Contents

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements" (as defined under applicable Canadian 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 the section entitled "Fiscal 2023 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; the continued impacts of the coronavirus (COVID-19) pandemic on the Company's business operations and on the global economy; and the impact of the war in Ukraine and the resulting humanitarian crisis on the global economy, in particular, its effect on global oil, commodity and agricultural markets. Additional risks and factors that could cause actual results to differ materially from expectations are described in the Company's interim condensed and annual consolidated financial statements and the Company's Annual Report and Annual Information Form (AIF) filed on www.sedar.com as well as the factors discussed in the sections entitled "Risk Management" in this Management's Discussion and Analysis (MD&A) and "Risk Factors" in the AIF, which include market, liquidity, credit, operational, legal, cyber 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 2023 Outlook section in this MD&A and those discussed from time to time in the Company's interim condensed and 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 MD&A may be considered a "financial outlook" for the purposes of applicable Canadian securities laws. The financial outlook may not appropriate for purposes other than this MD&A. 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.

Management's Discussion and Analysis

Fiscal year 2022 ended March 31, 2022 – this document is dated June 2, 2022

The following discussion of Canaccord Genuity Group Inc.'s financial condition, financial performance and cash flows is provided to enable a reader to assess material changes in the financial condition, financial performance and cash flows for the fiscal year ended March 31, 2022 compared to the preceding fiscal year, with an emphasis on the most recent year. Unless otherwise indicated or the context otherwise requires, the "Company" or "Canaccord Genuity Group" refers to Canaccord Genuity Group Inc. and its direct and indirect subsidiaries. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the audited consolidated financial statements for the years ended March 31, 2022 and March 31, 2021 beginning on page 61 of this report. The Company's financial information is expressed in Canadian dollars unless otherwise specified. The Company's consolidated financial statements for the years ended March 31, 2022 and March 31, 2021 are prepared in accordance with International Financial Reporting Standards (IFRS).

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 MD&A 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 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 are 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, certain incentive-based costs related to the acquisitions and growth initiatives of CGWM UK and US Capital Markets, costs associated with the redemption of convertible debentures, costs associated with the reorganization of CGWM UK, 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 and 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 composed of 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 (viii) 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. Other items which have been excluded as significant items in prior periods for purposes of determining expenses, net income before taxes 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, 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 audited consolidated financial statements for fiscal 2022 can be found in the table entitled "Selected Financial Information Excluding Significant Items" on page 25.

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 excluding significant items 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 is a supplementary financial measure that does not have any definition prescribed under IFRS and does 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 the 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 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, Australia, the Bahamas and the Middle East.

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 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, merger and acquisition, research, sales and trading services with capabilities in North America, the UK & Europe, Asia, Australia, and the Middle East. 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.

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.

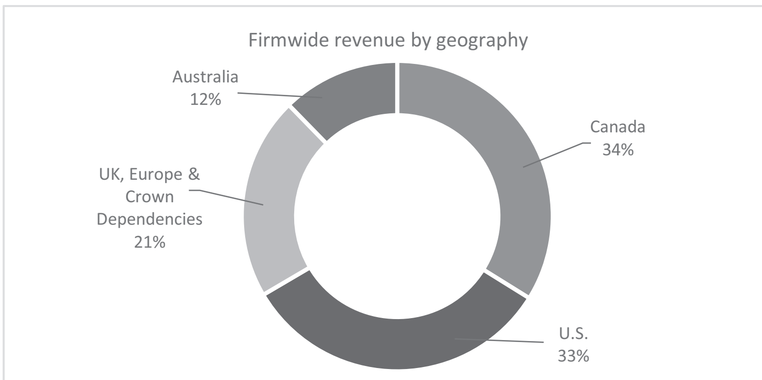
BUSINESS ACTIVITY

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 such transactions in our capital markets business.

The Company has taken steps to reduce its exposure to variances in the equity markets and local economies by diversifying its industry sector coverage and its international scope. To improve recurring revenue streams and offset the inherent volatility of the capital markets business, the Company has taken steps to increase the scale of its global wealth management operations. Historically, the Company's diversification across major financial centres has allowed us to benefit from strong equity markets in certain regions and improve our capability for identifying and servicing opportunities in regional centres and across our core focus sectors.

The following chart depicts firmwide revenue contributions by geography for the fiscal year ended March 31, 2022:

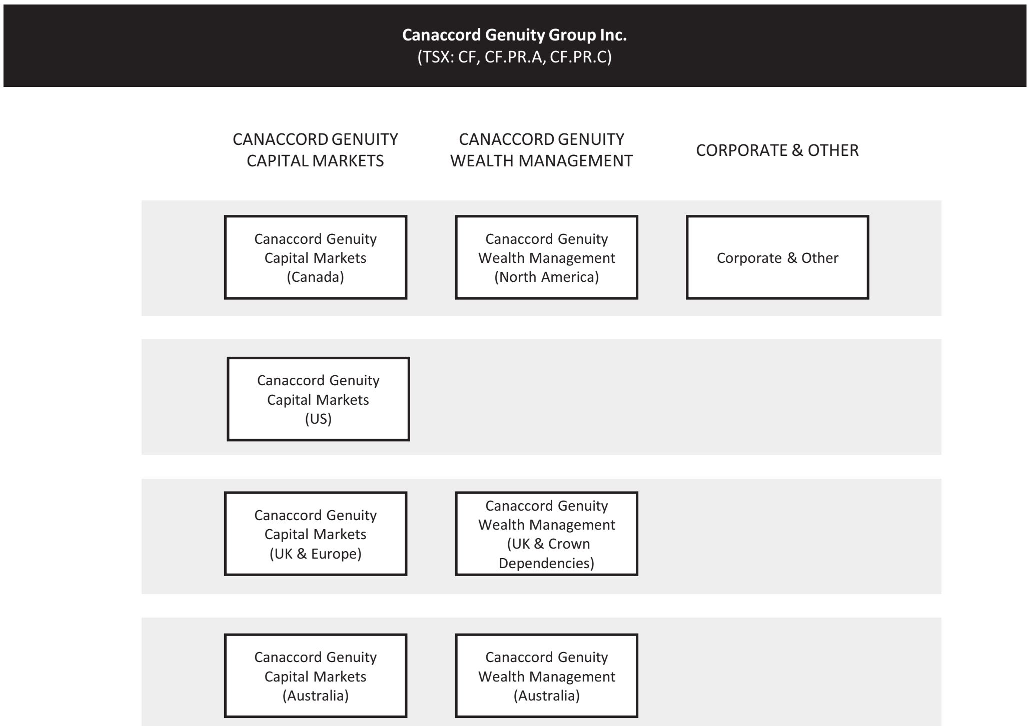


IMPACT OF CHANGES IN CAPITAL MARKETS ACTIVITY

As a brokerage firm, the Company derives its revenue primarily from sales commissions, underwriting and 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 today's changing financial landscape.

During fiscal 2022, the Company's capital markets activities were focused on the following sectors: Healthcare & Life Sciences (which include cannabis-related companies), Technology, Transportation & Industrials, Financials, Metals & Mining, Energy, Diversified, Consumer & Retail, Real Estate and Sustainability. Coverage of these sectors included investment banking, mergers and acquisitions (M&A) and advisory services, and institutional equity activities, such as sales, trading and research.

BUSINESS SEGMENT



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 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 Dubai Ltd.
- Canaccord Genuity SAS

Canaccord Genuity Wealth Management (UK & Crown Dependencies)

- Canaccord Genuity Wealth Limited
- CG Wealth Planning Ltd.
- Canaccord Genuity Financial Planning Limited
- Adam & Company Investment Management Limited
- 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

Canaccord Genuity Wealth Management (Australia)

- Canaccord Genuity Financial Limited

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 UK & Crown Dependencies division. HPS acquired convertible preferred shares (the "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). A portion of the proceeds was used to repay the senior secured first lien term loan facility of £69.0 million obtained on April 9, 2021 which was used to partially fund the redemption of the Company's 6.25% convertible unsecured senior subordinated debentures at that time.

On an as converted basis the Convertible Preferred Shares represented 21.93% of the outstanding equity interest in CGWM UK as of March 31, 2022. Cumulative dividends, when, as and if declared by the board of directors of CGWM UK, are payable by CGWM UK on the Convertible Preferred Shares at the greater of an annual 7.5% coupon and the proportionate share that such shares would receive, on an as converted basis, in respect of any dividends declared and paid in respect of ordinary shares of CGWM UK. No dividends may be paid on any other class of shares of CGWM UK unless and until the cumulative dividends on the Convertible Preferred Shares are declared and paid. If a liquidity event occurs before the end of five years the Convertible Preferred Shares will carry a liquidation preference equal to the greatest of (i) the amount of principal plus accrued but unpaid dividends attributable to the Convertible Preferred Shares had they been issued five years prior, (ii) an amount equal to 1.5 multiplied by the issue price of the Convertible Preferred Shares (less any previously paid dividends), or (iii) the amount which the holders of the Convertible Preferred Shares would receive on an as converted basis. If a liquidity event occurs on or after the fifth anniversary then the Convertible Preferred Shares will carry a liquidation preference equal to the greater of (i) the amount of principal plus accrued but unpaid dividends attributable to the Convertible Preferred Shares or (ii) the amount which the holders of the Convertible Preferred Shares would receive on an as converted basis. If a liquidity event has not occurred after five years, then CGWM UK has an option to acquire the Convertible Preferred Shares at the greater of the applicable liquidation preference amount and the amount which would provide the holders of the Convertible Preferred Shares with an internal rate of return of 11.5% (including all previously paid dividends). After the fifth anniversary the holders of the Convertible Preferred Shares have certain rights in respect of initiating a liquidity event. The Convertible Preferred Shares carry customary minority rights in respect of CGWM UK governance and financial matters, including representation on the CGWM UK board of directors.

In connection with the issuance of the Convertible Preferred Shares, CGWM UK provided for the purchase of certain equity instruments in CGWM UK by management and employees of CGWM UK which reflect an approximate 4.6% equity-equivalent interest in CGWM UK. As of March 31, 2022, £24.6 million (CAD$42.7 million) of such equity instruments in CGWM UK were purchased in connection with this equity program. Included in these equity instruments of CGWM UK were preferred shares with the same economic attributes as the Convertible Preferred Shares (the "Preference Shares"). Preference Shares in the amount of £7.5 million (C$13.0 million) were issued to management as of March 31, 2022. 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. In connection with the purchase of the ordinary shares, a limited recourse loan of £4.0 million (C$6.9 million) as well as certain full recourse employee loans were made. Subject to certain minimum thresholds a management incentive plan has been implemented which 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 Convertible Preferred Shares are no longer outstanding.

On January 3, 2022, the Australia operations through the issuance of partly paid shares reorganized its share structure and as a result the Company's ownership in Canaccord Financial Group (Australia) Pty Ltd. ("CFGA") decreased from 80% to 65%. For accounting purposes, the Company's ownership interest changed from 85% to 67% commencing in the fourth quarter of fiscal 2022 because of shares held in an employee trust controlled by CFGA.

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. In addition, operating results of Petsky Prunier LLC ("Petsky Prunier") since the closing date of February 13, 2019 and operating results of Sawaya Partners ("Sawaya") since the closing date of December 31, 2021 are included as part of Canaccord Genuity Capital Markets US. Included as part of CGWM UK are the operating results of McCarthy Taylor Limited (renamed as CG McCarthy Taylor Limited) ("McCarthy Taylor") since the closing date of January 29, 2019, the operating results of Thomas Miller Wealth Management Limited (renamed as CG Wealth Planning Limited) ("Thomas Miller") since the closing date of May 1, 2019, and 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.

Market Environment During Fiscal 2022

Economic backdrop

During our 2022 fiscal year, government transfers and continued improvements in employment and wages supported economic activity despite successive waves of COVID-19 infections. Meanwhile, commodity supply was restrained owing to muted capex growth from commodity producers, production and transportation bottlenecks, depleted inventories, and the war in Ukraine. The ensuing disconnect between supply and demand for manufactured goods and commodities led to a swift increase in producer and consumer prices. Against this backdrop several central banks, including the Federal Reserve, began hiking policy rates while also ending bond buying programs. As a result, bond yields rebounded from pandemic lows and the US dollar appreciated versus major currencies, most notably the Euro and the Yen, with central banks remaining highly accommodative despite inflation fears.

Over the fiscal 2022 12-month period, the S&P 500, the S&P/TSX, and the MSCI World Index returned 15.6%, 20.2%, and 7.7% respectively. Commodity prices surged 64.6% over the same period while US Treasury bonds declined by 2.8% as investors discounted interest rate increases against a backdrop of rapidly rising inflation.

Investment banking and advisory

Despite increased macro and geopolitical uncertainties over the course of fiscal 2022, it was another active year for investment banking and advisory activities. A key driver of these activities was the ongoing M&A cycle which was driven by high levels of cash on corporate balance sheets and at private equity firms. More recently, M&A volumes will face challenges compared to last year's strong levels as rising corporate bond yields have increased the cost of debt for levered transactions.

Index Value at End of	Q4/21		Q1/22		Q2/22		Q3/22		Q4/22		
Fiscal Quarter	2021-03-31	(Y/Y)	2021-06-30	(Y/Y)	2021-09-30	(Y/Y)	2021-12-31	(Y/Y)	2022-03-31	(Y/Y)	(Q/Q)
S&P IFCI Global Small Cap	320.7	67.1%	355.0	50.4%	340.0	31.6%	339.8	11.7%	311.7	-2.8%	-8.3%
S&P IFCI Global Large Cap	296.7	52.9%	307.5	36.2%	279.2	14.8%	274.8	-5.8%	254.9	-14.1%	-7.3%

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. As well, government regulation can also have an 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

Over the course of fiscal 2022, trading volumes in our core focus segments decreased modestly when compared to the previous fiscal year. A key driver of relatively sustained trading volumes has been the marked increase in bond yields and commodity prices, which has prompted many investors to rebalance portfolios.

Average Value During	Q4/21		Q1/22		Q2/22		Q3/22		Q4/22			FY22	
Fiscal Quarter/Year	31-Mar-21	(Y/Y)	30-Jun-21	(Y/Y)	30-Sep-21	(Y/Y)	31-Dec-21	(Y/Y)	31-Mar-22	(Y/Y)	(Q/Q)	31-Mar-22	(Y/Y)
Russell 2000	2195.5	45.6%	2263.9	71.6%	2232.6	47.8%	2276.9	28.9%	2056.8	-6.3%	-9.7%	2208.5	30.3%
S&P 400 Mid Cap	2498.9	33.5%	2705.3	62.6%	2695.9	44.1%	2792.7	31.9%	2670.8	6.9%	-4.4%	2716.6	33.5%
FTSE 100	6664.3	-3.0%	7008.1	17.2%	7083.9	16.9%	7240.6	16.8%	7443.0	11.7%	2.8%	7192.7	15.6%
MSCI EU Mid Cap	1257.7	14.8%	1342.8	37.1%	1405.4	30.3%	1398.1	21.6%	1314.8	4.5%	-6.0%	1365.7	22.4%
S&P/TSX	18256.2	12.7%	19574.5	32.1%	20381.7	25.6%	21050.8	24.9%	21308.0	16.7%	1.2%	20577.0	24.5%

Source: Refinitiv Datastream, Canaccord Genuity estimates

Global wealth management

Despite a marked decline in initial public offerings and the heightened market volatility in the second half of fiscal 2022, broad equity market gains and the outperformance of Canadian equities supported the value of client assets in our wealth management businesses.

Total Return (excl. currencies)	Q4/21 Change (Q/Q)	Q1/22 Change (Q/Q)	Q2/22 Change (Q/Q)	Q3/22 Change (Q/Q)	Q4/22 Change (Q/Q)	Fiscal 2022 Change (Y/Y)
S&P 500	6.2%	8.5%	0.6%	11.0%	-4.6%	15.6%
S&P/TSX	8.1%	8.5%	0.2%	6.5%	3.8%	20.2%
MSCI EMERGING MARKETS	4.0%	3.9%	-6.6%	-0.8%	-6.1%	-9.6%
MSCI WORLD	4.7%	7.5%	-1.0%	6.8%	-5.3%	7.7%
S&P GS COMMODITY INDEX	13.5%	15.7%	5.2%	1.5%	33.1%	64.6%
US 10-YEAR T-BONDS	-6.7%	3.8%	-0.1%	0.9%	-7.0%	-2.8%
CAD/USD	1.4%	1.3%	-2.2%	0.3%	1.1%	0.5%
CAD/EUR	5.6%	0.2%	0.1%	2.2%	3.8%	6.5%

Source: Refinitiv Datastream, Canaccord Genuity estimates

Fiscal 2023 Outlook

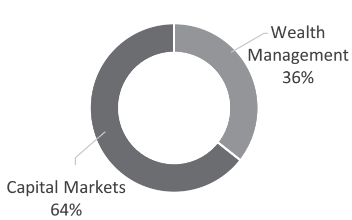
The run-up in inflation during the second half of fiscal 2022 led several central banks to end their bond-buying programs and initiate a monetary tightening cycle. Though markets appear to have discounted several interest rate increases by central banks, uncertainties remain as to whether the rate hikes will translate into a soft or hard economic landing. Our outlook for fiscal 2023 calls for a downshift in global economic activity and earnings growth. As well, factors such as tight labor markets, pent-up demand for services, and excess savings built by consumers through the pandemic will impact 2023 activity levels.

Against this backdrop, we expect that equities, bonds, and commodities could remain volatile during the first half of fiscal 2023. Heightened market volatility and a more uncertain economic outlook have the potential to reduce capital raising activity levels in our capital markets and wealth management operations. Activity levels in our trading operations will increase as we help clients navigate periods of market volatility. We continue to enjoy strong levels of activity in our M&A practice, and we expect that with tightening labour markets and narrowing profit margins current activity levels should continue.

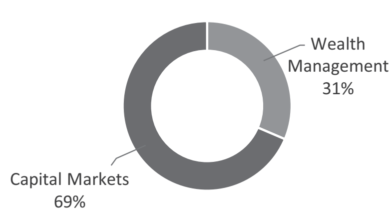
Core Business Performance Highlights for Fiscal 2022

The following charts depict revenue, pre-tax net income and earnings per share contributions from our primary business segments for the fiscal year ended March 31, 2022:

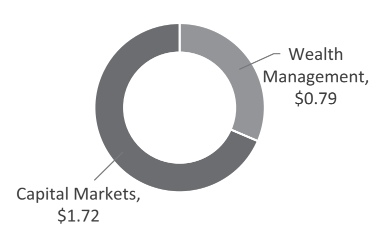
Revenue by business segment



Pre-tax net income contribution by business segment



Earnings per share contribution by business segment



CANACCORD GENUITY WEALTH MANAGEMENT

Globally, Canaccord Genuity Wealth Management generated revenue of $720.4 million during fiscal 2022 and, excluding significant items, recorded net income before taxes of $148.5 million(1).

- Canaccord Genuity Wealth Management (North America) generated $335.3 million in revenue and, after intersegment allocations, recorded net income before taxes of $56.3 million.
- Wealth management operations in the UK & Crown Dependencies generated $310.5 million in revenue and, after intersegment allocations and excluding significant items, recorded net income before taxes of $84.8 million in fiscal 2022(1).
- Wealth management operations in Australia generated revenue of $74.6 million and, after intersegment allocations and excluding significant items, recorded net income before taxes of $7.3 million in fiscal 2022(1).

Firmwide client assets were $96.1 billion at March 31, 2022 representing an increase of $7.3 billion or 8.2% from $88.8 billion at March 31, 2021(1) client assets across the individual business units as at March 31, 2022 were as follows:

- $37.9 billion in North America, an increase of $5.6 billion or 17.5% from March 31, 2021(1)
- $52.8 billion (£32.1 billion) in the UK & Crown Dependencies, an increase of $0.5 billion (£1.9 billion) or 1.0% from $52.3 billion (£30.2 billion) at the end of the previous fiscal year(1)
- $5.4 billion in Australia held in our investment management platform, an increase of $1.1 billion or 26.6% from March 31, 2021(1)

CANACCORD GENUITY CAPITAL MARKETS

Globally, Canaccord Genuity Capital Markets generated revenue of $1.3 billion during fiscal 2022, and, excluding significant items, recorded net income before taxes of $324.6 million(1)

- Canaccord Genuity Capital Markets led 329 transactions globally, each over $1.5 million, to raise total proceeds of $13.5 billion for mid-market companies in our key focus sectors.
- Canaccord Genuity Capital Markets participated in a total of 596 investment banking transactions globally, raising total proceeds of $61.2 billion.

