SECOND QUARTER

Fiscal 2024 Report to Shareholders

Canaccord Genuity

Canaccord Genuity Group Inc. Reports Second Quarter Fiscal 2024 Results

Earnings contributions from global wealth management businesses helped to offset the impact of prolonged weak conditions for global capital markets activities.
Second quarter dividend of $0.085 per common share

TORONTO, November 14, 2023 – Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the second fiscal quarter and six months ended September 30, 2023.

"Our wealth management businesses continued to deliver stable earnings contributions, which helped us to deliver a breakeven quarter despite losses incurred in our capital markets segment," said Dan Daviau, President & CEO of Canaccord Genuity Group Inc. "Engagement levels amongst our corporate clients and their desire for capital remains high and we are encouraged by increasing activity levels, but remain cautious in our outlook until we see a more sustained recovery for risk capital in the market."

Second fiscal 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 of $337.3 million decreased by 11.4% over the same period in the prior year and increased by 1.8% compared to Q1/24
- Second quarter net income before taxes excluding significant items(1) of $16.5 million, a decrease of 67.4% compared to Q2/23 (on an IFRS basis Q2/24 was a loss of $0.7 million compared to net income before taxes of $39.0 million for Q2/23)
- Excluding significant items(1), CG's global wealth management businesses contributed net income before taxes of $32.7 million, which was offset by losses in the global capital markets and corporate & other segments, which were primarily a reflection of reduced corporate finance activity and delayed closings on advisory transactions
- Compensation ratios returned to levels consistent with prior periods compared to the reduced level in Q1/24 which were because of changes in the fair value of stock-based compensation awards during that period.
- Diluted earnings per common share excluding significant items(1) for the second fiscal quarter of $0.00 per share (diluted loss per common share of $0.20 on an IFRS basis)
- Diluted earnings per common share excluding significant items(1) for the first six months of fiscal 2024 of $0.07 (diluted loss per common share of $0.36 on an IFRS basis)
- Total client assets(1) in our global wealth management business were $93.3 billion at September 30, 2023, a year-over-year increase of 5.3% and reflecting year-over-year increases of 4.7% in Canada, 5.1% in the UK & Crown Dependencies and 12.1% in Australia.
- Global wealth management revenue for the second fiscal quarter increased by 10.6% year-over-year to $187.2 million
- Global capital markets revenue for the second fiscal quarter decreased by 29.6% year-over-year reflecting continued weakness in the new issue environment and the more challenging environment for M&A completions against a strong pipeline
- On November 9, 2023, the Company, through its wealth management business in the UK and Crown Dependencies announced that it has entered into an agreement to acquire Intelligent Capital, a Financial Planning business based in Glasgow, Scotland
- Second quarter common share dividend of $0.085 per share

(1) See Non-IFRS Measures on page 5

	Three months ended September 30			Year-over-year change	Three months ended June 30		Quarter-over-quarter change
		Q2/24	Q2/23			Q1/24	
Second fiscal quarter highlights – adjusted[1]							
Revenue excluding significant items[1]	**$**	**337,508**	$ 381,793	(11.6)%	$	343,443	(1.7)%
Expenses excluding significant items[1]	**$**	**321,017**	$ 331,178	(3.1)%	$	310,547	3.4%
Diluted earnings per common share excluding significant items[1]	**$**	**0.00**	$ 0.25	(100.0)%	$	0.07	(100.0)%
Net Income excluding significant items[1][2]	**$**	**10,717**	$ 35,426	(69.7)%	$	19,433	(44.9)%
Net (Loss) income attributable to common shareholders excluding significant items[1][3]	**$**	**(299)**	$ 25,793	(101.2)%	$	7,578	(103.9)%
Second fiscal quarter highlights – IFRS							
Revenue	**$**	**337,290**	$ 380,522	(11.4)%	$	343,324	(1.8)%
Expenses	**$**	**337,964**	$ 341,490	(1.0)%	$	337,042	0.3%
Diluted (loss) earnings per common share	**$**	**(0.20)**	$ 0.14	(242.9)%	$	(0.15)	(33.3)%
Net (loss) income[2]	**$**	**(5,867)**	$ 26,564	(122.1)%	$	(268)	n.m.
Net (loss) income attributable to common shareholders[3]	**$**	**(18,981)**	$ 14,779	(228.4)%	$	(13,388)	(41.8)%

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 5
(2) Before non-controlling interests and preferred share dividends paid on the Series A and Series C Preferred Shares
(3) Net (loss) 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 $187.2 million for the second fiscal quarter, a year-over-year increase of 10.6%. On a year-to-date basis, revenue amounted to $378.3 million, an increase of 14.1% compared to the first six months of the prior year. Net income before taxes excluding significant items[1] for this segment increased by 18.1% and 31.1% year-over-year for the three- and six-month periods ended September 30, 2023, respectively.

- Wealth management operations in UK & Crown Dependencies generated second quarter revenue of $101.0 million, an increase of 24.7% compared to the same period last year, primarily driven by higher quarterly interest income offset by a small decrease in commissions and fees revenue. Measured in local currency (GBP), revenue was £59.5 million in Q2/24 compared to £52.7 million in Q2/23, an increase of 12.9% compared to the same quarter last year. Excluding significant items[1], pre-tax net income for this business was $22.7 million in Q2/24 and $49.4 million fiscal year-to-date, year-over-year increases of 25.6% and 34.1%, respectively.
- Canaccord Genuity Wealth Management (North America) generated $70.8 million in second quarter revenue, a year-over-year decrease of 3.6% compared to Q2/23. Fee-related revenue for the second fiscal quarter grew by 5.1 p.p. to 52.1% reflecting increases in fee-based accounts. Partially offsetting the impact of reduced transaction-based revenue, second quarter interest income in this business amounted to $13.4 million, an increase of 20.3% year-over-year. Excluding significant items[1] net income before taxes for this business was $9.2 million in Q2/24 and $18.2 million for the first six months of fiscal 2024, which represents a year-over-year decrease of 5.6% and an increase of 12.2% respectively.
- Wealth management operations in Australia generated $15.4 million in second quarter revenue, an increase of 3.5% compared to the second quarter of last year. Excluding significant items[1] net income before taxes for this business was $0.8 million in Q2/24 compared to a net loss of $0.1 million in Q2/23, and net income before taxes of $1.1 million for the first six months of fiscal 2024 compared to a loss of $0.7 million for the same period a year ago.

Total client assets in the Company's global wealth management businesses at the end of the second fiscal quarter amounted to $93.3 billion, an increase of $4.7 billion or 5.3% from Q2/23.

- Client assets in the UK & Crown Dependencies were $52.6 billion (£31.7 billion) as at September 30, 2023, an increase of 5.1% (decrease of 1.9% in local currency) from $50.0 billion (£32.3 billion) at September 30, 2022. On a sequential basis, client assets decreased by 3.9% (decrease of 2.3% in local currency) from $54.7 billion (£32.5 billion) at the end of the previous quarter primarily due to declines in market values and net client flows.
- Client assets in North America were $35.3 billion as at September 30, 2023, an increase of 4.7% from $33.7 billion at September 30, 2022 due to net inflows and net assets from recruits, and a decrease of 5.0% compared to the previous quarter due to declines in market values and net client flows.
- Client assets[1] in Australia were $5.5 billion (AUD 6.3 billion) at September 30, 2023, an increase of 1.1% from $5.4 billion (AUD 6.1 billion) at the end of the previous quarter and an increase of 12.1% from $4.9 billion (AUD 5.5 billion) at September 30, 2022. In addition, client assets[1] totalling $13.4 billion (AUD 15.4 billion) are also held on record in less active and transactional accounts through our Australian platform.

Canaccord Genuity Capital Markets

Globally, Canaccord Genuity Capital Markets earned revenue of $144.8 million for the second fiscal quarter. The year-over-year decrease of 29.6% reflects continued weakness in the environment for new issue activities and the more difficult environment for M&A completions in our core focus sectors. For the six months ended September 30, 2023, revenue decreased by 21.5% to $290.5 million, driven by lower advisory fees and principal trading revenue, partially offset by higher interest, commissions and fees and investment banking revenue.

Canaccord Genuity Capital Markets participated in 150 investment banking transactions globally, including led and co-led deals, raising total proceeds of $7.6 billion fiscal year-to-date.

(1) See Non-IFRS Measures on page 5

Advisory revenue for the three-month period was $46.0 million, an increase of 14.2% sequentially but a year-over-year decrease of 54.4%, reflecting the more challenging environment for completions despite a solid pipeline of engagements. Commissions and fees revenue increased by 7.3% year-over-year for the three-month period due to higher contributions from Canada and the UK & Europe, which were partially offset by a decline in the US. Investment banking and principal trading revenue decreased by 13.0% and 24.5%, respectively, compared to Q2/23. On a fiscal year-to-date basis, investment banking revenue increased by 25.9%, driven by an increase of 128.9% in our Australia operations and partially offset by lower revenue earned in our Canadian and UK & Europe operations. Interest revenue increased by 66.9% and 141.5%, respectively, for the three and six month periods ended September 30, 2023 due to the higher interest rate environment compared to last year.

Excluding significant items(1), our global capital markets division recorded a net loss of $6.3 million before taxes for the quarter, primarily reflecting the impact of fixed costs in a softer revenue environment when compared to net income before taxes excluding significant items(1) of $26.2 million in the same period a year ago. Net loss excluding significant items(1) for the six-month period ended September 30, 2023 was $14.0 million compared to $30.4 million for the same period in the prior year.

Summary of Corporate Developments

- On August 17, 2023, the Company filed a notice to renew its normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 4,985,290 of its common shares during the period from August 21, 2023 to August 20, 2024 through the facilities of the TSX and 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. There were no shares purchased or cancelled during the six months ended September 30, 2023.
- On November 9, 2023, the Company announced that through its wealth management business in the UK and Crown Dependencies (“CGWM UK”), it has entered into an agreement to acquire Intelligent Capital, a Chartered Financial Planning business based in Glasgow, Scotland with current assets under administration of approximately £220 million. Upon completion of the transaction, the business of Intelligent Capital will operate as part of Adam & Company, which is the Scottish operating division of CGWM UK. Closing is subject to regulatory approval and other customary closing conditions. The acquisition is expected to be completed within the Company’s fourth fiscal quarter ended March 31, 2024.

Results for the Second Quarter of Fiscal 2024 were impacted by the following significant items:

- Fair value adjustments on certain warrants and illiquid or restricted marketable securities recorded for IFRS reporting purposes in prior periods net of adjustments recorded in the current period, but which are excluded for management reporting purposes and are not used by management to assess operating performance
- Restructuring costs in connection with headcount reductions that were disclosed and completed in August 2023
- Amortization of intangible assets acquired in connection with business combinations
- Certain incentive-based costs related to acquisitions in US and UK capital markets and CGWM UK
- Certain components of the non-controlling interest expense associated with CGWM UK recorded for IFRS purposes
- Change in the fair value of contingent consideration recorded in connection with acquisitions in prior periods.
- Fair value adjustment of the non-controlling interest derivative liability

(1) See Non-IFRS Measures on page 5

Summary of Results for Q2 and YTD Fiscal 2024 and Selected Financial Information Excluding Significant Items[1]:

(C$ thousands, except per share and % amounts)	Three months ended September 30 2023	Three months ended September 30 2022	Quarter-over-quarter change	Six months ended September 30 2023	Six months ended September 30 2022	YTD over YTD change
Revenue						
Revenue per IFRS	**$ 337,290**	$ 380,522	(11.4)%	**$ 680,614**	$ 697,892	(2.5)%
Significant items recorded in Corporate and Other						
Fair value adjustments on certain warrants and illiquid or restricted marketable securities	**$ 218**	$ 1,271	(82.8)%	**$ 337**	$ 12,718	(97.4)%
Total revenue excluding significant item[1]	**$ 337,508**	$ 381,793	(11.6)%	**$ 680,951**	$ 710,610	(4.2)%
Expenses						
Expenses per IFRS	**$ 337,964**	$ 341,490	(1.0)%	**$ 675,006**	$ 656,966	2.7%
Significant items recorded in Canaccord Genuity Capital Markets						
Amortization of intangible assets	**$ 316**	$ 1,535	(79.4)%	**$ 666**	$ 2,799	(76.2)%
Acquisition- related costs	**—**	$ 1,477	(100.0)%	**—**	$ 1,477	(100.0)%
Incentive-based costs related to acquisitions	**362**	$ 437	(17.2)%	**$ 935**	$ 804	16.3%
Change in fair value of contingent consideration	**$ (18,174)**	—	n.m.	**$ (18,174)**	—	n.m.
Restructuring costs	**$ 12,673**	—	n.m.	**$ 12,673**	—	n.m.
Significant items recorded in Canaccord Genuity Wealth Management						
Amortization of intangible assets	**$ 5,727**	$ 5,944	(3.7)%	**$ 11,366**	$ 10,256	10.8%
Acquisition-related costs	**—**	$ (1,656)	100.0%	**—**	$ 5,926	(100.0)%
Incentive-based costs related to acquisitions	**$ 926**	$ 1,265	(26.8)%	**$ 2,214**	$ 1,851	19.6%
Restructuring costs	**$ 810**	—	n.m.	**$ 810**	—	n.m.
Significant items recorded in Corporate and Other						
Restructuring costs	**$ 1,306**	—	n.m.	**$ 4,664**	—	n.m.
Fair value adjustment of non-controlling interest derivative liability	**$ 13,250**	—	n.m.	**$ 13,250**	—	n.m.
Development costs	**$ (249)**	$ 1,310	(119.0)%	**$ 15,038**	$ 1,310	n.m.
Total significant items – expenses[1]	**$ 16,947**	$ 10,312	64.3%	**$ 43,442**	$ 24,423	77.9%
Total expenses excluding significant items[1]	**$ 321,017**	$ 331,178	(3.1)%	**$ 631,564**	$ 632,543	(0.2)%
Net income before taxes excluding significant items[1]	**$ 16,491**	$ 50,615	(67.4)%	**$ 49,387**	$ 78,067	(36.7)%
Income taxes – adjusted[1]	**$ 5,774**	$ 15,189	(62.0)%	**$ 19,237**	$ 22,706	(15.3)%
Net income excluding significant items[1]	**$ 10,717**	$ 35,426	(69.7)%	**$ 30,150**	$ 55,361	(45.5)%
Significant items impacting net income attributable to common shareholders						
Non-controlling interests – IFRS	**$ 10,262**	$ 9,394	9.2%	**$ 20,530**	$ 16,563	24.0%
Amortization of equity component of the non-controlling interests in CGWM UK and other adjustments	**$ 2,098**	$ 2,152	(2.5)%	**$ 3,181**	$ 3,755	(15.3)%
Non-controlling interests (adjusted)[1]	**$ 8,164**	$ 7,242	12.7%	**$ 17,349**	$ 12,808	35.5%
Preferred share dividends	**$ 2,852**	$ 2,391	19.3%	**$ 5,704**	$ 4,782	19.3%
Net (loss) income attributable to common shareholders, excluding significant items[1]	**$ (299)**	$ 25,793	(101.2)%	**$ 7,097**	$ 37,771	(81.2)%
Earnings per common share excluding significant items – basic[1]	**$ 0.00**	$ 0.30	(100.0)%	**$ 0.09**	$ 0.43	(79.1)%
Earnings per common share excluding significant items – diluted[1]	**$ 0.00**	$ 0.25	(100.0)%	**$ 0.07**	$ 0.36	(80.6)%

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 5.

Diluted earnings per common share ("diluted EPS") and net income attributable to common shareholders are computed using the treasury stock method, giving effect to the exercise of all dilutive elements. The Convertible Preferred Shares issued by Canaccord Genuity Wealth Management Holdings (Jersey) Limited are factored into those measures by adjusting net income attributable to common shareholders of the Company to reflect our proportionate share of CGWM UK's earnings on an as converted basis if the calculation is dilutive. For the quarter and six months ended September 30, 2023, the effect of reflecting our proportionate share of CGWM UK's earnings is anti-dilutive under IFRS but dilutive for figures excluding significant items[1]. As such, the diluted EPS and net income attributable to common shareholders under IFRS for Q2 and YTD fiscal 2024 is computed based on net income attributable to common shareholders less accrued dividends on the Convertible Preferred Shares issued by

CGWM UK. Net income attributable to common shareholders excluding significant items and diluted EPS excluding significant items [1] for the three and six months ended September 30, 2023 reflects the Company's proportionate share of CGWM UK's net income excluding significant items[1] on an as converted basis.

Common and Preferred Share Dividends:

On November 14, 2023, the Board of Directors approved a dividend of $0.085 per common share, payable on December 15, 2023, with a record date of December 1, 2023.

On November 14, 2023, the Board approved a cash dividend of $0.25175 per Series A Preferred Share payable on January 2, 2024 to Series A Preferred shareholders of record as at December 22, 2023.

On November 14, 2023, the Board approved a cash dividend of $0.42731 per Series C Preferred Share payable on January 2, 2024 to Series C Preferred shareholders of record as at December 22, 2023.

Non-IFRS Measures

Certain non-IFRS measures, non-IFRS ratios and supplementary financial measures are utilized by the Company as measures of financial performance. Non-IFRS measures, non-IFRS ratios and supplementary financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

Management believes that these non-IFRS measures, non-IFRS ratios and supplementary financial 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. Non-IFRS measures presented in this earnings release include certain figures from our statement of operations that are adjusted to exclude significant items. Although 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. Accordingly, 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.

Non-IFRS Measures (Adjusted Figures)

Figures that exclude significant items provide useful information by excluding certain items that may not be indicative of the Company's core operating results. Financial statement items that exclude significant items are non-IFRS measures. To calculate these non-IFRS financial statement items, we exclude certain items from our financial results prepared in accordance with IFRS. The items which have been excluded are referred to herein as significant items. The following is a description of the composition of the non-IFRS measures used in this earnings release (note that some significant items excluded may not be applicable to the calculation of the non-IFRS measures for each comparative period): (i) *revenue excluding significant items*, which is composed of revenue per IFRS less any applicable 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; (ii) *expenses excluding significant items*, which is composed of expenses per IFRS less any applicable amortization of intangible assets acquired in connection with a business combination, certain costs included in Corporate & Other development costs related to the expired management-led takeover bid for the common shares of the Company, restructuring costs, certain incentive-based costs related to the acquisitions and growth initiatives in CGWM UK and US and UK capital markets, fair value adjustments to the derivative liability component of non-controlling interest in CGWM UK, change in fair value of contingent consideration in connection with prior acquisitions; (iii) *net income before taxes excluding significant items*, which is composed of revenue excluding significant items less expenses excluding significant items; (iv) *income taxes (adjusted)*, which is composed of income taxes per IFRS adjusted to reflect the associated tax effect of the excluded significant items; (v) *net income excluding significant items*, which is composed of net income before income taxes excluding significant items less income taxes (adjusted); (vi) *non-controlling interests (adjusted)*, which is composed of non-controlling interests per IFRS less the amortization of the equity component of non-controlling interests in CGWM UK and adjusted as applicable under the treasury stock method when dilutive; and (vii) *net income attributable to common shareholders excluding significant items*, which is composed of net income excluding significant items less non-controlling interests (adjusted) and preferred share dividends paid on the Series A and Series C Preferred Shares.

A reconciliation of non-IFRS measures that exclude significant items to the applicable IFRS measures from the interim condensed consolidated financial statements for the second quarter of fiscal 2024 can be found above in the table entitled "Summary of results for Q2 fiscal 2024 and year-to-date fiscal 2024 and selected financial information excluding significant items".

Non-IFRS Ratios

Non-IFRS ratios are calculated using the non-IFRS measures defined above. For the periods presented herein, we have used the following non-IFRS ratios: (i) *total expenses excluding significant items as a percentage of revenue,* which is calculated by dividing expenses excluding significant items by revenue excluding significant items; (ii) *earnings per common share excluding significant items,* which is calculated by dividing net income attributable to common shareholders excluding significant items by the weighted average number of common shares outstanding (basic); (iii) *diluted earnings per common share excluding significant items* which is calculated by dividing net income attributable to common shareholders excluding significant items by the weighted average number of common shares outstanding (diluted); and (iv) *pre-tax profit margin* which is calculated by dividing net income before taxes excluding significant items by revenue excluding significant items.

Supplementary Financial Measures

Client assets are supplementary financial measures that do not have any definitions prescribed under IFRS but do not meet the definition of a non-IFRS measure or non-IFRS ratio. Client assets, which include both assets under management (AUM) and assets under administration (AUA), is a measure that is common to the wealth management business. Client assets is 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. The Company's method of calculating client assets may differ from the methods used by other companies, and therefore these measures may not be comparable to other companies. Management uses these measures to assess operational performance of the Canaccord Genuity Wealth Management business segment.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

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. Forward looking statements include, but are not limited to, statements about the Company's objectives, strategies, business prospects and opportunities; the execution of management's plans and potential outcomes; the impacts of global events and economic conditions on the Company's operations and business; and the outlook for the Company's business and for the global economy. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend", "could" or the negative of these terms or other comparable terminology. Disclosure identified as an "Outlook" including each section entitled "Outlook" contains forward-looking information.

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 dynamic nature of the financial services industry; inflationary pressures; credit, market, liquidity, strategic, insurance, operational, reputation, conduct and legal, regulatory and environmental risk; currency value and interest rate fluctuations, including as a result of market and oil price volatility; the effectiveness and adequacy of our risk management and valuation models and processes; legislative or regulatory developments in the jurisdictions where we operate; climate change and other ESG related risks; and the impact of the wars in Ukraine and Israel and the resulting humanitarian crisis on the global economy. Additional risks and factors that could cause actual results to differ materially from expectations are described in the Company's unaudited interim condensed and audited annual consolidated financial statements and the Company's Annual Report and Annual Information Form (AIF) filed on www.sedar.com as well as the disclosure in the sections titled "Risk Management" in this Management's Discussion and Analysis (MD&A) and "Risk Factors" in the AIF, which include market, liquidity, credit, operational, legal, cybersecurity 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 2024 Outlook section in this MD&A and those discussed from time to time in the Company's unaudited interim condensed and audited annual consolidated financial statements and its Annual Report and AIF filed on www.sedar.com. Readers are cautioned that the preceding lists of material factors and assumptions are 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, the 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 periods ended September 30, 2023 (Second quarter 2024 Financial Statements) prepared in accordance with International Financial Reporting Standards (IFRS). The Second quarter 2024 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, 2023.

Management's Discussion and Analysis

Second quarter fiscal 2023 for the three- and six-month periods ended September 30, 2023 – this document is dated November 14, 2023

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 periods ended September 30, 2023 compared to the corresponding periods in the preceding fiscal year. The three-month period ended September 30, 2023 is also referred to as second quarter fiscal 2024 and Q2/24. 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 six-month period ended September 30, 2023, beginning on page 38 of this report; our Annual Information Form (AIF) dated June 24, 2023; and the 2023 annual Management's Discussion and Analysis (MD&A) including the audited consolidated financial statements for the fiscal year ended March 31, 2023 (Audited Annual Consolidated Financial Statements) in the Company's annual report dated June 28, 2023 (the 2023 Annual Report). There has been no material change to the information contained in the annual MD&A for fiscal 2023 except as disclosed in this MD&A. The Company's financial information is expressed in Canadian dollars unless otherwise specified.

Non-IFRS measures

Certain non-IFRS measures, non-IFRS ratios and supplementary financial measures are utilized by the Company as measures of financial performance. Non-IFRS measures, non-IFRS ratios and supplementary financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

Management believes that these non-IFRS measures, non-IFRS ratios and supplementary financial 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. Non-IFRS measures presented in this Management's Discussion & Analysis include certain figures from our Statement of Operations that are adjusted to exclude significant items. Although 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. Accordingly, 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.

