



CANACCORD GENUITY GROUP INC. REPORTS SECOND QUARTER FISCAL 2022 RESULTS

Excluding significant items, second quarter earnings per common share of \$0.58⁽¹⁾

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

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

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

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

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

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

- Second quarter revenue excluding significant items¹ of \$475.2 million, a year-over-year improvement of 21.7%
- Excluding significant items¹, second quarter pre-tax net income of \$95.7 million, a year-over-year improvement of 89.4% (\$87.0 million on an IFRS basis)
- Excluding significant items¹, diluted earnings per common share for the second fiscal quarter of \$0.58 per share (\$0.49 per share on an IFRS basis), an increase of 107.1% compared to the second quarter of fiscal 2021
- Excluding significant items¹, diluted earnings per common share for the first six months of fiscal 2022 of \$1.31 (\$1.12 on an IFRS basis), an increase of 147.2% compared to the first half of fiscal 2021
- Global capital markets revenue increased 26.2% year-over-year to \$304.9 million, reflecting a substantial growth in advisory activity
- Record quarterly advisory revenue of \$139.4 million, reflecting substantially increased contributions from our US, Canadian and UK capital markets businesses
- Advisory revenue earned by our US capital markets business in the second fiscal quarter amounted to a record \$103.6 million, exceeding all prior full fiscal year amounts, and a year-over-year improvement of 419.3%
- Investment banking revenue in our capital markets business for the first six months of fiscal 2022 increased 16.6% year-over-year to \$240.7 million, although for Q2/22 with lower new issue activity, investment banking revenue decreased by 17.8% to \$89.5 million when compared to the second quarter of fiscal 2021
- Global wealth management revenue for the second fiscal quarter increased 13.9% year-over-year to \$166.2 million although with reduced activity in Canadian new issue activity, this represented a decline of 14.8% when compared to the first quarter of fiscal 2022
- Total client assets in our global wealth management business grew to \$98.1 billion, an increase of 33.6% from Q2/21 reflecting year-over-year increases of 45.1% in Canada, 26.7% in the UK & Crown Dependencies, and 43.0% in Australia
- Purchased 2,181,216 common shares for cancellation under our normal course issuer bid (NCIB) during the six months ended September 30, 2021
- Fiscal year-to-date capital deployment initiatives including dividends and share buybacks totalled \$44.1 million or 28.6% of adjusted net income
- Second quarter common share dividend of \$0.075 per common share

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

	Three months ended September 30		Year-over- year change	Three months ended June 30	Quarter-over- quarter change
	Q2/22	Q2/21			
Second fiscal quarter highlights- adjusted¹					
Revenue – excluding significant items ¹	\$475,161	\$390,357	21.7%	\$523,831	(9.3)%
Expenses - excluding significant items ¹	\$379,509	\$339,843	11.7%	\$409,874	(7.4)%
Earnings per common share – diluted, excluding significant items ¹	\$0.58	\$0.28	107.1%	\$0.73	(20.5)%
Net Income - excluding significant items ¹	\$69,719	\$36,891	89.0%	\$84,654	(17.6)%
Net Income attributable to common shareholders – excluding significant items ^{1,3}	\$63,326	\$32,982	92.0%	\$81,251	(22.1)%
Second fiscal quarter highlights- IFRS					
Revenue	\$475,161	\$390,357	21.7%	\$518,831	(8.4)%
Expenses	388,124	\$344,499	12.7%	\$419,130	(7.4)%
Earnings per common share – diluted	\$0.49	\$0.25	96.0%	\$0.63	(22.2)%
Net Income ²	\$61,785	\$32,993	87.3%	\$73,053	(15.4)%
Net Income attributable to common shareholders ³	\$54,232	\$29,084	86.5%	\$69,650	(22.1)%
<p>1. Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6 of the MD&A</p> <p>2. Before non-controlling interests and preferred share dividends</p> <p>3. Net income attributable to common shareholders is calculated as the net income adjusted for non-controlling interests and preferred share dividends</p>					

Core business performance highlights:

Canaccord Genuity Wealth Management

The Company's combined global wealth management operations earned revenue of \$166.2 million for the second fiscal quarter, a year-over-year increase of 13.9%. Excluding significant items¹, the pre-tax net income contribution from this segment increased by 17.9% year-over-year to \$31.7 million, which represents 33.1% of the adjusted pre-tax net income for the Company for the three-month period.