The following table depicts revenue contributions from our capital markets business activities as a percentage of total capital markets revenue for the year ended March 31, 2022:

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

	For the years ended March 31		
	2022	2021	2022/2021 change
Commissions and fees	13.4%	16.2%	(2.8) p.p.
Investment banking	35.5%	49.1%	(13.6) p.p.
Advisory fees	37.5%	14.7%	22.8 p.p.
Principal trading	12.1%	18.7%	(6.6) p.p.
Interest	0.8%	0.5%	0.3 p.p.
Other	0.7%	0.8%	(0.1) p.p.
Canaccord Genuity Capital Markets (total)	100%	100%	—

Further detail is provided in the Business Segment results beginning on page 33.

(1) See Non-IFRS Measures on page 14.

SUMMARY OF CORPORATE DEVELOPMENTS DURING FISCAL 2022

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 (the "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 represented 21.93% of the outstanding equity interest in CGWM UK as of March 31, 2022. 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 by management of certain equity instruments in CGWM UK within the context of the transaction value and which will reflect an approximate 4.6% equity-equivalent interest in CGWM UK. 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.

In connection with the reset of the dividend rate applicable to the Cumulative 5-Year Rate Reset First Preferred Shares, Series A of the Company (the "Series A Preferred Shares") for the five-year period commencing on October 1, 2021, and ending on and including September 30, 2026, the Company did not exercise its right to redeem all or any part of the outstanding Series A Preferred Shares on September 30, 2021.

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 year ended March 31, 2022, there were 3,401,116 shares purchased under the NCIB, of which 83,300 shares have not been cancelled as of March 31, 2022. There were also 70,000 shares purchased under the NCIB during the year ended March 31, 2021 and cancelled during the year ended March 31, 2022.

On October 1, 2021, the Company announced that CGWM UK had completed the acquisition of the private client investment management business of Adam & Company (including the acquisition of the entire issued capital of Adam & Company Investment Management Limited). This acquisition marks the Company's entry into Scotland with a leading and well-established franchise and a strong brand.

On December 31, 2021, the Company completed its acquisition of Sawaya Partners, a leading M&A advisory firm to the consumer sector based in New York. Sawaya Partners now operates with Canaccord Genuity branding as CG Sawaya LLC recognizing the significant goodwill and awareness of the Sawaya name in the consumer sector. All existing employees of Sawaya Partners will continue with the Company's US capital markets business.

In a substantial issuer bid that commenced on December 22, 2021 and expired on January 27, 2022, the Company made an offer (the "Offer") to purchase for cancellation up to $100.0 million of its common shares. The Offer was made by way of a "modified Dutch auction", which allowed shareholders who chose to participate in the offer to individually select the price, within a price range of not less than $15.50 per common share and not more than $16.50 per common share (in increments of $0.10 per common share), at which they were willing to sell their common shares. Upon expiry of the offer, the Company determined that $15.50 was the lowest purchase price that allowed it to purchase the maximum number of common shares properly tendered to the offer, and not properly withdrawn, having an aggregate purchase price of approximately $100.0 million. The Company purchased for cancellation 6,451,612 of its common shares at a purchase price of $15.50 per share.

On January 3, 2022, the share structure for our Australia operations was reorganized through the sale of partly paid shares to selected employees of Canaccord Financial Group (Australia) Pty Ltd. (CFGA) and as a result the Company's ownership in CFGA decreased from 80% to 65%. For accounting purposes, the Company's ownership interest changed from 85% to 67% commencing in the fourth quarter of fiscal 2022 because of shares held in an employee trust controlled by CFGA. The purpose of the change in the ownership structure was to provide further alignment with our employee base in the Australian region and to provide the business with capital and access to capital for growth.

On May 24, 2022, the Company announced that it does not intend to exercise its option to redeem the Series C Preferred Shares on June 30, 2022. The Company has the option to redeem on June 30 every five years, in whole or in part, at $25.00 per share together with all declared and unpaid dividends. On June 1, 2022, the Company announced the reset of the dividend rate on its Series C Preferred Shares. Quarterly cumulative cash dividends, as declared, are paid at an annual rate of 4.993% for the five years ending on and including June 30, 2022. Commencing July 1, 2022 and ending on and including June 30, 2027, quarterly cumulative dividends, if declared, will be paid at an annual rate of 6.837% on the Series C Preferred Shares. The dividend rate will be reset every five years at a rate equal to the five-year Government of Canada yield plus 4.03%. Up until June 15, 2022, holders of the Series C Preferred Shares have the option to convert these shares into Series D Preferred Shares which will carry a quarterly floating rate equal to the three-month Government of Canada treasury bill rate plus 4.03%. The issuance of the Series D Preferred Shares is subject to a certain minimum.

On May 31, 2022, the Company announced that through its wealth management business in the UK ("CGWM UK"), it has completed its previously announced acquisition of Punter Southall Wealth ("PSW"), including the intermediary-facing brand Psigma from Punter Southall Wealth Group. In connection with completion of the acquisition, CGWM UK added £100 million (C$169.2 million) to its existing bank facility. In addition, HPS Investment Partners, LLC on behalf of investment accounts and funds it manages made an additional investment in CGWM UK through the purchase of a new series of convertible preferred shares of CGWM UK in the amount of £65.3 million (C$110.5 million). Cumulative dividends will be payable by CGWM UK on the additional convertible preferred shares at the greater of an annual 7.5% coupon and the proportionate share that such shares would receive on an as converted basis. The additional convertible preferred shares will also carry customary minority rights in respect of CGWM UK governance and financial matters, a liquidation preference, and call protections.

FINANCIAL OVERVIEW

SELECTED FINANCIAL INFORMATION(1)(2)(7)

(C$ thousands, except per share and % amounts, and number of employees)	For the years ended March 31: 2022	2021	2020	2022/2021 change	
Canaccord Genuity Group Inc. (CGGI)					
Revenue					
Commissions and fees	$ **761,843**	$ 735,239	$ 586,884	$ 26,604	3.6%
Investment banking	**561,725**	761,551	236,962	(199,826)	(26.2)%
Advisory fees	**493,057**	197,092	206,507	295,965	150.2%
Principal trading	**158,978**	246,801	108,834	(87,823)	(35.6)%
Interest	**36,028**	26,288	63,690	9,740	37.1%
Other	**34,371**	40,717	20,990	(6,346)	(15.6)%
Total revenue	**2,046,002**	2,007,688	1,223,867	38,314	1.9%
Expenses					
Compensation expense	**1,248,184**	1,227,895	738,313	20,289	1.7%
Other overhead expenses(3)	**395,709**	398,693	383,527	(2,984)	(0.7)%
Acquisition-related costs	**9,197**	5,922	(124)	3,275	55.3%
Restructuring costs(4)	**—**	—	1,921	—	—
Change in derivative fair value	**8,519**	—	—	8,519	n.m.
Costs associated with redemption of convertible debentures(5)	**5,932**	4,354	—	1,578	36.2%
Share of loss (gain) of an associate	**192**	922	207	(730)	(79.2)%
Total expenses	**1,667,733**	1,637,786	1,123,844	29,947	1.8%
Income before income taxes	**378,269**	369,902	100,023	8,367	2.3%
Net income	$ **270,565**	$ 269,802	$ 86,554	$ 763	0.3%
Net income attributable to CGGI shareholders	$ **246,314**	$ 263,786	$ 86,490	$ (17,472)	(6.6)%
Net income attributable to non-controlling interests	$ **24,251**	$ 6,016	$ 64	$ 18,235	n.m.
Earnings per common share – basic	$ **2.50**	$ 2.30	$ 0.78	$ 0.20	8.7%
Earnings per common share – diluted	$ **2.16**	$ 2.04	$ 0.65	$ 0.12	5.9%
Dividends per common share	$ **0.32**	$ 0.25	$ 0.20	$ 0.07	28.0%
Dividends per Series A Preferred Share	$ **0.9981**	$ 0.9712	$ 0.9712	0.03	2.8%
Dividends per Series C Preferred Share	$ **1.2482**	$ 1.2482	$ 1.2482	—	—
Excluding significant items(6)					
Total revenue	$ **2,040,602**	$ 1,993,488	$ 1,223,867	$ 47,114	2.4%
Total expenses	$ **1,623,036**	$ 1,607,398	$ 1,100,810	$ 15,638	1.0%
Income before income taxes	$ **417,566**	$ 386,090	$ 123,057	$ 31,476	8.2%
Net income	$ **305,827**	$ 285,887	$ 106,323	$ 19,940	7.0%
Net income attributable to CGGI shareholders	$ **284,069**	$ 279,871	$ 105,895	$ 4,198	1.5%
Net income attributable to non-controlling interests	$ **21,758**	$ 6,016	$ 428	$ 15,742	261.7%
Diluted earnings per common share	$ **2.51**	$ 2.48	$ 0.81	$ 0.03	1.2%
Balance sheet data					
Total assets	$ **7,250,245**	$ 7,631,801	$ 5,956,195	$ (381,556)	(5.0)%
Total liabilities	$ **5,833,476**	$ 6,516,517	$ 5,027,421	$ (683,041)	(10.5)%
Non-controlling interests	$ **238,700**	$ 8,190	$ 156	$ 230,510	n.m.
Total shareholders' equity	$ **1,178,069**	$ 1,107,094	$ 928,618	$ 70,975	6.4%
Number of employees	**2,587**	2,356	2,308	231	9.8%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 14.

(2) The operating results of the Australian operations have been fully consolidated, and a 15% non-controlling interest has been recognized for the first nine months of fiscal 2022 and 32.7% for the fourth quarter of fiscal 2022 due to the share reorganization in Australia on January 3, 2022 [March 31, 2021 – 15%]. The operating results of CGWM UK have been fully consolidated, and excluding the effect of the Convertible Preferred Shares issued by CGWM UK, a 1.6% non-controlling interests has been recognized for the period from August 1, 2021 to December 31, 2021 and 4.3% for the fourth quarter of fiscal 2022 [March 31, 2021 – $nil].

(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) Restructuring costs for the year ended March 31, 2020 were incurred in connection with CGWM UK, as well as real estate and other integration costs related to the acquisition of Patersons.

(5) During the year ended March 31, 2022, 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 year ended March 31, 2022.

(6) Net income and earnings per common share excluding significant items reflect tax-effected adjustments related to such items. See the Selected Financial Information Excluding Significant Items table below.

(7) Data includes the operating results of Thomas Miller since May 1, 2019, Patersons since October 21, 2019, Adam & Company since October 1, 2021 and Sawaya Partners since December 31, 2021.

n.m.: not meaningful (percentages over 300% are indicated as n.m.)

Selected financial information excluding significant items[1]

(C$ thousands, except per share and % amounts)	2022	2021	2020	2022/2021 change	
	For the years ended March 31				
Revenue					
Revenue per IFRS	$ 2,046,002	$ 2,007,688	$ 1,223,867	$ 38,314	1.9%
Significant items recorded in Corporate and Other					
Fair value adjustments on certain illiquid and restricted marketable securities	$ 5,400	$ 14,200	—	$ (8,800)	(62.0)%
Total revenue excluding significant items	$ 2,040,602	$ 1,993,488	$ 1,223,867	$ 47,114	2.4%
Expenses					
Expenses per IFRS	$ 1,667,733	$ 1,637,786	$ 1,123,844	$ 29,947	1.8%
Significant items recorded in Canaccord Genuity Capital Markets					
Amortization of intangible assets	$ 1,843	$ 2,970	$ 9,167	$ (1,127)	(37.9)%
Incentive based costs related to acquisitions[2]	$ 364	—	—	$ 364	n.m.
Acquisition-related costs	$ 537	$ 4,644	$ 1,806	$ (4,107)	(88.4)%
Significant items recorded in Canaccord Genuity Wealth Management					
Amortization of intangible assets	$ 14,629	$ 13,087	$ 13,940	$ 1,542	11.8%
Acquisition-related costs	$ 8,660	$ 1,278	$ (1,930)	$ 7,382	n.m.
Incentive based costs related to acquisitions[2]	$ 3,419	$ 4,055	$ (1,870)	$ (636)	(15.7)%
Restructuring costs	—	—	$ 1,921	—	—
Costs associated with reorganization of CGWM UK	$ 794	—	—	$ 794	n.m.
Significant items recorded in Corporate and Other					
Costs associated with redemption of convertible debentures[3]	$ 5,932	$ 4,354	—	$ 1,578	36.2%
Change in derivative liability fair value[4]	$ 8,519	—	—	$ 8,519	n.m.
Total significant items	$ 44,697	$ 30,388	$ 23,034	$ 14,309	47.1%
Total expenses excluding significant items	$ 1,623,036	$ 1,607,398	$ 1,100,810	$ 15,638	1.0%
Net income before taxes – adjusted	$ 417,566	$ 386,090	$ 123,057	$ 31,476	8.2%
Income taxes – adjusted	$ 111,739	$ 100,203	$ 16,734	$ 11,536	11.5%
Net income – adjusted	$ 305,827	$ 285,887	$ 106,323	$ 19,940	7.0%
Significant items impacting net income attributable to common shareholders					
Non-controlling interests – IFRS	$ 24,251	$ 6,016	$ 64	$ 18,235	n.m.
Amortization of equity component of the non-controlling interests in CGWM UK and other adjustment	$ 2,493	—	—	$ 2,493	n.m.
Non-controlling interests (adjusted)	$ 21,758	$ 6,016	$ 428	$ 15,742	261.7%
Net income attributable to common shareholders excluding significant items	$ 274,585	$ 270,467	$ 96,491	$ 4,118	1.5%
Earnings per common share excluding significant items[1] – basic	$ 2.92	$ 2.80	$ 0.98	$ 0.12	4.3%
Diluted earnings per common share excluding significant items[1] – diluted	$ 2.51	$ 2.48	$ 0.81	$ 0.03	1.2%

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 14.
(2) Incentive-based costs related to the acquisitions and growth initiatives in the US capital markets and UK & Europe wealth management business.
(3) During the year ended March 31, 2022, 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 year ended March 31, 2022.
(4) Fair value adjustment related to the derivative liability component of the non-controlling interests related to the Convertible Preferred Shares issued by CGWM UK.
n.m.: not meaningful (percentages over 300% are indicated as n.m.)

IMPACT OF CONVERTIBLE PREFERRED SHARES ON EPS

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 year ended March 31, 2022, the effect of reflecting our proportionate share of CGWM UK's earnings is anti-dilutive under IFRS for diluted EPS purposes but dilutive for the purpose of determining diluted EPS excluding significant items[1]. As such, the diluted EPS under IFRS 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[1]reflects the Company's proportionate share of CGWM UK's net income excluding significant items[1] on an as converted basis.

(1) See Non-IFRS Measures on page 14

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

Our Dubai operation is included as part of Canaccord Genuity Capital Markets UK & Europe. For purposes of the discussion provided herein the Canaccord Genuity Capital Markets operations in the UK, Europe and Dubai are referred to as "UK & Europe". Starting in Q1/20, 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. Also, commencing in Q3/20, our Australian wealth management business, comprising the operating results of Patersons since October 21, 2019 and the wealth management business of Australia previously included as part of Canaccord Genuity Capital Markets Australia, is disclosed as a separate operating business in the discussions below. Comparatives have not been restated.

GOODWILL

Utilizing management's 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 and indefinite life intangible assets recorded in Canaccord Genuity Capital Markets Canada and US.

Notwithstanding this determination as of March 31, 2022, 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 future periods in respect of CGWM UK, Canaccord Genuity Wealth Management Australia, Canaccord Genuity Capital Markets Canada or Canaccord Genuity Capital Markets US. 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.

REVENUE

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

Revenue for fiscal 2022 was $2.0 billion, an increase of 1.9% or $38.3 million from fiscal 2021, with a reduction in capital markets revenue of $9.2 million, which was more than offset by an increase in wealth management revenue of $56.8 million.

Revenue in our Canaccord Genuity Capital Markets segment decreased by $9.2 million or 0.7% compared to fiscal 2021. In the US, revenue increased by $76.6 million or 13.0% year over year primarily due to increased advisory revenue which was up by $217.5 million or 218.8%. In Canada, a reduction in investment banking revenue was the main driver for the $102.0 million or 23.0% decrease in overall revenue compared to the prior year. Our Australian operations generated $174.1 million in revenue compared to $182.7 million in fiscal 2021 with the shortfall due to a modest decline in investment banking revenue compared to the exceptionally strong prior year performance. In the UK, total revenue amounted to $120.4 million, $24.8 million or 26.0% higher than the prior year due to a 117.8% growth in advisory revenue to $66.6 million.

Revenue from our global wealth management operations increased by $56.8 million or 8.6% compared to fiscal 2021. Our Canadian wealth management operations generated $335.3 million of revenue in fiscal 2022, representing an increase of $11.2 million or 3.5% over the prior year. Revenue in our wealth management operations in the UK & Crown Dependencies increased by $33.2 million or 12.0% compared to the year ended March 31, 2021, due to higher commission and fees revenue during the fiscal year. In addition, $74.6 million of revenue was generated by our Australian wealth management operations, an increase of $12.4 million compared to fiscal 2021, reflecting the continued expansion of these operations through ongoing recruitment.

Commissions and fees revenue is primarily generated from private client investment management trading activity and institutional sales and trading. Firmwide revenue generated from commissions and fees increased by $26.6 million or 3.6% from fiscal 2021 to $761.8 million in fiscal 2022. The increase was mainly driven by higher commissions and fees revenue generated in our global wealth management operations. Partially offsetting the increase was a decline of $37.6 million or 17.7% in commissions and fees revenue generated in our capital markets operations compared to fiscal 2021.

Revenue generated from firmwide investment banking activities decreased by $199.8 million or 26.2% to $561.7 million in fiscal 2022, compared to the record $761.6 million in fiscal 2021. All of our core operating regions experienced decreases in investment banking revenue, with the most significant decreases recorded in our Canadian and US capital markets operations. In Canada, our wealth management operations also recorded a decrease in investment banking revenue, declining by $25.6 million or 23.8% to $81.6 million in fiscal 2022 due to lower new issue activity.

Advisory fees revenue increased by $296.0 million or 150.2% compared to the prior year to $493.1 million for fiscal 2022. While our US operations recorded the most significant year over year increase of $217.5 million or 218.8%, our Canadian and UK operations also generated increases of $41.5 million or 65.5% and $36.0 million or 117.8%, respectively.

Revenue derived from principal trading activities decreased by $87.8 million or 35.6% to $159.0 million for the year ended March 31, 2022, mainly as a result of decreased market volatility and trading activity in our US and Canadian capital markets operations compared to the same period in the prior year reducing opportunities for trading profits.

Interest revenue was $36.0 million in fiscal 2022, representing an increase of $9.7 million or 37.1% from the prior year, mostly attributable to our Canadian wealth management operations.

Other revenue was $34.4 million, a decrease of $6.3 million or 15.6% from the prior year. Included in other revenue in our Corporate & Other segment was $5.4 million of fair value adjustments on certain illiquid or restricted securities recorded for IFRS reporting purposes. This adjustment is excluded for management reporting purposes as it is not used by management to assess operating performance and is excluded for purposes of determining net income excluding significant items(1). Future changes in the unrealized fair value of the marketable securities as determined under applicable accounting standards may be significant and will be recorded through the consolidated statements of operations.

EXPENSES

Expenses as a percentage of revenue

	For the years ended March 31		
	2022	2021	2022/2021 change
Compensation expense	**61.0%**	61.2%	(0.2) p.p.
Other overhead expenses(1)	**19.4%**	19.9%	(0.5) p.p.
Acquisition-related costs	**0.4%**	0.3%	0.2 p.p.
Change in derivative fair value	**0.4%**	0.0%	0.4 p.p.
Costs associated with redemption of convertible debentures	**0.3%**	0.2%	0.1 p.p.
Share of loss (gain) of an associate	**0.0%**	0.0%	(0.0) p.p.
Total	**81.5%**	81.6%	(0.1) 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

Total firmwide expenses for fiscal 2022 were $1.7 billion, an increase of $29.9 million or 1.8% compared to fiscal 2021. Excluding significant items(1), total expenses were $1.6 billion, up $15.6 million or 1.0% from fiscal 2021. Total expenses excluding significant items(1) as a percentage of revenue decreased by 1.1 percentage points compared to the year ended March 31, 2021.

Compensation expense

Compensation expense was $1.2 billion, an increase of $20.3 million or 1.7% from the prior year, which was in line with the increase in incentive-based revenue. Total compensation expense was 61.0% in fiscal 2022, a decrease of 0.2 percentage points from the prior year.