Non-IFRS Measures (Adjusted Figures)

Figures that exclude significant items provide useful information by excluding certain items that may not be indicative of the Company's core operating results. Financial statement items that exclude significant items are non-IFRS measures. To calculate these non-IFRS financial statement items, we exclude certain items from our financial results prepared in accordance with IFRS. The items which have been excluded are referred to herein as significant items. The following is a description of the composition of the non-IFRS measures used in this MD&A (note that some significant items excluded may not be applicable to the calculation of the non-IFRS measure for each comparative period): (i) revenue excluding significant items, which is composed of revenue per IFRS excluding any applicable fair value adjustments on certain illiquid or restricted marketable securities, warrants and options as recorded for IFRS reporting purposes but which are excluded for management reporting purposes and are not used by management to assess operating performance; (ii) expenses excluding significant items, which is composed of expenses per IFRS less any applicable amortization of intangible assets acquired in connection with a business combination, acquisition-related expense items, which includes costs recognized in relation to both prospective and completed acquisitions, restructuring expense, certain incentive-based costs related to the acquisitions and growth initiatives of CGWM UK and the US and UK capital markets divisions, certain costs included in Corporate & Other development costs related to the expired management-led takeover bid for the common shares of the Company, impairment of goodwill and intangible assets in our Canadian capital markets operations, costs associated with the redemption of convertible debentures, costs associated with the reorganization of CGWM UK, fair value adjustment of certain contingent consideration in connection with prior acquisitions, and fair value adjustments to the derivative liability component of non-controlling interests in CGWM UK; (iii) overhead expenses excluding significant items, which are calculated as expenses excluding significant items less compensation expense; (iv) net income before taxes after intersegment allocations and excluding significant items, which is composed of revenue excluding significant items less expenses excluding significant items; (v) income taxes (adjusted), which is composed of income taxes per IFRS adjusted to reflect the associated tax effect of the excluded significant items; (vi) net income excluding significant items, which is net income before income taxes excluding significant items less income taxes (adjusted); (vii) non-controlling interests (adjusted), which is composed of the non-controlling interests per IFRS less the amortization of the equity component of the non-controlling interests in CGWM UK; and adjusted as applicable under the treasury stock method when dilutive and (viii) net income attributable to common shareholders excluding significant items, which is net income excluding significant items less non-controlling interests (adjusted) and preferred share dividends paid on the Series A and Series C Preferred Shares. Other items which have been excluded as significant items in prior periods for purposes of determining expenses, net income before taxes, net income and net income attributable to common shareholders all excluding significant items include impairment of goodwill and other assets, gains or losses related to business disposals including recognition of realized translation gains on the disposal of foreign operations, restructuring costs, certain accounting charges related to the change in the Company's long-term incentive plan (LTIP) as recorded with effect on March 31, 2018, and loss related to the extinguishment of convertible debentures as recorded for accounting purposes.

A reconciliation of non-IFRS measures that exclude significant items to the applicable IFRS measures from the unaudited interim condensed consolidated financial statements for the second quarter of fiscal 2024 can be found in the table entitled "Summary of results for Q2 and year-to-date fiscal 2024 selected financial information excluding significant items" on page 16.

Non-IFRS Ratios

Non-IFRS ratios are calculated using the non-IFRS measures defined above. For the periods presented herein, we have used the following non-IFRS ratios: (i) total expenses excluding significant items as a percentage of revenue which is calculated by dividing expenses excluding significant items by revenue excluding significant items; (ii) earnings per common share excluding significant items which is calculated by dividing net income attributable to common shareholders excluding significant items by the weighted average number of common shares outstanding (basic); (iii) diluted earnings per common share excluding significant items which is calculated by dividing net income attributable to common shareholders excluding significant items by the weighted average number of common shares outstanding (diluted), and (iv) pre-tax profit margin which is calculated by dividing net income before taxes excluding significant items by revenue excluding significant items.

Supplementary Financial Measures

Client assets are supplementary financial measures that do not have any definitions prescribed under IFRS and do not meet the definition of a non-IFRS measure or non-IFRS ratio. Client assets, which include both Assets under Management (AUM) and Assets under Administration (AUA), is a measure that is common to the wealth management business. Client assets is the market value of client assets managed and administered by the Company from which the Company earns interest, commissions and fees. This measure includes funds held in client accounts as well as the aggregate market value of long and short security positions. The Company's method of calculating client assets may differ from the methods used by other companies and therefore these measures may not be comparable to other companies. Management uses these measures to assess operational performance of the Canaccord Genuity Wealth Management business segment.

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, advisory 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, and Australia.

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.

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 advisory and 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, mergers and acquisitions (M&A), research, sales and trading services with capabilities in North America, the UK & Europe, Asia, and Australia. 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, brokerage and financial planning 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. Guernsey, Jersey and the Isle of Man are together referred to as the Crown Dependencies. Our wealth management operations in the UK and in the Crown Dependencies are together referred to as CGWM UK.

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.

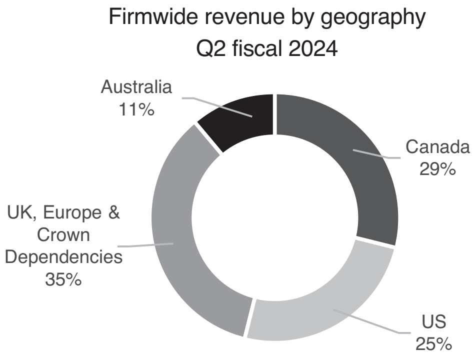
BUSINESS ACTIVITY

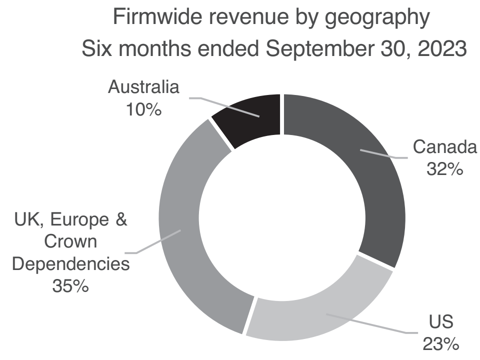
Our business is affected by the overall condition of the worldwide debt and equity markets.

The timing of revenue recognition can also materially affect the Company's quarterly results. The majority of revenue from underwriting and advisory transactions is recorded when the transaction has closed and, as a result, quarterly results can also be affected by the timing for the recognition of revenue for such transactions in our capital markets business.

The Company is diversified across industry sectors and geographies. To add to its recurring revenue base and to offset the inherent volatility of the capital markets business, the Company has continued to invest in increasing the scale of its global wealth management operations. Historically, the Company's diversification across major financial centres has allowed it to benefit from strong equity markets in certain regions and improve its capability for identifying and servicing opportunities in regional centres and across the Company's focus sectors.

The following chart depicts firmwide revenue contributions by geography for Q2 2024 and the six months ended September 30, 2023:



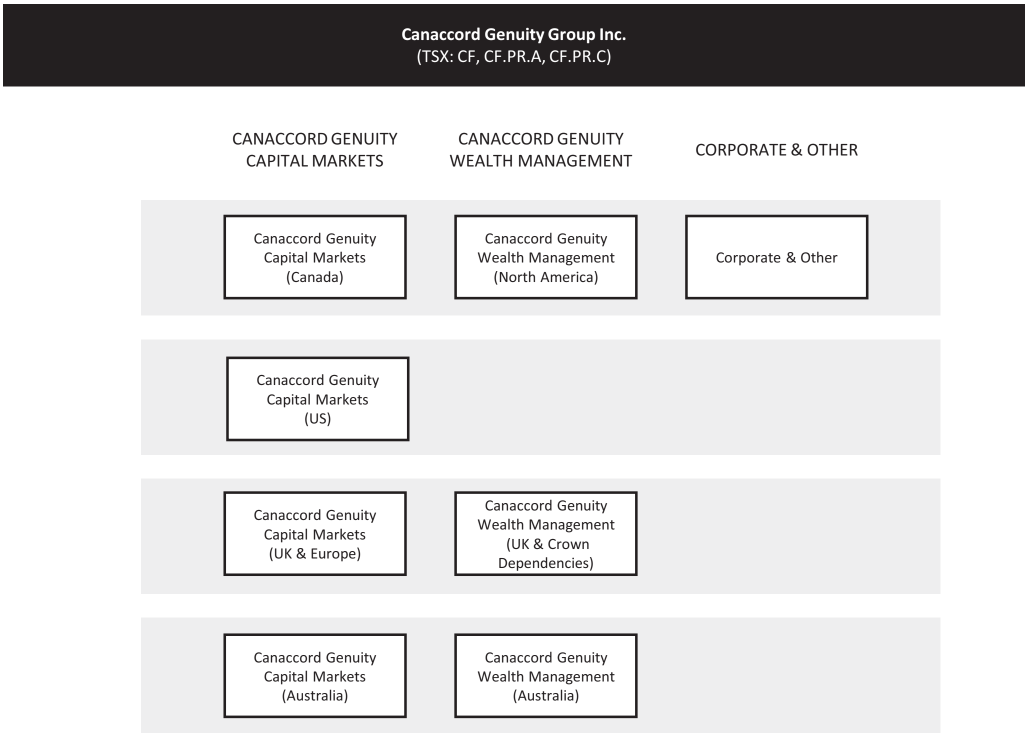


IMPACT OF CHANGES IN CAPITAL MARKETS ACTIVITY

As a brokerage firm, the Company derives its revenue primarily from sales commissions, underwriting, advisory fees, and trading activity. As a result, the Company's business is materially affected by conditions in the financial marketplace and the economic environment, primarily in North America and Europe, and to some degree Asia and Australia. Canaccord Genuity Group's long-term international business development initiatives over the past several years have laid a solid foundation for revenue diversification. A disciplined capital strategy allows the Company to remain competitive in a dynamic financial landscape.

The Company's capital markets activities are primarily focused in the following sectors: Healthcare & Life Sciences (which includes cannabis-related companies), Technology, Metals & Mining, Consumer & Retail, and Other. Coverage of these sectors includes investment banking, mergers and acquisitions (M&A) and advisory services, and institutional equity activities, such as sales, trading, and research. The value of client assets in the Company's wealth management businesses can be impacted by changes in market values during reporting periods.

BUSINESS SEGMENTS



The principal operating entities included in the business units described above are:

Canaccord Genuity Capital Markets (Canada)

Canaccord Genuity Corp. (capital markets division)

JitneyTrade Inc.

Canaccord Genuity Asia (Beijing) Limited

Canaccord Genuity (Hong Kong) Limited(1)

Canaccord Genuity Emerging Markets Ltd.

Canaccord Genuity Wealth Management (North America)

Canaccord Genuity Corp. (wealth management division)

Canaccord Genuity Wealth Management (USA) Inc.

Canaccord Genuity Wealth & Estate Planning Services Ltd.

Corporate and Other

Canaccord Genuity Corp. (corporate & other division)

Canaccord Genuity Group Inc.

Finlogik Inc.

Canaccord Genuity Capital Markets (US)

Canaccord Genuity LLC

Canaccord Genuity Petsky Prunier LLC

CG Sawaya, LLC

Canaccord Genuity Capital Markets (UK & Europe)

Canaccord Genuity Limited

Canaccord Genuity Wealth Management (UK & Crown Dependencies)

Canaccord Genuity Wealth Limited

CG Wealth Planning Ltd.

Canaccord Genuity Financial Planning Limited

Canaccord Genuity Asset Management Limited (previously "Hargreave Hale Limited")

Canaccord Genuity Wealth (International) Limited

Canaccord Genuity Wealth Group Holdings (Jersey) Limited

Canaccord Genuity Capital Markets (Australia)

Canaccord Genuity (Australia) Limited

Canaccord Genuity (Hong Kong) Limited(1)

Canaccord Genuity Wealth Management (Australia)

Canaccord Genuity Financial Limited

(1) Canaccord Genuity (Hong Kong) Limited is a shared resource for both Canaccord Genuity Capital Markets (Canada) and Canaccord Genuity Capital Markets (Australia).

Certain institutional investors acquired two series of the Convertible Preferred Shares issued by Canaccord Genuity Wealth Group Holdings (Jersey) Limited, a subsidiary of the Company and the parent of all operating companies included in CGWM UK. On an as-converted basis and subject to the liquidation preference associated with the Convertible Preferred Shares and Preference Shares issued to management and employees of CGWM UK, the Company holds an approximate 66.9% equity equivalent interest in Canaccord Genuity Wealth Group Holdings (Jersey) Limited. Terms of the Convertible Preferred Shares and Preference Shares are disclosed in Note 8 of the audited consolidated financial statements of the Company for the year ended March 31, 2023.

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 and Corporate and Other, respectively. In addition, operating results of Petsky Prunier LLC ("Petsky Prunier") since the closing date of February 13, 2019 and operating results of CG Sawaya, LLC ("Sawaya") since the closing date of September 30, 2022 are included as part of Canaccord Genuity Capital Markets US. Included as part of CGWM UK are the operating results of McCarthy Taylor Limited ("McCarthy Taylor") (renamed as CG McCarthy Taylor Limited) and whose operations were subsequently transferred to CG Wealth Planning Limited since the closing date of January 29, 2019, the operating results of Thomas Miller Wealth Management Limited ("Thomas Miller") (renamed as CG Wealth Planning Limited) since the closing date of May 1, 2019, the private client investment management business of Adam & Company (including the acquisition of the entire issued capital of Adam & Company Investment Management Limited) since the closing date of October 1, 2021, and the operating results of Punter Southall Wealth Limited ("PSW") since the closing date of May 31, 2022. Operating results for the business of Results International Group LLP ("Results") since the closing date of August 17, 2022 are included as part of Canaccord Genuity Capital Markets (UK & Europe)", and the Canadian private wealth management business of Mercer Global Investments Canada Limited, referred to as "Mercer", are included as part of the operating results of Canaccord Genuity Wealth Management Canada since the closing date of May 29, 2023.

Market Environment During Q2 fiscal 2024

Economic backdrop

Inflation remains above target and the US Federal Reserve (Fed) confirmed that interest rates would likely stay higher for longer at the September 2023 FOMC meeting. Elsewhere, many countries are experiencing recession-like conditions, and about one third of OECD countries posted an annual contraction in GDP at the end of the three-month period. In Canada, real GDP growth stands below the historical average and leading economic indicators suggest further weakness ahead.

The S&P 500, the S&P/TSX and the MSCI World index declined 3.3%, 2.2% and 3.3% respectively over the three-month period. A stronger US economy and Fed policies are among factors behind the jump of 76 bps in US 10-year Treasury bond yields throughout the second fiscal quarter. The US dollar appreciated 3.2% vs. the Canadian dollar, which depreciated 2.5% over the three-month period as recession risks continue.

Investment banking and advisory

Higher interest rates and slower economic growth are expected to continue impacting new issue activities, M&A, and debt financing. However, a modest upturn in announced M&A deals and debt issuance during the quarter suggests that we may be passing the lowest point.

Index Value at End of Fiscal Quarter	Q2/23		Q3/23		Q4/23		Q1/24		Q2/24		
	2022-09-30	(Y/Y)	2022-12-30	(Y/Y)	2023-03-31	(Y/Y)	2023-06-30	(Y/Y)	2023-09-29	(Y/Y)	(Q/Q)
S&P IFCI Global Small Cap	242.7	-28.6%	264.2	-22.3%	274.4	-12.0%	280.7	5.2%	278.2	14.6%	-0.9%
S&P IFCI Global Large Cap	196.9	-29.5%	213.7	-22.2%	221.0	-13.3%	221.1	-1.1%	213.5	8.4%	-3.5%

Source: Refinitiv Datastream, Canaccord Genuity estimates

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. Government regulation can also have a more profound impact on capital formation for smaller companies. Volatility in the business environment 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

Trading volumes across most of our core markets moderated from the previous quarter and year-ago levels despite small and mid-cap equity indexes outperforming their large-cap counterparts during fiscal Q2/24.

Average Value During Fiscal Quarter/Year	Q2/23		Q3/23		Q4/23		Q1/24		Q2/24		
	30-Sep-22	(Y/Y)	30-Dec-22	(Y/Y)	31-Mar-23	(Y/Y)	30-Jun-23	(Y/Y)	29-Sep-23	(Y/Y)	(Q/Q)
Russell 2000	1833.3	-17.9%	1793.7	-21.2%	1856.9	-9.7%	1797.8	-3.2%	1892.3	3.2%	5.3%
S&P 400 Mid Cap	2418.1	-10.3%	2426.1	-13.1%	2555.4	-4.3%	2492.7	0.7%	2624.6	8.5%	5.3%
FTSE 100	7297.3	3.0%	7275.8	0.5%	7755.5	4.2%	7692.6	3.5%	7508.6	2.9%	-2.4%
MSCI EU Mid Cap	1136.3	-19.2%	1126.1	-19.5%	1239.3	-5.7%	1229.9	1.1%	1209.4	6.4%	-1.7%
S&P/TSX	19328.7	-5.2%	19512.7	-7.3%	20184.0	-5.3%	20187.7	-1.8%	20156.3	4.3%	-0.2%

Source: Refinitiv Datastream, Canaccord Genuity estimates

Global wealth management

Despite a continued difficult market environment for equity markets during fiscal Q2/24, major large-cap equity indices ended the quarter above year-ago levels. Higher interest rates have supported returns in short-duration T-bills and bonds while higher bond yields offset some of those gains for long-duration fixed-income assets.

Total Return (excl. currencies)	Q2/23 Change (Q/Q)	Q3/23 Change (Q/Q)	Q4/23 Change (Q/Q)	Q1/24 Change (Q/Q)	Q2/24 Change (Q/Q)
S&P 500	-4.9%	7.6%	7.5%	8.7%	-3.3%
S&P/TSX	-1.4%	6.0%	4.6%	1.1%	-2.2%
MSCI EMERGING MARKETS	-8.0%	6.7%	3.8%	1.8%	-1.3%
MSCI WORLD	-6.7%	9.9%	7.4%	6.3%	-3.3%
S&P GS COMMODITY INDEX	-10.3%	3.4%	-4.9%	-2.7%	16.0%
US 10-YEAR T-BONDS	-5.8%	0.3%	4.3%	-1.9%	-5.1%
CAD/USD	-6.9%	2.0%	0.3%	2.1%	-2.5%
CAD/EUR	-0.4%	-6.6%	-1.0%	1.4%	0.6%

Source: Refinitiv Datastream, Canaccord Genuity estimates

Outlook

The economy has remained resilient despite the aggressive tightening cycle by the US Fed and world central banks, with past fiscal stimulus offsetting some of the negative impact from higher interest rates. Manufacturing activity remains weak, and we expect inventory levels to decline over the next quarter.

Additionally, wars in Ukraine and now in Israel present another layer of uncertainty regarding the direction of equity markets.

Inflation remains above central banks' targets, which suggests a higher-for-longer interest rate environment. The lagged impact of delivered rate hikes on the economy are expected to continue weighing on capital markets activity levels, and we expect muted growth conditions until world central banks initiate a monetary easing cycle. Although the economic environment remains challenging, our businesses remain well positioned to benefit from a recovery in business conditions and investor sentiment.

Core Business Performance Highlights

Second quarter and six-months fiscal year-to-date

	Three months ended							
	September 30, 2023				September 30, 2022			
	Canaccord Genuity Wealth Management	**Canaccord Genuity Capital Markets**	**Corporate and Other[1]**	**Total**	Canaccord Genuity Wealth Management	Canaccord Genuity Capital Markets	Corporate and Other[1]	Total
Revenue – adjusted[2]	**$187,226**	**$144,809**	**$ 5,473**	**$337,508**	$169,288	$205,697	$ 6,808	$381,793
Pre-tax income (loss) – adjusted[2]	**32,687**	**(6,330)**	**(9,866)**	**16,491**	27,678	26,249	(3,312)	50,615
Diluted earnings (loss) per share – adjusted[2]	**$ 0.12**	**$ (0.12)**	**$ —**	**$ (0.00)**	$ 0.15	$ 0.10	$ —	$ 0.25

(1) The losses of Corporate & Other are allocated to capital markets and wealth management segments based on revenue for the purpose of adjusted diluted earnings (loss) per share
(2) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 8.

	Six months ended							
	September 30, 2023				September 30, 2022			
	Canaccord Genuity Wealth Management	**Canaccord Genuity Capital Markets**	**Corporate and Other[1]**	**Total**	Canaccord Genuity Wealth Management	Canaccord Genuity Capital Markets	Corporate and Other[1]	Total
Revenue – adjusted[2]	**$378,251**	**$290,503**	**$12,197**	**$680,951**	$331,507	$369,834	$ 9,269	$710,610
Pre-tax income (loss) – adjusted[2]	**68,645**	**(13,972)**	**(5,286)**	**49,387**	52,377	30,357	(4,667)	78,067
Diluted earnings (loss) per share – adjusted[2]	**$ 0.31**	**$ (0.24)**	**$ —**	**$ 0.07**	$ 0.27	$ 0.09	$ —	$ 0.36

(1) The losses of Corporate & Other are allocated to capital markets and wealth management segments based on revenue for the purpose of adjusted diluted earnings (loss) per share
(2) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 8.

CANACCORD GENUITY WEALTH MANAGEMENT

Globally, Canaccord Genuity Wealth Management earned revenue of $187.2 million during the second fiscal quarter and $378.3 million fiscal year-to-date, representing year-over-year increases of 10.6% and 14.1% respectively. The increases are primarily attributable to the impact of increased interest revenue due to higher interest rates, partially offset by lower commission and fees and investment banking revenue. Excluding significant items, this division recorded net income before taxes of $32.7 million[1] for the second quarter and $68.6[1] million fiscal year-to-date, representing year-over-year increases of 18.1% and 31.1% respectively.

- Canaccord Genuity Wealth Management (North America) generated $70.8 million in revenue and, after intersegment allocations, recorded net income before taxes of $9.2 million in Q2/24. Fiscal year-to-date revenue in this business amounted to $143.4 million and net income before taxes and after intersegment allocations amounted to $18.2 million
- Wealth management operations in the UK & Crown Dependencies generated $101.0 million in revenue and, after intersegment allocations and excluding significant items, recorded net income before taxes of $22.7 million in the second quarter of fiscal 2024[1]. Fiscal year-to-date revenue in this business amounted to $204.2 million and net income before taxes and after intersegment allocations amounted to $49.4 million
- Wealth management operations in Australia generated revenue of $15.4 million and, after intersegment allocations and excluding significant items, recorded income before taxes of $0.8 million in the second quarter of fiscal 2024[1]. Fiscal year-to-date revenue in this business amounted to $30.6 million and income before taxes and after intersegment allocations amounted to $1.1 million

Firmwide client assets were $93.3 billion at September 30, 2023 representing an increase of $4.7 billion or 5.3% from $88.6 billion[2] in Q2/23. Client assets across the individual businesses as at September 30, 2023 were as follows:

- $35.3 billion in North America, an increase of $1.6 billion or 4.7% from September 30, 2022[2]
- $52.6 billion (£31.7 billion) in the UK & Crown Dependencies, an increase of $2.6 billion or 5.1% from $50.0 billion (£32.3 billion) at the end of second quarter of the previous fiscal year[2]
- $5.5 billion in Australia held through our investment management platform, an increase of $0.6 million or 12.1% from September 30, 2022[2]

CANACCORD GENUITY CAPITAL MARKETS

Globally, Canaccord Genuity Capital Markets earned revenue of $144.8 million for the second fiscal quarter, and $290.5 million fiscal year-to-date, year-over-year decreases of 29.6% and 21.5% respectively. The decreases primarily reflected substantially lower investment banking and advisory fees revenues in all geographies. Excluding significant items this division recorded net loss before income taxes of $6.3 million[1] for the second quarter and $14.0 million[1] fiscal year-to-date.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8.
(2) See Non-IFRS Measures on page 8.

Canaccord Genuity Capital Markets participated in a total of 150 investment banking transactions globally, raising total proceeds of $7.6 billion during the six months ended September 30, 2023.

Revenue by activity as a percentage of Canaccord Genuity Capital Markets revenue

	For three months ended September 30		Quarter-over-quarter change	For six months ended September 30		Year-over-year change
	2023	2022		**2023**	2022	
Commissions and fees	**27.2%**	17.9%	9.3 p.p.	27.7%	19.6%	8.1 p.p.
Investment banking	**21.3%**	17.3%	4.0 p.p.	20.8%	13.0%	7.8 p.p.
Advisory fees	**31.8%**	49.1%	(17.3) p.p.	29.7%	49.6%	(19.9) p.p.
Principal trading	**14.0%**	13.1%	0.9 p.p.	14.9%	14.9%	0.0 p.p.
Interest	**5.1%**	2.2%	2.9 p.p.	5.9%	2.0%	3.9 p.p.
Other	**0.6%**	0.4%	0.2 p.p.	1.0%	0.9%	0.1 p.p.
Canaccord Genuity Capital Markets (total)	**100.0%**	100.0%		100.0%	100.0%	

Further detail is provided in the Business Segment Results beginning on page 20.

