

CANACCORD Genuity

CANACCORD GENUITY GROUP INC. ANNOUNCES ACQUISITION TO INCREASE SCALE OF CANACCORD GENUITY WEALTH MANAGEMENT IN THE UK & EUROPE

Acquisition of Hargreave Hale Limited combines two leading independent wealth management businesses and will increase client assets and funds under management and advice in the UK & Europe wealth management business to over £22 billion (C\$38 billion)

TORONTO, July 5, 2017 – Canaccord Genuity Group Inc. (the “Company”, TSX: CF) is pleased to announce that through its UK & Europe based wealth management business, Canaccord Genuity Wealth Management (“CGWM (UK)”), it has agreed to acquire Hargreave Hale Limited (“Hargreave Hale”), a leading independent UK-based investment and wealth management business with a total of £8.0 billion (C\$13.5 billion) in assets under administration, management and management contract.

The transaction establishes a substantially enlarged wealth management operation in the UK and Europe with over £18.0 billion (C\$30.4 billion) in private client assets and over £4.7 billion (C\$7.9 billion) in fund management assets and represents another step in the Company’s strategy of growing its global wealth management business and increasing its wealth management contribution to overall group results.

“The acquisition of Hargreave Hale is an important step in our strategy of building a leading independent global wealth management business,” said Dan Daviau, President & CEO of Canaccord Genuity Group Inc. “We view this transaction as a significant development in our long-term strategy of transforming our business mix to grow contributions from our global wealth management businesses, and one that will deliver enhanced value for our clients and our shareholders.”

Hargreave Hale is one of the UK’s leading independent investment and wealth management businesses, providing discretionary investment management and stockbroking services to more than 14,000 private clients, intermediaries, corporations and charities. With a history that dates back to 1897, the firm has maintained an unwavering commitment to offering the highest standard of investment management and advice centred on the principles of accessibility, technical excellence and integrity. Hargreave Hale operates a leading custody and settlement function and has a nationwide presence in the UK with nine offices located in Bangor, Blackpool, Carlisle, Lancaster, London, Norwich, Nottingham, Worcester and York.

Both Canaccord Genuity Wealth Management in the UK & Europe and Hargreave Hale have developed highly complementary, client-centric business models, encompassing discretionary portfolio management, advisory and execution-only stockbroking services, with CGWM (UK) also offering wealth planning. There is a strong geographic fit between the two businesses, with Hargreave Hale further strengthening CGWM (UK)’s London presence and adding its regional office network to expand CGWM (UK)’s footprint within the UK.

The transaction also advances CGWM (UK)’s strategic ambition of developing a leading first-class fund management business, by combining its existing operation with the fund management business of Hargreave Hale. Widely recognised as one of the UK leaders in small- and mid-cap fund management, Hargreave Hale has an exceptional track record of delivering top-quartile investment performance. Giles Hargreave and the wider fund management team will remain with the business and are committed to growing this business within CGWM (UK).

The senior management of Hargreave Hale will continue to have significant involvement and influence, holding key leadership roles within the enlarged group and will be responsible for driving the growth and development of the investment and wealth management business.

“We are delighted to announce the acquisition of Hargreave Hale, which wholly supports our ambitious growth plans for Canaccord Genuity Wealth Management in the UK and Europe,” said David Esfandi, CEO of Canaccord Genuity Wealth Management in the UK & Europe. “The strategic rationale for this acquisition is underpinned by it being complementary rather than duplicative. We are committed to investing in and accelerating the growth of Hargreave Hale’s fund management and private client wealth management operations for the benefit of the clients, staff and shareholders of both firms.”

Mr. Esfandi continued: “I have been extremely impressed by the quality and calibre of our new partners at Hargreave Hale, whose breadth and depth of talent and expertise will be available to our clients. Together, as one of the leading UK wealth management businesses, we will be particularly well placed to respond to the ever-challenging wealth management environment including an increasingly demanding and more discerning client base.”

Commenting on the transaction, Giles Hargreave, Chairman of Hargreave Hale said: “With its similar business model, shared culture and common values, Canaccord Genuity Wealth Management in the UK represents the ideal partner to continue the successful growth and development of our business. Along with our senior management team, I look forward to working with our new colleagues as we continue to deliver excellent investment and wealth management services for our clients.”

Under the terms of the transaction, CGWM (UK) will pay an initial consideration to the shareholders of Hargreave Hale of £52.0 million (C\$87.9 million) and additional contingent consideration of up to £27.5 million (C\$46.5 million). Additional contingent consideration, if paid, will be funded from the ongoing cash flow of the business. The contingent consideration is structured to be payable over a period of up to three years, subject to the achievement of certain performance targets related to the retention and growth of client assets and revenues and an amount determined with reference to the fund management business.

It is expected that the acquisition will be immediately accretive to the Company’s adjusted earnings¹. The initial consideration will be funded in part from a credit facility provided to CGWM (UK) by National Westminster Bank plc and HSBC Bank plc in the amount of £40.0 million (C\$67.6 million).

For the twelve month period ended March 31, 2017, Hargreave Hale recorded total revenue of £48.0 million (C\$81.1 million), net income after taxes of £4.4 million (C\$7.4 million) and EBITDA excluding deal-related and other non-recurring costs of £8.0 million (C\$13.5 million).