Other overhead expenses

	For the years ended March 31		
(C$ thousands, except % amounts)	**2022**	2021	2022/2021 change
Trading costs	**$ 102,824**	$ 122,154	(15.8)%
Premises and equipment	**20,074**	19,948	0.6%
Communication and technology	**73,873**	67,475	9.5%
Interest	**23,598**	28,364	(16.8)%
General and administrative	**101,431**	82,310	23.2%
Amortization(1)	**27,593**	26,156	5.5%
Amortization of right of use assets	**23,894**	25,040	(4.6)%
Development costs	**22,422**	27,246	(17.7)%
Total overhead expenses	**$ 395,709**	$ 398,693	(0.7)%

(1) Includes amortization of intangible assets. See the Selected Financial Information Excluding Significant Items table on page 25.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 14.

Total overhead expenses were $395.7 million or 0.7% lower in fiscal 2022, with the most significant reductions being in trading costs, interest expense and development costs partially offset by higher communication and technology and general administrative expense.

Trading costs decreased by $19.3 million or 15.8% to $102.8 million for the year ended March 31, 2022. The reduction was mostly due to the decrease in trading activity in our US operations.

Development costs decreased by $4.8 million or 17.7% largely due to lower costs in our US capital markets and UK & Crown Dependencies wealth management operations. Interest expense also decreased by $4.8 million or 16.8% primarily as a result of the redemption of the 6.25% convertible unsecured senior subordinated debentures on April 9, 2021 which resulted in lower interest expense in our Corporate & Other segment, partially offset by higher interest expense in our CGWM UK operations due to an additional bank loan obtained in connection with the acquisition of Adam & Company.

General and administrative expense, which includes reserves, promotion and travel expense, office expense, professional fees and donations, was up by $19.1 million or 23.2% due to higher promotion and travel expense as activity levels increased following the easing of COVID-19 restrictions.

Amortization expense also increased by $1.4 million or 5.5% mainly due to the amortization of intangible assets in connection with the acquisitions of Adam & Company and Sawaya completed during the fiscal year.

There were acquisition-related costs of $9.2 million recorded for the year ended March 31, 2022, comprised of professional fees related to the acquisitions of Sawaya and Adam & Company, as well as the acquisition of Punter Southwall Wealth Limited completed on May 31, 2022.

There were acquisition-related costs of $5.5 million recorded for the year ended March 31, 2021 related to re-measurement of the contingent consideration for the acquisitions of Jitneytrade and Thomas Miller, as well as acquisition-related costs of $0.4 million incurred in our UK & Crown Dependencies wealth management operations.

In order to partially fund the redemption of the 6.25% convertible unsecured senior subordinated debentures and pursuant to the terms of the commitment letter entered into with investment funds and accounts managed or advised by HPS on March 18, 2021, the Company entered into a credit agreement on April 6, 2021 with the lenders, Lucid Agency Services Limited as administrative agent and Lucid Trustee Services Limited as security agent for a senior secured first lien term loan facility ("loan facility") in an aggregate principal amount of £69.0 million. This loan was repaid from the proceeds of the issuance of the Convertible Preferred Shares by CGWM UK to investment funds and accounts managed by HPS. 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 of $5.9 million for year ended March 31, 2022.

INCOME TAX

The effective tax rate for fiscal 2022 was 28.5% compared to the effective tax rate of 27.1% in the prior year. Increased profitability in higher tax rate jurisdictions such as the US in the current fiscal year and the impact of certain non-deductible expenses contributed to the increase in the effective tax rate, when compared to the year ended March 31, 2021.

NET INCOME

Net income for fiscal 2022 was $270.6 million compared to net income of $269.8 million in fiscal 2021, an increase of $0.8 million or 0.3%. Net income attributable to common shareholders was $236.8 million for fiscal 2022 compared to $254.4 million for fiscal 2021. Diluted earnings per common share was $2.16 in fiscal 2022 compared to earnings per common share of $2.04 in the prior fiscal year.

Excluding significant items(1), net income for fiscal 2022 was $305.8 million and net income attributable to common shareholders was $274.6 million, compared to net income of $285.9 million and net income attributable to common shareholders of $270.5 million in fiscal 2021. Diluted earnings per share excluding significant items(1) was $2.51 for fiscal 2022 compared to $2.48 for the prior year.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 14.

Quarterly Financial Information(1)(2)

The following table provides selected quarterly financial information for the eight most recently completed financial quarters ended March 31, 2022. This information is unaudited but reflects all adjustments of a recurring nature that 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 an indication of future performance.

(C$ thousands, except per share amounts)	Fiscal 2022 Q4	Q3	Q2	Q1	Fiscal 2021 Q4	Q3	Q2	Q1
Revenue								
Commissions and fees	$ 196,976	$ 197,009	$ 185,105	$ 182,753	$ 214,476	$ 184,186	$ 167,575	$ 169,002
Investment banking	108,801	151,025	106,261	195,638	305,939	213,419	131,625	110,568
Advisory fees	122,353	153,297	139,413	77,994	66,761	72,004	37,281	21,046
Principal trading	41,960	33,980	30,390	52,648	87,830	51,113	42,746	65,112
Interest	10,264	9,639	8,458	7,667	7,487	5,791	6,005	7,005
Other	19,439	7,267	5,534	2,131	24,033	6,564	5,125	4,995
Total revenue	499,793	552,217	475,161	518,831	706,526	533,077	390,357	377,728
Total expenses	403,245	457,234	388,124	419,130	518,810	433,803	344,499	340,674
Net income before income taxes	96,548	94,983	87,037	99,701	187,716	99,274	45,858	37,054
Net income	$ 68,995	$ 66,732	$ 61,785	$ 73,053	$ 139,394	$ 68,451	$ 32,993	$ 28,964
Earnings per common share – basic	$ 0.62	$ 0.59	$ 0.56	$ 0.72	$ 1.07	$ 0.67	$ 0.30	$ 0.26
Earnings per common share – diluted	$ 0.53	$ 0.52	$ 0.49	$ 0.63	$ 0.93	$ 0.54	$ 0.25	$ 0.22
Excluding significant items(3)								
Net income	$ 66,822	$ 84,632	$ 69,719	$ 84,654	$ 137,128	$ 78,971	$ 36,891	$ 32,897
Earnings per common share – basic	$ 0.62	$ 0.80	$ 0.66	$ 0.84	$ 1.38	$ 0.78	$ 0.34	$ 0.30
Earnings per common share – diluted	$ 0.52	$ 0.69	$ 0.58	$ 0.73	$ 1.20	$ 0.62	$ 0.28	$ 0.25

(1) Data is in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 14.
(2) The operating results of the Australian operations have been fully consolidated and a non-controlling interest of 15% has been recognized for the first nine months of fiscal 2022 and 32.7% for the fourth quarter of fiscal 2022 due to the share reorganization in Australia on January 3, 2022 [March 31, 2021 – 15%].
(3) Figures excluding significant items are non-IFRS measures. See the Quarterly Financial Information Excluding Significant Items table on page 30.

QUARTERLY FINANCIAL INFORMATION EXCLUDING SIGNIFICANT ITEMS[(1)(2)]

(C$ thousands, except per share amounts)				Fiscal 2022				Fiscal 2021
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenue per IFRS	$ 499,793	$ 552,217	$ 475,161	$ 518,831	$ 706,526	$ 533,077	$ 390,357	$ 377,728
Total expenses per IFRS	403,245	457,234	388,124	419,130	518,810	433,803	344,499	340,674
Revenue								
Significant items recorded in Corporate and Other								
Fair value adjustments on certain illiquid and restricted marketable securities	9,000	1,400	—	(5,000)	14,200	—	—	—
Total revenue excluding significant items	$ 490,793	$ 550,817	$ 475,161	$ 523,831	$ 692,326	$ 533,077	$ 390,357	$ 377,728
Expenses								
Significant items recorded in Canaccord Genuity Capital Markets								
Amortization of intangible assets	1,283	107	160	293	738	741	743	748
Acquisition-related costs	—	537	—	—	—	4,644	—	—
Incentive based costs related to acquisitions[(3)]	364	—	—	—	—	—	—	—
Significant items recorded in Canaccord Genuity Wealth Management								
Amortization of intangible assets	4,190	4,113	3,178	3,148	3,260	3,213	3,288	3,326
Restructuring costs								
Acquisition-related costs	515	6,225	1,920	—	418	860	—	—
Incentive based costs related to acquisitions[(3)]	625	348	2,095	351	953	1,842	625	635
Costs associated with reorganization of CGWM UK[(3)]	—	—	794	—	—	—	—	—
Significant items recorded in Corporate and Other								
Costs associated with redemption of convertible debentures[(4)]	—	—	468	5,464	4,354	—	—	—
Change in derivative fair value	—	8,519	—	—	—	—	—	—
Total significant items – expenses	6,977	19,849	8,615	9,256	9,723	11,300	4,656	4,709
Total expenses excluding significant items	396,268	437,385	379,509	409,874	509,087	422,503	339,843	335,965
Net income before income taxes – adjusted	$ 94,525	$ 113,432	$ 95,652	$ 113,957	$ 183,239	$ 110,574	$ 50,514	$ 41,763
Income tax expense – adjusted	27,703	28,800	25,933	29,303	46,111	31,603	13,623	8,866
Net income – adjusted	$ 66,822	$ 84,632	$ 69,719	$ 84,654	$ 137,128	$ 78,971	$ 36,891	$ 32,897
Net income attributable to common shareholders	$ 54,678	$ 75,098	$ 63,326	$ 81,251	$ 133,260	$ 75,160	$ 32,982	$ 29,065
Earnings per common share adjusted – basic[(5)]	$ 0.62	$ 0.80	$ 0.66	$ 0.84	$ 1.38	$ 0.78	$ 0.34	$ 0.30
Diluted earnings per common share adjusted – diluted[(5)]	$ 0.52	$ 0.69	$ 0.58	$ 0.73	$ 1.20	$ 0.62	$ 0.28	$ 0.25

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 14.

(2) The operating results of the Australian operations have been fully consolidated and a non-controlling interest of 15% has been recognized for the first nine months of fiscal 2022 and 32.7% for the fourth quarter of fiscal 2022 due to the share reorganization in Australia on January 3, 2022 [March 31, 2021 – 15%].

(3) Incentive-based costs related to the acquisitions and growth initiatives in the US capital markets and UK & Crown Dependencies wealth management business.

(4) On March 18, 2021, the Company announced its intention to redeem the entire $132.7 million principal amount of its 6.25% convertible unsecured senior subordinated debentures. The redemption was completed on April 8, 2021. The Company recorded $4.2 million of loss and other costs in connection with the extinguishment of the convertible debentures during the three months ended March 31, 2021 and $0.5 million for the three months ended June 30, 2021.

(5) Due to the change in the number of fully diluted shares resulting from the convertible debenture redemption in Q4 fiscal 2021 as well as the impact of the Convertible Preferred Shares issued in Q2 fiscal 2022, 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.

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 March 31, 2022, the effect of reflecting our proportionate share of CGWM UK's earnings is dilutive for diluted EPS purposes under IFRS as well as for the purpose of determining diluted EPS excluding significant items(1). Net income attributable to common shareholders under IFRS and on an excluding significant items(1) basis reflects the Company's proportionate share of CGWM UK's net income excluding significant items(1) on an as converted basis.

The effect of reflecting the proportionate share of CGWM UK's net income excluding significant items(1) is only dilutive for the third and fourth quarters of fiscal 2022 and the year ended March 31, 2022 for the purpose of determining the diluted EPS excluding significant items(1). It was anti-dilutive for Q2 fiscal 2022.

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.

Fourth Quarter Fiscal 2022 Performance

REVENUE – FOURTH QUARTER FISCAL 2022

Consolidated revenue

Firmwide revenue for the fourth quarter was $499.8 million, a decrease of $206.7 million or 29.3% compared to the record revenue earned in the same period in the previous year.

On a consolidated basis, commissions and fees revenue decreased by $17.5 million or 8.2% to $197.0 million compared to the same period in the previous year, predominantly attributable to lower revenue earned in our capital markets operations. Investment banking revenue earned by our capital markets and wealth management businesses decreased by $197.1 million or 64.4% compared to the same period of the prior year due to lower activity in our Canadian, US and UK operations, partially offset by higher revenue generated in Australia. Fourth quarter firmwide advisory revenue grew by $55.6 million or 83.3% year-over-year, to $122.4 million, largely driven by our US operations. Principal trading revenue decreased by 52.2% to $42.0 million in the fourth fiscal quarter, reflecting lower volatility when compared to the same period a year ago. Firmwide interest revenue increased by 37.1% when compared to the fourth quarter of the prior year, to $10.3 million, due to higher client interest earned in our Canadian and UK & Crown Dependencies wealth management operations.

During the three months ended March 31, 2022, an IFRS fair value adjustment of $9.0 million was recorded on certain illiquid or restricted marketable securities. This adjustment is excluded for management reporting purposes as it is not used by management to assess operating performance and is excluded for purposes of determining net income excluding significant items(1). Future changes in the unrealized fair value of the marketable securities as determined under applicable accounting standards may be significant and will be recorded through the consolidated statements of operations.

Global Capital Markets

Our global capital markets segment recorded fourth quarter revenue of $312.0 million, a decrease of 35.9% or $174.9 million compared to the record revenue earned in Q4/21. Fourth quarter investment banking revenue decreased by $170.7 million or 64.2% compared to the record quarter in Q4/21, partially offset by a substantial increase in advisory fees of $56.1 million or 85.6%. Principal trading revenue also decreased by $45.7 million or 52.3% compared to the fourth quarter of fiscal 2021 due to reduced market volatility.

Our US business was the largest contributor of fourth quarter advisory revenue with a total of $64.8 million, a year-over-year increase of 195.3%. Overall revenue in our US operations decreased by $57.0 million or 28.0%, as the higher advisory fee revenue was offset by lower investment banking, principal trading and commission and fees revenue. In Canada, there was a $111.9 million or 83.5% decrease in investment banking revenue compared to the exceptionally strong quarter in Q4/21. Our UK & Europe operations generated revenue of $29.2 million for Q4/22, a decrease of $6.9 million or 19.1% compared to the same period in the prior year as the increase in advisory fees revenue was offset by a decrease in investment banking activity. The Australian capital markets business recorded a year-over-year revenue increase of $13.9 million or 29.0% compared to the fourth quarter of the prior year, reflecting stronger investment banking activity from our focus sectors, as well as higher unrealized gains in certain inventory and warrant positions earned in respect of investment banking activity.

(1) See Non-IFRS Measures on page 14.

Global Wealth Management

Fourth quarter revenue earned by our combined global wealth management businesses amounted to $174.3 million, a decrease of 12.5% compared to Q4/21 largely due to a reduction in investment banking revenue in the Canadian wealth management business in comparison to the very strong new issue activity in Q4/21. Revenue in our UK & Crown Dependencies operations increased by $5.4 million or 7.2%, partially due to higher fee-related revenue from managed assets as well as higher client interest revenue. Our Australian operations generated revenue of $17.8 million in the fourth quarter of fiscal 2022, a slight increase of 3.1% over the same quarter in the prior year.

EXPENSES – FOURTH QUARTER FISCAL 2022

Firmwide expenses in the fourth fiscal quarter were $403.2 million, down $115.6 million or 22.3% from Q4/21. Total expenses excluding significant items[1] were $396.3 million, a decrease of $112.8 million or 22.2% from the same period last year. Total expenses as a percentage of revenue excluding significant items[1] was 80.7%, an increase of 7.2 percentage points from Q4/21 due to an increase in the compensation ratio and certain overhead expenses that do not vary with revenue.

Compensation expense decreased by $100.9 million or 25.5% compared to the same period in the prior year. Total compensation expense as a percentage of revenue was 59.0% in Q4/22, an increase of 3.0 percentage points compared to the three months ended March 31, 2021 partially due to changes in the composition of revenue and the associated variable compensation associated with the different revenue streams.

Non-compensation overhead expenses as a percentage of revenue were 21.7%, an increase of 4.3 percentage points from Q4/21. The largest increases in non-compensation expenses compared to the same period in the prior year were communication and technology, amortization and general and administrative expense partially offset by declines in trading costs, interest expense and development costs.

Communication and technology expense increased by $2.9 million or 16.7% in order to expand the infrastructure required to support our business growth and increased headcount. Amortization expense increased by $2.4 million or 37.2% due to amortization recorded on intangibles acquired in connection with the acquisitions of Adam & Company and Sawaya Partners which were completed during fiscal 2022. General and administrative expense increased by $5.9 million or 25.1% due to higher conference and other promotion and travel resulting from the continued easing of COVID-19 restrictions. Partially offsetting these increases was a decline in trading costs of $15.8 million or 40.2%, mainly driven by lower trading activity in our US capital markets operations. Development costs decreased by $4.6 million over the same period in the prior year partially due to the acceleration of certain technology intangibles recorded in the Corporate & Other segment in the fourth quarter of fiscal 2021.

There were acquisition-related costs of $0.5 million recorded during Q4 fiscal 2022 related to the acquisition of Punter Southwall Wealth Limited completed on May 31, 2022. During Q4 fiscal 2021, there were acquisition-related costs of $0.4 million recorded in our UK & Crown Dependencies wealth management operations.

INCOME TAX EXPENSE – FOURTH QUARTER FISCAL 2022

Income tax expense was $27.6 million in Q4/22 compared to $48.3 million for the three months ended March 31, 2021. Excluding significant items[1], the effective tax rate for Q4/22 was 29.3% compared to 25.2% in Q4/21. The increase in the effective tax rate for the current quarter was partially due to various adjustments not deductible for tax purposes as well as higher proportion of income earned in jurisdictions with higher tax rates.

NET INCOME – FOURTH QUARTER FISCAL 2022

Net income for the fourth quarter of fiscal 2022 was $69.0 million compared to net income of $139.4 million in Q4/21. Net income attributable to common shareholders was $56.3 million for Q4/22 compared $135.5 million in Q4/21. Diluted income per common share in the current quarter was $0.53, compared to diluted income per common share of $0.93 in Q4/21. Excluding significant items[1], net income for Q4/22 was $66.8 million compared to $137.1 million in Q4/21, a decline of $70.3 million or 51.3%, primarily due to the decrease in revenue compared to the same period in the prior year. Net income attributable to common shareholders excluding significant items[1] was $54.7 million compared to $133.3 million in the same period of the prior year. Diluted EPS excluding significant items[1] was $0.52 in Q4/22 compared to $1.20 in Q4/21.

(1) See Non-IFRS Measures on page 14.

Business Segment Results[1][2] – Year Ended March 31 2022 Compared with the Year Ended March 31, 2021

(C$ thousands, except number of employees)	2022 Canaccord Genuity Capital Markets	2022 Canaccord Genuity Wealth Management	2022 Corporate and Other	2022 Total	2021 Canaccord Genuity Capital Markets	2021 Canaccord Genuity Wealth Management	2021 Corporate and Other	2021 Total
Revenue								
Canada	$ 341,453	$ 328,458	$ 22,521	$ 692,432	$ 443,444	$ 314,529	$ 31,841	$ 789,814
UK & Europe	120,355	310,495	—	430,850	95,535	277,329	—	372,864
US	667,176	6,821	—	673,997	590,534	9,512	—	600,046
Australia	174,090	74,633	—	248,723	182,715	62,249	—	244,964
Total revenue	1,303,074	720,407	22,521	2,046,002	1,312,228	663,619	31,841	2,007,688
Expenses	961,236	576,728	129,769	1,667,733	976,646	529,476	131,664	1,637,786
Intersegment allocations	20,007	22,670	(42,677)	—	18,263	17,288	(35,551)	—
Income (loss) before income taxes	$ 321,831	$ 121,009	$ (64,571)	$ 378,269	$ 317,319	$ 116,855	$ (64,272)	$ 369,902
Excluding significant items[3]								
Revenue	1,303,074	720,407	17,121	2,040,602	1,312,228	663,619	17,641	1,993,488
Expenses	958,492	549,226	115,318	1,623,036	969,032	511,056	127,310	1,607,398
Intersegment allocations	20,007	22,670	(42,677)	—	18,263	17,288	(35,551)	—
Income (loss) before income taxes	324,575	148,511	(55,520)	417,566	324,933	135,275	(74,118)	386,090
Number of employees	890	1,292	405	2,587	808	1,186	362	2,356

For the years ended March 31

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 14 Detailed financial results for the business segments are shown in Note 25 of the audited consolidated financial statements on page 101.
(2) The operating results of the Australian operations have been fully consolidated and a non-controlling interest of 15% has been recognized for the first nine months of fiscal 2022 and 32.7% for the fourth quarter of fiscal 2022 due to the share reorganization in Australia on January 3, 2022 [March 31, 2021 – 15%].
(3) See the Selected Financial Information Excluding Significant Items table on page 25.