SUMMARY OF CORPORATE DEVELOPMENTS DURING Q2/24

- On August 17, 2023, the Company filed a notice to renew its normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum 4,985,290 of its common shares during the period of August 21, 2023 to August 20, 2024, through the facilities of the TSX and 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. There were no shares purchased or cancelled during the six months ended September 30, 2023.
- On November 9, 2023, the Company announced that through its wealth management business in CGWM UK, it has entered into an agreement to acquire Intelligent Capital, a Financial Planning business based in Glasgow, Scotland with current assets under administration of approximately £220 million. Upon completion of the transaction, the business of Intelligent Capital will operate as part of Adam & Company, which is the Scottish operating division of CGWM UK. Closing is subject to regulatory approval and other customary closing conditions. The acquisition is expected to be completed within the Company's fourth fiscal quarter ended March 31, 2024.

Financial Overview

Q2 AND YEAR-TO-DATE FISCAL 2024 SELECTED FINANCIAL INFORMATION(1)(2)(5)

	Three months ended September 30				Six months ended September 30			
(C$ thousands, except per share and % amounts, and number of employees)	**2023**	2022	2021	QTD over QTD change	**2023**	2022	2021	YTD over YTD change
Canaccord Genuity Group Inc. (CGGI)								
Revenue								
Commissions and fees	**$ 181,128**	$ 182,770	$ 185,105	(0.9)%	**$ 365,898**	$ 363,693	$ 367,858	0.6%
Investment banking	**35,459**	43,772	106,261	(19.0)%	**72,420**	62,488	301,899	15.9%
Advisory fees	**46,126**	101,294	139,413	(54.5)%	**86,778**	184,238	217,407	(52.9)%
Principal trading	**20,299**	26,973	30,390	(24.7)%	**43,245**	55,194	83,038	(21.6)%
Interest	**50,708**	22,395	8,458	126.4%	**102,980**	37,211	16,125	176.7%
Other	**3,570**	3,318	5,534	7.6%	**9,293**	(4,932)	7,665	(288.4)%
Total revenue	**337,290**	380,522	475,161	(11.4)%	**680,614**	697,892	993,992	(2.5)%
Expenses								
Compensation expense	**199,666**	222,059	290,234	(10.1)%	**385,589**	420,503	612,560	(8.3)%
Other overhead expenses(3)	**128,381**	119,598	95,384	7.3%	**276,124**	229,040	186,724	20.6%
Acquisition-related costs	**—**	(179)	1,920	(100.0)%	**—**	7,403	1,920	(100.0)%
Restructuring costs	**14,789**	—	—	n.m.	**18,147**	—	—	n.m.
Fair value adjustment of non-controlling interest derivative liability	**13,250**	—	—	n.m.	**13,250**	—	—	n.m.
Change in fair value of contingent consideration	**(18,174)**	—	—	n.m.	**(18,174)**	—	—	n.m.
Costs associated with redemption of convertible debentures	**—**	—	468	—	**—**	—	5,932	—
Share of loss of an associate	**52**	12	118	n.m.	**70**	20	118	250.0%
Total expenses	**337,964**	341,490	388,124	(1.0)%	**675,006**	656,966	807,254	2.7%
(Loss) income before income taxes	**(674)**	39,032	87,037	(101.7)%	**5,608**	40,926	186,738	(86.3)%
Net (loss) income	**$ (5,867)**	$ 26,564	$ 61,785	(122.1)%	**$ (6,135)**	$ 23,560	$ 134,838	(126.0)%
Net (loss) income attributable to:								
CGGI shareholders	**$ (16,129)**	$ 17,170	$ 56,583	(193.9)%	**$ (26,665)**	$ 6,997	$ 128,584	n.m.
Non-controlling interests	**$ 10,262**	$ 9,394	$ 5,202	9.2%	**$ 20,530**	$ 16,563	$ 6,254	24.0%
(Loss) earnings per common share – diluted	**$ (0.20)**	$ 0.14	$ 0.49	(242.9)%	**(0.36)**	0.02	1.12	n.m.
Dividends per common share	**$ 0.085**	$ 0.085	$ 0.075	—	**0.17**	0.17	0.15	—
Total assets	**$ 5,460,190**	$ 6,269,473	$ 7,886,293	(12.9)%				
Total liabilities	**$ 4,135,250**	$ 4,859,278	$ 6,526,656	(14.9)%				
Non-controlling interests	**$ 346,169**	$ 330,355	$ 208,208	4.8%				
Total shareholders' equity	**$ 978,771**	$ 1,079,840	$ 1,151,429	(9.4)%				
Number of employees	**2,771**	2,845	2,430	(2.6)%				
Excluding significant items(5)								
Total revenue	**$ 337,508**	$ 381,793	$ 475,161	(11.6)%	**$ 680,951**	$ 710,610	$ 998,992	(4.2)%
Total expenses	**$ 321,017**	$ 331,178	$ 379,509	(3.1)%	**$ 631,564**	$ 632,543	$ 789,383	(0.2)%
Income before income taxes	**$ 16,491**	$ 50,615	$ 95,652	(67.4)%	**$ 49,387**	$ 78,067	$ 209,609	(36.7)%
Net income	**$ 10,717**	$ 35,426	$ 69,719	(69.7)%	**$ 30,150**	$ 55,361	$ 154,373	(45.5)%
Net income attributable to:								
CGGI shareholders	**$ 2,553**	$ 28,184	$ 65,677	(90.9)%	**$ 12,801**	$ 42,553	$ 149,279	(69.9)%
Non-controlling interests	**$ 8,164**	$ 7,242	$ 4,042	12.7%	**$ 17,349**	$ 12,808	$ 5,094	35.5%
Net (loss) income attributable to common shareholders, adjusted	**$ (299)**	$ 25,793	$ 63,326	(101.2)%	**$ 7,097**	$ 37,771	$ 144,577	(81.2)%
Earnings per common share – diluted	**$ 0.00**	$ 0.25	$ 0.58	(100.0)%	**$ 0.07**	$ 0.36	$ 1.31	(80.6)%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.

(2) The operating results of the Australian operations have been fully consolidated, and a 31.8% non-controlling interest has been recognized for the three and six months ended September 30, 2023 [three and six months ended September 30, 2022 – 32.7%]. The operating results of CGWM UK have been fully consolidated, and a non-controlling interest in the outstanding ordinary shares, Convertible Preferred Shares and Preference Shares of Canaccord Genuity Wealth Management Holdings (Jersey) Limited has been recognized for the three and six months ended September 30, 2023. On an as-converted basis and subject to the liquidation preference of the Convertible Preferred Shares the non-controlling interest requests a 33.1% equity equivalent [three and six months ended September 30, 2022 – 33.1%].

(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) Net income and earnings per common share excluding significant items reflect tax-effected adjustments related to such items. See Non-IFRS Measures on page 8 and the Selected Financial Information Excluding Significant Items table on page 16.

(5) Data includes the operating results of Results since August 17, 2022.

n.m.: not meaningful

Q2 AND YEAR-TO-DATE FISCAL 2024 SELECTED FINANCIAL INFORMATION EXCLUDING SIGNIFICANT ITEMS[1]

(C$ thousands, except per share and % amounts)	Three months ended September 30 2023	Three months ended September 30 2022	Quarter-over-quarter change	Six months ended September 30 2023	Six months ended September 30 2022	Year-over-year change
Revenue						
Revenue per IFRS	$ **337,290**	$ 380,522	(11.4)%	$ **680,614**	$ 697,892	(2.5)%
Significant items recorded in Corporate and Other						
Fair value adjustments on certain illiquid and restricted marketable securities	$ **218**	$ 1,271	(82.8)%	$ **337**	$ 12,718	(97.4)%
Total revenue excluding significant items[1]	$ **337,508**	$ 381,793	(11.6)%	$ **680,951**	$ 710,610	(4.2)%
Expenses						
Expenses per IFRS	$ **337,964**	$ 341,490	(1.0)%	$ **675,006**	$ 656,966	2.7%
Significant items recorded in Canaccord Genuity Capital Markets						
Amortization of intangible assets	$ **316**	$ 1,535	(79.4)%	$ **666**	$ 2,799	(76.2)%
Incentive based costs related to acquisitions	$ **362**	$ 437	(17.2)%	$ **935**	$ 804	16.3%
Restructuring costs	$ **12,673**	—	n.m.	$ **12,673**	—	n.m.
Acquisition-related costs	**—**	$ 1,477	(100.0)%	**—**	$ 1,477	(100.0)%
Change in fair value of contingent consideration	$ **(18,174)**	—	n.m.	$ **(18,174)**	—	n.m.
Significant items recorded in Canaccord Genuity Wealth Management						
Amortization of intangible assets	$ **5,727**	$ 5,944	(3.7)%	$ **11,366**	$ 10,256	10.8%
Restructuring costs	$ **810**	—	n.m.	$ **810**	—	n.m.
Acquisition-related costs	**—**	$ (1,656)	100.0%	**—**	$ 5,926	(100.0)%
Incentive based costs related to acquisitions	$ **926**	$ 1,265	(26.8)%	$ **2,214**	$ 1,851	19.6%
Significant items recorded in Corporate and Other						
Fair value adjustment of non-controlling interest derivative liability	$ **13,250**	—	n.m.	$ **13,250**	—	n.m.
Restructuring costs	$ **1,306**	$ —	n.m.	$ **4,664**	—	n.m.
Development costs	$ **(249)**	$ 1,310	(119.0)%	$ **15,038**	$ 1,310	n.m.
Total significant items[1]	$ **16,947**	$ 10,312	64.3%	$ **43,442**	$ 24,423	77.9%
Total expenses excluding significant items[1]	$ **321,017**	$ 331,178	(3.1)%	$ **631,564**	$ 632,543	(0.2)%
Net income before taxes – adjusted[1]	$ **16,491**	$ 50,615	(67.4)%	$ **49,387**	$ 78,067	(36.7)%
Income taxes (recovery) – adjusted[1]	$ **5,774**	$ 15,189	(62.0)%	$ **19,237**	$ 22,706	(15.3)%
Net income – adjusted[1]	$ **10,717**	$ 35,426	(69.7)%	$ **30,150**	$ 55,361	(45.5)%
Significant items impacting net income attributable to common shareholders						
Non-controlling interests – IFRS	$ **10,262**	$ 9,394	9.2%	$ **20,530**	$ 16,563	24.0%
Amortization of equity component of the non-controlling interests in CGWM UK and other adjustment	$ **2,098**	$ 2,152	(2.5)%	$ **3,181**	$ 3,755	(15.3)%
Non-controlling interests (adjusted)[1]	$ **8,164**	$ 7,242	12.7%	$ **17,349**	$ 12,808	35.5%
Preferred share dividends	$ **2,852**	$ 2,391	19.3%	$ **5,704**	$ 4,782	19.3%
Net income attributable to common shareholders excluding significant items[1]	$ **(299)**	$ 25,793	(101.2)%	$ **7,097**	$ 37,771	(81.2)%
Earnings per common share excluding significant items[1] – basic	$ **0.00**	$ 0.30	(100.0)%	$ **0.09**	$ 0.43	(79.1)%
Diluted earnings per common share excluding significant items[1] – diluted	$ **0.00**	$ 0.25	(100.0)%	$ **0.07**	$ 0.36	(80.6)%

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8.
n.m.: not meaningful

Impact of Convertible Preferred Shares on EPS

Diluted earnings per common share ("diluted EPS") and net income attributable to common shareholders are computed using the treasury stock method, giving effect to the exercise of all dilutive elements. The Convertible Preferred Shares issued by Canaccord Genuity Wealth Management Holdings (Jersey) Limited are factored into these measures by adjusting net income attributable to common shareholders of the Company to reflect our proportionate share of CGWM UK's earnings on an as converted basis if the calculation is dilutive. For the quarter and six months ended September 30, 2023, the effect of reflecting our proportionate share of CGWM UK's earnings is anti-dilutive under IFRS but dilutive for figures excluding significant items [1]. As such, the diluted EPS and net income attributable to common shareholders under IFRS for Q2 and YTD fiscal 2024 is computed based on net income attributable to common shareholders less accrued dividends on the Convertible Preferred Shares issued by

(1) See Non-IFRS Measures on page 8.

CGWM UK. Net income attributable to common shareholders excluding significant items(1) and diluted EPS excluding significant items (1) for the three and six months ended September 30, 2023 reflects the Company's proportionate share of CGWM UK's net income excluding significant items(1) on an as converted basis.

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

During Q1 fiscal 2024, the Company withdrew from its operations in Dubai. Our Dubai operations are previously included as part of Canaccord Genuity Capital Markets UK & Europe. 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.

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.

Utilizing management's preliminary estimates for revenue and operating performance, growth rates and other assumptions typically required in connection with discounted cash flow models the Company determined that there was no impairment in the goodwill associated with any of its wealth management business units in the UK & Crown Dependencies and Australia or its goodwill in Canaccord Genuity Capital Markets US and Canaccord Genuity Capital Markets UK. Notwithstanding this determination as of September 30, 2023, 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 the future. 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.

SECOND QUARTER AND YEAR-TO-DATE FISCAL 2024 VS. SECOND QUARTER AND YEAR-TO-DATE FISCAL 2023

Revenue

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

REVENUE BY ACTIVITY AS A PERCENTAGE OF FIRM-WIDE REVENUE

	For three months ended September 30			For six months ended September 30		
	2023	2022	Quarter-over-quarter change	**2023**	2022	Year-over-year change
Commissions and fees	**53.7%**	48.0%	5.7 p.p.	**53.9%**	52.1%	1.8 p.p.
Investment banking	**10.5%**	11.5%	(1.0) p.p.	**10.6%**	9.0%	1.6 p.p.
Advisory fees	**13.7%**	26.6%	(12.9) p.p.	**12.7%**	26.4%	(13.7) p.p.
Principal trading	**6.0%**	7.1%	(1.1) p.p.	**6.4%**	7.9%	(1.5) p.p.
Interest	**15.0%**	5.9%	9.1 p.p.	**15.1%**	5.3%	9.8 p.p.
Other	**1.1%**	0.9%	0.2 p.p.	**1.3%**	(0.7)%	2.0 p.p.
Canaccord Genuity Group Inc. (total)	**100.0%**	100.0%		**100.0%**	100.0%	

Firm-wide revenue for the three months ended September 30, 2023 was $337.3 million, a decrease of 11.4% or $43.2 million compared to the same period a year ago. Firmwide revenue for the six months ended September 30, 2023 was $680.6 million, a decrease of 2.5% or $17.3 million year-over-year. The most notable decrease was in advisory fees, which decreased by $55.2 million or 54.5% and $97.5 million or 52.9% year-over-year for the three and six-month period, respectively. This decline was partially offset by higher firm-wide interest revenue during the three and six-month periods, which increased by 126.4% and 176.7% year-over-year to $50.7 million and $103.0 million respectively.

Consolidated revenue in the Canaccord Genuity Capital Markets segment decreased by $60.9 million or 29.6% in Q2/24 compared to the same quarter in the prior year. Advisory fees revenue decreased by 54.4% or $54.9 million, mostly driven by a reduction in revenue earned by our US operations due to the challenging market environment for completion of advisory transactions. In addition, principal trading and investment banking revenue also decreased by 24.5% and 13.0% respectively compared to Q2/23. Partially offsetting these decreases were increases in interest revenue of 66.9% and commission and fees revenue of 7.3%. For the six-month period ended September 30, 2023, advisory fees revenue decreased by 53.0%, but interest, investment banking and commission and fees revenue increased by 141.5%, 25.9% and 10.9% respectively.

Revenue in our global wealth management operations amounted to $187.2 million for the three-month period and $378.3 million for the six-month period ended September 30, 2023, increases of 10.6% and 14.1% respectively. The increases were largely driven by higher interest revenue resulting from the higher interest rate environment.

Commissions and fees revenue is primarily generated from private client investment management trading activity and institutional sales and trading. Firm-wide revenue generated from commissions and fees decreased by $1.6 million or 0.9% to $181.1 million in Q2/24 compared to Q2/23. Fiscal year-to-date commissions and fees revenue was $365.9 million, an increase of 0.6% or $2.2 million compared to the same period a year ago.

Firm-wide investment banking revenue decreased by $8.3 million or 19.0% to $35.5 million in Q2/24 compared to Q2/23, reflecting the continued broad-market reduction in new issue activity. The largest decrease in our capital market operations was recorded in Canada, which amounted to $2.7 million or 30.1% when compared to second quarter of the prior fiscal year. Further contributing to the overall decrease in consolidated investment banking revenue was a decrease of $3.7 million or 44.7% in our Canaccord Genuity Wealth Management segment compared to Q2/23, reflecting the impact of reduced new issue activity in our Canadian and Australian wealth management businesses during the three-month period. Firm-wide investment banking revenue for the six months ended September 30, 2023 amounted to $72.4 million, a year-over-year increase of $9.9 million or 15.9%.

Firm-wide advisory fee revenue decreased by $55.2 million or 54.5% from the same quarter a year ago, to $46.1 million for Q2/24, and by 52.9% or $97.5 million to $86.8 million for the six months ended September 30, 2023, driven largely by the more challenging environment for completions against a strong pipeline and lower valuations, in-line with broader industry trends. Our US operations contributed $37.5 million or 81.2% of firm-wide advisory revenue in Q2/24 and $62.5 million or 72.1% of firm-wide advisory revenue for the fiscal year-to-date.

Firm-wide principal trading revenue was $20.3 million in Q2/24, representing a decrease of $6.7 million or 24.7% compared to Q2/23. For the six months ended September 30, firm-wide trading revenue was $43.2 million, a decrease of $11.9 million or 21.6% as a result of reduced market-wide trading activity compared to the same period in the prior year.

Firm-wide interest revenue was $50.7 million for the three months ended September 30, 2023, representing an increase of $28.3 million or 126.4% from Q2/23, largely attributable to our UK and Canadian wealth management operations, which contributed interest revenue of $25.5 million and $13.4 million respectively for the three-month period. Interest revenue for the first six months of fiscal 2024 was $103.0 million, an increase of $65.8 million or 176.7%, also mainly attributable to our UK and Canadian wealth management operations. The increase in interest revenue in both the three-month and six-month periods is attributable to the increase in market rates compared to the same periods in fiscal 2023.

Other revenue was $3.6 million for Q2/24, an increase of $0.3 million or 7.6% from the same period a year ago. On a year-to-date basis, other revenue increased by $14.2 million or 288.4%, mainly due to the fair value adjustment recorded in the first half of fiscal 2023 on certain illiquid or restricted marketable securities, resulting in a reduction in revenue of $12.7 million in the Corporate & Other segment in the comparative period.

Expenses

Firm-wide expenses for the three months ended September 30, 2023 were $338.0 million, a slight decrease of 1.0% or $3.5 million from Q2/23. Total expenses excluding significant items(1) as a percentage of revenue amounted to 95.1%, an increase of 8.4 percentage points compared to the three months ended September 30, 2022.

In connection with workforce reductions announced in August 2023, we incurred a restructuring charge of $14.8 million in the current fiscal quarter. As previously disclosed, the changes were implemented in light of our expectations for industry-wide activity levels going forward in the near-term and do not impact our day-to-day operations or client coverage.

For the six months ended September 30, 2023, expenses were $675.0 million compared to $657.0 million for the same period in the prior year, an increase of 2.7%. Total expenses excluding significant items(1) as a percentage of revenue increased by 3.7 percentage points compared to the six months ended September 30, 2022.

EXPENSES AS A PERCENTAGE OF REVENUE

	Three months ended September 30			Six months ended September 30		
	2023	2022	Quarter-over-quarter change	**2023**	2022	Year-over-year change
Compensation expense	**59.2%**	58.4%	0.8 p.p.	**56.7%**	60.3%	(3.6) p.p.
Other overhead expenses(1)	**38.1%**	31.3%	6.8 p.p.	**40.6%**	32.7%	7.9 p.p.
Acquisition-related costs	**0.0%**	0.0%	0.0 p.p.	**0.0%**	1.1%	(1.1) p.p.
Restructuring costs	**4.4%**	0.0%	4.4 p.p.	**2.7%**	0.0%	2.7 p.p.
Fair value adjustment of non-controlling interest derivative liability	**3.9%**	0.0%	3.9 p.p.	**1.9%**	0.0%	1.9 p.p.
Change in fair value of contingent consideration	**(5.4)%**	0.0%	(5.4) p.p.	**(2.7)%**	0.0%	(2.7) p.p.
Total	**100.2%**	89.7%	10.5 p.p.	**99.2%**	94.1%	5.1 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

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8

Compensation Expense

Firm-wide compensation expense in Q2/24 was $199.7 million, a decrease of $22.4 million or 10.1% compared to Q2/23. Total compensation expense as a percentage of revenue increased from 58.4% in Q2/23 to 59.2% in Q2/24, an increase of 0.8 percentage points.

Compensation expense for the six months ended September 30, 2023 was $385.6 million, a decrease of $34.9 million or 8.3% compared to the same period in the prior year. Compensation expense as a percentage of revenue decreased by 3.6 percentage points to 56.7% for the six months ended September 30, 2023 primarily as a result of changes in the value of certain unvested stock-based compensation awards.

OTHER OVERHEAD EXPENSES

	Three months ended September 30			Six months ended September 30		
(C$ thousands, except % amounts)	**2023**	2022	Quarter-over-quarter change	**2023**	2022	Year-over-year change
Trading costs	**$ 19,849**	$ 23,809	(16.6)%	**$ 41,827**	$ 48,557	(13.9)%
Premises and equipment	**5,931**	5,400	9.8%	**11,750**	10,223	14.9%
Communication and technology	**21,836**	20,545	6.3%	**44,448**	39,900	11.4%
Interest	**22,909**	10,519	117.8%	**46,220**	18,343	152.0%
General and administrative	**32,101**	31,536	1.8%	**67,257**	62,292	8.0%
Amortization(1)	**9,934**	11,068	(10.2)%	**19,837**	19,263	3.0%
Amortization of right of use assets	**6,587**	6,388	3.1%	**12,927**	13,203	(2.1)%
Development costs	**9,234**	10,333	(10.6)%	**31,858**	17,259	84.6%
Total other overhead expenses	**$ 128,381**	$ 119,598	7.3%	**$ 276,124**	$ 229,040	20.6%

(1) Includes amortization of intangible assets. See the Selected Financial Information Excluding Significant Items table on page 16.

Other overhead expenses were $128.4 million, an increase of 7.3% in Q2/24 compared to Q2/23 primarily as a result of an increase in interest costs. As a percentage of revenue, other overhead expenses were 38.1% in Q2/24 compared to 31.4% in Q2/23, an increase of 6.7 percentage points.

Interest expense increased by $12.4 million or 117.8% compared to Q2/23, primarily as a result of higher interest expense in our CGWM UK due to the increased interest rates on bank loans to finance growth in this business. Interest expense in our Canadian capital markets operations also increased by $1.1 million or 57.8% due to increased stock borrowing activity and higher interest rates.

Partially offsetting the increased interest expense were declines in amortization expense of $1.1 million or 10.2% compared to Q2 fiscal 2023 due to lower amortization expense related to the intangible assets acquired in connection with previous acquisitions.

Other overhead expenses for the six months ended September 30, 2023 increased by $47.1 million to $276.1 million, an increase of 20.6% from the same period a year ago. As a percentage of revenue, other overhead expenses increased by 7.8 percentage points compared to the six months ended September 30, 2022. The most significant increases in overhead expenses include interest expense due to higher interest rates, as well as higher general and administrative expense and communication and technology expense to support the expanded business and increased investment in our regulatory compliance capabilities. For the first six months of fiscal 2024, development costs were $31.9 million compared to $17.3 million for the same period in the prior year largely driven by professional fees and other costs in our Corporate & Other segment related to the expired management take-over bid.