Acquisition-related costs comprised of deal costs, transaction fees, and incentive-based payments subject to certain performance criteria are expected to be approximately £16.0 million (C\$27.0 million) of which £8.0 million (C\$13.5 million) will be expensed at the time of closing, with the balance to be expensed as a significant item over a four-year measurement period.

The acquisition will be effected by a Scheme of Arrangement under the UK Companies Act 2006 and is subject to regulatory approval and approval by shareholders of Hargreave Hale and other customary closing conditions. CGWM (UK) has received irrevocable undertakings from shareholders of Hargreave

¹ Adjusted earnings is a non-IFRS measure generally referred to by the Company as net income excluding significant items. Significant items include restructuring costs, amortization of intangible assets acquired in connection with a business combination, acquisition-related expense items and other items related to business combinations and disposals as more particularly described in the Company’s Management Discussion and Analysis for the year ended March 31, 2017 and available on www.sedar.com. It is not expected that the acquisition will be accretive to net income as determined in accordance with IFRS for fiscal 2018.

Hale, representing approximately 81.0% of shares outstanding. The acquisition is expected to be completed prior to the end of the third quarter of fiscal 2018.

A conference call is scheduled to take place on Wednesday, July 5 at 6:00 a.m. Pacific time, 9:00 a.m. Eastern time, 2:00 p.m. UK time, 9:00 p.m. China Standard Time, and 11:00 p.m. Australia EST. During the call, senior executives will comment on the transaction and respond to questions from analysts and institutional investors.

The conference call may be accessed live on a listen-only basis and will also be archived at: <http://www.canaccordgenuitygroup.com/EN/NewsEvents/Pages/Events.aspx>.

Analysts and institutional investors can call in via telephone at:

- (647) 427-7450 (within Toronto)
- (888) 231-8191 (toll free outside Toronto)
- 0-800-051-7107 (toll free from the United Kingdom)
- 0-800-91-7449 (toll free from France)
- 10-800-714-1191 (toll free from Northern China)
- 10-800-140-1195 (toll free from Southern China)
- 1-800-287-0111 (toll free from Australia)
- 800-017-8071 (toll free from United Arab Emirates)

Please ask to participate in the Canaccord Genuity Group Inc. management update call. If a passcode is requested, please use # 47383046.

A replay of the conference call will be made available from approximately two hours after the live call on July 5, 2017 until August 8, 2017 at 416-849-0833 or 1-855-859-2056 by entering passcode 47383046 followed by the (#) key.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS:

This press release may contain “forward-looking information” as defined under applicable securities laws (“forward-looking statements”). These statements relate to future events or future performance and reflect management’s expectations, beliefs, plans, estimates, intentions and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts, including business and economic conditions and Canaccord Genuity Group’s growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue”, “target”, “intend”, “could” or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, the nature of the financial services industry and the risks and uncertainties discussed from time to time in the Company’s interim condensed and annual consolidated financial statements, its annual report and its annual information form (“AIF”) filed on www.sedar.com as well as the factors discussed in the sections entitled “Risk Management” and “Risk Factors” in the AIF, which include market, liquidity, credit, operational, legal and regulatory risks. Material factors or assumptions that were used by the Company to develop the forward-looking statements contained in this press release include, but are not limited to, those set out in

the Fiscal 2018 Outlook section in the annual MD&A and those discussed from time to time in the Company's interim condensed and annual consolidated financial statements, its annual report and the AIF filed on www.sedar.com. The preceding list is not exhaustive of all possible risk factors that may influence actual results. Readers are cautioned that the preceding list of material factors or assumptions is not exhaustive.

Although the forward-looking statements contained in this press release are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this press release are made as of the date of this press release and should not be relied upon as representing the Company's views as of any date subsequent to the date of this press release. Except as may be required by applicable law, the Company does not undertake, and specifically disclaims, any obligation to update or revise any forward-looking statements, whether as a result of new information, further developments or otherwise.

ABOUT CANACCORD GENUITY WEALTH MANAGEMENT

Canaccord Genuity Wealth Management provides comprehensive wealth management solutions and brokerage services to individual investors, private clients, charities and intermediaries through a full suite of services tailored to the needs of clients in each of its markets. Canaccord Genuity Wealth Management has Investment Advisors (IAs) and professionals in Canada, the UK, Guernsey, Jersey, the Isle of Man and Australia. Canaccord Genuity Wealth Management is a division of Canaccord Genuity Group and operates in the UK & Europe as Canaccord Genuity Wealth Limited and Canaccord Genuity Wealth International Limited.

ABOUT CANACCORD GENUITY GROUP INC.:

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the "Company") is a leading independent, full-service financial services firm, with operations in two principal segments of the securities industry: wealth management and capital markets. Since its establishment in 1950, the Company has been driven by an unwavering commitment to building lasting client relationships. We achieve this by generating value for our individual, institutional and corporate clients through comprehensive investment solutions, brokerage services and investment banking services. The Company has offices in 10 countries worldwide, including Wealth Management offices located in Canada, the UK, Guernsey, Jersey, the Isle of Man and Australia. Canaccord Genuity, the international capital markets division, operates in Canada, the US, the UK, France, Ireland, Hong Kong, China, Australia and Dubai. To us there are no foreign markets.TM

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

FOR FURTHER INFORMATION CONTACT:

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