Canaccord Genuity Group's operations are divided into three segments: Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management are the main operating segments while Corporate and Other is mainly an administrative segment.

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 in Canada, the US, the UK & Europe, Australia, Asia and the Middle East. The Company has capital markets has offices and employees in 21 locations over four continents worldwide.

Our capital markets division has 890 capital markets professionals who are organized into product, industry and geographic coverage groups. Our industry coverage groups are focused in key growth sectors of the global economy and are primarily focused in the Technology, Life Sciences, 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.

Our disciplined mid-market focus and global alignment efforts are helping to firmly entrench Canaccord Genuity Capital Markets as a leading global independent investment bank in our core focus sectors and geographies. We believe Canaccord Genuity Capital Markets' integrated global platform and disciplined focus in key growth sectors of the global economy provide a competitive advantage for our business compared to many of the domestically focused firms that we compete with. We are focused on providing differentiated expertise and execution capabilities in a segment that is relatively underserviced by other global investment banks.

Our operating results demonstrate the strength of our global mid-market capabilities and the success of our efforts to diversify our revenue streams and improve alignment across our businesses and regions.

Outlook

Canaccord Genuity Capital Markets continues 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 profitability through further integration of our global capital markets platform 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. The acquisition of US consumer focused M&A firm Sawaya Partners builds upon our existing consumer practice, while providing a strong intersection with the core focus sectors of technology/media, life sciences, and sustainability.

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 with the addition of small teams in specific sector verticals or key service offerings, to further strengthen our operations in areas where we believe we can capture additional market share.

The Company continues to expand product capabilities and ancillary services aimed at enhancing its offering for its targeted midmarket client base and providing a deeper focus in its proven areas of strength. We strive to balance investments in growth with our ability to generate profit in various market environments.

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 during periods of market volatility and/or reduced activity levels in our core focus sectors and geographies. A culture of cost containment continues to be reinforced throughout the Company, and strategies to lower operating costs over the long term continue to be explored.

The prolonged remote working environment driven by the COVID-19 pandemic has led to productivity enhancements with respect to conferences, deal/non-deal roadshows and cross-border collaboration, and we expect that certain efficiencies and cost savings will continue longer-term as in-person work and events resume.

The management team believes the steps that the Company has taken to improve the international presence of Canaccord Genuity Capital Markets and focus its service offering in key growth sectors of the global economy have positioned the business very well for the future.

FINANCIAL PERFORMANCE(1)(2)

	Year ended March 31, 2022					Year ended March 31, 2021				
(C$ thousands, except number of employees)	**Canada**	**UK(5)**	**US**	**Australia**	**Total**	Canada	UK(5)	US	Australia	Total
Revenue	341,453	120,355	667,176	174,090	1,303,074	443,444	95,535	590,534	182,715	1,312,228
Expenses										
Compensation expense	168,942	78,963	385,975	107,906	741,786	224,429	63,467	335,907	119,194	742,997
Other overhead expenses	53,675	28,205	120,831	14,836	217,547	50,514	27,874	131,890	12,872	223,150
Development costs	60	—	1,263	43	1,366	(393)	—	5,206	1,042	5,855
Acquisition-related costs	—	—	537	—	537	4,644	—	—	—	4,644
Total expenses	222,677	107,168	508,606	122,785	961,236	279,194	91,341	473,003	133,108	976,646
Intersegment allocations(3)	14,526	1,484	3,248	749	20,007	12,449	1,027	4,392	395	18,263
Income (loss) before income taxes(3)	$ 104,250	$ 11,703	$ 155,322	$ 50,556	$ 321,831	$ 151,801	$ 3,167	$ 113,139	$ 49,212	$ 317,319
Non-controlling interests(2)	—	—	—	6,581	6,581	—	—	—	**5,301**	**5,301**
Excluding significant items(4)										
Total revenue	341,453	120,355	667,176	174,090	1,303,074	443,444	95,535	590,534	182,715	1,312,228
Total expenses	222,301	107,168	506,238	122,785	958,492	271,998	91,341	472,585	133,108	969,032
Intersegment allocations(3)	14,526	1,484	3,248	749	20,007	12,449	1,027	4,392	395	18,263
Income (loss) before income taxes(3)	$ 104,626	$ 11,703	$ 157,690	$ 50,556	$ 324,575	$ 158,997	$ 3,167	$ 113,557	$ 49,212	$ 324,933
Number of employees	278	143	378	91	890	274	131	319	84	808

(1) Financial measures are s in accordance with IFRS except for figures excluding significant. See Non-IFRS Measures on page 14.
(2) The operating results of the Australian operations have been fully consolidated and a non-controlling interest of 15% has been recognized for the first nine months of fiscal 2022 and 32.7% for the fourth quarter of fiscal 2022 due to the share reorganization in Australia on January 3, 2022 [March 31, 2021 – 15%].
(3) Income before income taxes includes intersegment allocations and excludes non-controlling interests. See the Intersegment Allocated Costs section on page 41.
(4) Refer to the Selected Financial Information Excluding Significant Items table on page 25.
(5) Includes our Dubai based operations.

REVENUE – CANACCORD GENUITY CAPITAL MARKETS

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

	For the years ended March 31		
	2022	2021	2022/2021 change
Revenue generated in:			
Canada	**26.2%**	33.8%	(7.6) p.p
UK & Europe	**9.2%**	7.3%	1.9 p.p
US	**51.2%**	45.0%	6.2 p.p
Australia	**13.4%**	13.9%	(0.5) p.p
Canaccord Genuity Capital Markets (total)	**100%**	100%	

p.p.: percentage points

Canaccord Genuity Capital Markets generated revenue of $1.3 billion, a decrease of $9.2 million or 0.7% compared to fiscal 2021. Our US capital markets business was the largest contributor for the twelve-month period and generated $667.2 million in revenue, an increase of 13.0% compared to the prior year. Revenue earned by the capital markets business in the UK & Europe increased by 26.0% to $120.4 million, reflecting increased contributions from the advisory businesses in the UK & Europe. Revenue earned in our Canadian and Australian businesses declined by 23.0% and 4.7% respectively when compared to the prior year's record results but remained above historic levels.

Investment banking

The Company's focus sector mix in fiscal 2022 showed continued diversity. Revenue from the Metals & Mining sector, a historic area of strength for the Company, reflects contributions from Australia and Canada. Revenue from the Technology and Life Sciences sectors was led by our US capital markets business. Investment banking revenue for the twelve-month period was $463.1 million, our second highest revenue achieved in this segment on record. Underwriting activities slowed from the elevated pace of the prior year and deals were postponed due to the uncertain backdrop, but client engagement remains high, however, and our backlog remains robust.

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)

	For the year ended March 31, 2022				
Sectors	**Global**	Canada	US	UK	Australia
Life Sciences	**18%**	19%	37%	0%	7%
Technology	**34%**	43%	54%	21%	11%
Metals & Mining	**22%**	14%	2%	5%	60%
Consumer & Retail	**5%**	3%	1%	19%	4%
Other	**21%**	21%	6%	55%	18%
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 Life Sciences sector.

Advisory

Increasing contributions from higher-margin advisory activities 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 established leadership in alternative financing vehicles. Fiscal 2022 revenue earned through capital markets advisory activities increased 152.5% year-over-year to a new record of $488.6 million. Our US business was the largest contributor in this segment, with advisory revenue of $317.0 million, a year-over-year increase of 218.8% and a record for this business. Fiscal 2022 advisory revenue contributed by our Canadian business increased by 65.5% or $41.5 million to $105.0 million. Our UK & Europe capital markets business earned record advisory revenue of $66.6 million, a year-over-year increase of 117.8%.

Advisory fees revenue by sector (as a % of advisory fees revenue for each geographic region)

	For the year ended March 31, 2022			
Sectors	**Global**	Canada	US	UK
Life Sciences	15%	36%	9%	3%
Technology	66%	23%	85%	12%
Industrials	4%	0%	5%	0%
Metals & Mining	6%	27%	0%	3%
Consumer & Retail	7%	9%	1%	60%
Other	2%	5%	—	22%
Total	100.0%	100.0%	100.0%	100.0%

Principal trading

Revenue earned from principal trading activity amounted to $158.2 million, a decrease of $87.4 million or 35.6% compared to the prior fiscal year, primarily a reflection of lower market volatility which decreased market activity and revenue opportunities when compared to the record levels set in the prior year. Our US business contributed $144.1 million of trading revenues largely attributable to the International Equities Group.

Commissions and Fees

Commissions and Fees revenue was $174.8 million, a decrease of 17.7% compared to the prior fiscal year reflecting lower client trading activity and reduced issuer activity. Our US and Canadian operations recorded the largest decreases in commission and fees revenue compared to record levels in Q4/21.

EXPENSES – CANACCORD GENUITY CAPITAL MARKETS

Expenses in our global capital markets division for fiscal 2022 were $961.2 million, a decrease of $15.4 million or 1.6% compared to the prior year. Excluding significant items, total expenses for fiscal 2022 were $958.5 million, a decrease of $10.5 million or 1.1% compared to fiscal 2021. As a percentage of revenue, total expenses excluding significant items decreased slightly by 0.3 percentage points compared to the year ended March 31, 2021.

Compensation expense

Compensation expense in our global capital markets division for fiscal 2022 decreased by $1.2 million or 0.2% compared to fiscal 2021. Total compensation expense as a percentage of revenue was 0.3 percentage points higher than in fiscal 2021, at 56.9% for the year ended March 31, 2022.

In Canada, Australia and UK & Europe, total compensation as a percentage of revenue decreased compared to fiscal 2021 due to changes in relative levels of fixed and variable compensation. In our US operations, total compensation expense as a percentage of revenue increased by 1.0 percentage points compared to fiscal 2021 due to changes in the composition of revenue and the variable compensation associated with different revenue streams.

Canaccord Genuity Capital Markets compensation expense as a percentage of revenue by geography

	For the years ended March 31		
	2022	2021	2022/2021 change
Canada	**49.5%**	50.6%	(1.1) p.p
UK & Europe	**65.6%**	66.4%	(0.8) p.p
US	**57.9%**	56.9%	1.0 p.p
Australia	**62.0%**	65.2%	(3.2) p.p
Canaccord Genuity Capital Markets (total)	**56.9%**	56.6%	0.3 p.p

p.p.: percentage points

Other overhead expenses

Other overhead expenses in this division were $217.5 million for fiscal 2022 compared to $223.2 million in fiscal 2021, a decrease of $5.6 million or 2.6%. The most significant decrease was in trading costs, which decreased by $19.9 million or 19.3% compared to fiscal 2021, primarily due to lower trading costs in our US operations. Development costs also decreased by $4.5 million or 76.7% as a result of lower costs incurred in our US operations.

Partially offsetting the decreases in trading and development costs was an increase in general and administrative expense of $12.5 million or 34.4% compared to fiscal 2021 largely due to a growth in promotion and travel and conference expenses as a result of the easing of COVID-19 restrictions imposed during the year.

There were $0.5 million of acquisition-related costs in fiscal 2022 in respect of the acquisition of Sawaya. There were $4.6 million of acquisition-related costs in the prior year relating to the remeasurement of contingent consideration in connection with the Jitneytrade acquisition.

INCOME BEFORE INCOME TAXES

Income before income taxes in fiscal 2022 was $321.8 million for our combined capital markets businesses, an increase of $4.5 million compared to fiscal 2021. Excluding significant items, income before income taxes, including allocated overhead expenses, decreased from $324.9 million in fiscal 2021 to $324.6 million in fiscal 2022.

CANACCORD GENUITY WEALTH MANAGEMENT

Overview

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

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; 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 March 31, 2022. Revenue earned by this business is largely generated through fee-based accounts, portfolio management, and financial planning activities. Fee-related revenue as a percentage of total revenue in this business was 78.6% for fiscal 2022. The business offers services to domestic (UK), international and European 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 220 Investment Professionals on March 31, 2022.

On March 31, 2022, Canaccord Genuity Wealth Management had 9 offices located across Canada, including Investment Advisors who are registered in the US. Fee-related revenue as a percentage of total revenue in this business increased to 39.5% for the year ended March 31, 2022 compared to 28.5% for fiscal 2021. This business had 146 Advisor teams on March 31, 2022.

In Australia, Canaccord Genuity Wealth Management had 9 offices on March 31, 2022. This business had 115 Advisor teams on March 31, 2022.

Outlook

Our strategic shift to strengthening contributions from our global wealth management segment will continue to be a major strategic 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 changes in market conditions and 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 will continue to pursue strategic opportunities to increase the scale of its wealth management business in the UK & Crown Dependencies.

On December 14, 2021, the Company, through CGWM UK, entered into a share purchase agreement to acquire Punter Southall Wealth ("PSW"), including the intermediary facing brand Psigma from Punter Southall Group. This acquisition represented an opportunity for CGWM UK to build upon its exceptional growth to date and advance its priority of becoming an integrated wealth manager of scale. Completion of this acquisition was announced on May 31, 2022. In connection with the closing of the acquisition, CGWM UK added £100 million (C$169.2 million) to its existing bank facility. In addition, HPS on behalf of investment accounts and funds it manages made an additional investment in CGWM UK on closing of the acquisition through the purchase of a new series of convertible preferred shares of CGWM UK in the amount of £65.3 million (C$110.5 million). With this investment, and with the small equity component to be issued in connection with the acquisition, the Company's effective as-converted interest in CGWM UK will be reduced from approximately 73.5% to approximately 66.9%.

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. An important focus is the recruiting and retention of investment advisors. 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 and profitability growth. Investment Advisors have found opportunities to grow their businesses faster and more sustainably on our platform. We offer Investment Advisors resources to help them grow their businesses and the opportunity to participate in conferences and industry events. We maintain a strong focus on investing in technology and training programs and building a comprehensive suite of premium products targeted at attracting high net worth investors and helping advisors 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 this market, in addition to the leveraging of the benefits provided by its connection to Canaccord Genuity's leading capital markets business in the region. The robust market for financing activities for small-cap companies during fiscal 2022 drove increased collaboration with our capital markets group in the region, and we expect this will drive future benefits as we advance our strategic priorities. We will also endeavour to convert an additional $17.5 billion held on this business' trading platform to higher revenue-generating assets.

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)	For the years ended March 31 2022	2021	2022/2021 change	
Revenue	$ 335,279	$ 324,041	$ 11,238	3.5%
Expenses				
Compensation expense	198,197	193,934	4,263	2.2%
Other overhead expenses	60,079	51,423	8,656	16.8%
Total expenses	$ 258,276	$ 245,357	$ 12,919	5.3%
Intersegment allocations(3)	20,659	16,065	4,594	28.6%
Income before income taxes(3)	$ 56,344	$ 62,619	$ (6,275)	(10.0)%
AUM (discretionary)(4)	8,482	6,307	2,175	34.5%
AUA(5)	37,881	32,240	5,641	17.5%
Number of Advisory Teams	146	145	1	0.7%
Number of employees	489	454	35	7.7%
Excluding significant items(6)				
Total expenses	$ 258,276	$ 245,357	$ 12,919	5.3%
Intersegment allocations(3)	20,659	16,065	4,594	28.6%
Income before income taxes(3)	$ 56,344	$ 62,619	$ (6,275)	(10.0)%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 14.
(2) Includes Canaccord Genuity Wealth Management operations in Canada and the US.
(3) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 41.
(4) AUM 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 14.
(5) AUA is the market value of client assets administered by the Company, for which the Company earns commissions or fees. AUA includes AUM.
(6) Refer to the Selected Financial Information Excluding Significant Items table on page 25.

Revenue from Canaccord Genuity Wealth Management North America was $335.3 million, an increase of $11.2 million or 3.5% from fiscal 2021, driven by higher commissions and fees revenue partially offset by lower investment banking revenue resulting from lower new issue activity.

AUA in Canada increased by 17.5% to $37.9 billion on March 31, 2022 from $32.2 billion on March 31, 2021, as a result of a growth in market values as well as net inflow of new assets. There were 146 Advisory Teams in Canada, an increase of one from a year ago. The fee-based revenue in our North American operations was 10.9 percentage points higher than in the prior year and accounted for 39.5% of the wealth management revenue earned in Canada during the year ended March 31, 2022.

Expenses for fiscal 2022 were $258.3 million, an increase of $12.9 million or 5.3% from fiscal 2021. Total expenses as a percentage of revenue increased slightly by 1.3 percentage points compared to last year.

Compensation expense increased by $4.3 million or 2.2% compared to the prior year. Total compensation expense as a percentage of revenue decreased slightly by 0.7 percentage points compared to last year to 59.1% in fiscal 2022.

Other overhead expenses as a percentage of revenue increased by 2.0 percentage points compared to fiscal 2021. General and administrative expense increased by $3.3 million or 38.4% due to higher conference costs. Communication and technology costs also increased by $2.5 million or 56.2% in order to support the increased headcount in this operation. Development costs increased by $1.8 million as a result of the amortization of incentive-based payments to new recruits.

Income before income taxes for fiscal 2022 was $56.3 million, a decrease of $6.3 million or 10.0% compared to the prior year primarily due to the increase in overhead expenses as described above.

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)	For the years ended March 31 2022	2021	2022/2021 change	
Revenue	$ 310,495	$ 277,329	$ 33,166	12.0%
Expenses				
Compensation expense	162,618	149,095	13,523	9.1%
Other overhead expenses	79,645	78,423	1,222	1.6%
Acquisition-related costs	8,660	1,278	7,382	n.m.
Total expenses	250,923	228,796	22,127	9.7%
Intersegment allocations(2)	1,758	1,208	550	45.5%
Income before income taxes(2)	57,814	47,325	10,489	22.2%
Non-controlling interest(6)	16,879	—	16,879	n.m.
AUM(3)	52,830	52,298	532	1.0%
Number of investment professionals and fund managers	220	202	18	8.9%
Number of employees	581	528	53	10.0%
Excluding significant items(4)				
Total expenses	$ 223,895	$ 210,862	$ 13,033	6.2%
Intersegment allocations(2)	1,758	1,208	550	45.5%
Income before income taxes(2)	84,842	65,259	19,583	30.0%
Non-controlling interest(6)	14,386	—	14,386	n.m.

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 14.
(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 41.
(3) AUM in the UK & Europe is the market value of client assets managed and administered by the Company, for which the Company earns commissions or fees. This measure includes both discretionary and non-discretionary accounts.
(4) Refer to the Selected Financial Information Excluding Significant Items table on page 25.
(5) Includes the operating results of Thomas Miller since the acquisition date of May 1, 2019 and Adam & Company since the acquisition date of October 1, 2019.
(6) The non-controlling interests is the portion of the net income after income taxes of GWM UK not attributable to the Company

Revenue generated by our UK & Crown Dependencies operations is largely produced through fee-based accounts and portfolio management activities, and, as such, is less sensitive to changes in market conditions. Revenue for fiscal 2022 was $310.5 million, an increase of $33.2 million or 12.0% compared to fiscal 2021. Measured in local currency (GBP), revenue was £181.4 million for fiscal 2022, an increase of £20.9 million or 13.0% compared to the previous year.

AUM in the UK & Crown Dependencies as of March 31, 2022 was $52.8 billion, an increase of 1.0% compared to $52.3 billion as of March 31, 2021 Measured in local currency (GBP), AUM increased by 6.4% compared to March 31, 2021. The fee-related revenue in our UK & Crown Dependencies wealth management operations accounted for 78.6% of total revenue in this geography in fiscal 2022, an increase of 6.5 percentage points compared to last year.

With over three quarters of the business' revenue derived from recurring, fee-based activities, the revenue generated through CGWM UK helps to improve the stability of its overall performance. Client holdings in our in-house investment management products exceed $1 billion and are attracting growing interest from both domestic and international intermediaries.

Compensation expense was $162.6 million, a $13.5 million increase from $149.1 million in fiscal 2021. Total compensation expense as a percentage of revenue decreased slightly by 1.4 percentage points from 53.8% in fiscal 2021 to 52.4% in fiscal 2022.

Other overhead expenses for the year ended March 31, 2022 increased by $1.2 million or 1.6% compared to the prior year. The largest increase in overhead expenses was interest expense, which increased by $2.3 million or 62.3% year over year as a result of additional borrowing costs in connection with the bank loan obtained for the acquisition of Adam & Company. Premises and equipment expense increased by $1.7 million or 45.7% due to the reorganization of certain office locations. Amortization expense also increased by $1.2 million or 7.3% compared to fiscal 2021 as a result of the amortization of intangible assets related to the Adam & Company acquisition.