During the six months ended September 30, 2023, the Company recorded a fair value adjustment of $13.3 million related to the derivative liability component of the non-controlling interests related to the Convertible Preferred Shares issued by CGWM UK.

In addition, the Company recorded a fair value adjustment of $18.2 million related to the reduction in the contingent consideration liability recorded in connection with the acquisition of Sawaya.

Income Tax

Income tax expense for the three months ended September 30, 2023 was $5.2 million on a net loss before income taxes of $0.7 million compared to tax expense of $12.5 million on income before income taxes of $39.0 million in Q2/23. The change in effective tax rate was largely due to remeasurement of deferred tax assets related to unvested awards in connection with share-based payment plans, and changes in the value of stock-based awards compared to the previous quarter, as well as certain expenses not deductible for corporate income tax purposes.

For the six months ended September 30, 2023, income tax expense was $11.7 million on net income before income taxes of $5.6 million compared to income tax expense of $17.4 million on net income before income taxes of $40.9 million for the same period in the prior year. The change in effective tax rate was largely due to remeasurement of deferred tax assets related to unvested awards in connection with share-based payment plans, and changes in the value of stock-based awards compared to the previous period.

Net (Loss) Income

Net loss for Q2/24 was $5.9 million compared to net income of $26.6 million in the same period a year ago. Loss attributable to common shareholders was $19.0 million compared to net income attributable to common shareholders of $14.8 million for the three months ended September 30, 2022. Diluted loss per common share was $0.20 in Q2/24 compared to diluted earnings per common share of $0.14 in Q2/23.

[1] Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8

Net loss for the six months ended September 30, 2023 was $6.1 million compared to net income of $23.6 million in the same period a year ago. Net loss attributable to common shareholders was $32.4 million compared to net income attributable to common shareholders of $2.2 million for the six months ended September 30, 2022. Diluted loss per common share was $0.36 in the current period compared to diluted earnings per common share of $0.02 in the same period in the prior year.

Excluding significant items[(1)], net income for Q2/24 was $10.7 million compared to net income of $35.4 million in Q2/23. Net loss attributable to common shareholders excluding significant items[(1)] was $0.3 million compared to net income attributable to common shareholders excluding significant items[(1)] of $25.8 million for same period in the prior year. Diluted earnings per common share excluding significant items[(1)] was $0.00 in Q2/24 compared to diluted earnings per common share excluding significant items[(1)] of $0.25 in Q2/23.

Excluding significant items[(1)] and before non-controlling interests and preferred share dividends, year to date net income for fiscal 2024 was $30.2 million compared to net income of $55.4 million for the same period in fiscal 2023. Net income attributable to common shareholders excluding significant items[(1)] was $7.1 million compared to $37.8 million for the six-month period a year ago. Diluted earnings per common share, excluding significant items[(1)], were $0.07 for the six-month period compared to diluted earnings per common share excluding significant items[(1)] of $0.36 for the same period in the prior year.

Business Segment Results – Q2/24 and six months ended September 30, 2023 compared with Q2/23 and six months ended September 30, 2022

CANACCORD GENUITY CAPITAL MARKETS

Overview

Canaccord Genuity Capital Markets provides a full range of investment banking, advisory, equity research, and sales and trading services to corporate, institutional and government clients and also conducts principal trading activities. The Company has capital markets has offices and employees in 20 locations in Canada, the US, the UK & Europe, Australia, and Asia.

Our capital markets division has over 800 employees who are organized into product, industry, geographic and support groups. Our industry coverage groups are focused in key growth sectors of the global economy and are primarily focused in the Technology, Healthcare and Life Sciences (which includes Cannabis), Metals and Mining, and Consumer sectors, with additional exposure to the Diversified, Transportation & Industrials, Energy, and Structured Products & Sustainability sectors. Our capabilities include private placements, equity and debt underwriting, initial public offerings, follow-on offerings, at-the-market offerings, debt finance and restructuring, advisory (which includes mergers, acquisitions, and private capital/financial sponsor advisory services), principal trading, block trades and market making.

A disciplined mid-market focus with global alignment efforts have firmly entrenched Canaccord Genuity Capital Markets as a leading global independent investment bank specializing in its core focus sectors and geographies. Canaccord Genuity Capital Markets' integrated global platform and disciplined focus in key growth sectors of the global economy provides a competitive advantage. Canaccord Genuity Capital Markets is focused on providing execution capabilities and specialized knowledge within its core focus sectors across geographies, thereby providing a differentiated service when compared to other global investment banks.

Outlook

Canaccord Genuity Capital Markets continues to take steps to advance its market position as a mid-market leader in many of the Company's key markets. Management intends to focus on capturing operating efficiencies and strengthening the global platform through further integration of our global capabilities and by further enhancing cross-border coordination among our global offices.

The Company expects continued benefits from its investments to grow contributions from higher-margin advisory activities as it has expanded its operations with the acquisitions of Results (fiscal 2023), Sawaya Partners (fiscal 2022), and Petsky Prunier (fiscal 2019).

The dynamic nature of the operating environment for global mid-market capital markets activities requires us to maintain a level of agility in our business mix that allows us to stay competitive and meet the evolving needs of our clients. For this reason, the Company will continue to make disciplined investments, as appropriate, to further strengthen our operations in areas where we believe we can capture additional market share.

The Company remains committed to operating our capital markets businesses as efficiently as possible in order to protect our capacity to deliver market-leading expertise and execution services throughout all market cycles. A culture of cost containment continues to be reinforced throughout the Company, and strategies to lower operating costs in this division over the long term continue to be explored.

(1) See Non-IFRS Measures on page 8

FINANCIAL PERFORMANCE[1][2]

(C$ thousands, except number of employees and % amounts)	Three months ended September 30 2023	2022	Quarter-over-quarter change	Six months ended September 30 2023	2022	Year-over-year change
Revenue	$ 144,809	$ 205,697	(29.6)%	$ 290,503	$ 369,834	(21.5)%
Expenses						
Compensation expense	90,936	115,803	(21.5)%	176,142	212,343	(17.0)%
Other overhead expenses	56,500	60,446	(6.5)%	121,186	120,598	0.5%
Acquisition-related costs	—	1,477	(100.0)%	—	1,477	(100.0)%
Change in fair value of contingent consideration	(18,174)	—	n.m.	(18,174)	—	n.m.
Restructuring costs	12,673	—	n.m.	12,673	—	n.m.
Total expenses	141,935	177,726	(20.1)%	291,827	334,418	(12.7)%
Intersegment allocations[3]	4,381	5,171	(15.3)%	8,748	10,139	(13.7)%
(Loss) income before income taxes[3]	$ (1,507)	$ 22,800	(106.6)%	$ (10,072)	$ 25,277	(139.8)%
Non-controlling interest[2]	980	947	3.5%	1,798	1,596	12.7%
Number of employees	822	911	(9.8)%			
Excluding significant items[4]						
Total expenses	$ 146,758	$ 174,277	(15.8)%	$ 295,727	$ 329,338	(10.2)%
Intersegment allocations[3]	4,381	5,171	(15.3)%	8,748	10,139	(13.7)%
(Loss) income before income taxes[3]	$ (6,330)	$ 26,249	(124.1)%	$ (13,972)	$ 30,357	(146.0)%
Non-controlling interest[2]	980	947	3.5%	1,798	1,596	12.7%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.
(2) The operating results of Canaccord Genuity (Australia) Limited have been consolidated and a 31.8% non-controlling interest had been recognized and included in the Canaccord Genuity Capital Markets business segment for the three and six months ended September 30, 2023 [three and six months ended September 30, 2022 – 32.7%]. 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) (Loss) income before income taxes includes intersegment allocated costs. See the Intersegment Allocated Costs section on page 29.
(4) Refer to the Selected Financial Information Excluding Significant Items table on page 16.
p.p.: percentage points

REVENUE – CANACCORD GENUITY CAPITAL MARKETS

Revenue from Canaccord Genuity Capital Markets is generated from commissions and 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. In Australia and Canada, revenue is also earned through warrant and inventory positions which are included as part of investment banking revenue. The value of these positions can fluctuate with changes in the market environment.

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

	Three months ended September 30 2023	2022	Quarter-over-quarter change	Six months ended September 30 2023	2022	Year-over-year change
Revenue generated in:						
Canada	17.0%	15.7%	1.3 p.p	22.5%	12.6%	9.9 p.p
UK & Europe	11.8%	11.1%	0.7 p.p	10.5%	13.2%	(2.7) p.p
US	56.6%	62.6%	(6.0) p.p	53.5%	68.4%	(14.9) p.p
Australia	14.6%	10.6%	4.0 p.p	13.5%	5.8%	7.7 p.p
Canaccord Genuity Capital Markets (total)	100%	100%		100%	100%	

p.p.: percentage points

Canaccord Genuity Capital Markets generated revenue of $144.8 million for the three months ended September 30, 2023, a decrease of 29.6% or $60.9 million from the same quarter a year ago. Our US capital markets business was the largest contributor of revenue for the three-month period, which amounted to $82.0 million, or 56.6% of total capital markets revenue. Second quarter revenue in the US business decreased by $46.8 million or 36.3% year-over-year. Revenue in our Canadian and UK & Europe businesses decreased by $7.8 million or 24.0% and $5.7 million or 25.0% year-over-year, respectively. In our Australian capital markets business, Q2/24 revenue decreased modestly by 2.9% year-over-year to $21.1 million.

For the six months ended September 30, 2023, revenue for our global capital markets operations was $290.5 million, a decrease of $79.3 million or 21.5% compared to the corresponding period in the prior year.

Declines in the three- and six-month periods were attributable to the market-wide reduction in activity levels, primarily in investment banking and the more difficult environment for completions of advisory transactions.

Investment banking

The substantial reduction in market-wide underwriting activities has persisted through the first six months of fiscal 2024, and this has especially impacted smaller issuers in several of our key growth sectors. Revenue from the Metals & Mining sector, a historic area of strength for the Company, reflects contributions from Australia, Canada and the UK. Revenue from Healthcare sectors was led by our US and Canadian capital markets businesses and includes transactions with companies in the cannabis sector. Revenue in the Other segment was led by our UK and Canadian businesses and included transactions with companies in the energy sector.

Investment banking revenue for the three months ended September 30, 2023 was $30.9 million, a decrease of $4.6 million or 13.0% year over year. Investment banking revenue for the six-month period was $60.4 million, an increase of $12.4 million or 25.9% compared to the first six months of fiscal 2023, which was impacted by the sharp decline in the market value of certain inventory and warrant positions related to our investment banking activities in Canada and Australia as well as certain market value adjustments related to our facilitation activity in Canada.

Canaccord Genuity Capital Markets' transactions and revenue by focus sectors are detailed below.

INVESTMENT BANKING REVENUE BY SECTOR (AS A % OF INVESTMENT BANKING REVENUE FOR EACH GEOGRAPHIC REGION)

	Fiscal year-to-date for the six months ended September 30, 2023				
Sectors	Global	Canada	US	UK	Australia
Life Sciences	**14%**	10%	45%	0%	9%
Technology	**11%**	3%	28%	0%	10%
Metals & Mining	**53%**	52%	1%	33%	69%
Consumer & Retail	**3%**	2%	0%	0%	5%
Other	**19%**	33%	26%	67%	7%
Total	**100.0%**	100.0%	100.0%	100.0%	100.0%

Note for reference in the tables above: transactions with companies in the cannabis sector in Canada are included under the Healthcare sector.

Advisory

Increasing contributions from higher-margin advisory activities helps to offset the inherent volatility of our capital raising activities and continues to be an important strategic priority for the Company. Our specialized expertise in key sectors of the economy and track record of success in equity capital markets activities positions us well to unlock opportunities for our clients as they grow. We lead a wide variety of sell-side and buy-side strategic advisory mandates both domestically and cross border, and we have also established leadership in alternative financing vehicles. Advisory revenue earned in Q2/24 was $46.0 million, a decrease of $54.9 million or 54.4% when compared to the same period last year and reflects the more challenging environment for completions in the second quarter. Revenue in the first six months of fiscal 2024 earned through capital markets advisory activities decreased by 53.0% year-over-year to $86.3 million. Our US business was the largest contributor in this segment, with advisory revenue of $62.5 million. Advisory fees revenue in our Canadian and UK capital markets operations decreased by 18.5% and 59.8%, respectively compared to the six months ended September 30, 2022.

ADVISORY FEES REVENUE BY SECTOR (AS A % OF ADVISORY FEES REVENUE FOR EACH GEOGRAPHIC REGION)

	Fiscal year-to-date for the six months ended September 30, 2023			
Sectors	Global	Canada	US	UK
Life Sciences	**13%**	61%	13%	6%
Technology	**77%**	0%	86%	45%
Metals & Mining	**1%**	28%	0%	4%
Consumer & Retail	**5%**	0%	1%	26%
Other	**4%**	11%	0%	19%
Total	**100.0%**	100.0%	100.0%	100.0%

Principal trading

Principal trading revenue for the three months ended September 30, 2023 was $20.3 million, a decrease of $6.6 million or 24.5% compared to Q2/23. For the six months ended September 30, 2023, revenue earned from principal trading activity amounted to $43.3 million, a decrease of $12.0 million or 21.6% compared to the same period in the prior fiscal year, primarily a reflection of lower market volatility which decreased market activity and revenue opportunities when compared to same period in the prior year. Our US business contributed $35.7 million of trading revenues for the six-month period largely attributable to the International Equities Group.

Commissions and Fees

Commissions and fees revenue was $39.5 million and $80.5 million for the three and six-month periods ended September 30, 2023, increases of 7.3% and 10.9%, respectively, reflecting higher client trading activity and increased new issue activity. Commissions and fees revenue in our Canadian and UK operations increased by $3.1 million or 41.3% and $1.2 million or 32.8%, respectively, compared to Q2/23, partially offset by a decrease in our US operations of $1.7 million or 7.7% year over year.

EXPENSES – CANACCORD GENUITY CAPITAL MARKETS

Expenses in our Canaccord Genuity Capital Markets division for the three months ended September 30, 2023 were $141.9 million, a decrease of 20.1% or $35.8 million compared to the same period a year ago. For the six-month period ended September 30, 2023, expenses decreased by $42.6 million or 12.7% to $291.8 million. As a percentage of revenue, total expenses excluding significant items[1] increased by 16.6 percentage points and 12.7 percentage points, respectively, for the three and six-month period ended September 30, 2023 compared to the same period in the prior year due to the fixed nature of certain overhead expenses.

Compensation expense

Partly reflecting the reduction in incentive-based revenue, compensation expense in our capital markets division for the three and six months ended September 30, 2023 decreased by $24.9 million or 21.5% and $36.2 million or 17.0%, respectively, compared to the same period in the prior year. Total compensation expense as a percentage of revenue for the three months ended September 30, 2023 was 62.8%, an increase of 6.5 percentage points compared to Q2/23. On a year-to-date basis, total compensation ratio was 60.6%, an increase of 3.2 percentage points from the same period in the prior year.

In the US and UK capital markets operations, total compensation as a percentage of revenue for Q2/24 increased by 5.5 percentage points and 11.9 percentage points respectively when compared to the same period in the prior year, due to the decrease in revenue as well as fixed compensation levels. In Australia, compensation ratio decreased slightly by 0.2 percentage points compared to the second quarter of fiscal 2023. In Canada, total compensation as a percentage of revenue increased by 12.7 percentage points as a result of fixed staff costs relative to the decrease in revenue during the period. In addition, total compensation as a percentage of revenue for all the regions were negatively impacted by changes in the fair value of certain awards granted in prior periods in connection with share-based payment plans.

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

	Three months ended September 30			Six months ended September 30		
	2023	2022	Quarter-over-quarter change	**2023**	2022	Year-over-year change
Canada	**66.7%**	54.0%	12.7 p.p	**50.5%**	65.2%	(14.7) p.p
UK & Europe	**63.9%**	52.0%	11.9 p.p	**73.1%**	57.9%	15.2 p.p
US	**63.0%**	57.5%	5.5 p.p	**63.7%**	57.3%	6.4 p.p
Australia	**56.7%**	56.9%	(0.2) p.p	**55.9%**	41.2%	14.7 p.p
Canaccord Genuity Capital Markets (total)	**62.8%**	56.3%	6.5 p.p	**60.6%**	57.4%	3.2 p.p

p.p.: percentage points

Other overhead expenses

Trading costs decreased by 24.0% or $4.6 million and 19.6% or $7.6 million for the three- and six- months periods, mainly as a result of reduced trading activity in our Canadian and US operations. Amortization expense also decreased by 38.7% or $1.1 million in Q2/24 and 31.2% or $1.6 million fiscal year-to-date when compared to same periods of the prior year due to lower amortization of intangible assets acquired in connection with previous acquisitions.

Partially offsetting the decreases in other overhead expenses is an increase of $1.2 million or 31.5% and $3.6 million or 48.5% on a quarterly and year-to-date basis in interest expense, largely driven by stock borrowing activity in our Canadian capital markets operations and higher interest rates. Premises and equipment expense increased by $2.2 million or 60.1% compared to the six months ended September 30, 2022 due to an increase in allocation from the Corporate & Other segment.

There were restructuring costs of $12.7 million recorded in the second quarter of fiscal 2024 related to the headcount reduction as previously announced. During the six months ended September 30, 2022, there were acquisition-related costs of $1.5 million in relation to the acquisition of Results. There were no acquisition-related costs in the current period.

In addition, the Company recorded a fair value adjustment of $18.2 million related to fair value changes in the contingent consideration liability in connection with the acquisition of Sawaya during the second quarter of fiscal 2024.

(Loss) income before income taxes

Loss before income taxes including allocated overhead expenses for the three months ended September 30, 2023 was $1.5 million for our combined capital markets business, compared to net income of $22.8 million in the same period a year ago. Excluding significant items[1] net loss before taxes was $6.3 million in Q2/24 compared to net income before taxes of $26.2 million in the same period of fiscal 2023.

For the six months ended September 30, 2023, loss before income taxes including allocated overhead expenses was $10.1 million compared to net income before income taxes of $25.3 million for the first six months of fiscal 2023. Excluding significant items[1] net loss before income taxes was $14.0 million compared to net income before income taxes of $30.4 million in the corresponding period in the prior year.

CANACCORD GENUITY WEALTH MANAGEMENT

Overview

The Company has wealth management operations in Canada, the UK & Crown Dependencies, and Australia.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8

Canaccord Genuity Group's wealth management division provides a range of comprehensive financial services and investment products to individual investors (private clients), institutions and intermediaries, and charities. Revenue from wealth management operations is generated through traditional commission-based brokerage services; management of fee-based accounts, the sale of fee-based products and services; and client-related interest. Additionally, Investment Advisors (IAs) in Canada and Australia earn fees and commissions revenue from investment banking and venture capital transactions.

In the UK & Crown Dependencies, Canaccord Genuity Wealth Management had 16 offices in the UK, Guernsey, Jersey and the Isle of Man on September 30, 2023. Revenue earned by this business is largely generated through fee-based accounts, portfolio management, interest and financial planning activities. Fee-related revenue as a percentage of total revenue in this business was 86.3% for the three months ended September 30, 2023. The business offers services to domestic (UK) and international clients and provides investing options from both third party and proprietary financial products, including investment funds managed by Canaccord Genuity Wealth Management portfolio managers. This business had 256 Investment Professionals on September 30, 2023.

On September 30, 2023, Canaccord Genuity Wealth Management had 9 offices located across Canada, including Investment Advisors who are also registered in the US. Fee-related revenue as a percentage of total revenue in this business was 52.1% for the three months ended September 30, 2023. This business had 147 Advisor teams on September 30, 2023.

In Australia, Canaccord Genuity Wealth Management had 9 offices on September 30, 2023. This business had 116 Advisor teams on September 30, 2023.

Outlook

Our strategic shift to strengthening contributions from our global wealth management segment continues to be a major focus for the Company. Management's priorities for Canaccord Genuity Wealth Management will be focused on growing assets under administration and management and increasing the proportion of fee-based revenue as a percentage of total revenue. By increasing recurring revenue streams, we expect to meaningfully make our business less sensitive to trading activity associated with transaction-based revenue.

We continue to explore a range of opportunities for profitable growth in our global wealth management segment. Alongside investments in talent and acquisitions, we are actively building our specialist network in technology, sustainability, and other growth areas, to keep pace as investors continue to reshape their investment needs.

The Company expects to continue to pursue strategic opportunities to increase the scale of its wealth management business in the UK & Crown Dependencies.

Certain institutional investors acquired two series of Convertible Preferred Shares issued by Canaccord Genuity Wealth Group Holdings (Jersey) Limited, a subsidiary of the Company and the parent of all operating companies included in CGWM UK. On an as converted basis and subject to the liquidation preference associated with the Convertible Preferred Shares and Preference Shares issued to management of CGWM UK, the Company holds an approximate 66.9% equity equivalent interest in Canaccord Genuity Wealth Group Holdings (Jersey) Limited.

In Canada, the Company continues to pursue opportunities for profitable growth with a focus on enhancing margins, managing costs, and growing the business through targeted recruitment and other initiatives aimed at increasing client assets and revenue from fee-based activities. An important focus is the recruiting and retention of IAs. While the recruiting environment remains competitive, our ability to attract and retain high quality advisors is based on the benefits of our independent platform, which provides access to global resources and expertise, supported by investments to advance our technology and product offering, and a multi-year track record of revenue growth and profitability. We maintain a strong focus on investing in technology and training programs and building a comprehensive suite of products targeted at attracting high net worth investors and providing resources to advisors to help them grow their businesses.

In Australia, the Company intends to continue to build upon the success of its expanded wealth management operations. Continued expansion is expected to occur through targeted recruiting and the build-out of wealth management services and products, in addition to the leveraging of the benefits provided by its connection to Canaccord Genuity's capital markets business in the region.

FINANCIAL PERFORMANCE – CANACCORD GENUITY WEALTH MANAGEMENT NORTH AMERICA(1)(2)

(C$ thousands, except AUM and AUA (in C$ millions), number of employees, Advisory Teams and % amounts)	Three months ended September 30 2023	2022	Quarter-over-quarter change	Six months ended September 30 2023	2022	Year-over-year change
Revenue	**$ 70,813**	$ 73,429	(3.6)%	**$ 143,427**	$ 146,390	(2.0)%
Expenses						
Compensation expense	**37,403**	40,918	(8.6)%	**75,107**	83,135	(9.7)%
Other overhead expenses	**19,728**	17,890	10.3%	**41,581**	36,322	14.5%
Restructuring costs	**158**	—	n.m.	**158**	—	n.m.
Total expenses	**$ 57,289**	$ 58,808	(2.6)%	**$ 116,846**	$ 119,457	(2.2)%
Intersegment allocations(2)	**5,043**	4,889	3.1%	**9,108**	10,704	(14.9)%
Income before income taxes(2)	**$ 8,481**	$ 9,732	(12.9)%	**$ 17,473**	$ 16,229	7.7%
AUM (discretionary)(3)	**10,112**	8,047	25.7%			
AUA(4)	**35,309**	33,739	4.7%			
Number of Advisory Teams	**147**	149	(1.3)%			
Number of employees	**526**	506	4.0%			
Excluding significant items(5)						
Total expenses	**$ 56,581**	$ 58,808	(3.8)%	**$ 116,118**	$ 119,457	(2.8)%
Intersegment allocations(2)	**5,043**	4,889	3.1%	**9,108**	10,704	(14.9)%
Income before income taxes(2)	**$ 9,189**	$ 9,732	(5.6)%	**$ 18,201**	$ 16,229	12.2%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.

(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 29.

(3) AUM in Canada include 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. See Non-IFRS Measures on page 8.

(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. See Non-IFRS Measures on page 8.

(5) Refer to Non-IFRS Measures on page 8 and the Selected Financial Information Excluding Significant Items table on page 16.

