segment, with record quarterly revenue of \$160.4 million, representing an increase of 95.1% year over year. This included an increase in investment banking revenue of 254.1% year-over-year, to \$38.9 million, reflecting robust new-issue activity, primarily in the life sciences, sustainability and technology segments. Third quarter revenue earned from Advisory activities amounted to \$51.4 million, an increase of 75.6% year-over-year, and a record for this business. Principal trading revenue also increased by 96.6% to \$44.6 million during the quarter from increased trading volume.

Excluding significant items ⁽¹⁾, our Canadian capital markets business earned pre-tax net income of \$42.1 million, amounting to 45.5% of the pre-tax net income contribution from for our combined capital markets businesses. Revenue in this operation increased by 152.4% year-over-year, to \$121.3 million, as a result of higher investment banking and commissions and fees revenue. This business continues to be a top-ranked domestic underwriter in the region and is the leading equities underwriter and IPO underwriter for the calendar year-to-date.

Third quarter revenue contributed by our Australian capital markets operations increased significantly, to \$46.0 million in Q3/21 from \$13.1 million in Q3/20. Total revenue for the first nine months of the fiscal year amounted to \$134.8 million, an improvement of 357.5% when compared to the same period of the prior fiscal year. This performance was largely driven by the robust environment for underwriting activities in our focus sectors and also includes unrealized gains in certain inventory and warrant positions earned in respect of investment banking activity.

Our UK & Europe operations achieved modest profitability in the third fiscal quarter, primarily driven by year-over-year increased investment banking and trading revenue, which increased by 179.0% and 43.6% respectively. Although advisory activities remained below historic levels, third quarter advisory revenue in this segment increased by 23.7% sequentially.

Summary of Corporate Developments:

On January 18, 2021, the Company announced its intention to seek approval from each of the holders of its 6.25% convertible unsecured senior subordinated debentures ("Debentures") to make certain amendments to the indenture governing the Debentures. The proposed amendments include the addition of a right of the Company to redeem, at its option and from time to time, between April 1, 2021 and October 31, 2021, any or all of the outstanding Debentures for specified consideration plus any accrued and unpaid interest. The proposed amendments also suspend the Debentures holders' right to convert their Debentures into common shares, at the current exercise price of \$10.00, until November 1, 2021. The proposed amendments are subject to the approval of the Debenture holders, the TSX and Computershare Trust of Canada, as Debenture trustee (as applicable). Unless the Company obtains written consents from holders of at least two-thirds of the principal amount of the Debentures outstanding, consent will be sought at a special meeting of the Debenture holders to be held on February 22, 2021.

On February 1, 2021, the Company announced that it has joined the leaders of over 300 Canadian companies in pledging to take action to end systemic anti-Black racism as part of the BlackNorth Initiative. The BlackNorth Initiative provides an excellent support framework for ensuring that Canaccord Genuity can be a positive contributor to lasting change in our own business and the broader community.

Total compensation expense as a percentage of revenue increased from 60.6% in Q3/20 and 59.6% in the first nine months of fiscal 2020 to 61.7% in Q3/21 and 64.0% on a year to date basis. The increase in the compensation ratio for the first nine months of fiscal 2021 was primarily due to an increase in the fair value of performance share units (PSUs) granted in prior periods as a component of the Company's overall executive compensation program. The fair value of the PSUs is based upon progress against certain pre-determined three-year performance metrics, including share price relative to the market, as measured at the time of vesting. The PSUs are awarded annually and vest after three years and are paid in cash at the time of vesting in an amount calculated with reference to the share price at the time of vesting and, accordingly, the value will vary with share price as well as progress against other performance metrics. Changes in value of the PSUs at each reporting period are amortized over the remaining vesting period and recorded as a compensation expense.