Offsetting the increased expenses discussed above is a reduction in general and administrative expense of $1.2 million or 6.0%, largely due to lower professional fees and a reduction in reserves in connection with legal matters. Development costs decreased by $0.8 million or 12.8% compared to the prior year due to lower incentive-based costs related to prior acquisitions.

There were acquisition-related costs of $8.7 million recorded during fiscal 2022 related to the acquisition of Adam & Company and the acquisition of Punter Southwall Wealth Limited completed on May 31, 2022 in our UK wealth management operation. During the year ended March 31, 2021, the Company also recorded $1.3 million of acquisition-related costs in connection with various acquisitions and reorganization.

Income before income taxes was $57.8 million compared to $47.3 million in the prior year largely due to the increased revenue, along with a modest decline in compensation ratio and overhead costs. Excluding significant items[1], income before income taxes was $84.8 million, an increase of $19.6 million or 30.0% from the prior year, reflecting the growth in net contribution from this region.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 14.

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)	For the years ended March 31 2022	2021	2022/2021 change	
Revenue	$ 74,633	$ 62,249	$ 12,384	19.9%
Expenses				
Compensation expense	51,505	42,084	9,421	22.4%
Other overhead expenses	16,024	13,239	2,785	21.0%
Total expenses	67,529	55,323	12,206	22.1%
Intersegment allocations[2]	253	15	238	n.m.
Income before income taxes[2]	6,851	6,911	(60)	(0.9)%
Non-controlling interest[5]	791	715	76	10.6%
AUM[3]	5,352	4,228	1,124	26.6%
Number of investment professionals and fund managers	115	110	5	4.5%
Number of employees	222	204	18	8.8%
Excluding significant items[4]				
Total expenses	$ 67,055	$ 54,837	$ 12,218	22.3%
Intersegment allocations[2]	253	15	238	n.m.
Income before income taxes[2]	7,325	7,397	(72)	(1.0)%
Non-controlling interest[5]	791	726	76	10.6%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 14.
(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 41.
(3) AUM is the market value of client assets managed and administered by the Company, for which the Company earns commissions or fees. This measure includes both discretionary and non-discretionary accounts.
(4) Refer to the Selected Financial Information Excluding Significant Items table on page 25.
(5) 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 (percentages over 300% are indicated as n.m.)

During the year ended March 31, 2022, Canaccord Genuity Wealth Management Australia generated revenue of $74.6 million compared to $62.2 million in fiscal 2021. AUM increased to $5.4 billion at March 31, 2022, an increase of $1.1 billion or 26.6% compared to March 31, 2021. In addition, client assets[1] totalling $17.5 billion are also held on record in other less active accounts on our Australian wealth management platforms compared to $15.8 billion as of March 31, 2021. Fee-related revenue in our Australian operations as a percentage of total revenue accounted for 27.1% of the wealth management revenue during fiscal 2022, an increase of 1.0 percentage point compared to the prior year.

Total expenses were $67.5 million, an increase of $12.2 million or 22.1% compared to the year ended March 31, 2021.

Compensation expense was $51.5 million in fiscal 2022 compared to $42.1 million in fiscal 2021. Total compensation expense as a percentage of revenue was 69.0% for the year ended March 31, 2022, an increase of 1.4 percentages points compared to the prior year due to compensation costs related to new recruits hired during the fourth quarter of fiscal 2022.

Overhead costs as a percentage of revenue increased slightly by 0.2 percentage points compared to the prior year. The most significant increases in overhead costs include a $1.1 million or 34.4% increase in general and administrative expense to support the growth in this operation, as well as a $2.3 million increase in development costs which resulted from amortization of incentive-based payments to new recruits and other recruiting costs.

Income before income taxes was $6.9 million, unchanged from the prior year. Excluding significant items[1], income before income taxes was $7.3 million, a decrease of $0.1 million from the prior year.

CORPORATE AND OTHER SEGMENT

Overview

The Corporate and Other segment includes Pinnacle Correspondent Services, interest, foreign exchange revenue, and expenses not specifically allocable to Canaccord Genuity Capital Markets or Canaccord Genuity Wealth Management.

Pinnacle Correspondent Services provides trade execution, clearing, settlement, custody, and other middle- and back-office services to other introducing brokerage firms, portfolio managers and financial intermediaries. This business unit was developed as an extension and application of the Company's substantial investment in its information technology and operating infrastructure.

Also included in this segment are the Company's administrative, operational and support services departments, which are responsible for front- and back-office information technology systems, compliance and risk management, operations, legal, finance, and other administrative functions. The Company has 405 employees in the Corporate and Other segment. Most of the Company's corporate support functions are based in Vancouver and Toronto, Canada.

Our operations group is responsible for processing securities transactions, including the clearing and settlement of securities transactions, account administration and custody of client securities. The finance department is responsible for internal financial accounting and controls, and external financial and regulatory reporting, while the compliance department is responsible for client credit and account monitoring in relation to certain legal and financial regulatory requirements. The Company's risk management and compliance activities include procedures to identify, control, measure and monitor the Company's risk exposure at all times.

FINANCIAL PERFORMANCE- CORPORATE AND OTHER SEGMENT[1]

(C$ thousands, except number of employees and % amounts)	2022	2021	2022/2021 change	
	For the years ended March 31			
Revenue	$ 22,521	$ 31,841	$ (9,320)	(29.3)%
Expenses				
Compensation expense	94,078	99,785	(5,707)	(5.7)%
Other overhead expenses	21,048	26,603	(5,555)	(20.9)%
Change in fair value of derivative liability	8,519	—	8,519	n.m.
Costs associated with redemption of convertible debentures[3]	5,932	4,354	1,578	36.2%
Share of loss of an associate	192	922	(730)	(79.2)%
Total expenses	129,769	131,664	(1,895)	(1.4)%
Intersegment allocations[2]	(42,677)	(35,551)	(7,126)	(20.0)%
Loss before income taxes[2]	(64,571)	(64,272)	(299)	(0.5)%
Number of employees	405	362	43	11.9%
Excluding significant items[4]				
Revenue	$ 17,121	$ 17,641	$ (520)	(2.9)%
Total expenses	115,318	127,310	(11,992)	(9.4)%
Intersegment allocations[2]	(42,677)	(35,551)	(7,126)	(20.0)%
Loss before income taxes[2]	(55,520)	(74,118)	18,598	25.1%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 14.
(2) Loss before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 41.
(3) During the year ended March 31, 2022, 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, completed on April 8, 2022. 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 year ended March 31, 2022. During the year ended March 31, 2021, the Company recorded $4.2 million of loss and other costs in connection with the extinguishment of the convertible debentures.
(4) Refer to the Selected Financial Information Excluding Significant Items table on page 25.
n.m.: not meaningful (percentages over 300% are indicated as n.m.)

Revenue from this segment for fiscal 2022 was $22.5 million, a decrease of $9.3 million or 29.3% from fiscal 2021. During the year ended March 31, 2022, there was $5.4 million of fair value adjustment recorded on certain illiquid or restricted marketable securities. This reversal is excluded for management reporting purposes as it is not used by management to assess operating performance and is excluded for purposes of determining net income excluding significant items[1]. Future changes in the unrealized fair value of the marketable securities as determined under applicable accounting standards may be significant and will be recorded through the consolidated statements of operations.

Total expenses in this segment were $129.8 million for the year ended March 31, 2022, a decrease of $1.9 million or 1.4% compared to the prior year. The largest single contributor was a decline in interest expense of $9.7 million following the redemption of the 6.25% convertible unsecured senior subordinated debentures (convertible debentures) on April 9, 2021. Compensation costs also decreased by $5.7 million or 5.7% partially due to a lower fair value adjustment of the Company's PSU plan. Development costs decreased by $3.7 million due to accelerated amortization of certain technology intangibles recorded in the prior year. Offsetting these declines was an increase in general and administrative expense of $3.4 million or 24.8% related to higher professional fees and promotion and travel expense incurred to support our growing operations.

As discussed earlier in this MD&A, in order to partially fund the redemption of the convertible debentures, the Company entered into a loan facility of £69.0 million. 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 of $5.9 million for the year ended March 31, 2022. During fiscal 2021, the Company recorded $4.4 million of accounting loss and other costs in connection with the extinguishment of the convertible debentures.

The Convertible Preferred Shares issued to certain institutional investors and the Preference Shares issued to management and employees of CGWM UK are treated as a compound instrument comprising 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 year ended March 31, 2022, there was an $8.5 million fair value adjustment recorded in connection with the derivative liability.

Loss before income taxes was $64.6 million for fiscal 2022 compared to a loss before income taxes of $64.3 million for the prior year. Excluding significant items[1], loss before income taxes was $55.5 million for the year ended March 31, 2022 compared to a loss before income taxes of $74.1 million last year.

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. 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.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 14.

Financial Condition

Below are selected balance sheet items for the past five years:

	Balance sheet summary as at March 31				
(C$ thousands)	2022	2021	2020	2019	2018
Assets					
Cash and cash equivalents	$ 1,788,261	$ 1,883,292	$ 997,111	$ 820,739	$ 862,838
Securities owned	1,051,229	1,041,583	931,467	690,499	469,217
Accounts receivable	3,438,655	3,973,442	3,275,841	2,656,664	2,215,837
Income taxes recoverable	1,967	738	5,603	2,502	1,170
Deferred tax assets	98,224	81,229	39,487	22,117	19,941
Investments	22,928	12,193	10,105	6,224	2,035
Equipment and leasehold improvements	34,643	23,070	24,860	25,792	30,967
Goodwill and other intangibles	697,272	531,038	565,587	524,757	418,731
Right of use asset	117,066	85,216	106,134	—	—
Total assets	$ 7,250,245	$ 7,631,801	$ 5,956,195	$ 4,749,294	$ 4,020,736
Liabilities and shareholders' equity					
Bank indebtedness	$ —	$ —	$ —	$ 9,639	$ —
Securities sold short	567,290	889,607	875,017	373,419	301,006
Accounts payable, accrued liabilities and provisions	4,853,894	5,170,957	3,680,186	3,141,977	2,647,382
Income taxes payable	15,952	56,285	11,721	5,415	7,851
Current portion of bank loan	6,574	12,119	7,042	9,294	9,679
Current portion of lease liability	23,928	24,311	23,417	—	—
Current portion of contingent consideration	10,618	17,706	57,859	—	—
Promissory note	—	—	—	5,832	—
Lease liability	101,620	70,591	88,922	—	—
Other liabilities	75,758	19,577	58,340	132,285	59,841
Bank loan	145,467	66,200	79,192	50,370	61,758
Deferred tax liabilities	24,875	13,552	9,903	7,978	13,715
Subordinated debt	7,500	7,500	7,500	7,500	7,500
Convertible debentures	—	168,112	128,322	127,225	57,081
Shareholders' equity	1,178,069	1,107,094	928,618	876,363	841,352
Non-controlling interests	238,700	8,190	156	1,997	13,571
Total liabilities and shareholders' equity	$ 7,250,245	$ 7,631,801	$ 5,956,195	$ 4,749,294	$ 4,020,736

ASSETS

Cash and cash equivalents were $1.8 billion at March 31, 2022 compared to $1.9 billion at March 31, 2021. Refer to the Liquidity and Capital Resources section for more details.

Securities owned were $1.1 billion at March 31, 2022, an increase of $9.6 million from the prior year due to an increase in equities and convertible debentures.

Accounts receivable were $3.4 billion at March 31, 2022 compared to $4.0 billion at March 31, 2021, mainly due to an increase in receivables from brokers and investment dealers.

Goodwill was $510.3 million and intangible assets were $187.0 million at March 31, 2022. At March 31, 2021, goodwill was $380.1 million and intangible assets were $150.9 million. These amounts represent the goodwill and intangible assets acquired through the purchases of Genuity Capital Markets, Collins Stewart Hawkpoint plc (CSHP), Eden Financial Ltd., Hargreave Hale, Jitneytrade, McCarthy Taylor, Petsky Prunier, Patersons, Adam & Company and Sawaya.

Right-of-use assets were $117.1 million compared to $85.2 million at March 31, 2021, mainly due to new offices in our Canadian and Australian operations, partially offset by amortization taken during the year.

Other assets, consisting of income taxes receivable, deferred tax assets, equipment and leasehold improvements, and investments were $157.8 million at March 31, 2022 compared to $117.2 million at March 31, 2021, mainly due to an increase in deferred tax assets and investments.

LIABILITIES AND SHAREHOLDERS' EQUITY

Securities sold short were $567.3 million at March 31, 2022 compared to $889.6 million at March 31, 2021, mostly due to an increase in short positions in corporate and government debt.

Accounts payable and accrued liabilities, including provisions, were $4.9 billion, a decrease of $0.3 billion from March 31, 2021, mainly due to a decrease in payables to brokers and investment dealers.

Income taxes payable decreased by $40.3 million to $16.0 million on March 31, 2022 due to tax installments made during the year.

There were also lease liabilities of $125.5 million recorded as of March 31, 2022 compared to $94.9 million as of March 31, 2021 primarily due to new offices in our Canadian and Australian operations.

As discussed earlier in this MD&A, on July 29, 2021, Convertible Preferred Shares in the amount of £125.0 million (C$218.0 million) were issued by the Company's subsidiary, CGWM UK.

The Convertible Preferred Shares and the Preference Shares issued to management and employees of CGWM UK were treated as a compound instrument comprising 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. The equity component of the Convertible Preferred Shares and Preference Shares is included in shareholders' equity and the derivative liability component of £25.0 million (C$41.1 million) is included in other liabilities in the statement of financial position as of March 31, 2022.

During the year ended March 31, 2022, the Company paid the remaining contingent consideration in connection with the purchase of Petsky Prunier [March 31, 2021 - $29.2 million] and the deferred consideration related to the acquisition of Hargreave Hale [March 31, 2021 - $8.1 million]. As part of the acquisition of Sawaya, there was contingent consideration of $42.5 million included as other liabilities and deferred consideration of $11.4 million included as equity on the condensed consolidated statements of financial position as of March 31, 2022.

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for its acquisitions of Hargreave Hale, Thomas Miller and Adam & Company. The loan is repayable in instalments of principal and interest and matures in September 2024. The interest rate on this loan is 3.375% per annum as at March 31, 2022 [March 31, 2021 – 2.1288% per annum].

Excluding the bank loan in connection with the acquisitions of Hargreave Hale, Thomas Miller and Adam & Company as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $657.0 million [March 31, 2021 – $637.1 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 March 31, 2022, there was no bank indebtedness outstanding [March 31, 2021 – $nil].

Non-controlling interests were $238.7 million at March 31, 2022 compared to $8.2 million as at March 31, 2021, an increase of $230.5 million related to the equity portion of the Convertible Preferred Shares component issued in CGWM UK. The non-controlling interests also represent 32.7% [March 31, 2021 – 15%] 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 $3.7 million (US$2.9 million) [March 31, 2021 – $3.3 million (US$2.3 million)] as rent guarantees for its leased premises in New York.

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 March 31, 2022 and 2021, the Company had no bank indebtedness outstanding.

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 Canaccord Genuity Group's long-term contractual obligations on March 31, 2022:

(C$ thousands)	Total	Fiscal 2023	Fiscal 2024 – Fiscal 2025	Fiscal 2026 and fiscal 2027	Thereafter
Premises and equipment operating leases	156,805	30,351	54,651	26,882	44,921
Bank loan(1)	167,171	11,810	155,361	—	—
Total contractual obligations	323,976	42,161	210,012	26,882	44,921

(1) Bank loan obtained to finance a portion of the cash consideration for the acquisitions of Hargreave Hale, Thomas Miller and Adam & Company . The bank loan bears interest at 3.375% [March 31, 2021 – 2.6584%] per annum and is repayable in instalments of principal and interest and matures in September 2024.

Liquidity and Capital Resources

The Company has a capital structure comprised of the equity portion of the convertible debentures, preferred shares, common shares, contributed surplus, retained earnings and accumulated other comprehensive income. On March 31, 2022, cash and cash equivalents were $1.8 billion, a decrease of $95.0 million from $1.9 billion as of March 31, 2021. During the year ended

March 31, 2022 cash used in financing activities amounted to $142.9 million due to the redemption of the convertible debenture of $168.1 million, payment of ordinary and preferred dividends of $40.3 million, payment of dividends on Convertible Preferred Shares of $7.1 million, and lease payments of $29.5 million. Partially offsetting these amounts was a net $80.0 million inflow from bank loans. Cash used in investing activities amounted to $202.0 million and included the acquisitions of Adam & Company and Sawaya at $93.3 million and $45.5 million respectively, the purchase of investments of $14.2 million and equipment and leasehold improvements purchases of $12.1 million, as well as payments of deferred and contingent consideration of $32.9 million. Cash provided by operations totalled $263.3 million principally due to cash operating profit. There was also a cash outflow of $13.4 million due to foreign exchange.

The Company's business requires capital for operating and regulatory purposes. The majority of current assets reflected on the Company's audited consolidated statements 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.

Preferred Shares

SERIES A PREFERRED SHARES

In fiscal 2012, 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.

On September 1, 2021, the Company announced the reset of the dividend rate on its Series A Preferred Shares. Quarterly cumulative cash dividends, as declared, were paid at an annual rate of 3.885% for the five years ended September 30, 2021. Commencing October 1, 2021 and ending on and including September 30, 2026, quarterly cumulative dividends, if declared, will be paid at an annual rate of 4.028%. The dividend rate will be reset every five years at a rate equal to the five-year Government of Canada yield plus 3.21%.

Holders of Series A Preferred Shares had the option to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series B (Series B Preferred Series), subject to certain conditions, on September 30, 2021 and have the option on September 30 every five years thereafter. The number of shares tendered for conversion by the conversion deadline of September 30, 2021 was below the minimum required to proceed with the conversion and, accordingly, no Series B Preferred Shares were issued. Series B Preferred Shares would entitle any holders thereof to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 3.21%.

The Company had the option to redeem the Series A Preferred Shares on September 30, 2021 and has the option to redeem on September 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

SERIES C PREFERRED SHARES

In fiscal 2013, the Company issued 4,000,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series C (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.

On June 1, 2022, the Company announced the reset of the dividend rate on its Series C Preferred Shares. Quarterly cumulative cash dividends, as declared, are paid at an annual rate of 4.993% for the five years ending on and including June 30, 2022. Commencing July 1, 2022 and ending on and including June 30, 2027, quarterly cumulative dividends, if declared, will be paid at an annual rate of 6.837% on any outstanding Series C Preferred Shares. The dividend rate will be reset every five years at a rate equal to the five-year Government of Canada yield plus 4.03%.

Holders of Series C Preferred Shares have the option to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series D (Series D Preferred Shares), subject to certain conditions, on June 30, 2022 and have the option on June 30 every five years thereafter. Series C Preferred Shares will only be converted into Series D Preferred Shares if the prescribed minimum number of Series C Preferred Shares elects to convert to Series D Preferred Shares by the election deadline. Series D Preferred Shares would entitle any holders thereof to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 4.03%.

On May 24, 2022, the Company announced that it does not intend to exercise its option to redeem the Series C Preferred Shares on June 30, 2022. The Company has the option to redeem on June 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

CONVERTIBLE DEBENTURES

On April 9, 2021, the Company completed the redemption of its 6.25% convertible unsecured senior subordinated debentures for $168.1 million.

Outstanding Share Data

	Outstanding shares as of March 31	
	2022	2021
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)	**88,057,175**	95,791,083
Issued shares outstanding(2)	**99,697,799**	108,191,331
Issued shares outstanding – diluted(3)	**104,500,074**	112,567,757
Average shares outstanding – basic	**94,871,398**	96,658,863
Average shares outstanding – diluted(4)	**109,434,474**	108,618,446

(1) Excludes 122,355 outstanding unvested shares related to share purchase loans for recruitment, 11,023,169 unvested shares purchased by the employee benefit trusts for the LTIP and 495,100 shares committed to repurchase under NCIB.

(2) Includes 122,355 unvested shares related to share purchase loans for recruitment, 11,023,169 unvested shares purchased by the employee benefit trusts for the LTIP and 495,100 shares committed to repurchase under the NCIB

(3) Includes 4,802,275 of share issuance commitments net of forfeitures.

(4) This is the diluted share number used to calculate diluted EPS.

In a substantial issuer bid that commenced on December 22, 2021 and expired on January 27, 2022, the Company made an offer (the "Offer") to purchase for cancellation up to $100.0 million of its common shares. The Offer was made by way of a "modified Dutch auction", which allowed shareholders who chose to participate in the offer to individually select the price, within a price range of not less than $15.50 per common share and not more than $16.50 per common share (in increments of $0.10 per common share), at which they were willing to sell their common shares. Upon expiry of the offer, the Company determined that $15.50 was the lowest purchase price that allowed it to purchase the maximum number of common shares properly tendered to the offer, and not properly withdrawn, having an aggregate purchase price of approximately $100.0 million. The Company therefore purchased for cancellation 6,451,612 of its common shares at a purchase price of $15.50 per share. Common shares are reduced by the number of shares estimated to be repurchased at the weighted average share value, with the excess recorded as a reduction to contributed surplus and retained earnings.