- Wealth management operations in the UK & Crown Dependencies generated \$75.1 million in revenue and, after intersegment allocations, and excluding significant items¹, recorded net income of \$19.7 million before taxes in Q2/22, up 40.0% year over year and 1.4% sequentially
- Canaccord Genuity Wealth Management (North America) generated \$72.4 million in revenue and, after intersegment allocations, recorded net income of \$9.9 million before taxes in Q2/22, which represents decreases of 15.7% and 62.2% compared to Q2/21 and Q1/22 respectively
- Wealth management operations in Australia generated \$18.8 million in revenue and, after intersegment allocations and excluding significant items¹, recorded net income of \$2.1 million before taxes in Q2/22, up from \$1.1 million in Q2/21 and down from \$2.6 million in Q1/22

Second quarter revenue in the Company's UK & Crown Dependencies wealth management business increased by 16.8% compared to Q2/21, driven by increases in client asset values and fee-based revenue. Pre-tax net income excluding significant items¹ increased by 40.0% compared to the three months ended September 30, 2020 due to an increase in revenue as well as a decrease in non-compensation expenses as a percentage of revenue. On an adjusted¹ basis, the pre-tax profit margin was 26.2%, an increase of 4.4 percentage points year over year.

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

Our Australian wealth management operations earned revenue of \$18.8 million in Q2/22, an increase of 30.9% over Q2/21. Pre-tax net income excluding significant items¹ increased by 94.7% compared to the three months ended September 30, 2020. On an adjusted¹ basis, the pre-tax profit margin was 11.2%, an increase of 3.7 percentage points year-over-year.

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

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

Canaccord Genuity Capital Markets

Excluding significant items¹, this segment contributed pre-tax net income of \$73.0 million for the quarter, an improvement of 70.0% compared to the same period in the previous fiscal year. Globally, Canaccord Genuity Capital Markets earned second fiscal quarter revenue of \$304.9 million, an increase of 26.2% compared to the same period a year ago. Revenue contributions from higher-margin advisory activities increased 279.1% year-over-year to \$139.0 million.

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

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

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

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

Revenue in our UK & Europe capital markets business increased by 129.8% year-over-year, largely due to higher investment banking and advisory fees revenue. Pre-tax profit was \$3.7 million for the three months ended September 30, 2021 compared to a pre-tax loss of \$2.2 million in the same period a year ago. Excluding significant items¹, pre-tax net income for the first six months of fiscal 2022 amounted to \$6.8 million, the strongest result since fiscal 2014.

Summary of Corporate Developments:

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

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

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

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

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

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

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

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

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

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

Summary of results for Q2 fiscal 2022 and selected financial information excluding significant items¹

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

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

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

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

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

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

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

Common and Series A and Series C Preferred Share Dividends:

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

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

ACCESS TO QUARTERLY RESULTS INFORMATION

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

QUARTERLY CONFERENCE CALL AND WEBCAST PRESENTATION

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

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

Analysts and institutional investors can call in via telephone at:

- 416-764-8609 (within Toronto)
- 888-390-0605 (toll free outside Toronto)
- 0-800-652-2435 (toll free from the United Kingdom)
- 0-800-916-834 (toll free from France)
- 10-800-714-1938 (toll free from Northern China)
- 10-800-140-1973 (toll free from Southern China)
- 1-800-076-068 (toll free from Australia)
- 80-003-570-3632 (toll free from United Arab Emirates)

Please ask to participate in the Canaccord Genuity Group Inc. Q2/22 results call. If a passcode is requested, please use 48332799.

A replay of the conference call will be made available from approximately two hours after the live call on November 9, 2021 until January 9, 2022 at 416-764-8677 or 1-888-390-0541 by entering passcode 332799 followed by the (#) key.

ABOUT CANACCORD GENUITY GROUP INC.:

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

Canaccord Genuity Group Inc. is publicly 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.