Results for the third quarter and year-to-date fiscal 2021 were impacted by the following significant items:

- Amortization of intangible assets acquired in connection with business combinations
- Certain incentive-based costs related to the acquisition and growth initiatives in the UK & Europe wealth business
- Acquisition-related costs related to the re-measurement of contingent consideration in connection with previous acquisitions

Selected financial information excluding significant items ⁽¹⁾:

(C\$ thousands, except per share and % amounts)	Three months ended December 31		Quarter- over- quarter change	Nine months ended December 31		YTD over YTD change
	2020	2019		2020	2019	
Total revenue per IFRS	\$533,077	\$308,014	73.1%	\$1,301,162	\$904,219	43.9%
Total expenses per IFRS	\$433,803	\$285,731	51.8%	\$1,118,976	\$834,414	34.1%
Revenue						
Total revenue excluding significant items	\$533,077	\$308,014	73.1%	\$1,301,162	\$904,219	43.9%
Total expenses per IFRS	\$433,803	\$285,731	51.8%	\$1,118,976	\$834,414	34.1%
Expenses						
<i>Significant items recorded in Canaccord Genuity Capital Markets</i>						
Amortization of intangible assets	\$741	\$2,458	(69.9)%	\$2,232	\$7,394	(69.8)%
Acquisition- related costs	\$4,644	-	n.m.	\$4,644	\$1,806	157.1%
<i>Significant items recorded in Canaccord Genuity Wealth Management</i>						
Amortization of intangible assets	\$3,213	\$3,445	(6.7)%	\$9,827	\$10,016	(1.9)%
Restructuring costs	-	\$1,250	(100.0)%	-	\$2,348	(100.0)%
Acquisition-related costs	\$860	-	n.m.	\$860	\$2,308	(62.7)%
Incentive-based costs related to acquisitions ⁽²⁾	\$1,842	\$1,574	17.0%	\$3,102	\$4,435	(30.1)%
Total significant items	\$11,300	\$8,727	29.5%	\$20,665	\$28,307	(27.0)%
Total expenses excluding significant items	\$422,503	\$277,004	52.5%	\$1,098,311	\$806,107	36.2%
Net income before taxes – adjusted	\$110,574	\$31,010	256.6%	\$202,851	\$98,112	106.8%
Income taxes – adjusted	\$31,603	\$552	n.m.	\$54,092	\$13,240	n.m.
Net income - adjusted	\$78,971	\$30,458	159.3%	\$148,759	\$84,872	75.3%
Net income attributable to common shareholders, adjusted	\$75,160	\$27,619	172.1%	\$137,207	\$77,349	77.4%
Earnings per common share – basic, adjusted	\$0.78	\$0.29	169.0%	\$1.42	\$0.77	84.4%
Earnings per common share – diluted, adjusted	\$0.62	\$0.23	169.6%	\$1.16	\$0.64	81.3%
<small>(1) Figures excluding significant items are non-IFRS measures.</small>						
<small>(2) Incentive-based costs related to the acquisitions and growth initiatives in the UK & Europe wealth business</small>						
<small>n.m. not meaningful</small>						

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

- Cash and cash equivalents balance of \$1.3 billion, an increase of \$704.6 million from \$548.7 million
- Working capital of \$584.3 million, an increase of \$50.5 million from \$533.8 million
- Total shareholders' equity of \$967.8 million, an increase of \$116.6 million from \$851.2 million

Common and Preferred Share Dividends:

On February 3, 2021, the Board of Directors approved a dividend of \$0.065 per common share, payable on March 10, 2021, with a record date of February 26, 2021.

On February 3, 2021, the Board approved a cash dividend of \$0.24281 per Series A Preferred Share payable on March 31, 2021 to Series A Preferred shareholders of record as at March 19, 2021.

On February 3, 2021, the Board approved a cash dividend of \$0.31206 per Series C Preferred Share payable on March 31, 2021 to Series C Preferred shareholders of record as at March 19, 2021.

ACCESS TO QUARTERLY RESULTS INFORMATION

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

CONFERENCE CALL AND WEBCAST PRESENTATION

Interested parties are invited to listen to Canaccord Genuity's third quarter results conference call via live webcast or a toll-free number. The conference call is scheduled for Thursday, February 4, 2021 at 8:00 a.m. Eastern time, 5:00 a.m. Pacific time, 1:00 p.m. UK time, 9:00 p.m. China Standard Time, and midnight Australia EST. During the call, senior executives will comment on the results and respond to questions from analysts and institutional investors.

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

Analysts and institutional investors can call in via telephone at:

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

Please ask to participate in the Canaccord Genuity Group Inc. Q3/21 results call. If a passcode is requested, please use 5095027.

A replay of the conference call will be made available from approximately two hours after the live call on February 4, 2021 until April 4, 2021 at 416-849-0833 or 1-855-859-2056 by entering passcode 5095027 followed by the (#) key.

ABOUT CANACCORD GENUITY GROUP INC.

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

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

FOR FURTHER INFORMATION:

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www.cgf.com/investor-relations

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