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 year ended March 31, 2022, there were 3,401,116 shares purchased under the NCIB, of which 83,300 shares have not been cancelled as of March 31, 2022. There were also 70,000 shares purchased under the NCIB during the year ended March 31, 2021 and cancelled during fiscal 2022.

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, 2021 and will continue for one year (to August 20, 2022) 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 105,393 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 2021 to July 2021 (25% of the ADTV of 421,574)). During the period of the substantial issuer bid described above, no purchases of common shares under the NCIB were effected.

As of May 31, 2022, the Company has 99,194,132 common shares issued and outstanding.

ISSUANCE AND CANCELLATION OF COMMON SHARE CAPITAL

Balance, March 31, 2021	**108,191,331**
Shares issued in connection with settlement of Petsky Prunier deferred consideration	736,850
Shares issued in connection with exercise of performance stock options	609,046
Shares purchased and cancelled under the substantial course issuer bid	(6,451,612)
Shares purchased and cancelled under the normal course issuer bid	(3,387,816)
Balance, March 31, 2022	**99,697,799**

Share-Based Payment Plans

LONG-TERM INCENTIVE PLAN

Under the long-term incentive plan (LTIP), eligible participants are awarded restricted share units (RSUs), which generally vest over three years. For employees in Canada, the United States, the Channel Islands, Australia and the United Kingdom, employee benefit trusts (the Trusts) have been established. The Company or certain of its subsidiaries, as the case may be, fund the Trusts 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.

INDEPENDENT DIRECTOR DEFERRED SHARE UNITS

Beginning April 1, 2011, the Company adopted a deferred share unit (DSU) plan for its independent directors. From August 7, 2020, half of the independent directors' annual fee was paid in the form of DSUs. Directors may elect annually to use more of their directors' fees for DSUs. When a director leaves the Board of Directors, outstanding DSUs are paid out in cash with the amount equal to the number of DSUs held multiplied by the volume weighted average price of the Company's common shares for the ten trading days immediately preceding a date elected in advance by the outgoing director as the valuation date at any time between their ceasing to be a director and December 1 of the following calendar year. Under the plan, the directors are not entitled to receive any common shares in the Company, and under no circumstances will DSUs confer on any participant any of the rights or privileges of a holder of common shares.

EXECUTIVE EMPLOYEE DEFERRED SHARES 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.

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. During the year ended March 31, 2021, the PSU plan was amended to include certain employment-related conditions to the vesting of the awards resulting in a change in the periodic expense recorded during the vesting period.

PERFORMANCE SHARE OPTIONS

The Company created 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).

OTHER RETENTION AND INCENTIVE PLANS

There were other retention and incentive plans, including the employee stock purchase plan, with individual employees, for which the amount incurred was not significant in the aggregate.

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.

The Company's trading subsidiaries and intermediate holding companies are listed in the following table:

		% equity interest	
	Country of incorporation	**March 31, 2022**	March 31, 2021
Canaccord Genuity Corp.	Canada	**100%**	100%
CG Investments Inc.	Canada	**100%**	100%
CG Investments Inc. III	Canada	**100%**	100%
CG Investments Inc. IV	Canada	**100%**	100%
CG Investments Inc. V	Canada	**100%**	100%
CG Investments Inc. VI	Canada	**100%**	100%
CG G Sponsors Inc. I	Canada	**100%**	100%
Jitneytrade Inc.	Canada	**100%**	100%
Finlogik Inc.	Canada	**100%**	100%
Finlogik Tunisie SARL	Tunisia	**75%**	75%
Canaccord Genuity SAS	France	**100%**	100%
Canaccord Genuity Wealth (International) Limited*	Guernsey	**96.7%**	100%
Canaccord Genuity Financial Planning Limited*	United Kingdom	**96.7%**	100%
Canaccord Genuity Wealth Limited*	United Kingdom	**96.7%**	100%
Canaccord Genuity Wealth Group Limited*	United Kingdom	**96.7%**	100%
Canaccord Genuity Wealth (International) Holdings Limited*	Guernsey	**96.7%**	100%
Hargreave Hale Limited*	United Kingdom	**96.7%**	100%
CG Wealth Planning Limited*	United Kingdom	**96.7%**	100%
Adam & Company Investment Management Limited*	United Kingdom	**96.7%**	100%
Canaccord Genuity Limited	United Kingdom	**100%**	100%
Canaccord Genuity Wealth Group Holdings Ltd.	Canada	**100%**	100%
Canaccord Genuity LLC	United States	**100%**	100%
Canaccord Genuity Wealth Management (USA) Inc.	United States	**100%**	100%
Canaccord Genuity Wealth & Estate Planning Services Ltd.	Canada	**100%**	100%
Canaccord Genuity Petsky Prunier LLC	United States	**100%**	100%
Canaccord Adams Financial Group Inc.	United States	**100%**	100%
Collins Stewart Inc.	United States	**100%**	100%
Canaccord Genuity (2021) LLC	United States	**100%**	100%
Canaccord Genuity Finance Corp.	Canada	**100%**	100%
Canaccord Adams (Delaware) Inc.	United States	**100%**	100%
Canaccord Genuity Securities LLC	United States	**100%**	100%
CG Sawaya, LLC	United States	**100%**	100%
Canaccord Genuity (2021) Holdings ULC	Canada	**100%**	100%
Canaccord Genuity (2021) Limited Partnership	Canada	**100%**	100%
Canaccord Genuity (2021) GP ULC	Canada	**100%**	100%
Stockwave Equities Ltd.	Canada	**100%**	100%
Canaccord Genuity Group Finance Company Ltd.	Canada	**100%**	100%
Canaccord Genuity Emerging Markets Ltd.	Bahamas	**100%**	n/a
Canaccord Genuity (Hong Kong) Limited	China (Hong Kong SAR)	**100%**	100%
Canaccord Financial Group (Australia) Pty Ltd**	Australia	**65%**	80%
Canaccord Genuity (Australia) Limited**	Australia	**65%**	80%
Canaccord Genuity Financial Limited*	Australia	**65%**	80%
Patersons Asset Management Limited**	Australia	**65%**	65%
Canaccord Genuity Asia (Beijing) Limited 加通亚洲（北京）投资顾问有限公司	China	**100%**	100%
The Balloch Group Limited	British Virgin Islands	**100%**	100%
Canaccord Genuity Asia (Hong Kong) Limited	China (Hong Kong SAR)	**100%**	100%
Canaccord Genuity (Dubai) Ltd.	United Arab Emirates	**100%**	100%
Canaccord Genuity Wealth Group Holdings (Jersey) Limited*	Jersey	**96.7%**	100%
Canaccord Genuity Hawkpoint Limited	United Kingdom	**100%**	100%
Canaccord Genuity Management Company Limited	Ireland	**100%**	100%

* During the year ended March 31, 2022, the Company issued Convertible Preferred Shares to certain institutional investors and certain equity instruments in CGWM UK within the context of the transaction value reflecting a 4.3% interest in the outstanding ordinary shares of CGWM UK. On an as converted basis, convertible preferred shares, preference shares and ordinary shares issued to management and employees of CGWM UK together represent an 26.5% equity equivalent interest.

** The Company owns 65% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd., Canaccord Genuity (Australia) Limited, and Canaccord Genuity Financial Limited, but for accounting purposes, as of March 31, 2022 the Company is considered to have an 67.3% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2021 – 85%]

Security trades executed for employees, officers and directors of Canaccord Genuity Group Inc. 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 Canaccord Genuity Group Inc.

The Company offers various share-based payment plans to its key management personnel, including common share purchase loans, a long-term incentive plan, a PSU plan, a PSO plan, and a DSU – senior executives plan. Independent directors have also been granted DSUs.

Disclosed in the table below are the amounts recognized as expenses related to individuals who are key management personnel as at March 31, 2022 and March 31, 2021.

(in thousands)		**March 31, 2022**		March 31, 2021
Short term employee benefits	**$**	**33,585**	$	10,663
Share-based payments		**736**		654
Total compensation paid to key management personnel	**$**	**34,321**	$	11,317

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

(in thousands)		**March 31, 2022**		March 31, 2021
Accounts receivable	**$**	**12,009**	$	4,686
Accounts payable and accrued liabilities	**$**	**1,271**	$	1,562

Critical Accounting Policies and Estimates

The following is a summary of Canaccord Genuity Group's critical accounting estimates. The Company's significant accounting policies are in accordance with IFRS and are described in Note 5 to the audited consolidated financial statements for the year ended March 31, 2022. The Company's consolidated financial statements for the years ended March 31, 2022 and March 31, 2021 were also prepared in accordance with IFRS.

The preparation of the March 31, 2022 audited consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. 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 and valuation of deferred tax assets, impairment of goodwill, intangible assets and other long-lived assets, 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. Judgments, estimates and assumptions were also utilized in connection with the valuation of goodwill and intangible assets acquired in connection with the acquisitions of Patersons Securities Limited and Thomas Miller Wealth Management and Thomas Miller Investment (Isle of Man) Limited.

Significant accounting policies used and policies requiring management's judgment and estimates are disclosed in Notes 2 and 5 of the audited consolidated financial statements for the year ended March 31, 2022.

CONSOLIDATION

The Company owns 65% of the voting shares of Canaccord Genuity (Australia) Limited (CGAL) and Canaccord Genuity Financial Limited (CGF) as at March 31, 2022. The Company completed an evaluation of its contractual arrangements with the other shareholders of CGAL and CGF and the control it has over the financial and operating policies of the two subsidiaries and determined it should consolidate under IFRS 10, "Consolidated Financial Statements" (IFRS 10), as at March 31, 2022 and 2021. Therefore, the financial position, financial performance and cash flows of CGAL and CGF have been consolidated.

On January 3, 2022, the share structure for our Australian operations was reorganized through the sale of partly paid shares to selected employees of Canaccord Financial Group (Australia) Pty Ltd. (CFGA) and as a result the Company's ownership in CFGA decreased from 80% to 65%. For accounting purposes, commencing in the fourth quarter of fiscal 2022 the Company's ownership interest changed to 67.3% from 85% because of shares held in an employee trust controlled by CFGA. Accordingly, the Company has consolidated the entity and recognized a 32.7% non-controlling interest [March 31, 2021 – 15.0%], which represents the portion of net identifiable assets of CGAL and CGF not owned by the Company. Net income and each component of other comprehensive income are attributed to the non-controlling interest and to the owners of the parent.

The Company has established employee benefit trusts, which are considered special purpose entities (SPEs), to fulfill obligations to employees arising from the Company's share-based payment plans. The employee benefit trusts have been consolidated in accordance with IFRS 10 since their activities are conducted on behalf of the Company, and the Company retains the majority of the benefits and risks of the employee benefit trusts.

INTANGIBLE ASSETS

Identifiable intangible assets acquired separately are measured on initial recognition at cost. The cost of identifiable intangible assets acquired in a business combination is equal to their fair value as at the date of acquisition. Following initial recognition, identifiable intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of identifiable intangible assets are assessed to be either finite or indefinite. Identifiable intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the identifiable intangible asset may be impaired. The amortization period and the amortization method for an identifiable intangible asset are reviewed at least annually, at each financial year end. Identifiable intangible assets with indefinite useful lives are not amortized but are tested for impairment annually.

Technology development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate that the technical feasibility of the asset for use has been established. The asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, and the impairment is recognized in the consolidated statements of operations.

In assessing fair value less costs to sell, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Company bases its impairment calculation on annual budget calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budget calculations generally cover a period of five years for longer periods, and a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the consolidated statements of operations in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of operations unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment at least annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at March 31 at the CGU level and when circumstances indicate that the carrying value may be impaired.

REVENUE RECOGNITION

Revenue is recognized either at a point in time when a single performance obligation is satisfied at once or over the period of time when a performance obligation is received and utilized by the customer over that period. The Company assesses its revenue arrangements in order to determine if it is acting as principal or agent. The main types of revenue contracts are as follows:

Commissions and fees revenue consists of revenue generated through commission-based brokerage services, recognized on a trade date basis, and the sale of fee-based products and services, recognized on an accrual basis. Realized and unrealized gains and losses on securities purchased for client-related transactions are reported as net facilitation losses and recorded net of commission revenue. Facilitation losses for the year ended March 31, 2022 were $9.1 million [2021 – $8.4 million]. Commissions are recognized at a point in time (trade date) as the performance obligation is satisfied.

Investment banking revenue consists of underwriting fees and commissions earned on corporate finance activities. The act of underwriting the securities is the sole performance obligation and revenue is recognized at the point in time when the underwriting transaction is complete.

Advisory fees consist of ongoing management and advisory fees that are recognized over the period of time that this performance obligation is delivered. Also included in advisory fees is revenue from mergers and acquisitions activities, which is recognized at the point in time when the underlying transaction is substantially completed under the engagement terms, and it is probable that a significant revenue reversal will not occur.

Principal trading revenue consists of income earned in connection with principal trading operations and is outside the scope of IFRS 15.

Interest revenue consists of interest earned on client margin accounts, interest earned on the Company's cash, interest earned on cash delivered in support of securities borrowing activity, and dividends earned on securities owned. Interest and dividend revenue is outside the scope of IFRS 15.

Other revenue includes foreign exchange gains or losses, revenue earned from correspondent brokerage services and administrative fee revenue.

INCOME TAXES

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of operations.

Deferred tax

Deferred taxes are accounted for using the liability method. This method requires that deferred taxes reflect the expected deferred tax effect of temporary differences at the reporting date between the carrying amounts of assets and liabilities for financial statement purposes and their tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences, except for taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and carryforward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits and unused tax losses can be utilized. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited in the statements of operations except where it relates to items that may be credited directly to equity, in which case the deferred tax is recognized directly against equity.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax, except where the amount of sales tax incurred is not recoverable from the tax authority. In these circumstances, sales tax is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of accounts receivable or accounts payable in the consolidated statements of financial position.

SHARE-BASED PAYMENTS

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The participating employees are eligible to receive shares that generally vest over three years (the RSUs). This program is referred to as the long-term incentive plan (the "LTIP" or the "Plan").

Independent directors also receive deferred share units (DSUs) as part of their remuneration, which can only be settled in cash (cash-settled transactions). Certain executives may also receive performance stock options (PSOs) as part of their remuneration, which are equity-settled. In addition, certain senior executives receive performance share units (PSUs) as well as DSUs under the senior executives DSU plan as part of their remuneration, which can only be settled in cash (cash-settled transactions).

The dilutive effect, if any, of outstanding options and share-based payments is reflected as additional share dilution in the computation of diluted earnings (loss) per common share.

Equity-settled transactions

For equity-settled transactions, the Company measures the fair value of share-based awards as of the grant date.

RSUs issued by the Plan continue to vest 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. The Company determined that the awards do not meet the criteria for an in-substance service condition, as defined by IFRS 2. Accordingly, RSUs granted as part of the normal course incentive compensation payment cycle are expensed in the period in which those awards are deemed to be earned with a corresponding increase in contributed surplus, which is generally the fiscal period in which the awards are either made or the immediately preceding fiscal year for those awards made after the end of such fiscal year but were 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 as an expense on a graded basis over the applicable vesting period with a corresponding increase in contributed surplus. The Company estimates the number of equity instruments that will ultimately vest when calculating the expense attributable to equity-settled transactions. No expense is recognized for awards that do not ultimately vest.

When share-based awards vest, contributed surplus is reduced by the applicable amount and share capital is increased by the same amount.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. The fair values of DSUs are expensed upon grant, as there are no vesting conditions. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognized through the statements of operations. The PSUs were measured at fair value on 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 as a result of certain employment-related conditions.

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS AND FOREIGN SUBSIDIARIES

The Company's consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. Each subsidiary of the Company determines its own functional currency, and items included in the financial statements of each subsidiary are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company and its subsidiaries at their respective functional currencies using exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated by the Company and its subsidiaries into their respective functional currencies at the exchange rate in effect at the reporting date. All differences upon translation are recognized in the consolidated statements of operations.

Non-monetary assets and liabilities denominated in foreign currencies are translated by the Company and its subsidiaries into their respective functional currencies at historical rates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates in effect at the date when the fair value is determined.

Translation of foreign subsidiaries

Assets and liabilities of foreign subsidiaries with a functional currency other than the Canadian dollar are translated into Canadian dollars at rates prevailing at the reporting date, and income and expenses are translated at average exchange rates prevailing during the period. Unrealized gains or losses arising as a result of the translation of the foreign subsidiaries are recorded in accumulated other comprehensive income (loss). On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the consolidated statements of operations.

The Company also has monetary assets and liabilities that are receivable or payable from a foreign operation. If settlement of the receivable or payable is neither planned nor likely to occur in the foreseeable future, the differences upon translation are recognized in accumulated other comprehensive income (loss) as these receivables and payables form part of the net investment in the foreign operation.

PROVISIONS

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statements of operations net of any reimbursement. If the effect of the time value of money is significant, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Financial Instruments

A significant portion of the Company's assets and liabilities is composed of financial instruments. The Company uses financial instruments for both trading and non-trading activities. The Company engages in trading activities that include the purchase and sale of securities in the course of facilitating client trades and taking principal trading positions with the objective of earning a profit.

The use of financial instruments may either introduce or mitigate exposures to market, credit and/or liquidity risks. See Risk Management in this MD&A for details on how these risks are managed. For significant assumptions made in determining the valuation of financial and other instruments, refer to Note 7 of the audited consolidated financial statements for the year ended March 31, 2022.

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. On March 31, 2022, forward contracts outstanding to sell US dollars totalled US$1.8 million [March 31, 2021 – $nil]. Forward contracts outstanding to buy US dollars had a notional amount of US$2.3 million, a decrease of US$3.6 million from March 31, 2021. 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 & Europe 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 and US government bond futures contracts to mitigate their risk. At March 31, 2022, the notional amount of the bond futures contracts outstanding was long $9.7 million [March 31, 2021 – short $1.1 million].

The Company's Canadian operations are also involved in trading US Treasury futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. There were no outstanding US Treasury futures contracts outstanding as at March 31, 2022 and March 31, 2021.

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.

Adoption of New and Revised Standards

There were no new accounting standards adopted for the period ended March 31, 2022.

Future Changes in Accounting Policies and Estimates

The Company monitors the potential changes proposed by the International Accounting Standards Board on an ongoing basis and analyzes the effect that changes in the standards may have on the Company's operations.

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 March 31, 2022.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

DISCLOSURE CONTROLS AND PROCEDURES

As of March 31, 2022, 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 the design and operation of these disclosure controls and procedures were effective as of and during the fiscal year ended March 31, 2022.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management, including the President & CEO and the Executive Vice President & Chief Financial Officer, has designed internal control over financial reporting as defined under *National Instrument 52-109* to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Based on that evaluation, the President & CEO and the Executive Vice President & Chief Financial Officer concluded that the Company's internal control over financial reporting was designed and operating effectively as of and during the year ended March 31, 2022 and that there were no material weaknesses in our internal control over financial reporting.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in internal control over financial reporting that occurred during the year ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Risk Management

OVERVIEW

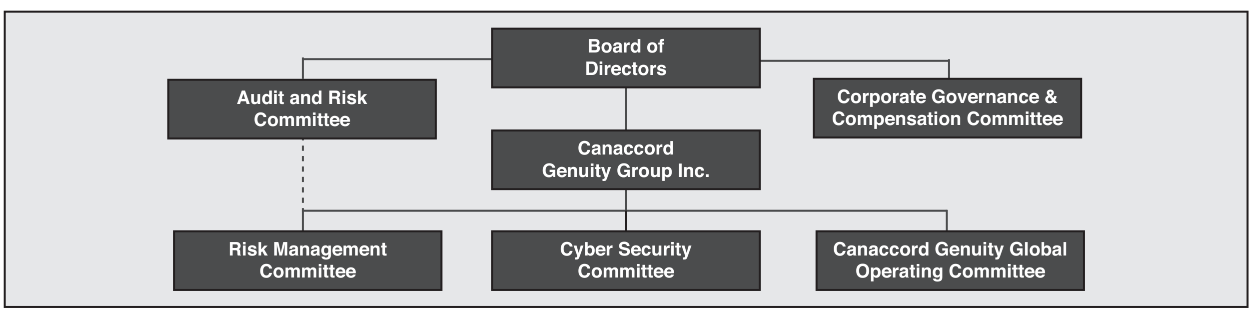
Uncertainty and risk are inherent when conducting operations within financial markets. As an active participant in the Canadian and international capital markets, the Company is exposed to risks that could result in financial losses. The Company has identified its principal risks as: market risk, credit risk, operational risk and other risks. Accordingly, risk management and control of the balance between risk and return are critical elements in maintaining the Company's financial stability and profitability. Therefore, an effective risk management framework is integral to the success of Canaccord Genuity Group Inc.

