



CANACCORD GENUITY GROUP INC. REPORTS FIRST QUARTER FISCAL 2024 RESULTS

**Excluding significant items, quarterly earnings per common share of \$0.07⁽¹⁾
First quarter dividend of \$0.085 per common share**

TORONTO, August 3, 2023 – Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the first fiscal quarter ended June 30, 2023.

“Following a brief period of modest recovery, market conditions in our first fiscal quarter continued to be challenging for capital raising and M&A activities. Our wealth management businesses have continued to perform well, providing resiliency in our results,” said Dan Daviau, President & CEO of Canaccord Genuity Group Inc. “The environment appears to be improving as our clients begin to anticipate recovery and we are hopeful for stronger business activity towards the second half of this fiscal year.”

First fiscal quarter highlights:

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

- First quarter revenue of \$343.3 million, an increase of 8.2% over the same period in the prior year
- First quarter net income before taxes excluding significant items⁽¹⁾ of \$32.9 million, an increase of 19.8% or \$5.4 million year-over-year (on an IFRS basis, net income before taxes amounted to \$6.3 million, a year-over-year increase of 231.7%)
- Q1/24 profitability was impacted by both higher interest expense and higher interest revenue reflecting market rate increases, reduced advisory fees revenue due to delays in completion of ongoing mandates, increased development costs in connection with the expired management-led bid, as well as higher general and administrative costs due to elevated conference and promotional expenses and professional fees
- Diluted earnings per common share excluding significant items⁽¹⁾ for the first fiscal quarter of \$0.07 per share (diluted loss per common share of \$0.15 on an IFRS basis)
- Total client assets⁽¹⁾ in our global wealth management business increased by 7.2% year-over-year to \$97.3 billion, reflecting year-over-year increases of 9.8% in Canada, 4.8% in the UK & Crown Dependencies and 15.2% in Australia
- First quarter common share dividend of \$0.085 per share

	Three months ended June 30		Year-over-year change	Three months ended March 31	Quarter-over-quarter change
	Q1/24	Q1/23		Q4/23	
First fiscal quarter highlights- adjusted¹					
Revenue excluding significant items ¹	\$343,443	\$328,817	4.4%	\$430,389	(20.2)%
Expenses excluding significant items ¹	\$310,547	\$301,365	3.0%	\$414,055	(25.0)%
Diluted earnings per common share excluding significant items ¹	\$0.07	\$0.11	(36.4)%	\$0.07	–
Net Income excluding significant items ¹	\$19,433	\$19,935	(2.5)%	\$17,428	11.5%
Net Income attributable to common shareholders excluding significant items ^{1,3}	\$7,578	\$11,879	(36.2)%	\$6,793	11.6%
First fiscal quarter highlights- IFRS					
Revenue	\$343,324	\$317,370	8.2%	\$430,389	(20.2)%

⁽¹⁾ See Non-IFRS Measures on page 5

Expenses	\$337,042	\$315,476	6.8%	\$424,962	(20.7)%
Diluted loss per common share	\$(0.15)	\$(0.14)	(7.1)%	\$(0.08)	(87.5)%
Net (loss) Income ²	\$(268)	\$(3,004)	91.1%	\$3,763	(107.1)%
Net loss attributable to common shareholders ³	\$(13,388)	\$(12,564)	(6.6)%	\$(7,178)	(86.5)%

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 income (loss) 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 \$191.0 million for the first fiscal quarter, a year-over-year increase of 17.8%. Net income before taxes excluding significant items⁽¹⁾ for this segment increased by 45.6% year-over-year, to \$36.0 million.

- Wealth management operations in the UK & Crown Dependencies generated first quarter revenue of \$103.2 million, an increase of 40.7% compared to the same period last year and reflects significantly increased interest revenue and higher commissions & fees revenue, primarily attributable to the integration of PSW which was acquired in Q1/23. Measured in local currency (GBP), revenue was £61.4 million in Q1/24 compared to £45.7 million in Q1/23, an increase of 34.4% compared to the same quarter last year. Net income before taxes excluding significant items⁽¹⁾ for this business was \$26.7 million in Q1/24, up 42.2% year-over-year.
- Canaccord Genuity Wealth Management (North America) generated \$72.6 million in fiscal first quarter revenue, which was in-line with the same quarter a year ago. Revenue in this business continues to reflect the impact of the prolonged weaker environment for investment banking activity, partially offset by increased interest revenue attributable to the higher interest rate environment. Excluding significant items⁽¹⁾ net income before taxes for this business amounted to \$9.0 million in Q1/24, which represents a year-over-year increase of 38.7%.
- Wealth management operations in Australia generated \$15.2 million in fiscal first quarter revenue, a decrease of 4.3% compared to the first quarter of last year. Excluding significant items⁽¹⁾ net income before taxes for this business was \$0.3 million in Q1/24, up from a net loss of \$0.5 million in Q1/23.