Revenue from Canaccord Genuity Wealth Management North America was $70.8 million, a decrease of $2.6 million or 3.6% compared to the three months ended September 30, 2022. The decrease was primarily driven by a decline in investment banking revenue due to lower new issue activity, which was partially offset by higher interest revenue, which increased by 20.3% year-over-year to $13.4 million for the three-month period. For the six months ended September 30, 2023, revenue was $143.4 million, a reduction of $3.0 million or 2.0% due to the declines in commissions and fees and investment banking revenue, partially offset by a 39.3% increase in interest revenue driven by higher interest rates.

AUA(1) in Canada increased by 4.7% to $35.3 billion at September 30, 2023, compared to $33.7 billion at September 30, 2022, reflecting net inflows and new client assets from our acquisition of Mercer's Canadian private wealth business completed on May 29, 2023, partially offset by a reduction in market values. At September 30, 2023, there were 147 Advisory Teams in Canada, a decrease of 2 from a year ago. Fee-related revenue in our North American operations as a percentage of total revenue increased by 5.1 percentage points compared to the three months in fiscal 2023 and accounted for 52.1% of the wealth management revenue in Canada during the second quarter of fiscal 2024.

Total expenses in this business for the three months ended September 30, 2023 were $57.3 million, a decrease of $1.5 million or 2.6% compared to the same period a year ago, and for the six months ended September 30, 2023 were $116.8 million, a reduction of $2.6 million or 2.2% compared to the previous year.

Compensation costs were down by $3.5 million or 8.6% and $8.0 million or 9.7% for Q2/24 and for the six months ended September 30, 2023, respectively, due to a reduction in revenue. Compensation expense as a percentage of revenue was 52.8% for Q2 fiscal 2024 and 52.4% on a year-to-date basis, a decrease of 2.9 percentage points and 4.4 percentage points, respectively.

Other overhead costs increased by $1.8 million or 10.3% compared to the three months ended September 30, 2022. Premises and equipment expense was up $0.7 million or 77.1% compared to the three months ended September 30, 2022 due to an increase in allocations from the Corporate and Other segment. Development costs also increased by $0.9 million or 24.9% as a result of the amortization of incentive-based payments to new recruits. For the six months ended September 30, 2023 other overhead costs reflected a similar profile to Q2/24 and, in aggregate, were $5.3 million or 14.5% higher than the previous year. Interest expense increased by $0.8 million or 34.8% compared to the first six months of fiscal 2023 due to higher interest rates.

Income before taxes for the three months ended September 30, 2023 was $8.5 million, a decrease of $1.3 million or 12.9% on Q2/23. For the six months ended September 30, 2023 income before income taxes was $17.5 million, an increase of $1.2 million or 7.7% compared to the six months ended September 30, 2022. Excluding significant items(1) net income before taxes was $9.2 million and $18.2 million for the three- and six-month period, compared to $9.7 million and $16.2 million in the corresponding periods in the prior year.

(1) See Non-IFRS Measures on page 8

FINANCIAL PERFORMANCE – 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 2023	Three months ended September 30 2022	Quarter-over-quarter change	Six months ended September 30 2023	Six months ended September 30 2022	Year-over-year change
Revenue	**$ 101,004**	$ 80,970	24.7%	**$ 204,176**	$ 154,307	32.3%
Expenses						
Compensation expense	**44,017**	41,652	5.7%	**89,136**	80,145	11.2%
Other overhead expenses	**39,693**	28,027	41.6%	**77,321**	48,616	59.0%
Restructuring costs	**652**	—	n.m.	**652**	—	n.m.
Acquisition-related cost	**—**	(1,656)	(100.0)%	**—**	5,926	(100.0)%
Total expenses	**84,362**	68,023	24.0%	**167,109**	134,687	24.1%
Intersegment allocations(2)	**560**	298	87.9%	**1,124**	595	88.9%
Income before income taxes(2)	**16,082**	12,649	27.1%	**35,943**	19,025	88.9%
Non-controlling interest(6)	**9,288**	8,487	9.4%	**18,669**	15,108	23.6%
AUM(3)	**52,565**	49,992	5.1%			
Number of investment professionals and fund managers	**256**	256	—			
Number of employees	**731**	730	0.1%			
Excluding significant items(4)						
Total expenses	**$ 77,719**	$ 62,584	24.2%	**$ 153,674**	$ 116,885	31.5%
Intersegment allocations(2)	**560**	298	87.9%	**1,124**	595	88.9%
Income before income taxes(2)	**22,725**	18,088	25.6%	**49,378**	36,827	34.1%
Non-controlling interest(6)	**7,190**	6,335	13.5%	**15,488**	11,452	35.2%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.

(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 29.

(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. See Non-IFRS Measures on page 8.

(4) Refer to Non-IFRS Measures on page 8 and the Selected Financial Information Excluding Significant Items table on page 16.

(5) Includes the operating results of PSW as of May 31, 2022.

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

Revenue in our UK & Crown Dependencies wealth management business is largely generated through fee-related accounts and portfolio management activities and, as such, is less sensitive to changes in levels of trading activity, although more sensitive to changes in market values. Revenue in this business for Q2/24 was $101.0 million, an increase of $20.0 million or 24.7% from Q2/23, and the third highest quarterly revenue for this operation. Measured in local currency (GBP), revenue was £59.5 million in the three months ended September 30, 2023 compared to £52.7 million for the three months ended September 30, 2022, an increase of 12.9%. Revenue for the six months ended September 30, 2023 increased by $49.9 million or 32.3% compared to the same period in the prior year to $204.2 million. The higher interest rate environment has positively impacted interest income in this business, which has increased by 730.5% to $51.1 million for the first six months of fiscal 2024.

AUM(1) in the UK & Crown Dependencies as of September 30, 2023 was $52.6 billion, an increase of 5.1% compared to $50.0 billion as of September 30, 2022, driven by foreign exchange movement partially offset by a reduction in market values. Measured in local currency (GBP), AUM(1) decreased by 1.9% from £32.3 billion at September 30, 2022 to £31.7 billion at September 30, 2023. Fee-related revenue in our UK & Crown Dependencies wealth management operations accounted for 86.3% of total revenue in the three months ended September 30, 2023, an increase of 7.3 percentage points from the same period in the prior year.

Total compensation expense increased by $2.4 million or 5.7% in Q2/24 and $9.0 million or 11.2% for the six months ended September 30, 2023 compared to the prior year comparatives. Total compensation expense as a percentage of revenue decreased by 7.8 percentage points from 51.4% in Q2/23 to 43.6% in Q2/24. For the six-month period ended September 30, 2023, total compensation expense as a percentage of revenue was 43.7%, a decrease of 8.3 percentage points from the same period in the prior year.

Other overhead expenses in this business were $39.7 million for the three months ended September 30, 2023 compared to $28.0 million in the same period in the prior year, an increase of $11.7 million or 41.6% year-over-year. The most significant increase related to interest expense on bank debt due to higher interest rates.

Other overhead expenses of $77.3 million for the six months ended September 30, 2023 were up by $28.7 million or 59.0% from the prior year, with the most significant increases in communication and technology, interest expense, general and administrative and amortization expense. The increases in communication and technology and general and administrative expense were due to additional costs to support the higher headcount and expanded business. Amortization expense increased partially as a result of the amortization of intangibles acquired in connection with the acquisition of PSW completed on May 31, 2022.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 8.

In Q2/23 there was an acquisition-related costs recovery of $1.7 million recorded which reflected the release of certain accruals in respect of the acquisition of PSW, with a resulting $5.9 million of acquisition related costs for the six months ended September 30, 2022. There were no acquisition-related costs recorded in the current fiscal period.

Second quarter fiscal 2024 income before income taxes was $16.1 million compared to $12.6 million for Q2/23 and net income before taxes excluding significant items[1] was $22.7 million compared to $18.1 million for Q2/23. For the six months ended September 30, 2023, net income before income taxes was $35.9 million compared to $19.0 million in the first six months of September 30, 2022 and net income before taxes excluding significant items[1] was $49.4 million compared to $36.8 million for the prior six months.

FINANCIAL PERFORMANCE – CANACCORD GENUITY WEALTH MANAGEMENT AUSTRALIA[1]

(C$ thousands, except AUM (in C$ millions), number of employees, investment professionals and fund managers, and % amounts)	Three months ended September 30 2023	Three months ended September 30 2022	Quarter-over-quarter change	Six months ended September 30 2023	Six months ended September 30 2022	Year-over-year change
Revenue	$ **15,409**	$ 14,889	3.5%	$ **30,648**	$ 30,810	(0.5)%
Expenses						
Compensation expense	**10,292**	10,198	0.9%	**20,633**	21,882	(5.7)%
Other overhead expenses	**4,316**	4,947	(12.8)%	**8,959**	9,816	(8.7)%
Total expenses	**14,608**	15,145	(3.5)%	**29,592**	31,698	(6.6)%
Intersegment allocations[2]	**140**	—	n.m.	**217**	22	n.m.
Income (loss) before income taxes[2]	**661**	(256)	n.m.	**839**	(910)	(192.2)%
Non-controlling interest[6]	**188**	(40)	n.m.	**257**	(141)	(282.3)%
AUM[4]	**5,465**	4,876	12.1%			
Number of investment professionals and fund managers	**116**	113	2.7%			
Number of employees	**237**	230	3.0%			
Excluding significant items[5]						
Total expenses	$ **14,496**	$ 15,031	(3.6)%	$ **29,365**	$ 31,467	(6.7)%
Intersegment allocations[3]	**140**	—	n.m.	**217**	22	n.m.
Income (loss) before income taxes[3]	**773**	(142)	n.m.	**1,066**	(679)	(257.0)%
Non-controlling interest[6]	**188**	(40)	n.m.	**257**	(141)	(282.3)%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.
(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 29.
(3) AUM is the market value of client assets managed and administered by the Company. See Non-IFRS Measures on page 8.
(4) Refer to Non-IFRS Measures on page 8 and the Selected Financial Information Excluding Significant Items table on page 16.
(5) The operating results have been consolidated and a 31.8% non-controlling interest has been recognized and included in the Canaccord Genuity Wealth Management Australia segment for the three and six months ended September 30, 2023 [three and six months ended September 30, 2022 – 32.7%]. 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

During the three months ended September 30, 2023, Canaccord Genuity Wealth Management Australia generated revenue of $15.4 million, an increase of $0.5 million or 3.5% compared to the same period a year ago. On a year-to-date basis, revenue was $30.6 million, a slight reduction of $0.2 million or 0.5% compared to the first six months of fiscal 2023. AUM[1] in our Australian wealth management operations was $5.5 billion as of September 30, 2023, an increase of 12.1% from Q2/23 due largely to an increase in net new assets. In addition, client assets[1] totalling $13.4 billion are also held on record in other less active accounts on our Australian wealth management platforms compared to $13.3 billion as of September 30, 2022. Fee-related revenue in our Australian operations as a percentage of total revenue accounted for 40.1% of the wealth management revenue during the three months ended September 30, 2023, an increase of 5.6 percentage points from the three months ended September 30, 2022.

Total compensation expense increased slightly by $0.1 million or 0.9% and decreased by $1.2 million or 5.7% for the three and six months ended September 30, 2023, respectively, compared to the same periods in the prior year. Total compensation expense for Q2/24 and year-to-date as a percentage of revenue was 66.8% and 67.3%, reflecting decreases of 1.7 and 3.7 percentage points from the prior period comparatives, respectively.

Other overhead expenses of $4.3 million were $0.6 million or 12.8% lower compared to Q2/23 mainly due to a decrease in development costs. For the six months ended September 30, 2023, other overhead expenses decreased by $0.9 million or 8.7% compared to the same period in the prior year, principally driven by decreases in development costs and general and administrative expense.

Second quarter fiscal 2024 income before income taxes was $0.7 million compared to net loss before taxes of $0.3 million for Q2/23. For the three months ended September 30, 2023, net income before taxes excluding significant items[1] was $0.8 million compared to a net loss before income taxes of $0.1 million for Q2/23. For the six months ended September 30, 2023, income before income taxes was $0.8 million compared to a loss before income taxes of $0.9 million for the prior period. On a year-to-date basis net income before taxes excluding significant items[1] was $1.1 million compared to a net loss before taxes of $0.7 million for the first six months of fiscal 2023.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 8.

CORPORATE AND OTHER[1]

(C$ thousands, except number of employees and % amounts)	Three months ended September 30 2023	2022	Quarter-over-quarter change	Six months ended September 30 2023	2022	Year-over-year change
Revenue	$ 5,255	$ 5,537	(5.1)%	$ 11,860	$ (3,449)	n.m.
Expenses						
Compensation expense	17,018	13,488	26.2%	24,571	22,998	6.8%
Other overhead expenses	8,144	8,288	(1.7)%	27,077	13,688	97.8%
Restructuring costs	1,306	—	n.m.	4,664	—	n.m.
Fair value adjustment of non-controlling interests derivative liability	13,250	—	n.m.	13,250	—	n.m.
Share of loss of an associate	52	12	n.m.	70	20	250.0%
Total expenses	39,770	21,788	82.5%	69,632	36,706	89.7%
Intersegment allocations[2]	(10,124)	(10,358)	2.3%	(19,197)	(21,460)	10.5%
Loss before income taxes[2]	(24,391)	(5,893)	n.m.	(38,575)	(18,695)	(106.3)%
Number of employees	455	468	(2.8)%			
Excluding significant items[3]						
Revenue	$ 5,473	$ 6,808	(19.6)%	$ 12,197	$ 9,269	31.6%
Total expenses	25,463	20,478	24.3%	36,680	35,396	3.6%
Intersegment allocations[2]	(10,124)	(10,358)	2.3%	(19,197)	(21,460)	10.5%
Loss before income taxes[2]	(9,866)	(3,312)	(197.9)%	(5,286)	(4,667)	(13.3)%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.
(2) Loss before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 29.
(3) Refer to Non-IFRS Measures on page 8 and Selected Financial Information Excluding Significant Items table on page 16.
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 IT systems, compliance and risk management, operations, finance, and all administrative functions. Allocations and charges to the Capital Markets and Wealth Management segments in Canada and other regions are recorded as intersegment allocations.

Revenue in the Corporate and Other segment for the three months ended September 30, 2023 was $5.3 million compared to $5.5 million in the same quarter a year ago. For the six months ended September 30, 2023, revenue was $11.9 million compared to loss of $3.4 million for the same period a year ago. The increase in year-to-date revenue was largely due to changes to the fair value adjustments recorded on certain illiquid or restricted marketable securities, resulting in a decrease in revenue of $0.3 million recorded in the first six months of fiscal 2024 compared to $12.7 million recorded in the corresponding period in the prior year.

Expenses in this segment for the three months ended September 30, 2023 increased by $18.0 million or 82.5% to $39.8 million compared to the three months ended September 30, 2022. On a year-to-date basis, total expenses increased by $32.9 million or 89.7% compared to the six months ended September 30, 2022.

Compensation expense increased by $3.5 million or 26.2% compared to the three months ended September 30, 2022, and by $1.6 million or 6.8% on a year-to-date basis, partially driven by changes in the fair value of certain share-based awards granted in prior periods.

The decrease in other overhead expenses of $0.1 million compared to Q2/23 was mainly due to lower premises and equipment due to additional allocations to the Canadian capital markets and wealth management segments, partially offset by an increase in general and administrative expense. For the six months ended September 30, 2023, other overhead expenses increased by $13.4 million or 97.8%, largely due to legal and professional fees incurred in relation to the expired management take-over bid, partially offset by lower premises and equipment expense.

There were restructuring costs of $1.3 million and $4.7 million for the three and six-month period ended September 30, 2023 related to the headcount reductions as previously discussed.

During the quarter ended September 30, 2023, the Company recorded a fair value adjustment of $13.3 million related to the derivative liability component of the non-controlling interests related to the Convertible Preferred Shares issued by CGWM UK.

Overall, the loss before income taxes was $24.4 million compared to a loss of $5.9 million for the three months ended September 30, 2022. The net loss before taxes excluding significant items[1] was $9.9 million for the three months ended September 30, 2023, compared to net loss before taxes of $3.3 million for the same period in the prior year. For the six months ended September 30, 2023, loss before income taxes was $38.6 million compared to a loss of $18.7 million for the first six months of fiscal 2023. Excluding significant items[1], loss before income taxes was $5.3 million compared to loss before income taxes of $4.7 million on a year-to-date basis.

(1) See Non-IFRS Measures on page 8

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 as well as all other regions. 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.

Quarterly Financial Information – Prior seven fiscal quarters to Q2/24[1]

The following table provides selected quarterly financial information for the eight most recently completed financial quarters ended on or before September 30, 2023. 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.

	Fiscal 2024		Fiscal 2023				Fiscal 2022	
(C$ thousands, except number of employees and % amounts)	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue								
Canaccord Genuity Capital Markets	**144,809**	145,694	226,140	196,879	205,697	164,137	312,046	361,893
Canaccord Genuity Wealth Management:								
North America	**70,813**	72,614	78,410	77,364	73,429	72,961	76,165	82,589
UK & Crown Dependencies	**101,004**	103,172	103,730	85,691	80,970	73,337	80,316	81,741
Australia	**15,409**	15,239	14,969	16,633	14,889	15,921	17,793	20,571
Corporate and Other	**5,255**	6,605	7,140	5,549	5,537	(8,986)	13,473	5,423
Total revenue	**337,290**	343,324	430,389	382,116	380,522	317,370	499,793	552,217
Net (loss) income	**(5,867)**	(268)	3,763	(82,065)	26,564	(3,004)	68,995	66,732
(Loss) earnings per common share – basic	**$ (0.20)**	$ (0.15)	$ (0.08)	$ (1.10)	$ 0.17	$ (0.14)	$ 0.62	$ 0.59
Diluted (loss) earnings per common share	**$ (0.20)**	$ (0.15)	$ (0.08)	$ (1.10)	$ 0.14	$ (0.14)	$ 0.53	$ 0.52
Net Income excluding significant items[1]	**$ 10,717**	$ 19,433	$ 17,428	$ 28,197	$ 35,426	$ 19,935	$ 66,822	$ 84,632
Earnings per common share, excluding significant items[1] – basic	**$ 0.00**	$ 0.10	$ 0.10	$ 0.20	$ 0.30	$ 0.13	$ 0.62	$ 0.80
Diluted earnings per common share, excluding significant items[1]	**$ 0.00**	$ 0.07	$ 0.07	$ 0.16	$ 0.25	$ 0.11	$ 0.52	$ 0.69

(1) Data is in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.

Quarterly financial information excluding significant items[(1)(2)]

	Fiscal 2024		Fiscal 2023				Fiscal 2022	
(C$ thousands, except per share amounts)	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Total revenue per IFRS	**$ 337,290**	$ 343,324	$ 430,389	$ 382,116	$ 380,522	$ 317,370	$ 499,793	$ 552,217
Total expenses per IFRS	**337,964**	337,042	424,962	462,902	341,490	315,476	403,245	457,234
Revenue								
Significant items recorded in Corporate and Other								
Fair value adjustments on certain illiquid and restricted marketable securities	**218**	119	—	233	1,271	11,447	(9,000)	(1,400)
Total revenue excluding significant items	**$ 337,508**	$ 343,443	$ 430,389	$ 382,349	$ 381,793	$ 328,817	$ 490,793	$ 550,817
Expenses								
Significant items recorded in Canaccord Genuity Capital Markets								
Amortization of intangible assets	**316**	350	214	1,643	1,535	1,264	1,283	107
Change in fair value of contingent consideration	**(18,174)**	—	(14,278)	—	—	—	—	—
Restructuring costs	**12,673**	—	—	—	—	—	—	—
Acquisition-related costs	**—**	—	—	—	1,477	—	—	537
Impairment of goodwill and other intangible assets	**—**	—	—	102,571	—	—	—	—
Incentive based costs related to acquisitions	**362**	573	648	523	437	367	364	—
Significant items recorded in Canaccord Genuity Wealth Management								
Amortization of intangible assets	**5,727**	5,639	6,314	5,830	5,944	4,312	4,190	4,113
Restructuring costs	**810**	—	—	—	—	—	—	—
Acquisition-related costs	**—**	—	—	—	(1,656)	7,582	515	6,225
Incentive based costs related to acquisitions	**926**	1,288	1,477	649	1,265	586	625	348
Significant items recorded in Corporate and Other								
Costs associated with redemption of convertible debentures	**—**	—	—	—	—	—	—	—
Restructuring costs	**1,306**	3,358	—	—	—	—	—	—
Development costs	**(249)**	15,287	4,903	808	1,310	—	—	—
Fair value adjustment of non-controlling interests derivative liability	**13,250**	—	11,629	—	—	—	—	8,519
Total significant items – expenses	**16,947**	26,495	10,907	112,024	10,312	14,111	6,977	19,849
Total expenses excluding significant items	**321,017**	310,547	414,055	350,878	331,178	301,365	396,268	437,385
Net income before income taxes – adjusted	**$ 16,491**	$ 32,896	$ 16,334	$ 31,471	$ 50,615	$ 27,452	$ 94,525	$ 113,432
Income tax expense (recovery) – adjusted	**5,774**	13,463	(1,094)	3,274	15,189	7,517	27,703	28,800
Net income – adjusted	**$ 10,717**	$ 19,433	$ 17,428	$ 28,197	$ 35,426	$ 19,935	$ 66,822	$ 84,632
Net income attributable to common shareholders	**$ (299)**	$ 7,578	$ 6,793	$ 16,561	$ 25,793	$ 11,879	$ 54,678	$ 75,098
Earnings per common share adjusted – basic	**$ 0.00**	$ 0.10	$ 0.10	$ 0.20	$ 0.30	$ 0.13	$ 0.62	$ 0.80
Diluted earnings per common share adjusted – diluted	**$ 0.00**	$ 0.07	$ 0.07	$ 0.16	$ 0.25	$ 0.11	$ 0.52	$ 0.69

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8.
(2) Due to the change in the number of fully diluted shares resulting from the convertible debenture redemption in Q4 fiscal 2022 as well as the impact of the Convertible Preferred Shares issued in the second quarter of fiscal 2023 and first quarter of fiscal 2024, rounding and the dilutive impact of share issuance commitments in the quarterly and year to date EPS figures, the sum of the quarterly earnings per common share figures may not equal the annual earnings per share figure.

Quarterly trends and risks

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 from year to year due to factors beyond the Company's control. The business is affected by the overall condition of the global capital markets and by activity in our core focus sectors, as well as by changes in the market for growth companies and companies in emerging markets and sectors. The Company's revenue from an underwriting transaction is recorded only when a transaction has been substantially completed or closed. Consequently, the timing of revenue recognition can materially affect Canaccord Genuity Group Inc.'s quarterly results.

The Company recorded revenue of $337.3 million in Q2/24, which was 18.7% lower than the average for the previous seven quarters. On a consolidated basis, advisory fees revenue was the largest contributor to this decrease, declining from record level of $153.3 million in Q3/22 to $46.1 million in Q2/24, due to lower market-wide activity in all our geographies. Investment banking revenue of $35.5 million was 45.8% lower than the average of the last seven fiscal quarters, which included record revenue achieved in fiscal 2022.

The higher interest rate environment supported 126.4% year-over-year increase in interest revenue to $50.7 million, which was 89.4% higher than the average of the last seven fiscal quarters. When compared to Q1/24, commissions and fees, investment banking, principal trading revenues decreased by 2.0%, 4.1%, and 11.5%, respectively.

Global Capital Markets

Our global capital markets operations generated revenue of $144.8 million, a decrease of 37.1% from the average quarterly revenue for the past seven quarters due to the prolonged global market downturn, which has impacted activity levels in all segments, but most notably advisory and investment banking. Excluding significant items[(1)], this operation has incurred pre-tax net losses for the three most recent quarters, with pre-tax losses totalling $14.0 million for the first six months of fiscal 2024.

While our US capital markets operation was the biggest contributor of revenue in this segment, second quarter revenue of $82.0 million was 35.7% lower than the average of the last seven fiscal quarters reflecting a continuance of the challenging environment for capital-raising activities and the more challenging environment for M&A completions.

Revenue in our Canadian capital markets operations was $24.6 million in Q2/24, which was 51.8% lower than the average of the last seven fiscal quarters, primarily due to lower investment banking revenue, partially offset by increased commissions and fees and interest revenue.