RISK MANAGEMENT STRUCTURE AND GOVERNANCE

The Company's disciplined risk management process encompasses a number of functional areas and requires frequent communication, judgment and knowledge of the business, products and markets. The Company's senior management is actively involved in the risk management process and has developed policies, procedures and reports that enable the Company to assess and control its risks. These policies and procedures are subject to ongoing review and modification as activities, markets and circumstances change.

As part of the Company's risk philosophy, the first line of responsibility for managing risk lies with branch managers, department heads and trading desk managers (within prescribed limits). The monitoring and control of the Company's risk exposure is conducted through a variety of separate, but complementary, financial, credit, operational, compliance and legal reporting systems.

The Company's governance structure includes the following elements:



The Board of Directors (the Board) has oversight of the company-wide risk management framework. These responsibilities are delegated to the Audit and Risk Management Committees. See the Company's current Annual Information Form (AIF) for details of the Audit and Risk Committee's mandate as it relates to risk management.

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibility by monitoring the effectiveness of internal controls and the control environment. It also receives and reviews various quarterly and annual updates, and reports on key risk metrics as well as the overall risk management program.

The Risk Management Committee assists the Board in fulfilling its responsibilities for monitoring risk exposures against the defined risk appetite and for general oversight of the risk management process. The Risk Management Committee is led by the firm's Chief Risk Officer and committee members include the CEO, the CFO and senior management representation from the key revenue-producing businesses and functional areas of the Company. The Risk Management Committee identifies, measures and monitors the principal risks facing the business through review and approval of the Company's risk appetite, policies, procedures and limits/thresholds.

The segregation of duties and management oversight are important aspects of the Company’s risk management framework. The Company has a number of functions that are independent of the revenue-producing businesses that perform risk management activities, including the monitoring, evaluating and analyzing of risk. These functions include Enterprise Risk Management, Compliance, Operations, Internal Audit, Treasury, Finance, Information Technology and Legal.

The Company’s global Cybersecurity Committee exists to help identify, monitor and manage risks specific to the Company’s information networks, data and internal systems. This committee is chaired by the firm’s Chief Risk Officer and committee members include senior IT management from across the firm, as well as representation from Legal, Compliance, Internal Audit and Operations. The Cybersecurity Committee is focused on issues such as cybersecurity risk assessment, IT safeguards and controls, risks related to third-party service providers, employee training and awareness and incident response planning.

MARKET RISK

Market risk is the risk that a change in market prices and/or any of the underlying market factors will result in losses. Each business area is responsible for ensuring that their market risk exposure is prudent within a set of risk limits set by the Risk Management Committee and approved by the Audit and Risk Committee. In addition, the Company has established procedures to ensure that risks are measured, closely monitored, controlled and visible to senior levels of management.

The Company is exposed to equity price risk, liquidity risk and volatility risk as a result of its principal trading activities in listed options and equity securities. The Company is also exposed to specific interest rate risk, credit spread risk and liquidity risk in respect of its principal trading in fixed income securities. In addition to active supervision and review of trading activities by senior management, Canaccord Genuity Group mitigates its risk exposure through a variety of limits to control concentration, capital allocation and usage, as well as through trading policies and guidelines. The Company manages and monitors its risks in this area using both qualitative and quantitative measures, on a company-wide basis, as well as by trading desk. Management regularly reviews and monitors inventory levels and positions, trading results, liquidity profile, position aging and concentration levels. Canaccord Genuity Group also utilizes scenario analysis and a Value-at-Risk (VaR) risk measurement system for its equity and fixed income and derivative inventories. Consequently, the Company can ensure that it is adequately diversified with respect to market risk factors and that trading activity is within the risk tolerance levels established by senior management.

CREDIT RISK

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The primary source for credit risk to Canaccord Genuity Group is in connection with trading activity by clients in the Jitneytrade trade business acquired by the Company in fiscal 2019 (now rebranded as CG Direct) and Canaccord Genuity Wealth Management business segments, including client margin accounts. In order to minimize financial exposure in this area, the Company applies a set of credit standards and conducts financial reviews with respect to clients and new accounts.

The Company provides financing to clients by way of margin lending. In margin-based lending, the Company extends credit for a portion of the market value of the securities in a client’s account, up to certain limits. The margin loans are collateralized by those securities in the client’s account. In connection with this lending activity, the Company faces a risk of financial loss in the event that a client fails to meet a margin call if market prices for securities held as collateral decline and if the Company is unable to recover sufficient value from the collateral held. For margin lending purposes, the Company has established risk-based limits that are generally more restrictive than those required by applicable regulatory policies. In addition, the Company has established limits to how much it will lend against an individual security or group of securities in a single sector so as to limit credit concentration risk.

Trading strategies involving derivative products, such as exchange traded options and futures carry certain levels of risk to the Company. Due to the non-linear and intrinsically leveraged nature of derivative securities, the speed at which their value changes is exacerbated, thereby potentially triggering margin calls and client-related losses. Although the Company imposes strict limits on clients trading and monitors client exposure on a real-time basis there is no certainty that such procedures will be effective in eliminating or reducing the risk of losses to the Company.

The extension of credit via margin lending is overseen by the firm’s Credit Committee. The Committee meets regularly to review and discuss the firm’s credit risks, including large individual loans, collateral quality, loan coverage ratios and concentration risk. The Committee will also meet, as required, to discuss any new loan arrangements proposed by senior management.

The Company also faces a risk of financial loss with respect to trading activity by clients if such trading results in overdue or unpaid amounts in under-secured cash accounts. The Company has developed a number of controls within its automated trade order management system to ensure that trading by individual account and advisor is done in accordance with customized limits and risk parameters.

The Company is engaged in various trading and brokerage activities whose counterparties primarily include broker dealers, banks, clearing agents, exchanges, financial intermediaries and other financial institutions. These activities include agency and principal trading, securities borrowing and lending, and entering into repurchase agreements and reverse repurchase agreements. In the event that counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty and/or the issuer of the instrument. The Company manages this risk by imposing and monitoring individual and aggregate trading and position limits within each business segment, for each counterparty, conducting regular credit reviews of financial counterparties, reviewing security and loan concentrations, holding and marking to market collateral on certain transactions, and conducting business through clearing organizations that guarantee performance.

The Company records a provision for bad debts in general and administrative expense. Any actual losses arising from or associated with client trading activity as described above are charged to this provision. Historically, this provision has been sufficient to cover actual losses.

OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events such as the occurrence of disasters or security threats. Operational risk exists in all of the Company's activities, including processes, systems and controls used to manage other risks. Failure to manage operational risk can result in financial loss, reputational damage, regulatory fines and failure to manage market, credit or other risks.

The Company operates in different markets and relies on its employees and internal and third-party systems to process a high number of transactions and provide other technology and support functions. In order to mitigate this risk, the Company has developed a system of internal controls and checks and balances at appropriate levels, which includes overnight trade reconciliation, control procedures related to clearing and settlement, transaction and daily value limits within all trading applications, cash controls, physical security, independent review procedures, documentation standards, billing and collection procedures, and authorization and processing controls for transactions and accounts. In addition, the Company has implemented an operational risk program that helps Canaccord Genuity Group measure, manage, report and monitor operational risk issues (see RCSA below). The Company also has disaster recovery procedures, business continuity plans and built-in redundancies in place in the event of a systems or technological failure. In addition, the Company utilizes third party service agreements and security audits where appropriate.

Risk and Control Self-Assessment (RCSA)

The purpose of RCSAs is to:

- Identify and assess key risks inherent to the business and categorize them based on severity and frequency of occurrence
- Rate the effectiveness of the control environment associated with the key risks
- Mitigate the risks through the identification of action plans to improve the control environment where appropriate
- Provide management with a consistent approach to articulate and communicate the risk profiles of their areas of responsibility
- Meet regulatory requirements and industry standards

The Company has established a process to determine what the strategic objectives of each group/unit/department are and to identify, assess and quantify operational risks that hinder the Company's ability to achieve those objectives. The RCSA results are specifically used to calculate the operational risk regulatory capital requirements for operations in the UK and operational risk exposure in all geographies. The RCSAs are periodically updated and results are reported to the Risk Management and Audit and Risk Committees.

OTHER RISKS

Other risks encompass those risks that can have an adverse material impact on the business but do not belong to market, credit or operational risk categories.

Regulatory and legal risk

Regulatory risk results from non-compliance with regulatory requirements, which could lead to fines and/or sanctions. The Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements in each jurisdiction in which it operates. These procedures address issues such as regulatory capital requirements, disclosure requirements, internal controls over financial reporting, sales and trading practices, use of and safekeeping of client funds, use of and safekeeping of client data, credit granting, collection activity, anti-money laundering, insider trading, employee misconduct, conflicts of interest and recordkeeping.

Legal risk results from potential criminal, civil or regulatory litigation against the Company that could materially affect the Company's business, operations or financial condition. The Company has in-house legal counsel, as well as access to external legal counsel, to assist the Company in addressing legal matters related to operations and to defend the Company's interests in various legal actions.

Losses or costs associated with routine regulatory and legal matters are included in general and administrative expense in the Company's audited 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 third party 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.

Cybersecurity risk

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 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 in matters relating to cybersecurity.

The Company devotes considerable effort and resources to defending against and mitigating 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 and Risk Committee of the Board of Directors.

Reputational risk

Reputational risk is the risk that an activity undertaken, or alleged to have been undertaken, by an organization or its representatives will impair its image in the community or lower public confidence in it, resulting in a loss of revenue, legal action or increased regulatory oversight. Possible sources of reputational risk could come from operational failures, non-compliance with laws and regulations, disparaging traditional or online media coverage, or leading an unsuccessful financing. The Company could face reputational risk through its association with past or present corporate finance clients who are the subject of regulatory and/or legal scrutiny. Reputational risk can also be reflected within customer satisfaction and external ratings, such as equity analyst reports. In addition to its various risk management policies, controls and procedures, the Company has a formal Code of Business Conduct and Ethics, a Business Integrity Line for reporting incidents, and an integrated program of marketing, branding, communications and investor relations to help manage and support the Company's reputation.

Pandemic risk

Pandemic risk is the risk of large-scale outbreaks of infectious diseases that can greatly increase morbidity and mortality over a wide geographic area and cause significant social and economic disruption. Such disruptions could have a negative impact on the Company's operations and could prevent the Company from operating as it would under normal conditions. The global outbreak of COVID-19 and the declaration of a pandemic by the World Health Organization in March 2020 caused a significant disruption in economic activity and resulted in a sharp downturn in global equity markets which impacted the normal operation of the Company's business. In the early stages of the outbreak, the Company overhauled its Disaster Recovery Plan in preparation for an escalation of the outbreak. This overhaul included the setup of low-latency remote access trading systems for trading desks, updates of technology solutions and the network infrastructure, load testing of remote access systems, and policy and procedural enhancements to reduce the need for manual processes to ensure the smooth operations of the business in the event of a remote working environment. Because of these efforts, the Company was well prepared and experienced no visible disruptions to its operations as a result of having most employees working from remote locations. Trading desks operated smoothly and effectively to both service clients and to limit the Company's exposure and risks in managing its own inventory and trading positions. Although the Company's systems, processes and procedures were effective in limiting the risk associated with the outbreak of the COVID-19 pandemic there is a risk that such systems, processes and procedures may not be successful in the event of future pandemics or in the event that conditions under the COVID-19 pandemic deteriorate or persist for an extended period of time. The extent to which the Company's business and financial condition will continue to be affected by the COVID-19 pandemic will depend on future developments including the spread of variants, the efficacy of vaccines against new variants, the vaccination progress and the impact of related controls and restrictions imposed by government authorities.

Significant geopolitical, economic and market risk

The Company's wealth management and capital markets businesses are by nature, subject to numerous risks including changes in the economic, political and market conditions that are outside of the Company's control. These conditions have the potential to cause reductions in investor confidence which could impact AUA growth, and activity levels in our investment banking, advisory and trading businesses. The effects of geopolitics on the global economy are difficult to predict and, in many cases, have not caused major disruptions to global economic growth. However, the war in Ukraine and the sanctions on Russia are having a substantial economic impact given their influence on global oil. commodity and agricultural markets. It is also expected that the geopolitical impacts of this crisis may have implications for decades to come. While the impacts of these factors on our business are inherently difficult to predict, such factors have the potential to adversely impact the Company's revenues. operating margins, compensation ratios and expense levels due to their possible negative impacts on market volumes, asset prices, volatility, or liquidity.

Control risk

As of March 31, 2022, senior officers and directors of the Company collectively owned approximately 14.3% of the issued and outstanding (24.0% fully diluted) common shares of Canaccord Genuity Group Inc. If a sufficient number of these shareholders act or vote together, they will have the power to exercise significant influence over all matters requiring shareholder approval, including the election of the Company's directors, amendments to its articles, amalgamations and plans of arrangement under Canadian law and mergers or sales of substantially all of its assets. This could prevent Canaccord Genuity Group from entering into transactions that could be beneficial to the Company or its other shareholders. Also, third parties could be discouraged from making a tender offer or takeover bid to acquire any or all of the outstanding common shares of the Company.

Any significant change in these shareholdings through sale or other disposition, or significant acquisitions by others of the common shares in the public market or by way of private transactions, could result in a change of control and changes in business focus or practices that could affect the profitability of the Company's business.

Restrictions on ownership and transfer of common shares

Restrictions on ownership and transfer of common shares in the articles of Canaccord Genuity Group Inc. to prevent unauthorized change in control without regulatory approval could, in certain cases, affect the marketability and liquidity of the common shares.

Risk factors

For a detailed list of the risk factors that are relevant to the Company's business and the industry in which it operates, see the Risk Factors section in the Company's current Annual Information Form (AIF). Risks include, but are not necessarily limited to, those listed in the AIF. Investors should carefully consider the information about risks, together with the other information in this document, before making investment decisions. It should be noted that this list is not exhaustive but contains risks that the Company considers to be of particular relevance. Other risk factors may apply.

Further discussion regarding risks can be found in our AIF.

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 June 2, 2022, the Board of Directors approved a dividend of $0.085 per common share, payable on June 30, 2022, with a record date of June 17, 2022.

On June 2, 2022, the Board approved a cash dividend of $0.25175 per Series A Preferred Share payable on June 30, 2022 to Series A Preferred shareholders of record as at June 17, 2022

On June 2, 2022, the Board approved a cash dividend of $0.31206 per Series C Preferred Share payable on June 30, 2022 to Series C Preferred shareholders of record as at June 17, 2022

Additional Information

Additional information relating to Canaccord Genuity Group Inc., including our Annual Information Form, is available on our website at https://www.canaccordgenuity.com/investor-relations/investor-resources/financial-reports/ and on SEDAR at www.sedar.com.

Independent Auditor's Report

To the Shareholders of
Canaccord Genuity Group Inc.

Opinion

We have audited the consolidated financial statements of **Canaccord Genuity Group Inc.** and its subsidiaries [the "Group"], which comprise the consolidated statements of financial position as at March 31, 2022 and 2021, and the consolidated statements of operations, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Revenue Recognition on Corporate Finance and Merger and Acquisition ["M&A"] Transactions	
As at March 31, 2022, the Group has $493.1 million of advisory revenue related to corporate finance and M&A transactions. The Group recognizes advisory fee revenue when the performance obligation for the underlying transaction is complete under the terms of the agreement. As individual advisory fee transactions are often substantial in size and the number and timing of transactions can vary significantly from period to period depending on market activity, this audit area is considered a key audit risk. Where significant transactions close near the reporting date, an evaluation must be completed to determine in which period the Group completed delivery of its performance obligations and recognize revenue accordingly. The details of the Group's accounting policies for revenue recognition are disclosed in note 5, "Summary of Significant Accounting Policies".	To test the revenue recognized related to advisory fees, our audit procedures included, among others: • We selected a sample of advisory fee transactions and reviewed executed contracts to assess whether the performance obligation was satisfied over time or at a point in time. • We tested a sample of open advisory transactions at the reporting date and evaluated if performance obligations associated with advisory services provided over a period of time were recognized in accordance with IFRS 15 by obtaining evidence of delivery of services and comparing to the period of revenue being recognized. • We reviewed source documents, including the executed agreements and cash receipts to obtain evidence of completion of performance obligations for all advisory transactions that closed immediately before and after year-end and assessed whether revenue was recognized in the correct period. • We evaluated the Group's critical accounting policies and related disclosures in the consolidated financial statements to determine if they appropriately describe these transactions and whether they are in accordance with IFRS 15.
Impairment of Goodwill in Cash-Generating Units	
As at March 31, 2022, the Group has $510.3 million of goodwill recognized within cash generating units ["CGUs"]. Management	To test the estimated FVLCS of the CGUs, our audit procedures included, among others:

Key Audit Matter	How our Audit Addressed the Key Audit Matter
assesses at least annually, or when indicators of impairment exist, whether there has been an impairment loss in the carrying value of these assets. When testing goodwill for impairment, management compares the carrying amount of a CGU to its recoverable amount, which is determined using the higher of value in use or fair value less costs to sell [“FVLCS”]. The impairment testing of CGUs relies on estimates of recoverable amounts based on five-year forecasts and a terminal value for the period thereafter. Given the subjective nature of the significant inputs to the impairment model, including the volatility of revenue, incentive compensation costs, discount rate and terminal growth rate, the results of the model are sensitive to inputs where management applies judgment. Due to the subjectivity involved in forecasting and discounting future cash flows and the significance of the CGUs’ recognized goodwill as at March 31, 2022, this audit area is considered a key audit risk. The details of the Group’s accounting policies for goodwill are disclosed in note 5, “Summary of Significant Accounting Policies”.	• With the assistance of our valuation specialists, we evaluated the appropriateness and mathematical accuracy of the impairment models for the CGUs. As part of this evaluation, we compared the carrying values used in models for each CGU to the financial records of the Group and compared the CGUs identified by the Group to the lowest level of operations monitored by management and others in the organization and assessed if the grouping of CGUs was appropriate for the purpose of the impairment test. • With the assistance of our valuation specialists, we evaluated the assumptions and inputs into the Group’s calculation of the recoverable amounts for the CGUs, including the revenue, incentive compensation costs, discount rate and terminal growth rate, by comparing those assumptions to historical results and third-party data. • We performed sensitivity analyses on significant assumptions, including revenue growth rates, and expense growth rates to evaluate changes in the recoverable amount of the CGUs that would result from changes in the assumptions. • We assessed the Group’s disclosures in relation to this matter.
Fair value measurement of Level 3 securities owned and investments The Group has Level 3 securities owned and investments consisting of $89.6 million, recorded at fair value. These financial instruments are complex and illiquid and require valuation techniques that may include complex models and non-observable inputs, requiring management’s estimation and judgment. Auditing the valuation of these financial instruments required the application of significant auditor judgment and involvement of valuation specialists in assessing the complex models and non-observable inputs used, including any significant valuation adjustments. Given the subjectivity involved, this audit area is considered a key audit risk. The Group describes its significant accounting judgments, estimates, and assumptions in relation to the fair value measurement of financial instruments in note 5, “Summary of Significant Accounting Policies”, and in note 7, “Financial Instruments”.	To test the fair value of Level 3 securities owned and investments, our audit procedures included, among others: • With the assistance of our valuation specialists, we assessed the appropriateness and mechanical accuracy of models used in the valuation of these financial instruments. • With the assistance of our valuation specialists, we verified management’s significant inputs to the valuation models by corroborating to internal and external sources and performed a sensitivity analysis on any significant non-observable inputs to evaluate the overall reasonability of the fair value of the portfolio. • We evaluated the Group’s disclosures of the securities owned and investments held by the Group and determined they were in accordance with IFRS 7 and IFRS 9.

Other Information

Management is responsible for the other information. The other information comprises:

- Management’s Discussion and Analysis
- The information, other than the consolidated financial statements and our auditor’s report thereon, in the Annual Report

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management’s Discussion & Analysis prior to the date of this auditor’s report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor’s report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor’s report. If based on the work we will perform on this other information, we conclude there is a material misstatement of other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sean Musselman.