Total client assets in the Company's global wealth management businesses at the end of the first fiscal quarter amounted to \$97.3 billion, an increase of \$6.5 billion or 7.2% from Q1/23.

- Client assets in the UK & Crown Dependencies were \$54.7 billion (£32.5 billion) as at June 30, 2023, a year-over-year increase of 4.8% (a decrease of 2.4% in local currency).
- Client assets in North America were \$37.2 billion as at June 30, 2023, an increase of 4.2% from \$35.7 billion at the end of the previous quarter and an increase of 9.8% from \$33.9 billion at June 30, 2022 due to net new inflows from existing IAs, recruitment activity and new assets from our acquisition of Mercer's Canadian Private Wealth acquisition which was completed on May 29, 2023.
- Client assets⁽¹⁾ in Australia were \$5.4 billion (AUD 6.1 billion) at June 30, 2023, a decrease of 0.5% from \$5.4 billion (AUD 6.0 billion) at the end of the previous quarter, and an increase of 15.2% from the first quarter of fiscal 2023. In addition, client assets⁽¹⁾ totalling \$14.5 billion (AUD 16.4 billion) are also held on record in less active and transactional accounts through our Australian platform.

⁽¹⁾ See Non-IFRS Measures on page 5

Canaccord Genuity Capital Markets

On a consolidated basis, Canaccord Genuity Capital Markets earned revenue of \$145.7 million for the first fiscal quarter, a year-over-year decrease of 11.2%.

During the three-month period, Canaccord Genuity Capital Markets participated in 87 investment banking transactions globally, raising total proceeds of \$3.9 billion. While capital raising activities have remained below historic levels, first quarter revenue in our investment banking segment increased by 136.5% compared to Q1/23, attributable to increased contributions from our operations in Canada, the US and Australia.

Advisory revenue declined by 51.2% year-over-year, due to lower contributions from our US and UK businesses which reflects the more challenging environment for completions despite a solid pipeline of engagements. Commissions and fees revenue increased by 14.6% year-over-year due to higher contributions from Canada and the UK & Europe, which were partially offset by declines in the US and Australia. On a consolidated basis, revenue from principal trading activity amounted to \$23.0 million, a year-over-year decrease of 18.8%. Trading revenue in our Canadian and UK businesses increased by 252.1% and 188.3% respectively, while revenue contributed by our US operation decreased by 35.5% reflecting lower volatility in the quarter and reduced market activity.

Excluding significant items⁽¹⁾, our global capital markets division recorded a net loss of \$7.6 million for the quarter compared to net income before taxes excluding significant items⁽¹⁾ of \$4.1 million in the same period a year ago. Our Canadian business contributed net income before taxes of \$2.5 million, which was offset by losses in our UK and US businesses reflecting the impact of higher fixed costs in a reduced revenue environment and increased general and administrative expenses, largely attributable to promotional expenses and professional fees.

Summary of Corporate Developments

During Q1/24, the Company made the following changes in executive leadership roles in its North American businesses: Stuart Raftus was appointed CEO, Canaccord Genuity Corp. with responsibility for oversight of the Canadian broker-dealer business. He continues to lead CG Wealth Management in Canada, a role he has had since 2014. Jason Melbourne was promoted to Head of Canadian Capital Markets and will retain his existing role as Global Head of Distribution. Jeff Barlow become CEO, Canaccord Genuity LLC (US), a title change that reflects the increased importance to our global franchise of our US business for which he has been President since 2015.

Subsequent to the end of the quarter the Company implemented a number of cost-saving initiatives, including a headcount reduction of approximately 7.0% in Canada and the US, new controls and procedures to reduce promotion and travel activities and a comprehensive review of all communication, technology and other costs. In connection with these initiatives, we expect to record a restructuring provision of approximately \$10.0 million in Q2 fiscal 2024.

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

- Fair value adjustments on certain illiquid or restricted marketable securities recorded for IFRS reporting purposes, but which are excluded for management reporting purposes and are not used by management to assess operating performance.
- Restructuring costs.
- Amortization of intangible assets acquired in connection with business combinations.
- Certain incentive-based costs related to acquisitions in the US capital markets and CGWM UK.
- Certain components of the non-controlling interest expense associated with CGWM UK.