Second quarter revenue in our Australian capital markets business was 24.4% lower than the average of the last seven fiscal quarters due to lower investment banking revenue but improved by 15.9% from Q1/24.

Our UK & Europe capital markets operations recorded revenue of $17.1 million for Q2/24, a decline of 28.5% compared average of the last seven fiscal quarters mainly due to lower advisory fees.

Global Wealth Management

Second quarter revenue in our global wealth management businesses amounted to $187.2 million, an increase of 4.1% compared to the average of the last seven fiscal quarters. Excluding significant items[(1)], the pre-tax net income contribution from this segment was $32.7 million in Q2/24, a slight decrease of 0.6% when compared to the average of the last seven fiscal quarters.

Revenue in our North American wealth management operations declined by 7.1% compared to the last seven fiscal quarters, reflecting the broad-market decrease in new issue activity which was partially offset by higher interest revenue due to higher interest rates. Assets under administration[(1)] in this business were $35.3 billion, an increase of 4.7% year over year and substantially in line with the average of the last seven fiscal quarters as net inflows offset against the decrease in market values.

The CGWM UK operations have contributed consistently to our revenue and profitability levels. Revenue for Q2/24 was $101.0 million, 16.1% higher than the average for the past seven quarters supported by stronger interest revenue. AUM[(1)] for this group increased by 5.1% as of the end of Q2/24 to $52.6 billion compared to Q2/23 due to movement in foreign exchange rates.

Revenue in our Australia wealth management operations reached $15.4 million in Q2/24, a decrease of 7.0% compared to the average of the last seven fiscal quarters. AUM[(1)] as of September 30, 2023 were $5.5 billion, an increase of 12.1% compared to the corresponding period in fiscal 2023, reflecting our active recruitment efforts over the last fiscal year.

Corporate and Other

The movement in revenue in the Corporate and Other division was mainly due to fair value adjustment recorded on certain illiquid or restricted marketable securities, as well as changes in interest revenue and foreign exchange gains or losses resulting from fluctuations in the Canadian dollars.

Financial condition

Below are specific changes in selected items on the Q2/24 unaudited interim condensed consolidated statement of financial position as compared to the Audited Annual Consolidated Financial Statements.

ASSETS

Cash and cash equivalents were $469.8 million on September 30, 2023 compared to $1.0 billion on March 31, 2023. Refer to the Liquidity and Capital Resources section on page 33 for more details.

Securities owned were $614.9 million on September 30, 2023 compared to $715.1 million on March 31, 2023, mainly due to a decrease in equities and convertible debentures owned as of September 30, 2023.

Accounts receivable were $3.2 billion at September 30, 2023 compared to $3.4 billion at March 31, 2023, mainly due to a decrease in receivables with brokers and investment dealers and clients.

Goodwill was $620.8 million and intangible assets were $294.4 million on September 30, 2023. On March 31, 2023, goodwill was $622.8 million and intangible assets were $305.9 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, Patersons, Adam & Company, Sawaya, PSW Results, and Mercer.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8.

Right-of-use assets at September 30, 2023 were $107.1 million compared to $103.7 million at March 31, 2023, mainly due to new offices partially offset by amortization recorded during the period.

Other assets, consisting of income taxes receivable, deferred tax assets, equipment and leasehold improvements, and investments, were $194.7 million at September 30, 2023 compared to $191.2 million at March 31, 2023.

LIABILITIES AND NON-CONTROLLING INTERESTS

Securities sold short were $371.9 million at September 30, 2023 compared to $556.3 million at March 31, 2023, mostly due to a decrease in short positions in corporate and government debt.

Accounts payable and accrued liabilities, including provisions, were $3.2 billion at September 30, 2023, a decrease from $3.7 billion at March 31, 2023, mainly due to decreases in payables to brokers and investment dealers and clients.

Subordinated debt, income taxes payable and deferred tax liabilities were $65.3 million at September 30, 2023, a slight decrease from $65.4 million at March 31, 2023.

There were also lease liabilities of $121.4 million recorded as of September 30, 2023 [March 31, 2023 – $119.2 million].

Deferred and contingent consideration of $31.0 million were recorded as of September 30, 2023 [March 31, 2023 – $54.0 million] in connection with the acquisitions of Sawaya and Results. During the six months ended September 30, 2023, the Company recorded a reduction in the fair value of the contingent consideration in connection with the acquisition of Sawaya of $18.2 million through the unaudited interim condensed consolidated statements of operations. Also, during the six months ended September 30, 2023, the Company made a payment of $1.1 million in connection with the deferred consideration related to the acquisition of Results and $3.6 million in connection with the contingent consideration related to the acquisition of Sawaya.

Certain institutional investors acquired Convertible Preferred Shares issued by the Company's subsidiary, CGWM UK. Both series of the Convertible Preferred Shares and Preference Shares 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 under certain circumstances by delivering the economic equivalent of a variable number of common shares of CGWM UK. During the six months ended September 30, 2023, a fair value adjustment of $13.3 million [six months ended September 30, 2022 – $nil million] was recorded in the statement of operations. The carrying value of the derivative liability at September 30, 2023 for both series of Convertible Preferred Shares was $74.5 million [March 31, 2023 – $61.7 million] and included in other liabilities in the unaudited interim condensed consolidated statements of financial position.

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for several acquisitions in the UK and Crown Dependencies wealth management segment. The loan is repayable in instalments of principal and interest and matures on September 30, 2024. The maturity date is expected to be extended to September 30, 2025, pending completion and execution of final documentation. Upon completion of that final documentation the amount of $286,230 described as Bank Loan (B) on the Statement of Financial Position as of September 30, 2023 is the amount that would have been classified as a long term liability as of September 30, 2023. The interest rate on this loan is 8.1848% per annum as of September 30, 2023 [March 31, 2023 – 7.177% per annum].

Excluding the bank loan obtained in connection with several acquisitions in the UK & Crown Dependencies as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $671.7 million [March 31, 2023 – $667.4 million]. These limited credit facilities, consisting of call loans, letters of credit and daylight overdraft facilities, are used to facilitate trade settlements and are collateralized by unpaid client securities and/or securities owned by the Company. As of September 30, 2023, there were no balances outstanding under these other credit facilities [March 31, 2023 – $nil].

Non-controlling interests were $346.2 million at September 30, 2023 compared to $344.0 million as at March 31, 2023, an increase of $2.2 million, mainly related to the equity component of the Convertible Preferred Shares issued by CGWM UK, net of dividends received and foreign exchange movement. Non-controlling interests also represent 31.8% [March 31, 2023 – 32.7%] 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 $3.9 million (US$2.9 million) [March 31, 2023 – $3.9 million (US$2.9 million)] as rent guarantees for its leased premises in New York. As of September 30, 2023 and March 31, 2023, 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, 2023, and March 31, 2023, 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, 2023:

(C$ thousands)	Total	Fiscal 2025	Fiscal 2026 – Fiscal 2027	Fiscal 2028 – Fiscal 2029	Thereafter
Premises and equipment operating leases	381,299	32,026	60,028	52,107	237,138
Bank loan(1)	329,917	329,917	—	—	—
Total contractual obligations	**711,216**	**361,943**	**60,028**	**52,107**	**237,138**

(1) Bank loan obtained to finance a portion of the cash consideration for the acquisitions in CGWM UK. The bank loan bears interest at 8.1848% [March 31, 2022 – 7.7177%] per annum and is repayable in instalments of principal and interest. The loan is repayable in instalments of principal and interest and matures on September 30, 2024. The maturity date of the Bank Loan is expected to be extended to September 30, 2025, pending completion of final documentation. Upon completion of that final documentation the amount of $292,936 (principal plus interest) would be classified under fiscal 2026 to fiscal 2027.

Liquidity and Capital Resources

The Company has a capital structure comprised of preferred shares, common shares, retained earnings and accumulated other comprehensive income. On September 30, 2023, cash and cash equivalents were $469.8 million, a decrease of $538.6 million from $1.0 billion as of March 31, 2023. During the six months ended September 30, 2023, financing activities used cash in the amount of $70.4 million, due to purchases of common shares for the long-term incentive plan (LTIP), lease payments, dividends paid on convertible preferred shares issued in UK & Crown Dependencies, payment of dividends to non-controlling interests in Australia, and cash dividends paid on common and preferred shares, partially offset by proceeds from the exercise of performance stock options. Investing activities used cash in the amount of $11.5 million for the acquisition of Mercer, purchase of equipment and leasehold improvements and intangible assets and payment of contingent and deferred consideration. Operating activities used cash in the amount of $452.1 million, which was largely due to changes in non-cash working capital. A decrease in cash of $4.7 million was attributable to the effect of foreign exchange translation on cash balances.

Compared to the six months ended September 30, 2022, cash used by financing activities increased by $217.0 million mainly due to additional proceeds from bank loans as well as proceeds from the issuance of convertible preferred shares in CGWM UK in that period. Cash used in investing activities decreased by $252.9 million during the six months ended September 30, 2023 compared to the same period last year, mainly due to the acquisitions of PSW and Results in the prior period. Changes in non-cash working capital balances led to a decrease in cash used in operating activities of $272.7 million. In addition, cash balances decreased by $5.5 million from the effects of foreign exchange translation on cash balances. Overall, cash and cash equivalents decreased by $476.8 million from $946.6 million at September 30, 2022 to $469.8 million at September 30, 2023.

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.

The Company has certain commitments as discussed in the Off-balance sheet arrangements and Bank indebtedness and Other credit facilities sections above. Other than contracts entered into in the ordinary course of business, the Company has not entered into any contract which can reasonably be regarded as material.

Outstanding Preferred and Common Share Data

	Outstanding shares as of September 30	
	2023	2022
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)]	**93,018,093**	86,032,722
Issued shares outstanding[(2)]	**101,993,084**	99,185,630
Issued shares outstanding – diluted[(3)]	**105,704,556**	104,906,695
Average shares outstanding – basic	**90,878,125**	87,642,728
Average shares outstanding – diluted[(4)]	**n/a**	103,753,765

(1) Excludes 8,852,636 unvested shares purchased by employee benefit trusts for the LTIP, and 122,355 outstanding shares related to share purchase loans.

(2) Includes 8,852,636 unvested shares purchased by employee benefit trusts for the LTIP, and 122,355 outstanding shares related to share purchase loans.

(3) Includes 3,610,000 shares to be issued if all the outstanding PSOs were issued, 998,972 shares to be issued in connection with the acquisitions of Sawaya and Results, net of estimated forfeitures.

(4) During the year ended September 30, 2023, the Company recorded a net loss attributable to common shareholders, and as such, the diluted EPS is equal to the basic EPS since the instruments involving potential common shares were excluded from the calculation of diluted loss per share as they were anti-dilutive.

Preferred shares

SERIES A PREFERRED SHARES

The Company issued 4,540,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series A (Series A Preferred Shares) at a purchase price of $25.00 per share for gross proceeds of $113.5 million. The aggregate net amount recognized after deducting issue costs, net of deferred taxes of $1.0 million, was $110.8 million.

SERIES C PREFERRED SHARES

The Company issued 4,000,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series C (the "Series C Preferred Shares") at a purchase price of $25.00 per share for gross proceeds of $100.0 million. The aggregate net amount recognized after deducting issue costs, net of deferred taxes of $1.0 million, was $97.5 million.

Terms of the Series A and C Preferred Shares are disclosed in Note 19 of the March 31st, 2023 audited consolidated financial statements.

COMMON SHARES

On August 17, 2023, 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 4,985,290 of its common shares during the period from August 21, 2023 to August 20, 2024 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. There were no shares purchased under NCIB for the six months ended September 30, 2023.

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, 2023 and will continue for one year (to August 20, 2024) 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 76,881 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 2023 to July 2023 (25% of the ADTV of 338,223)).

As of October 31, 2023, the Company has 101,993,084 common shares issued and outstanding.

Share-Based Payment Plans

There have been no updates to the share-based payment plans discussed in the 2023 Annual Report. Refer to Note 18 in the unaudited interim condensed consolidated financial statements for the six months ended September 30, 2023.

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. There were $3.6 million forward contracts outstanding to buy US dollars at September 30, 2023 compared to $1.8 million on March 31, 2023. Forward contracts outstanding to sell US dollars had a notional amount of US $7.8 million, an increase of US $4.8 million from March 31, 2023. The fair value of these contracts was nominal. Some of the Company's operations in the US, the UK & Europe, 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, 2023, the were no bond futures contracts outstanding [March 31, 2023 – short $1.4 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 23 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. Certain equity instruments in CGWM UK were purchased by management and employees of CGWM UK in connection with the issuance of the Convertible Preferred Shares to HPS.

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

(C$ thousands)	**September 30, 2023 $**	March 31, 2023 $
Accounts receivable	**30,782**	18,115
Accounts payable and accrued liabilities	**668**	600

Critical Accounting Policies and Estimates

The unaudited interim condensed consolidated financial statements for the quarter ended September 30, 2023 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, valuation of non-controlling interests. derivative liability, valuation of contingent consideration, 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 and recorded in the consolidated statements of operations. 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 Company has goodwill and indefinite life intangible assets recorded in Canaccord Genuity Capital Markets US and UK and Europe, as well as Canaccord Genuity Wealth Management UK & Crown Dependencies and Australia.

The Convertible Preferred Shares issued to HPS contain no obligation for the Company to deliver cash or other financials 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 under certain circumstances by delivering a variable number of common shares of Canaccord Genuity Wealth Group Holdings (Jersey) Limited.

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 components 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 (loss) 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 component at each reporting period.

Significant accounting policies used and policies requiring management's judgment and estimates have not changed during the first six months of fiscal 2024 and are discussed under "Critical Accounting Policies and Estimates" in our 2023 Annual Report.

Changes in Accounting Policies

The accounting policies applied in the preparation of the Q2/24 unaudited interim condensed consolidated financial statements are consistent with those discussed in Note 5 of the 2023 Audited Annual Consolidated Financial Statements.

Adoption of New and Revised Standards

There were no new accounting standards adopted for the quarter ended September 30, 2023 except as noted below.

Pillar Two

In May 2023, the IASB issued International Tax Reform-Pillar Two Model Rules, which amended IAS 12, Income Tax. The amendments introduce a temporary exception to the accounting for deferred taxes related to Pillar Two income taxes and disclosure requirements for affected entities. The mandatory temporary exception applies immediately and should be applied retrospectively, while the remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023. The Company applied the temporary exception during its first six months of fiscal 2024 retrospectively and is currently assessing the impact of the remaining disclosure requirements on its annual consolidated financial statements.

Deferred Tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's unaudited interim condensed consolidated financial statements.

Future Changes in Accounting Polices and Estimates

There have been no updates to the "Future Changes in Accounting Policies and Estimates" disclosed in our 2023 Annual Report, during the six months ended September 30, 2023.

Standards issued but not yet effective

There were no standards issued which may reasonably be expected to materially impact the Company's financial statements but which were not yet effective as of September 30, 2023.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Disclosure controls and procedures

As of September 30, 2023, 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 of September 30, 2023.*

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, 2023, 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 14, 2023, the Board of Directors approved a dividend of $0.085 per common share, payable on December 15, 2023, with a record date of December 1, 2023.

On November 14, 2023, the Board of Directors approved the following cash dividends: $0.25175 per Series A Preferred Share payable on January 2, 2024 with a record date of December 22, 2023; and $0.42731 per Series C Preferred Share payable on January 2, 2024 with a record date of December 22, 2023.

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. 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 25 of the Company's 2023 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 legal 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 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.

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 & Risk Committee of the Board of Directors.

For a more complete discussion of the risks affecting the Company, reference should be made to the Company's AIF.

Additional Information

Additional information relating to Canaccord Genuity Group Inc., including its Annual Information Form, is available on the Company's website at www.cgf.com/investor-relations/investor-resources/financial-reports/ and on SEDAR+ to www.sedarplus.ca.

To access additional corporate disclosures including TSX-required Disclosures and the Company's Environmental, Social and Governance (ESG) report and related policies, please visit https://www.canaccordgenuity.com/investor-relations/investor-resources/corporate-governance/.

Canaccord Genuity Group Inc.
Unaudited Interim Condensed Consolidated Statements of Financial Position

As at (in thousands of Canadian dollars)	Notes	September 30, 2023 $	March 31, 2023 $
ASSETS			
Current			
Cash and cash equivalents		$ 469,783	$ 1,008,432
Securities owned	4,5	614,853	715,078
Accounts receivable	5,6,19	3,158,492	3,355,203
Income taxes receivable		57,865	34,209
Total current assets		4,300,993	5,112,922
Deferred tax assets		68,823	90,733
Investments	7	15,802	18,101
Equipment and leasehold improvements		52,203	48,180
Intangible assets	11	294,402	305,915
Goodwill	11	620,819	622,820
Right-of-use assets		107,148	103,729
Total assets		5,460,190	6,302,400
LIABILITIES AND EQUITY			
Current			
Securities sold short	4,5	371,852	556,303
Accounts payable and accrued liabilities	5,6,19	3,146,370	3,720,332
Provisions	21	25,261	19,660
Income taxes payable		2,170	2,177
Subordinated debt	5,13	7,500	7,500
Bank loan (A)	5,14	13,250	13,342
Bank loan (B)		286,230	—
Current portion of lease liabilities		25,823	26,712
Current portion of contingent consideration	5	9,048	17,325
Total current liabilities		3,887,504	4,363,351
Deferred tax liabilities		55,641	55,728
Bank loan	5,14	—	293,780
Lease liabilities		95,580	92,526
Other liabilities	5	96,525	98,378
Total liabilities		4,135,250	4,903,763
Equity			
Attributable to equity holders of CGGI		978,771	1,054,639
Attributable to non-controlling interests	10	346,169	343,998
Total equity		1,324,940	1,398,637
Total liabilities and equity		5,460,190	6,302,400

See accompanying notes

On behalf of the Board:

“Daniel Daviau” *“Terrence A. Lyons”*

DANIEL DAVIAU TERRENCE A. LYONS

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 September 30, 2023	For the three months ended September 30, 2022	For the six months ended September 30, 2023	For the six months ended September 30, 2022
REVENUE					
Commissions and fees		$ 181,128	$ 182,770	$ 365,898	$ 363,693
Investment banking		35,459	43,772	72,420	62,488
Advisory fees		46,126	101,294	86,778	184,238
Principal trading		20,299	26,973	43,245	55,194
Interest		50,708	22,395	102,980	37,211
Other		3,570	3,318	9,293	(4,932)
		337,290	380,522	680,614	697,892
EXPENSES					
Compensation expense		199,666	222,059	385,589	420,503
Trading costs		19,849	23,809	41,827	48,557
Premises and equipment		5,931	5,400	11,750	10,223
Communication and technology		21,836	20,545	44,448	39,900
Interest		22,909	10,519	46,220	18,343
General and administrative		32,101	31,536	67,257	62,292
Amortization		9,934	11,068	19,837	19,263
Amortization of right of use assets		6,587	6,388	12,927	13,203
Development costs		9,234	10,333	31,858	17,259
Acquisition related costs		—	(179)	—	7,403
Restructuring costs	21	14,789	—	18,147	—
Change in fair value of contingent consideration	5	(18,174)	—	(18,174)	—
Fair value adjustment of non-controlling interest derivative liability	5,10	13,250	—	13,250	—
Share of loss of an associate	7	52	12	70	20
		337,964	341,490	675,006	656,966
Net (loss) income before income taxes		(674)	39,032	5,608	40,926
Income tax expense (recovery)					
Current		1,488	(219)	(7,776)	(11,768)
Deferred		3,705	12,687	19,519	29,134
	12	5,193	12,468	11,743	17,366
Net (loss) income for the period		$ (5,867)	$ 26,564	$ (6,135)	$ 23,560
Net (loss) income attributable to:					
CGGI shareholders		$ (16,129)	$ 17,170	$ (26,665)	$ 6,997
Non-controlling interests		$ 10,262	$ 9,394	20,530	$ 16,563
Weighted average number of common shares outstanding (thousands)					
Basic		93,491	86,661	90,878	87,643
Diluted		n/a	102,198	n/a	103,754
Net (loss) income per common share					
Basic	16	$ (0.20)	$ 0.17	$ (0.36)	$ 0.03
Diluted	16	$ (0.20)	$ 0.14	$ (0.36)	$ 0.02
Dividend per common share	17	$ 0.085	$ 0.085	$ 0.17	$ 0.17
Dividend per Series A Preferred Share	17	$ 0.25	$ 0.25	$ 0.50	$ 0.50
Dividend per Series C Preferred Share	17	$ 0.43	$ 0.43	$ 0.86	$ 0.86

See accompanying notes

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

	For the three months ended		For the six months ended	
(in thousands of Canadian dollars)	**September 30, 2023**	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Net (loss) income for the period	**(5,867)**	26,564	**(6,135)**	23,560
Other comprehensive (loss) income				
Net change in unrealized (loss) income on translation of foreign operations	**3,039**	552	**(22,336)**	(21,216)
Comprehensive (loss) income for the period	**(2,828)**	27,116	**(28,471)**	2,344
Comprehensive (loss) income attributable to:				
CGGI shareholders	**(12,813)**	17,325	**(52,201)**	(11,227)
Non-controlling interests [Note 10]	**9,985**	9,791	**23,730**	13,571

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, 2023	September 30, 2022
Preferred shares, opening and closing	15	$ 205,641	$ 205,641
Common shares, opening		566,345	576,166
Acquisition of common shares for long-term incentive plan (LTIP)		(17,648)	(69,531)
Release of vested common shares from employee benefit trusts		55,920	47,197
Shares issued through exercise of performance share options (PSOs)		17,187	492
Changes to shares committed to be purchased under normal course issuer bid		—	3,411
Shares purchased and cancelled under normal course issuer bid		—	(4,034)
Unvested share purchase loans		354	479
Common shares, closing	16	622,158	554,180
Contributed surplus, opening		49,400	64,241
Share-based payments, amortization net of vestings		(49,400)	(39,603)
Change in current and deferred taxes relating to share based payments		—	(4,307)
Shares purchased and cancelled under normal course issuer bid		—	(2,597)
Changes in shares committed to be purchased under normal course issuer bid		—	2,537
Unvested share purchase loans		—	(479)
Contributed surplus, closing		—	19,792
Retained earnings, opening		119,552	251,540
Net (loss) income attributable to CGGI shareholders		(26,665)	6,997
Preferred shares dividends	17	(5,704)	(5,243)
Share-based payments, amortization net of vestings		(1,451)	—
Change in current and deferred taxes relating to share based payments		(1,611)	—
Shares issued through exercise of performance share options (PSOs)		(4,625)	—
Unvested share purchase loans		(354)	—
Common shares dividends	17	(16,335)	(15,324)
Retained earnings, closing		62,807	237,970
Deferred consideration, opening and closing		8,495	11,378
Accumulated other comprehensive income, opening		105,206	69,103
Other comprehensive loss attributable to CGGI shareholders		(25,536)	(18,224)
Accumulated other comprehensive income, closing		79,670	50,879
Total shareholders' equity		978,771	1,079,840
Total non-controlling interest	10	346,169	330,355
Total equity		1,324,940	1,410,195

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, 2023 $	September 30, 2022 $
OPERATING ACTIVITIES			
Net (loss) income for the period		(6,135)	23,560
Items not affecting cash			
Amortization		19,837	19,263
Amortization of right of use assets		12,927	13,203
Deferred income tax expense		19,519	29,134
Share-based compensation recovery	18	(15,775)	(18,524)
Share of loss of associate	7	70	20
Interest expense in connection with lease liabilities		3,334	3,797
Change in fair value of contingent consideration		(18,174)	—
Fair value adjustment of non-controlling interest derivative liability		13,250	—
Impairment of investments accounted for under equity method	7	2,227	2,750
Changes in non-cash working capital			
Decrease in securities owned		100,225	317,262
Decrease in accounts receivable		200,711	159,076
Decrease in net income taxes payable		(22,056)	(63,868)
Decrease in securities sold short		(184,451)	(31,186)
Decrease in accounts payable, accrued liabilities and provisions		(577,595)	(1,179,240)
Cash used in operating activities		(452,086)	(724,753)
FINANCING ACTIVITIES			
Repayment of bank loan		(6,625)	(3,091)
Proceeds from bank loan obtained in connection with the acquisition of Punter Southall Wealth		—	159,400
Acquisition of common shares for long-term incentive plan		(17,648)	(69,531)
Proceeds from issuance of convertible preferred shares in UK & Crown Dependencies wealth management operations, net of acquisition related costs		—	102,017
Payment of dividends on convertible preferred shares issued in UK & Crown Dependencies wealth management operations	10	(12,495)	—
Payment of dividends to non-controlling interests in Australia	10	(6,414)	—
Proceeds from exercise of performance share options		12,486	492
Purchase and cancellation of common shares under normal course issuer bid		—	(6,631)
Cash dividends paid on common shares		(16,335)	(15,324)
Cash dividends paid on preferred shares		(5,704)	(5,243)
Lease payments		(17,675)	(15,486)
Cash (used in) provided by financing activities		(70,410)	146,603
INVESTING ACTIVITIES			
Purchase of equipment and leasehold improvements		(3,035)	(14,694)
Acquisition of Punter Southall Wealth, net of cash acquired		—	(238,591)
Acquisition of Results International Goup LLP		—	(7,713)
Acquisition of Mercer Global Investments Canada Limited's private wealth business		(2,410)	—
Payment of deferred and contingent consideration		(4,705)	(2,207)
Purchase of intangibles		(1,334)	(1,163)
Cash used in investing activities		(11,484)	(264,368)
Effect of foreign exchange on cash balances		(4,669)	824
Decrease in cash position		(538,649)	(841,694)
Cash position, beginning of period		1,008,432	1,788,261
Cash position, end of period		469,783	946,567
Supplemental cash flow information			
Interest received		$ 103,052	$ 37,286
Interest paid		$ 45,295	$ 17,212
Income taxes paid		$ 20,518	$ 59,288

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 and Australia. 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 2200, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1K8.

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, 2023 (March 31, 2023 consolidated financial statements) filed on SEDAR on June 16, 2023. All defined terms used herein are consistent with those terms defined in the March 31, 2023 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, and non-controlling interest derivative liability. 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 14, 2023.

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.

Certain factors impact and cast additional uncertainty on the assumptions used by management in making its judgments and estimates. These factors include, but not limited to, inflation, significant monetary and fiscal interventions by the government and central banks to stabilize economic conditions, including slowing economic growth and rising interest rates, as well as the impact of the wars in Ukraine and Israel and the resulting humanitarian crisis on the global economy.

The significant judgments, estimates and assumptions include consolidation, revenue recognition, share-based payments, income taxes and valuation of deferred tax assets, impairment of goodwill, intangible assets and other long-lived assets, allowance for credit losses, fair values of levels 2 and 3 financial instruments, provisions and the valuation of the non-controlling interests derivative liability. 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. Judgments, estimates and assumptions were also utilized in connection with the preliminary purchase price allocation, including the valuation of intangible assets acquired in connection with the acquisition of the Canadian private wealth management business of Mercer Global Investments Canada Limited, as well as the valuation of the contingent consideration related to the acquisitions of Results International Group LLP ("Results") and Sawaya Partners LLC. For year ended March 31, 2023, estimates and assumptions were utilized in connection with the valuation of goodwill and intangible assets acquired in connection with the acquisitions of Adam & Company and Punter Southall Wealth Limited.

The Company operates in various tax jurisdictions and is subject to tax policies and legislations that pertain to the Company's activities in Canada and in other foreign countries. As the tax laws and policies of various countries are subject to continual change and interpretations, the final outcome of certain tax transactions may be uncertain. The Company is affected by changes in tax laws and regulations, including the introduction of Pillar Two (15% global minimum tax) as proposed by the Organization for Economics Co-operation and Development.

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 financials 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, under certain circumstances, by delivering the economic equivalent of a variable number of common shares of CGWM UK.

The fair value of the Convertible Preferred Shares issued by CGWM UK 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 components 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" (renamed as Canaccord Genuity Asset Management), Petsky Prunier LLC is referred to as "Petsky Prunier", Sawaya Partners LLC is referred to as "Sawaya", McCarthy Taylor Limited (renamed as CG McCarthy Taylor Limited) and whose operations were subsequently transferred to CG Wealth Planning 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", the private client investment management business acquired from Adam & Company (including the acquisition of the entire issued capital of Adam & Company Investment Management Limited) is referred to as "Adam & Company", and Jitneytrade Inc., Finlogik Capital Inc. and Finlogik Inc. are collectively referred to as "Jitneytrade", Punter Southall Wealth Limited as "PSW", Results International Group LLP as "Results", and the Canadian private wealth management business of Mercer Global Investments Canada Limited is referred to as "Mercer".

3. Adoption of New and Revised Standards

There were no new accounting standards adopted for the six months ended September 30, 2023 except as noted below.

Pillar Two

In May 2023, the IASB issued International Tax Reform-Pillar Two Model Rules, which amended IAS 12, Income Tax. The amendments introduce a temporary exception to the accounting for deferred taxes related to Pillar Two income taxes and disclosure requirements for affected entities. The mandatory temporary exception applies immediately and should be applied retrospectively, while the remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023. The Company applied the temporary exception during the first six months of fiscal 2024 retrospectively and is currently assessing the impact of the remaining disclosure requirements on its annual consolidated financial statements.

Deferred Tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's unaudited interim condensed consolidated financial statements.

4. Securities Owned and Securities Sold Short

	September 30, 2023		March 31, 2023	
	Securities owned	Securities sold short	Securities owned	Securities sold short
Corporate and government debt	$ 373,899	$ 291,005	$ 428,119	$ 394,284
Equities and convertible debentures	240,954	80,847	286,959	162,019
	$ 614,853	$ 371,852	$ 715,078	$ 556,303

As at September 30, 2023, corporate and government debt maturities range from 2023 – 2080 [March 31, 2023 – 2023 to 2080] and bear interest ranging from 0.00% to 17.47% [March 31, 2023 – 0.00% to 20.00%].

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, 2023 and March 31, 2023 are as follows:

	Fair value through profit and loss		Amortized cost		Total	
	September 30, 2023 $	March 31, 2023 $	**September 30, 2023 $**	March 31, 2023 $	**September 30, 2023 $**	March 31, 2023 $
Financial assets						
Securities owned	**$ 614,853**	$ 715,078	**$ —**	$ —	**$ 614,853**	$ 715,078
Accounts receivable from brokers and investment dealers	**—**	—	**1,796,616**	1,939,685	**1,796,616**	1,939,685
Accounts receivable from clients	**—**	—	**854,378**	869,883	**854,378**	869,883
RRSP cash balances held in trust	**—**	—	**282,315**	332,055	**282,315**	332,055
Other accounts receivable	**—**	—	**225,183**	213,580	**225,183**	213,580
Investments at FVTPL	**11,537**	11,569	**—**	—	**11,537**	11,569
Total financial assets	**$ 626,390**	$ 726,647	**$ 3,158,492**	$ 3,355,203	**$ 3,784,882**	$ 4,081,850
Financial liabilities						
Securities sold short	**$ 371,852**	$ 556,303	**$ —**	$ —	**$ 371,852**	$ 556,303
Accounts payable to brokers and investment dealers	**—**	—	**1,363,993**	1,361,601	**1,363,993**	1,361,601
Accounts payable to clients	**—**	—	**1,414,864**	1,738,806	**1,414,864**	1,738,806
Other accounts payable and accrued liabilities	**—**	—	**367,513**	619,925	**367,513**	619,925
Subordinated debt	**—**	—	**7,500**	7,500	**7,500**	7,500
Deferred and contingent consideration	**31,040**	53,998	**—**	—	**31,040**	53,998
Bank loan	**—**	—	**299,480**	307,122	**299,480**	307,122
Non-controlling interest – derivative	**74,533**	61,705	**—**	—	**74,533**	61,705
Total financial liabilities	**$ 477,425**	$ 672,006	**$ 3,453,350**	$ 4,034,954	**$ 3,930,775**	$ 4,706,960

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, 2023, the Company held the following classes of financial instruments measured at fair value:

		Estimated fair value		
		September 30, 2023		
	September 30, 2023	**Level 1**	**Level 2**	**Level 3**
Securities owned				
Corporate debt	**26,755**	**—**	**26,755**	**—**
Government debt	**347,144**	**183,996**	**163,148**	**—**
Corporate and government debt	**373,899**	**183,996**	**189,903**	**—**
Equities	**239,847**	**189,364**	**37,436**	**13,047**
Convertible debentures	**1,107**	**—**	**1,107**	**—**
Equities and convertible debentures	**240,954**	**189,364**	**38,543**	**13,047**
	614,853	**373,360**	**228,446**	**13,047**
Investments	**11,537**	**—**	**—**	**11,537**
	626,390	**373,360**	**228,446**	**24,584**
Securities sold short				
Corporate debt	**(20,045)**	**—**	**(20,045)**	**—**
Government debt	**(270,960)**	**(117,412)**	**(153,548)**	**—**
Corporate and government debt	**(291,005)**	**(117,412)**	**(173,593)**	**—**
Equities	**(80,779)**	**(67,185)**	**(13,594)**	**—**
Convertible debentures	**(68)**	**—**	**(68)**	
Equities and convertible debentures	**(80,847)**	**(67,185)**	**(13,662)**	**—**
	(371,852)	**(184,597)**	**(187,255)**	**—**
Deferred and contingent consideration	**(31,040)**	**—**	**—**	**(31,040)**
Non-controlling interest – derivative liability	**(74,533)**	**—**	**—**	**(74,533)**
	(477,425)	**(184,597)**	**(187,255)**	**(105,573)**

As at March 31, 2023, the Company held the following classes of financial instruments measured at fair value:

		Estimated fair value		
		March 31, 2023		
	March 31, 2023 $	Level 1 $	Level 2 $	Level 3 $
Securities owned				
Corporate debt	13,462	—	13,462	—
Government debt	414,657	180,879	233,778	—
Corporate and government debt	428,119	180,879	247,240	—
Equities	285,474	208,253	60,568	16,653
Convertible debentures	1,485	—	1,485	—
Equities and convertible debentures	286,959	208,253	62,053	16,653
	715,078	389,132	309,293	16,653
Investments	11,569	—	—	11,569
	726,647	389,132	309,293	28,222
Securities sold short				
Corporate debt	(3,109)	—	(3,109)	—
Government debt	(391,175)	(182,213)	(208,962)	—
Corporate and government debt	(394,284)	(182,213)	(212,071)	—
Equities	(162,019)	(151,415)	(10,604)	—
Equities	(162,019)	(151,415)	(10,604)	—
	(556,303)	(333,628)	(222,675)	—
Deferred and contingent consideration	(53,998)	—	—	(53,998)
Non-controlling interest – derivative liability	(61,705)	—	—	(61,705)
	(672,006)	(333,628)	(222,675)	(115,703)

Movement in net Level 3 financial assets/(liabilities)

Balance, March 31, 2023	$	**(87,481)**
Movement in fair value of level 3 securities owned during the period		(3,606)
Payment of contingent consideration in connection with the acquisition of Sawaya		3,601
Change in fair value of contingent consideration in connection with Sawaya		18,174
Non-controlling interest derivative liability component in connection with issuance of Convertible Preferred Shares [Note 10]		(13,250)
Payment of deferred consideration in connection with the acquisition of Results		1,104
Foreign exchange revaluation		469
Balance, September 30, 2023		**(80,989)**

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, 2023 was $13.0 million [March 31, 2023 – $16.7 million].

As at September 30, 2023, the Company, either directly or through a wholly owned subsidiary, held investments in Capital Markets Gateway LLC, InvestX Capital Ltd. and Proactive Group Holdings Inc. which have been classified as Level 3 financial instruments given they do not have any observable inputs or market indicators [Note 7].

The Convertible Preferred Shares and Preference Shares issued to investors, management and employees of CGWM UK [Note 10] 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 the economic equivalent of a variable number of common shares of CGWM UK. During the six months ended September 30, 2023, a fair value adjustment of $13.3 million [six months ended September 30, 2022 – $nil million] was recorded in the unaudited interim condensed statement of operations. The carrying value of the derivative liability at September 30, 2023 for both A and B Convertible Preferred Shares was $74.5 million [March 31, 2023 – $61.7 million] and included in other liabilities in the unaudited interim condensed consolidated statements of financial position.

Deferred and contingent consideration of $31.0 million were recorded as of September 30, 2023 [March 31, 2023 – $54.0 million] in connection with the acquisitions of Sawaya and Results. During the six months ended September 30, 2023, the Company recorded a reduction in the fair value of the contingent consideration in connection with the acquisition of Sawaya of $18.2 million through the unaudited interim condensed consolidated statements of operations. Also, during the six months ended September 30, 2023, the Company made a payment of $1.1 million in connection with the deferred consideration related to the acquisition of Results and $3.6 million in connection with the contingent consideration related to the acquisition of Sawaya.

The fair value of the contingent consideration is classified as Level 3 in the fair value hierarchy and was determined using on a Monte Carlo simulation using various assumptions including EBITDA forecast, risk free rates and volatility factors. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's contingent consideration. The long-term portion of the contingent consideration and the non-controlling interests derivative liability are included as other liabilities in the unaudited interim condensed consolidated statement of financial position as at September 30, 2023.

The fair value measurements determined as described above may not be indicative of net realizable value or reflective of future values. Furthermore, 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, 2023:

		Notional amount (millions)		Average price	Maturity	Fair value
To sell US dollars	**USD$**	**7.8**	**$**	**1.35 (CAD/USD)**	**October 3, 2023**	**—**
To buy US dollars	**USD$**	**3.6**	**$**	**1.35 (CAD/USD)**	**October 3, 2023**	**—**

Forward contracts outstanding at March 31, 2023:

	Notional amount (millions)		Average price	Maturity	Fair value
To sell US dollars	USD$ 3.9	$	1.35 (CAD/USD)	April 3, 2023	—
To buy US dollars	USD$ 1.8	$	1.35 (CAD/USD)	April 3, 2023	—

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 66 days as at September 30, 2023 [March 31, 2023 – 63 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, 2023 and March 31, 2023, respectively. The fair value of the forward contract assets and liabilities is included in the accounts receivable and payable balances.

	September 30, 2023			March 31, 2023		
	Assets	**Liabilities**	**Notional amount**	Assets	Liabilities	Notional amount
Foreign exchange forward contracts	**$ 103**	**$ 94**	**$ 10,031**	$ 108	$ 98	$ 13,812

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, 2023, there were no bond futures contracts outstanding [March 31, 2023 – short $1.4 million].

The fair value of all of the above futures contracts is nominal due to their short term to maturity and is 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, 2023	**$ 199,141**	**$ 89,010**	**$ 120,368**	**$ 197,014**
March 31, 2023	$ 205,794	$ 130,651	$ 157,222	$ 206,328

Securities lending and borrowing are included in the accounts receivable and accounts payable and accrued liabilities balances on the unaudited interim condensed consolidated 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, 2023 the Company had $nil balance outstanding [March 31, 2023 – $nil].

BANK LOAN

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for several acquisitions in the UK and Crown Dependencies wealth management segment. The loan is repayable in instalments of principal and interest and matures on September 30, 2024. The maturity date is expected to be extended to September 30, 2025, pending completion and execution of final documentation. Upon completion of that final documentation the amount of $286,230 described as Bank Loan (B) is the amount that would have been classified as a long term liability as of September 30, 2023. The interest rate on this loan is 8.1848% per annum as of September 30, 2023 [March 31, 2023 – 7.177% per annum].

OTHER CREDIT FACILITIES

Excluding the bank loan obtained in connection with several acquisitions in the UK & Crown Dependencies as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $671.7 million [March 31, 2023 – $667.4 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, 2023, there were no balances outstanding under these other credit facilities [March 31, 2023 – $nil].

A subsidiary of the Company has also entered into secured irrevocable standby letters of credit from a financial institution totaling $3.9 million (US $2.9 million) [March 31, 2023 – $3.9 million (US$2.9 million)] as rent guarantees for its leased premises in New York. As of September 30, 2023 and March 31, 2023, there were no outstanding balances under these standby letters of credit.

6. Accounts Receivable and Accounts Payable and Accrued Liabilities

ACCOUNTS RECEIVABLE

	September 30, 2023 $	March 31, 2023 $
Brokers and investment dealers	$ 1,796,616	$ 1,939,685
Clients	854,378	869,883
RRSP cash balances held in trust	282,315	332,055
Other	225,183	213,580
	$ 3,158,492	$ 3,355,203

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2023 $	March 31, 2023 $
Brokers and investment dealers	$ 1,363,993	$ 1,361,601
Clients	1,414,864	1,738,806
Other	367,513	619,925
	$ 3,146,370	$ 3,720,332

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 Canadian Investment Regulatory Organization ("CIRO") (formerly Investment Industry Regulatory Organization of Canada) 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, 2023 – 10.20% to 11.50% and 0.00% to 0.05% ; [March 31, 2023 – 9.70% to 11.00% and 0.00% to 0.05%].

As at September 30, 2023, the allowance for doubtful accounts was $4.9 million [March 31, 2023 – $3.1 million].

7. Investments

	September 30, 2023	March 31, 2023
Investments accounted for under the equity method	4,265	6,532
Investments held as fair value through profit and loss	11,537	11,569
	15,802	18,101

Breakdown of investments as follow:

INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

	September 30, 2023	March 31, 2023
Canaccord Genuity G Ventures Corp.	—	1,243
Katipult Technology Corp.	500	500
Link Investment Management Inc.	250	250
International Deal Gateway Blockchain Inc.	3,500	4,500
Other	15	39
	4,265	6,532

INVESTMENTS HELD AS FAIR VALUE THROUGH PROFIT AND LOSS (FVTPL)

	September 30, 2023	March 31, 2023
Capital Markets Gateway LLC	4,143	4,177
InvestX Capital Ltd	3,394	3,392
Proactive Group Holdings Inc.	4,000	4,000
	11,537	11,569

Investments accounted for under equity method

The Company held an investment in the Class B shares of Canaccord Genuity G Ventures Corp. (CGGV). On September 25, 2023, CGGV announced that it will be wound up as it was not able to complete a qualifying transaction within the permitted timeline. There will be no distributions from the escrow account with respect to the Class B shares held by the Company, and as such, the Company recorded a write-down of its equity investment of $1.2 million during the six months ended September 30, 2023.

The Company is considered to exert significant influence over the operations of Katipult, Link and International Deal Gateway Blockchain Inc. 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, 2023.

During the six months ended September 30, 2023, the Company recorded a write-down of $1.0 million in its investment in International Deal Gateway Blockchain Inc.

Investments held as FVTPL

The Company holds certain investments classified as FVTPL as the Company does not exert significant influence over the operations of these investments.

8. Business Combinations

MERCER GLOBAL INVESTMENTS CANADA LIMITED’S CANADIAN PRIVATE WEALTH BUSINESS

On May 29, 2023, the Company, through its Canadian wealth management business, completed its previously announced acquisition of Mercer Global Investments Canada Limited’s Canadian private wealth business (“Mercer”) for cash consideration of $2.4 million.

NET ASSETS ACQUIRED

Identifiable intangible assets	2,410

Identifiable intangible assets of $2.4 million were recognized and relate to customer relationships.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired from Mercer are estimates, which were made by management at the time of the preparation of these unaudited interim condensed consolidated financial statements based on available information.

Amendments may be made to these amounts as well as the identification of intangible assets and the allocation of identifiable intangible assets between indefinite life and finite lives. Values based on estimates are subject to changes during the period ending twelve months after the acquisition date.

PUNTER SOUTHALL WEALTH LIMITED

As disclosed in the unaudited interim condensed financial statements for the quarter ended June 30, 2023, the Company finalized its purchase price accounting in connection with the acquisition of PSW. There were no changes to the purchase price and fair value of net assets acquired on the date of the acquisiton as disclosed in the Company’s audited consolidated financial statements for the year ended March 31, 2023.

RESULTS INTERNATIONAL GROUP LLP

During the six months ended September 30, 2023, the Company finalized its purchase price accounting in connection with the acquisition of Results. There were no changes to the purchase price and fair value of net assets acquired on the date of the acquisiton as disclosed in the Company’s audited consolidated financial statements for the year ended March 31, 2023.

9. Business Disposal

On May 24, 2023, the Company sold 100% of the ordinary shares of Canaccord Genuity (Dubai) Ltd.

The Company recognized a loss of $0.3 million on the disposal, as well as realized translation gain of $0.3 million which was previously included in accumulated other comprehensive income.

10. Non-Controlling Interests

The non-controlling interests as of September 30, 2023 comprised of the following:

	Australia		UK & Crown Dependencies		Total	
As at and for the six-month period ended September 30	**2023 $**	2022 $	**2023 $**	2022 $	**2023 $**	2022 $
Balance, opening	**20,476**	23,301	**323,522**	215,400	**343,998**	238,701
Comprehensive income (loss) attributable to non-controlling interests	**5,061**	(1,537)	**18,669**	15,108	**23,730**	13,571
Foreign exchange on non-controlling interests	**(550)**	(614)	**(2,100)**	(11,212)	**(2,650)**	(11,826)
Dividends paid to non-controlling interest	**(6,414)**	(10,514)	**—**	—	**(6,414)**	(10,514)
Issuance of convertible preferred shares, net of discount	**—**	—	**—**	102,017	**—**	102,017
Issuance of equity instruments in connection with acquisition of PSW	**—**	—	**—**	6,376	**—**	6,376
Payment of dividends on convertible preferred shares	**—**	—	**(12,495)**	—	**(12,495)**	—
Reclassification to derivative liability on issuance date	**—**	—	**—**	(7,970)	**—**	(7,970)
Balance, ending	**18,573**	10,636	**327,596**	319,719	**346,169**	330,355

	For the three months ended		For the six months ended	
Comprehensive income (loss) attributable to non-controlling interests	**September 30, 2023 $**	September 30, 2022 $	**September 30, 2023 $**	September 30, 2022 $
Australia	**697**	1,304	**5,061**	(1,537)
UK & Crown Dependencies	**9,288**	8,487	**18,669**	15,108
Total	**9,985**	9,791	**23,730**	13,571

UK & Crown Dependencies Wealth Management

Certain institutional investors acquired Series A Convertible Preferred Shares (“A Convertible Preferred Shares”) in the amount of £125.0 million (C$218.0 million), as well as Series B Convertible Preferred Shares (“B Convertible Preferred Shares”) in the amount of £65.3 million ($104.1 million). The two series of the Convertible Preferred Shares are collectively described as Convertible Preferred Shares in discussions below.

The terms of the Convertible Preferred Shares are described in Note 8 of the audited financial statements for the year ended March 31, 2023.

In connection with the issuance of the A Convertible Preferred Shares, CGWM UK provided for the purchase of certain equity instruments in CGWM UK by management and employees of CGWM UK. Included in these equity instruments of CGWM UK were preferred shares with the same economic attributes as the A Convertible Preferred Shares (the “Preference Shares”). The other equity interests purchased by management and employees of CGWM UK are ordinary shares of CGWM UK with certain restrictions on transfer and limited governance rights. A management incentive plan has been implemented which, subject to certain minimum threshold levels, will provide for certain payments if a liquidity event occurs within six years or after six years if a liquidity event has not occurred and the A Convertible Preferred Shares are no longer outstanding.

On an as converted basis, the Company holds an approximate 66.9% equity equivalent interest in CGWM UK as of September 30, 2023 [March 31, 2023 – 66.9%]. Together, the equity instruments purchased by management and employees of CGWM UK in connection with the issuance of the A Convertible Preferred Shares and with the equity instruments issued and to be issued in connection with the acquisitions of PSW, such instruments represent an approximate 5.1% equity equivalent interest in CGWM UK on an as converted basis.

The Convertible Preferred Shares and Preference 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 Preference 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, under certain circumstances, by delivering the economic equivalent of a variable number of common shares of CGWM UK. The equity component of the Convertible Preferred Shares and Preference 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, 2023.