Summary of Results for Q1 Fiscal 2024 and Selected Financial Information Excluding Significant Items⁽¹⁾:

(C\$ thousands, except per share and % amounts)	Three months ended June 30		Quarter-over-quarter change
	2023	2022	
<u>Revenue</u>			
Revenue per IFRS	\$343,324	\$317,370	8.2%
<u>Significant items recorded in Corporate and Other</u>			
Fair value adjustments on certain illiquid and restricted marketable securities	\$119	\$11,447	(99.0)%
Total revenue excluding significant item	\$343,443	\$328,817	4.4%
<u>Expenses</u>			

⁽¹⁾ See Non-IFRS Measures on page 5

Expenses per IFRS	\$337,042	\$315,476	6.8%
<i>Significant items recorded in Canaccord Genuity Capital Markets</i>			
Amortization of intangible assets	\$350	\$1,264	(72.3)%
Incentive-based costs related to acquisitions	\$573	\$367	56.1%
<i>Significant items recorded in Canaccord Genuity Wealth Management</i>			
Amortization of intangible assets	\$5,639	\$4,312	30.8%
Acquisition-related costs	-	\$7,582	(100.0)%
Incentive-based costs related to acquisitions	\$1,288	\$586	119.8%
<i>Significant items recorded in Corporate and Other</i>			
Restructuring costs	\$3,358	-	n.m.
Development costs	\$15,287	-	n.m.
Total significant items – expenses	\$26,495	\$14,111	87.8%
Total expenses excluding significant items	\$310,547	\$301,365	3.0%
Net income before taxes excluding significant items ⁽¹⁾	\$32,896	\$27,452	19.8%
Income taxes – adjusted	\$13,463	\$7,517	79.1%
Net income excluding significant items ⁽¹⁾	\$19,433	\$19,935	(2.5)%
<i>Significant items impacting net income attributable to common shareholders</i>			
Non-controlling interests – IFRS	\$10,268	\$7,169	43.2%
Amortization of equity component of the non-controlling interests in CGWM UK and other adjustment	\$1,265	\$1,504	(15.9)%
Non-controlling interests (adjusted) ⁽¹⁾	\$9,003	\$5,665	58.9%
Net income attributable to common shareholders, excluding significant items ⁽¹⁾	\$7,578	\$11,879	(36.2)%
Earnings per common share excluding significant items – basic ⁽¹⁾	\$0.10	\$0.13	(23.1)%
Earnings per common share excluding significant items – diluted ⁽¹⁾	\$0.07	\$0.11	(36.4)%

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

Diluted earnings per common share (diluted EPS) is computed using the treasury stock method, giving effect to the exercise of all dilutive elements. The Convertible Preferred Shares issued by CGWM UK are factored into the diluted EPS 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 ended June 30, 2023, the effect of reflecting our proportionate share of CGWM UK's earnings is anti-dilutive for diluted EPS purposes under IFRS but dilutive for the purpose of determining diluted EPS excluding significant items⁽¹⁾. Accordingly, net income attributable to common shareholders excluding significant items⁽¹⁾ and diluted EPS excluding significant items⁽¹⁾ for the first quarter of fiscal 2024 reflects the Company's proportionate share of CGWM UK's net income on an as converted basis. Diluted EPS under IFRS is computed based on net income attributable to common shareholders less accrued and paid dividends on the Convertible Preferred Shares issued by CGWM UK.

Financial Condition at the End of First Quarter Fiscal 2024 vs. Fourth Quarter of Fiscal 2023:

- Cash and cash equivalents balance of \$0.6 billion, a decrease of \$402.6 million from \$1.0 billion
- Working capital of \$725.1 million, a decrease of \$24.5 million from \$749.6 million
- Total shareholders' equity of \$1.0 billion, a decrease of \$50.0 million from \$1.1 billion

Common and Preferred Share Dividends:

On August 3, 2023, the Board of Directors approved a dividend of \$0.085 per common share, payable on September 15, 2023, with a record date of September 1, 2023.

On August 3, 2023, the Board approved a cash dividend of \$0.25175 per Series A Preferred Share payable on October 2, 2023 to Series A Preferred shareholders of record as at September 15, 2023.

On August 3, 2023, the Board approved a cash dividend of \$0.42731 per Series C Preferred Share payable on October 2, 2023 to Series C Preferred shareholders of record as at September 15, 2023.

⁽¹⁾ See Non-IFRS Measures on page 5

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 capital markets; (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 (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 first quarter of fiscal 2024 can be found above in the table entitled "Summary of results for Q1 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.

ACCESS TO QUARTERLY RESULTS INFORMATION

Interested parties are invited to listen to Canaccord Genuity's first fiscal quarter results conference call via live webcast or a toll-free number. The conference call is scheduled for Friday, August 4, 2023, at 8:00 a.m. Eastern time, 1:00 p.m. UK time, and 10:00 p.m. Australia EST.

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

Analysts and institutional investors can call in via telephone at:

- 416-764-8609 (within Toronto)
- 888-390-0605 (toll free in North America outside Toronto)
- 0-800-652-2435 (toll free from the United Kingdom)
- 1-800-076-068 (toll free from Australia)

Please ask to participate in the Canaccord Genuity Group Inc. Q1/24 results call. If a passcode is requested, please use 13704336.

A replay of the conference call will be made available from approximately two hours after the live call on August 4, 2023, until September 4, 2023, at 416-764-8677 or 1-888-390-0541 by entering passcode 704336 followed by the (#) key.

ABOUT CANACCORD GENUITY GROUP INC.:

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

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

FOR FURTHER INFORMATION:

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www.cgf.com/investor-relations

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