The fair value of the Convertible Preferred Shares and Preference Shares at issuance was allocated to the respective equity and derivative liability components. The fair value of the non-controlling interests derivative liability was established first and the residual amount was recorded to the equity component. The derivative components will be remeasured at the end of each reporting period using the Company’s best estimate of its value. During the six months ended September 30, 2023, a fair value adjustment of $13.3 million [six months ended September 30, 2022 – $nil million] was recorded in the unaudited interim condensed statement of operations. The carrying value of the derivative liability at September 30, 2023 for both A and B Convertible Preferred Shares was $74.5 million [March 31, 2023 – $61.7 million] and included in other liabilities in the unaudited interim condensed consolidated statements of financial position.

The Company uses a Black Scholes model to estimate the fair value of the derivative liability embedded in the Convertible Preferred Shares and Preference Shares. The fair value is calculated using the estimated fair value as determined on an as converted equity equivalent basis and the amount of the liquidation preference of the Convertible Preferred Shares and Preference 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 liability component at each reporting period.

Australia

The Company owns 65% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd., and through that ownership a 65% indirect interest in Canaccord Genuity (Australia) Limited and Canaccord Genuity Financial Limited as of September 30, 2023 [March 31, 2023 – 65%]. Because of an increase in shares held in an employee benefit trust controlled by CFGA, the Company's ownership increased from 67% ownership to 68% for accounting purposes during the six months ended September 30, 2023.

11. 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, 2023	1,047,181	44,930	2,278	353,895	44,761	603	37,369	11,919	565	1,865	498,185
Additions	—	—	—	2,410	1,334	—	—	—	—	—	3,744
Foreign exchange	(2,001)	—	(2)	(2,343)	(265)	(14)	(253)	35	3	(63)	(2,902)
Balance, September 30, 2023	**1,045,180**	**44,930**	**2,276**	**353,962**	**45,830**	**589**	**37,116**	**11,954**	**568**	**1,802**	**499,027**
Accumulated amortization and impairment											
Balance, March 31, 2023	(424,361)	—	(1,574)	(125,750)	(32,512)	(603)	(19,389)	(11,493)	(565)	(384)	(192,270)
Amortization	—	—	(29)	(9,672)	(1,772)	—	(1,785)	(247)	—	(90)	(13,595)
Impairment	—	—	—	—	—	—	—	—	—	—	—
Foreign exchange	—	—	5	841	233	14	168	(32)	(3)	14	1,240
Balance, September 30, 2023	**(424,361)**	**—**	**(1,598)**	**(134,581)**	**(34,051)**	**(589)**	**(21,006)**	**(11,772)**	**(568)**	**(460)**	**(204,625)**
Net book value											
March 31, 2023	622,820	44,930	704	228,145	12,249	—	17,980	426	—	1,481	305,915
September 30, 2023	**620,819**	**44,930**	**678**	**219,381**	**11,779**	**—**	**16,110**	**182**	**—**	**1,342**	**294,402**

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, Patersons, Adam & Company, Sawaya, PSW, Results and Mercer are customer relationships, trading licences, fund management contracts, contract book, technology and brand names acquired through the acquisitions of Petsky Prunier, Adam & Company and Sawaya, 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, 2023 $	March 31, 2023 $	**September 30, 2023 $**	March 31, 2023 $	**September 30, 2023 $**	March 31, 2023 $
Canaccord Genuity Capital Markets CGUs						
Canada	**$ 44,930**	$ 44,930	**—**	—	**$ 44,930**	$ 44,930
US	**—**	—	**$ 207,581**	$ 206,664	**207,581**	206,664
UK & Europe	**—**	—	**31,091**	31,304	**31,091**	31,304
Canaccord Genuity Wealth Management CGUs						
UK & Crown Dependencies (Channel Islands)	**—**	—	**89,329**	89,944	**89,329**	89,944
UK & Crown Dependencies (UK wealth)	**—**	—	**290,148**	292,145	**290,148**	292,145
Australia	**—**	—	**2,670**	2,763	**2,670**	2,763
	$ 44,930	$ 44,930	**$ 620,819**	$ 622,820	**$ 665,749**	$ 667,750

The Genuity brand name is considered to have an indefinite life as the Company has no plans to cease its use in the future.

Goodwill and intangible assets with indefinite lives are tested for impairment annually at March 31, and whenever 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; 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. Consequently, interim goodwill and other assets impairment testing was carried out for all applicable CGUs at September 30, 2023.

In accordance with IAS 36, "Impairment of Assets" (IAS 36), the recoverable amounts of the CGUs' net assets have been determined using fair value less costs to sell (FVLCS) calculations, which are based on future cash flow assumptions considered to be appropriate for the purposes of such calculations. In accordance with IFRS 13, fair value represents an estimate of the price at which an orderly transaction to sell an asset or transfer a liability would take place between market participants as at the end of the reporting period under market conditions as at that date (an exit price as at the measurement date). There is a material degree of uncertainty with respect to the estimates of the recoverable amounts of the CGUs' net assets given that these estimates involve making key assumptions about the future. In making such assumptions, management has used its best estimate of future economic and market conditions within the context of the Company's capital markets and wealth management activities. These valuations are categorized as Level 3 in the fair value hierarchy.

The FVLCS calculations are based on assumptions, as described above, made in connection with future cash flows, relief of royalties with respect to the brand name indefinite life intangible asset, terminal growth rates and discount rates. In order to estimate the FVLCS for each CGU, cash flows are forecast over a five-year period, a terminal growth rate is applied and then such cash flows are discounted to their present value.

The discount rate is based on the specific circumstances of each CGU and is derived from the estimated weighted average cost of capital of the Company. Cash flow estimates for each of these CGUs were based on management assumptions as described above and utilized a compounded annual growth rate and a terminal growth rate. The discount rates, compound annual growth rates and terminal growth rates for each CGU are summarized in the table below.

	Discount rate		Compound annual Growth rate		Terminal growth rate	
	September 30, 2023	March 31, 2023	**September 30, 2023**	March 31, 2023	**September 30, 2023**	March 31, 2023
Canaccord Genuity Capital Markets CGUs						
US	**14.0%**	14.0%	**5.0%**	2.5%	**2.5%**	2.5%
UK & Europe	**14.0%**	14.0%	**12.0%**	10.0%	**2.5%**	2.5%
Canaccord Genuity Wealth Management CGUs						
UK & Crown Dependencies (Channel Islands)	**12.5%**	12.5%	**5.0%**	5.0%	**2.5%**	2.5%
UK & Crown Dependencies (UK wealth)	**12.5%**	12.5%	**5.0%**	7.5%	**2.5%**	2.5%
Australia	**14.0%**	14.0%	**5.0%**	5.0%	**2.5%**	2.5%

Sensitivity testing was conducted as part of the impairment test of goodwill and indefinite life intangible assets for the Canaccord Genuity Capital Markets – US and Canaccord Genuity Capital Markets – UK & Europe CGUs. The sensitivity testing included assessing the impact that reasonably possible declines in growth rates after that period and increases in the discount rates would have on the recoverable amounts of the CGUs, with other assumptions being held constant. The table below summarizes the changes in the various variables that may result in the estimate of the recoverable amount declining below the carrying value with the result that an impairment charge may be required. Any such impairment charge 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.

	Canaccord Genuity Capital Markets US CGU	Canaccord Genuity Capital Markets UK CGU
Increase in discount rate	**0.7%**	0.4%
Decrease in five year compound annual growth rate	**0.5%**	0.3%
Decrease in terminal growth rate	**1.1%**	0.6%

12. 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, 2023 $	September 30, 2022 $	**September 30, 2023 $**	September 30, 2022 $
Net (loss) income before income taxes	**(674)**	39,032	**5,608**	40,926
Income taxes at the statutory rate of 27.0% (F2022: 27.0%)	**(182)**	10,534	**1,515**	11,046
Difference in tax rates in foreign jurisdictions	**(661)**	(1,952)	**(2,059)**	(2,642)
Permanent items	**5,256**	(690)	**5,515**	164
Share based payments	**1,169**	5,340	**7,588**	10,931
Other	**(389)**	(764)	**(816)**	(2,133)
Income tax expense – current and deferred	**5,193**	12,468	**11,743**	17,366

13. Subordinated Debt

	September 30, 2023 $	March 31, 2023 $
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 CIRO. As at September 30, 2023 and March 31, 2023, the interest rates for the subordinated debt were 11.2% and 10.7%, respectively. The carrying value of subordinated debt approximates its fair value due to the short-term nature of this liability.

14. Bank Loan

	September 30, 2023 $	March 31, 2023 $
Loan	**301,447**	310,192
Less: Unamortized financing fees	**(1,967)**	(3,070)
	299,480	307,122
Bank loan (A)	**13,250**	13,342
Bank loan (B)	**286,230**	293,780

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for several acquisitions in the UK and Crown Dependencies wealth management segment. The loan is repayable in instalments of principal and interest and matures on September 30, 2024. The maturity date is expected to be extended to September 30, 2025, pending completion and execution of final documentation. Upon completion of that final documentation the amount of $286,230 described as Bank Loan (B) is the amount that would have been classified as a long term liability as of September 30, 2023. As of March 31, 2023, Bank Loan (A) was classified as a current liability and Bank Loan (B) was classified as a long term liability. The interest rate on this loan is 8.1848% per annum as of September 30, 2023 [March 31, 2023 – 7.177% per annum].

15. Preferred Shares

	September 30, 2023		March 31, 2023	
	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

Terms of the Series A and C Preferred Shares are disclosed in Note 19 of the March 31, 2023 audited consolidated financial statements.

16. Common Shares

	September 30, 2023		March 31, 2023	
	Amount $	Number of shares	Amount $	Number of shares
Issued and fully paid	**703,230**	**101,993,084**	686,043	99,594,391
Held for share-based payment plans	**(979)**	**(122,355)**	(1,334)	(122,355)
Held for the LTIP	**(80,093)**	**(8,852,636)**	(118,364)	(11,994,885)
	622,158	**93,018,093**	566,345	87,477,151

[I] AUTHORIZED

Unlimited common shares without par value

[II] ISSUED AND FULLY PAID

	Number of shares	Amount $
Balance, March 31, 2023	**99,594,391**	686,043
Shares issued in connection with exercise of PSO [note 18]	**2,398,693**	17,187
Balance, September 30, 2023	**101,993,084**	703,230

On August 17, 2023, 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 4,985,290 of its common shares during the period from August 21, 2023 to August 20, 2024 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. There were no shares purchased under NCIB for the six months ended September 30, 2023.

[III] (LOSS) EARNINGS PER COMMON SHARE

	For the three months ended		For the six months ended	
	September 30, 2023 $	September 30, 2022 $	**September 30, 2023 $**	September 30, 2022 $
Basic (loss) earnings per common share				
Net (loss) income attributable to CGGI shareholders	**(16,129)**	17,170	**(26,665)**	6,997
Preferred shares dividends	**(2,852)**	(2,391)	**(5,704)**	(4,782)
Net (loss) income available to common shareholders	**(18,981)**	14,779	**(32,369)**	2,215
Weighted average number of common shares (number)	**93,491,162**	86,660,661	**90,878,125**	87,642,728
Basic (loss) earnings per share	**$ (0.20)**	$ 0.17	**$ (0.36)**	$ 0.03
Diluted (loss) earnings per common share				
Net (loss) income available to common shareholders	**(18,981)**	14,779	**(32,369)**	2,215
Weighted average number of common shares (number)	**n/a**	86,660,661	**n/a**	87,642,728
Dilutive effect in connection with LTIP (number)	**n/a**	13,293,353	**n/a**	13,362,623
Dilutive effect in connection with performance stock options (number)	**n/a**	1,018,812	**n/a**	1,523,346
Dilutive effect in connection with acquisition of Sawaya Partners (number)	**n/a**	783,972	**n/a**	783,972
Dilutive effect in connection with acquisition of Results (number)	**n/a**	441,096	**n/a**	441,096
Adjusted weighted average number of common shares (number)	**n/a**	102,197,894	**n/a**	103,753,765
Diluted (loss) earnings per common share	**$ (0.20)**	$ 0.14	**$ (0.36)**	$ 0.02

For the three and six months ended September 30, 2023, the instruments involving potential common shares were excluded from the calculation of diluted loss per share as they were anti-dilutive.

17. Dividends

COMMON SHARE DIVIDENDS

The Company declared the following common share dividend during the six months ended September 30, 2023:

Record date	Payment date	Cash dividend per common share	Total common dividend amount
June 23, 2023	July 4, 2023	$ 0.085	$ 8,468
September 1, 2023	September 15, 2023	$ 0.085	$ 8,669

On November 14, 2023, the Board of Directors approved a dividend of $0.085 per common share, payable on December 15, 2023, with a record date of December 1, 2023 [Note 22].

PREFERRED SHARE DIVIDENDS

The Company declared the following preferred share dividends during the six months ended September 30, 2023:

Record date	Payment date	Cash dividend per Series A Preferred Share	Cash dividend per Series C Preferred Share	Total preferred dividend amount
June 23, 2023	June 30, 2023	$ 0.25175	$ 0.42731	$ 2,852
September 15, 2023	October 2, 2023	$ 0.25175	$ 0.42731	$ 2,852

On November 14, 2023, the Board of Directors approved the following cash dividends: $0.25175 per Series A Preferred Share payable on January 2, 2024 with a record date of December 22, 2023; and $0.42731 per Series C Preferred Share payable on January 2, 2024 with a record date of December 22, 2023 [Note 22].

18. 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 3,471,199 RSUs granted in lieu of cash compensation to employees during the six-month period ended September 30, 2023 [September 30, 2022 – 7,696,756 RSUs]. The Trusts purchased 2,273,196 common shares during the six-month period ended September 30, 2023 [September 30, 2022 – 6,920,097 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, 2023 was $7.98 [September 30, 2022 – $10.32].

	Number
Awards outstanding, March 31, 2023	13,284,415
Grants	3,471,199
Vested	(5,415,445)
Awards outstanding, September 30, 2023	**11,340,169**

	Number
Common shares held by the Trusts, March 31, 2023	11,994,885
Acquired	2,273,196
Released on vesting	(5,415,445)
Common shares held by the Trusts, September 30, 2023	**8,852,636**

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. The PSU plan includes certain employment-related conditions to the vesting of the awards resulting 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, 2023 was $34.9 million [March 31, 2023 – $106.9 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 rateably 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, 2023, 3,210,000 PSOs were granted with an exercise price of $8.65.

In addition, there were 4,822,335 PSOs exercised during the six months ended September 30, 2023 with an exercise price of $6.73. There were 1,855,360 PSOs exercised for cash with total cash proceeds received by the Company of $12.5 million. The remaining PSOs were exercised on a cashless basis. A total of 2,398,693 shares were issued in connection with the exercise of PSOs during the six-month period [Note 16].

The following is a summary of the Company's PSOs as at September 30, 2023:

	Number of PSOs	Weighted average exercise price ($)
Balance, March 31, 2023	5,222,335	6.92
Granted	3,210,000	8.65
Exercised	(4,822,335)	6.73
Balance, September 30, 2023	3,610,000	8.65

IV. EXECUTIVE EMPLOYEE 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, 2023 was $8.8 million [March 31, 2023 – $9.6 million].

V. PSW CONDITIONAL SHARE PLAN

In connection with the acquisition of PSW, the Company adopted a share-based payment plan in the amount of £2.5 million (CAD $3.9 million) in respect of CGWM UK ordinary shares for certain key employees of PSW. The plan is subject to various vesting conditions and accordingly, the Company recognizes the cost of such awards as an expense over the applicable vesting period.

VI. SHARE-BASED COMPENSATION (RECOVERY) EXPENSE

	For the three months ended		For the six months ended	
	September 30, 2023 $	September 30, 2022 $	**September 30, 2023 $**	September 30, 2022 $
Long-term incentive plan	**2,079**	3,034	**3,774**	6,526
Deferred share units (cash-settled)	**(191)**	(967)	**(1,846)**	(3,152)
Deferred share units (cash-settled) – senior executives	**519**	(263)	**(797)**	(1,074)
PSU (cash-settled)	**(3,993)**	(10,133)	**(18,296)**	(22,559)
PSO	**482**	170	**574**	408
Other share-based payment plan	**410**	1,327	**816**	1,327
Total share-based compensation recovery	**(694)**	(6,832)	**(15,775)**	(18,524)

19. 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, 2023	March 31, 2023
Accounts receivable	**30,782**	18,115
Accounts payable and accrued liabilities	**668**	600

20. 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 (including Dubai before the cessation of the business during the three months ended June 30, 2023), Australia and the US.

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

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, Thomas Miller, Adam & Company and PSW is allocated to the Canaccord Genuity Wealth Management UK & Europe (UK Wealth) segment. Amortization of identifiable intangible assets acquired through the acquisitions of Petsky Prunier and Sawaya is allocated to the Canaccord Genuity Capital Markets US segment. Amortization of identifiable intangible assets acquired through the acquisition of Results is allocated to Canaccord Genuity Capital Markets UK and Europe 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, 2023				September 30, 2022			
	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	**39,454**	**141,510**	**164**	**181,128**	36,765	144,961	1,044	182,770
Investment banking	**30,875**	**4,584**	**—**	**35,459**	35,489	8,283	—	43,772
Advisory fees	**46,017**	**109**	**—**	**46,126**	100,937	357	—	101,294
Principal trading	**20,298**	**1**	**—**	**20,299**	26,902	71	—	26,973
Interest	**7,394**	**39,141**	**4,173**	**50,708**	4,429	14,836	3,130	22,395
Other	**771**	**1,881**	**918**	**3,570**	1,175	780	1,363	3,318
Expenses, excluding undernoted	**136,107**	**120,554**	**22,722**	**279,383**	164,401	121,065	17,883	303,349
Amortization	**1,800**	**7,746**	**388**	**9,934**	2,934	7,903	231	11,068
Amortization of right of use assets	**4,125**	**1,725**	**737**	**6,587**	4,236	1,300	852	6,388
Development costs	**561**	**7,843**	**830**	**9,234**	994	7,553	1,786	10,333
Interest expense	**4,843**	**17,581**	**485**	**22,909**	3,684	5,811	1,024	10,519
Restructuring costs	**12,673**	**810**	**1,306**	**14,789**	—	—	—	—
Change in fair value of contingent consideration	**(18,174)**	**—**	**—**	**(18,174)**	—	—	—	—
Fair value adjustment of non-controlling interest derivative liability	**—**	**—**	**13,250**	**13,250**	—	—	—	—
Acquisition related costs	**—**	**—**	**—**	**—**	1,477	(1,656)	—	(179)
Share of loss of an associate	**—**	**—**	**52**	**52**	—	—	12	12
(Loss) income before intersegment allocations and income taxes	**2,874**	**30,967**	**(34,515)**	**(674)**	27,971	27,312	(16,251)	39,032
Intersegment allocations	**4,381**	**5,743**	**(10,124)**	**—**	5,171	5,187	(10,358)	—
(Loss) income before income taxes	**(1,507)**	**25,224**	**(24,391)**	**(674)**	22,800	22,125	(5,893)	39,032

	For the six months ended							
	September 30, 2023				September 30, 2022			
	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	**80,502**	**285,155**	**241**	**365,898**	72,580	289,765	1,348	363,693
Investment banking	**60,393**	**12,027**	**—**	**72,420**	47,968	14,520	—	62,488
Advisory fees	**86,304**	**474**	**—**	**86,778**	183,530	708	—	184,238
Principal trading	**43,330**	**(85)**	**—**	**43,245**	55,283	(89)	—	55,194
Interest	**17,140**	**77,878**	**7,962**	**102,980**	7,096	25,055	5,060	37,211
Other	**2,834**	**2,802**	**3,657**	**9,293**	3,377	1,548	(9,857)	(4,932)
Expenses, excluding undernoted	**273,199**	**246,139**	**31,533**	**550,871**	310,068	241,095	30,312	581,475
Amortization	**3,594**	**15,464**	**779**	**19,837**	5,221	13,518	524	19,263
Amortization of right of use assets	**8,025**	**3,427**	**1,475**	**12,927**	8,535	2,694	1,974	13,203
Development costs	**1,420**	**13,731**	**16,707**	**31,858**	1,650	13,314	2,295	17,259
Interest expense	**11,090**	**33,976**	**1,154**	**46,220**	7,467	9,295	1,581	18,343
Restructuring costs	**12,673**	**810**	**4,664**	**18,147**	—	—	—	—
Change in fair value of contingent consideration	**(18,174)**	**—**	**—**	**(18,174)**	—	—	—	—
Fair value adjustment of non-controlling interest derivative liability	**—**	**—**	**13,250**	**13,250**	—	—	—	—
Acquisition related costs	**—**	**—**	**—**	**—**	1,477	5,926	—	7,403
Share of loss of an associate	**—**	**—**	**70**	**70**	—	—	20	20
(Loss) income before intersegment allocations and income taxes	**(1,324)**	**64,704**	**(57,772)**	**5,608**	35,416	45,665	(40,155)	40,926
Intersegment allocations	**8,748**	**10,449**	**(19,197)**	**—**	10,139	11,321	(21,460)	—
(Loss) income before income taxes	**(10,072)**	**54,255**	**(38,575)**	**5,608**	25,277	34,344	(18,695)	40,926

For geographic reporting purposes, the Company's business operations are grouped into Canada, the US, the UK, Europe & Crown Dependencies (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, 2023 $	September 30, 2022 $	**September 30, 2023 $**	September 30, 2022 $
Canada	**99,234**	110,290	**217,952**	187,395
UK, Europe & Crown Dependencies	**118,141**	103,812	**234,643**	203,163
United States	**83,399**	129,785	**158,057**	255,061
Australia	**36,516**	36,635	**69,962**	52,273
	337,290	380,522	**680,614**	697,892

21. 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, 2023:

	Legal provisions	Restructuring provisions	Total provisions
Balance, March 31, 2023	**18,136**	**1,524**	**19,660**
Additions	2,170	18,147	20,317
Utilized	(1,072)	(13,644)	(14,716)
Balance, September 30, 2023	**19,234**	**6,027**	**25,261**

During the six months ended September 30, 2023, the Company incurred restructuring charges of $18.1 million related to headcount reductions mainly in our Canadian and US operations.

COMMITMENTS, LITIGATION PROCEEDINGS AND CONTINGENT LIABILITIES

In the normal course of business, the Company is involved in litigation, and as of September 30, 2023, 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, 2023, 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 27 of the March 31, 2023 audited consolidated financial statements.

22. Subsequent Events

I. ACQUISITION

On November 9, 2023, the Company announced that through its wealth management business in the UK and Crown Dependencies (“CGWM UK”), it has entered into an agreement to acquire Intelligent Capital, a Chartered Financial Planning business based in Glasgow, Scotland with current assets under administration of approximately £220 million. Upon completion of the transaction, the business of Intelligent Capital will operate as part of Adam & Company, which is the Scottish operating division of CGWM UK. Closing is subject to regulatory approval and other customary closing conditions. The acquisition is expected to be completed within the Company’s fourth fiscal quarter ended March 31, 2024.

II. DIVIDENDS

On November 14, 2023, the Board of Directors approved a dividend of $0.085 per common share, payable on December 15, 2023, with a record date of December 1, 2023 [Note 17].

On November 14, 2023, the Board of Directors approved the following cash dividends: $0.25175 per Series A Preferred Share payable on January 2, 2024 with a record date of December 22, 2023; and $0.42731 per Series C Preferred Share payable on January 2, 2024 with a record date of December 22, 2023 [Note 17].

Shareholder Information

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MAILING ADDRESS

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Stock Exchange Listing

Common shares:
TSX: CF

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

Corporate Website

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General Shareholder Inquiries and Information

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The Canaccord Genuity Group Inc. Annual Report for the year ended March 31, 2023 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
Q3/24	February 7, 2024	March 15, 2024	April 1, 2024	March 1, 2024	March 15, 2024
Q4/24	June 5, 2024	June 21, 2024	July 2, 2024	June 21, 2024	July 2, 2024
Q1/25	August 8, 2024	September 13, 2024	September 30, 2024	August 30, 2024	September 10, 2024
Q2/25	November 7, 2024	December 20, 2024	December 31, 2024	November 29, 2024	December 10, 2024

(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:

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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.canaccordgenuity.com

Auditor

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Chartered Professional Accountants
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