Chartered Professional Accountants

Ernst & Young LLP

Licensed Public Accountants

Toronto, Canada
June 2, 2022

Canaccord Genuity Group Inc.
Consolidated Statements of Financial Position

As at (in thousands of Canadian dollars)	Notes	March 31, 2022 $	March 31, 2021 $
ASSETS			
Current			
Cash and cash equivalents		$ **1,788,261**	$ 1,883,292
Securities owned	6	**1,051,229**	1,041,583
Accounts receivable	9, 24	**3,438,655**	3,973,442
Income taxes receivable		**1,967**	738
Total current assets		**6,280,112**	6,899,055
Deferred tax assets	15	**98,224**	81,229
Investments	10	**22,928**	12,193
Equipment and leasehold improvements	12	**34,643**	23,070
Intangible assets	14	**186,993**	150,923
Goodwill	14	**510,279**	380,115
Right of use assets	13	**117,066**	85,216
Total assets		$ **7,250,245**	$ 7,631,801
LIABILITIES AND EQUITY			
Current			
Securities sold short	6, 7	**567,290**	889,607
Accounts payable and accrued liabilities	9, 24	**4,845,672**	5,160,600
Provisions	28	**8,222**	10,357
Income taxes payable		**15,952**	56,285
Subordinated debt	16	**7,500**	7,500
Current portion of bank loan	17	**6,574**	12,119
Current portion of lease liabilities	18	**23,928**	24,311
Current portion of contingent consideration	7,11	**10,618**	17,706
Convertible debentures	19	**—**	168,112
Total current liabilities		**5,485,756**	6,346,597
Deferred tax liabilities	15	**24,875**	13,552
Other liabilities	7, 11	**75,758**	19,577
Bank loan	17	**145,467**	66,200
Lease liabilities	18	**101,620**	70,591
Total liabilities		**5,833,476**	6,516,517
Equity			
Attributable to equity holders of CGGI		**1,178,069**	1,107,094
Attributable to non-controlling interests		**238,700**	8,190
Total equity		**1,416,769**	1,115,284
Total liabilities and shareholders' equity		$ **7,250,245**	$ 7,631,801

See accompanying notes

On behalf of the Board:

"Daniel Daviau" *"Terrence A. Lyons"*

DANIEL DAVIAU Director

TERRENCE A. LYONS Director

Canaccord Genuity Group Inc.
Consolidated Statements of Operations

For the years ended (in thousands of Canadian dollars, except per share amounts)	Notes	March 31, 2022 $	March 31, 2021 $
REVENUE			
Commissions and fees		**761,843**	735,239
Investment banking		**561,725**	761,551
Advisory fees		**493,057**	197,092
Principal trading		**158,978**	246,801
Interest		**36,028**	26,288
Other		**34,371**	40,717
		2,046,002	2,007,688
EXPENSES			
Compensation expense		**1,248,184**	1,227,895
Trading costs		**102,824**	122,154
Premises and equipment		**20,074**	19,948
Communication and technology		**73,873**	67,475
Interest		**23,598**	28,364
General and administrative		**101,431**	82,310
Amortization	**12, 14**	**27,593**	26,156
Amortization of right of use assets	**13**	**23,894**	25,040
Development costs		**22,422**	27,246
Acquisition-related costs		**9,197**	5,922
Fair value adjustment of non-controlling interests derivative liability	8	**8,519**	—
Loss and other costs in connection with extinguishment of convertible debentures	**19**	**5,932**	4,354
Share of loss of an associate		**192**	922
		1,667,733	1,637,786
Income before income taxes		**378,269**	369,902
Income tax expense (recovery)	**15**		
Current		**122,072**	133,252
Deferred		**(14,368)**	(33,152)
		107,704	100,100
Net income for the year		**270,565**	269,802
Net income attributable to:			
CGGI shareholders		**246,314**	263,786
Non-controlling interests	8	**24,251**	6,016
Weighted average number of common shares outstanding (thousands)			
Basic	**21**	**94,871**	96,659
Diluted	**21**	**109,434**	108,978
Income per common share			
Basic	**21**	**$ 2.50**	$ 2.30
Diluted	**21**	**$ 2.16**	$ 2.04
Dividend per Series A Preferred Share	**22**	**$ 1.00**	$ 0.97
Dividend per Series C Preferred Share	**22**	**$ 1.25**	$ 1.25
Dividend per common share	**22**	**$ 0.32**	$ 0.25

See accompanying notes

Canaccord Genuity Group Inc.
Consolidated Statements of Comprehensive Income

For the years ended (in thousands of Canadian dollars)		March 31, 2022 $	March 31, 2021 $
Net income for the year		270,565	269,802
Other comprehensive income			
Net change in unrealized losses on translation of foreign operations, net of tax		(33,566)	(31,439)
Comprehensive income for the year		236,999	238,363
Comprehensive income attributable to:			
CGGI shareholders		$ 211,433	$ 231,989
Non-controlling interests	8	$ 25,566	$ 6,374

See accompanying notes

Canaccord Genuity Group Inc.
Consolidated Statements of Changes in Equity

As at and for the years ended (in thousands of Canadian dollars)	Notes	March 31, 2022 $	March 31, 2021 $
Preferred shares, opening and closing	20	205,641	205,641
Common shares, opening		662,366	663,553
Shares issued in connection with share-based payments			10
Acquisition of common shares for long-term incentive plan (LTIP)		(60,824)	(37,822)
Release of vested common shares from employee benefit trusts		34,188	40,766
Change in shares committed to purchase under the normal course issuer bid		4,770	(8,181)
Conversion of convertible debentures		—	22
Shares issued in connection with settlement of JItneytrade contingent consideration		—	2,000
Shares issued in connection with acquisition of Petsky Prunier		—	6,545
Shares issued in connection with exercise of performance stock options (PSOs)		4,099	1,232
Shares purchased and cancelled under normal course issuer bid		(23,527)	(5,585)
Shares purchased and cancelled under substantial issuer bid		(44,801)	—
Net unvested share purchase loans		(105)	(174)
Common shares, closing	21	576,166	662,366
Convertible debentures – equity, opening		—	5,156
Reclassification to retained earnings upon redemption of convertible debentures	19	—	(5,156)
Convertible debentures – equity, closing		—	—
Contributed surplus, opening		62,402	101,501
Share-based payments, net		45,983	15,882
Shares purchased and cancelled under normal course issuer bid		(21,787)	(3,274)
Shares purchased and cancelled under substantial issuer bid		(27,486)	—
Shares committed to purchase under the normal course issuer bid		(2,537)	—
Equity portion of redemption of convertible debentures		—	(58,747)
Unvested share purchase loans		105	174
Change in deferred tax asset relating to share-based payments		7,561	6,866
Contributed surplus, closing		64,241	62,402
Retained earnings(deficit), opening		73,220	(193,131)
Net income attributable to CGGI shareholders		246,314	263,786
Reclassification of realized gains on disposal of financial instruments measure at fair value through other comprehensive income		—	4,091
Common share dividends	22	(30,797)	(23,924)
Preferred share dividends	22	(9,484)	(9,404)
Shares purchased and cancelled under substantial issuer bid		(27,713)	—
Reclassification of equity portion of convertible debentures	19	—	31,802
Retained earnings, closing		251,540	73,220
Deferred consideration, opening		—	6,545
Settlement of deferred consideration in connection with the acquisition of Petsky Prunier		—	(6,545)
Deferred consideration in connection with acquisition of Sawaya Partners	11	11,378	—
Deferred consideration, closing		11,378	—
Accumulated other comprehensive income, opening		103,465	139,353
Reclassification of other comprehensive income to non-controlling interest		519	—
Reclassification of realized gains on disposal of financial instruments measure at fair value through other comprehensive income		—	(4,091)
Other comprehensive loss attributable to CGGI shareholders		(34,881)	(31,797)
Accumulated other comprehensive income, closing		69,103	103,465
Total shareholders' equity		1,178,069	1,107,094
Non-controlling interests, opening		8,190	156
Non-controlling interests, closing		238,700	8,190
Total equity		1,416,769	1,115,284

See accompanying notes

Canaccord Genuity Group Inc.
Consolidated Statements of Cash Flows

For the years ended (in thousands of Canadian dollars)	Notes	March 31, 2022 $	March 31, 2021 $
OPERATING ACTIVITIES			
Net income for the year		**$ 270,565**	$ 269,802
Items not affecting cash			
Amortization	**12, 14**	**27,593**	26,156
Amortization of right-of-use assets	**13**	**23,894**	25,040
Deferred income tax recovery		**(14,368)**	(33,152)
Share-based compensation expense	**23**	**146,827**	146,408
Fair value adjustment of non-controlling interests derivative liability	**8**	**8,519**	—
Loss and other costs in connection with extinguishment of convertible debentures	**19**	**—**	4,354
Non-cash portion of acquisition- related costs		**—**	2,000
Share of loss of associate		**192**	922
Impairment of investments		**—**	2,370
Interest expense in connection with lease liabilities		**6,518**	6,765
Changes in non-cash working capital			
Increase in securities owned		**(9,647)**	(110,116)
Decrease/(increase) in accounts receivable		**539,655**	(699,172)
(Decrease)/increase in income taxes payable, net		**(36,162)**	52,329
(Decrease)/increase in securities sold short		**(322,316)**	14,590
(Decrease)/increase in accounts payable, accrued liabilities and provisions		**(378,017)**	1,387,386
Cash provided by operating activities		**263,253**	1,095,682
FINANCING ACTIVITIES			
Purchase of shares for cancellation under normal course issuer bid		**(45,314)**	(8,859)
Purchase of shares under substantial issuer bid		**(100,000)**	—
Acquisition of common shares for long-term incentive plan		**(60,824)**	(37,822)
Proceeds from issuance of convertible preferred shares and other equity instruments in UK & Crown Dependencies wealth management operations, net of acquisition related costs		**224,963**	—
Payment of cash dividends on convertible preferred shares issued in UK & Crown Dependencies wealth management operations		**(7,141)**	—
Redemption of convertible debentures		**(168,112)**	—
Proceeds from bank loan		**88,465**	—
Proceeds from exercise of performance share options		**4,099**	1,232
Payment of bank loan		**(8,432)**	(6,925)
Payment of long-term liability		**—**	(1,721)
Cash dividends paid on common shares		**(30,797)**	(23,924)
Cash dividends paid on preferred shares		**(9,484)**	(9,404)
Lease payments		**(30,282)**	(30,212)
Cash used in financing activities		**(142,859)**	(117,635)
INVESTING ACTIVITIES			
Purchase of equipment and leasehold improvements		**(12,122)**	(4,857)
Purchase of intangibles		**(2,541)**	(2,260)
Acquisition of Adam & Company, net of cash acquired		**(93,316)**	—
Acquisition of Sawaya Partners, net of cash acquired		**(45,513)**	—
Investment in associate		**(1,490)**	(2,414)
Purchase of investments		**(14,161)**	(3,000)
Payment of deferred and contingent consideration		**(32,852)**	(73,596)
Cash used in investing activities		**(201,995)**	(86,127)
Effect of foreign exchange on cash balances		**(13,430)**	(5,739)
(Decrease) increase in cash position		**(95,031)**	886,181
Cash position, beginning of year		**1,883,292**	997,111
Cash position, end of year		**1,788,261**	1,883,292
Supplemental cash flow information			
Interest received		**$ 36,100**	$ 25,423
Interest paid		**$ 22,232**	$ 27,418
Income taxes paid		**$ 160,055**	$ 83,886

See accompanying notes

Notes to Consolidated Financial Statements

As at March 31, 2022 and March 31, 2021
and for the years ended March 31, 2022 and 2021
(in thousands of Canadian dollars, except per share amounts)

NOTE 1. Corporate Information

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the Company or CGGI) is a leading independent, full-service financial services firm with capital markets operations in North America, the UK & Europe, Asia, Australia, the Bahamas and the Middle East. The Company also has wealth management operations in Canada, the UK, Guernsey, Jersey, the Isle of Man 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 400 – 725 Granville Street, Vancouver, British Columbia, V7Y 1G5.

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.

NOTE 2. Basis of Preparation

STATEMENT OF COMPLIANCE

These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These audited consolidated financial statements have been prepared on a historical cost basis except for investments, securities owned, securities sold short, non-controlling interests derivative liability deferred and contingent consideration. 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 audited consolidated financial statements are presented in Canadian dollars and all values are in thousands of dollars, except when otherwise indicated.

These audited consolidated financial statements were authorized for issuance by the Company's Board of Directors on June 2, 2022.

PRINCIPLES OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Company, its subsidiaries and controlled special purpose entities (SPEs).

The financial results of a subsidiary or controlled SPE are consolidated if the Company acquires control. Control is achieved when an entity has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the year are included in the statements of operations from the effective date of the acquisition or up to the effective date of the disposal, as appropriate.

All inter-company transactions and balances have been eliminated. In cases where an accounting policy of a subsidiary differs from the Company's accounting policies, the Company has made the appropriate adjustments to ensure conformity for purposes of the preparation of these consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

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. The global pandemic related to an outbreak of COVID-19 has cast additional uncertainty on the assumptions used by management in making its judgments and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. Given that the full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the global economy and the Company's business is highly uncertain and difficult to predict at this time, there is a higher level of uncertainty with respect to management's judgments and estimates. The extent to which the Company's business and financial condition will continue to be affected by the COVID-19 pandemic will depend on future developments including the spread of variants, efficacy of vaccines against new variants, the achievement of mass vaccinations and the impact of related controls and restrictions imposed by government authorities.

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 level 2 and 3 financial instruments, capitalization of intangible assets related to software costs, 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 goodwill and intangible assets acquired in connection with the acquisitions of Adam & Company and Sawaya Partners.

During the year ended March 31, 2022, 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, if applicable, by delivering the economic equivalent of a variable number of common shares of CGWM UK.

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 as the equity component. The derivative component 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", Petsky Prunier LLC is referred to as "Petsky Prunier", Sawya Partners LLC is referred as "Sawaya", McCarthy Taylor Limited (renamed as CG McCarthy Taylor 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".

Consolidation

The Company owns 65% of the voting shares of Canaccord Financial Group (Australia) Pty Ltd. (CFGA) which owns 100% of Canaccord Genuity (Australia) Limited (CGAL) and Canaccord Genuity Financial Limited (CGF) as at March 31, 2022. The Company completed an evaluation of its contractual arrangements with the other shareholders of CFGA and the control it has over the financial and operating policies of the two subsidiaries and determined it should consolidate under IFRS 10, "Consolidated Financial Statements" (IFRS 10), as at March 31, 2022 and 2021. Therefore, the financial position, financial performance and cash flows of CGAL and CGF have been consolidated.

On January 3, 2022, the share structure for the Australian operations was reorganized through the sale of partly paid shares to selected employees of CGAL and CGF and as a result the Company's ownership in CFGA decreased from 80% to 65%. For accounting purposes, commencing in the fourth quarter of fiscal 2022 the Company's ownership interest changes to 67.3% from 85% because of shares held in an employee trust controlled by CFGA. Accordingly, the Company has consolidated the entity and recognized a 32.7% non-controlling interest [March 31, 2021 – 15.0%], which represents the portion of net identifiable assets of CGAL and CGF not owned by the Company. Net income and each component of other comprehensive income are attributed to the non-controlling interest and to the owners of the parent.

The Company has employee benefit trusts, which are considered SPEs [Note 23], to fulfill obligations to employees arising from the Company's share-based payment plans. The employee benefit trusts have been consolidated in accordance with IFRS 10 since their activities are conducted on behalf of the Company, and the Company retains the majority of the benefits and risks of the employee benefit trusts.

Revenue recognition

Revenue is recognized to the extent that it is probable that the Company has an enforceable right to payment for performance completed to date and that a transaction price can be reliably measured. Estimation may be required to determine the amount of revenue that can be recognized and also the timing of the substantial completion of the performance obligations of the underlying investment banking or advisory transactions.

Share-based payments

The Company measures the cost of equity-settled and cash-settled transactions with employees and directors based on the fair value of the awards granted. The fair value is determined based on the observable share prices or by using an appropriate valuation model. The use of option pricing models to determine the fair value requires the input of highly subjective assumptions including the expected price volatility, expected forfeitures, expected life of the award and dividend yield. Changes in the subjective assumptions can materially affect the fair value estimates. The assumptions and models used for estimating the fair value of share-based payments, if and as applicable, are disclosed in Note 23.

Income taxes and valuation of deferred taxes

Accruals for income tax liabilities require management to make estimates and judgments with respect to the ultimate outcome of tax filings and assessments. Actual results could vary from these estimates. The Company operates within different tax jurisdictions and is subject to individual assessments by these jurisdictions. Tax filings can involve complex issues, which may require an extended period of time to resolve in the event of a dispute or re-assessment by tax authorities. Deferred taxes are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and the level of future taxable profit.

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. The Company establishes tax provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as the Company’s experience of previous tax audits.

Impairment of goodwill and indefinite life intangible assets

Goodwill and indefinite life intangible assets are tested for impairment at least annually, or whenever an event or change in circumstance may indicate potential impairment, to ensure that the recoverable amount of the cash-generating unit (CGU) to which goodwill and indefinite life intangible assets are attributed is greater than or equal to their carrying values.

In determining the recoverable amount, which is the higher of fair value less costs to sell (FVLCS) and value-in-use, management uses valuation models that consider such factors as projected earnings, price-to-earnings multiples, relief of royalties related to brand names and discount rates. Management must apply judgment in the selection of the approach to determining the recoverable amount and in making any necessary assumptions. These judgments may affect the recoverable amount and any resulting impairment write-down. The key assumptions used to determine recoverable amounts for the different cash-generating units are disclosed in Note 14.

Impairment of other long-lived assets

The Company assesses its amortizable long-lived assets at each reporting date to determine whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the recoverable amount of the asset or the CGU containing the asset using management’s best estimates and available information.

Allowance for credit losses

The Company records allowances for credit losses associated with clients’ receivables, loans, advances and other receivables based on a forward-looking, expected credit loss (ECL) approach. The Company establishes an allowance for credit losses in accordance with management’s valuation policy based on its historical credit loss experience adjusted for forward-looking factors or other considerations as appropriate. Judgment is required as to the timing of establishing an allowance for credit losses and the amount of the required specific allowance, taking into consideration counterparty creditworthiness, current economic trends and past experience. Clients’ receivable balances are generally collateralized by securities; therefore, any provision is generally measured after considering the market value of the collateral, if any.

Fair value of financial instruments

The Company measures a number of its financial instruments at fair value as discussed in Note 7. Fair value is determined based on market prices from independent sources, if available. If there is no available market price, then the fair value is determined by using valuation models. The inputs to these models, such as expected volatility and liquidity , are derived from observable market data where possible; but where observable data is not available, judgment is required to select or determine inputs to a fair value model.

There is inherent uncertainty and imprecision in estimating the factors that can affect fair value, and in estimating fair values generally, when observable data is not available. Changes in assumptions and inputs used in valuing financial instruments could affect the reported fair values.

Provisions

The Company records provisions related to pending or outstanding legal matters and regulatory investigations. Provisions in connection with legal matters are determined on the basis of management's judgment in consultation with legal counsel, considering such factors as the amount of the claim, the possibility of wrongdoing by an employee of the Company and precedents. Contingent litigation loss provisions are recorded by the Company when it is probable that the Company will incur a loss as a result of a past event and the amount of the loss can be reliably estimated. The Company also records provisions related to restructuring costs when the recognition criteria for provisions as they apply to restructuring costs are fulfilled.

Comparatives

Certain payments of deferred and contingent consideration associated with business combinations have been reclassified from financing activities to investing activities in the consolidated statements of cash flows to better align the presentation with the substance of the transactions.

NOTE 3. Adoption of New and Revised Standards

There were no new accounting standards adopted for the period ended March 31, 2022.

NOTE 4. Future Changes in Accounting Policies

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 March 31, 2022.

NOTE 5. Summary of Significant Accounting Policies

TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS AND FOREIGN SUBSIDIARIES

The Company's consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. Each subsidiary of the Company determines its own functional currency, and items included in the financial statements of each subsidiary are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company and its subsidiaries at their respective functional currencies using exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated by the Company and its subsidiaries into their respective functional currencies at the exchange rate in effect at the reporting date. All differences upon translation are recognized in the consolidated statements of operations.

Non-monetary assets and liabilities denominated in foreign currencies are translated by the Company and its subsidiaries into their respective functional currencies at historical rates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates in effect at the date when the fair value is determined.

Translation of foreign subsidiaries

Assets and liabilities of foreign subsidiaries with a functional currency other than the Canadian dollar are translated into Canadian dollars at rates prevailing at the reporting date, and income and expenses are translated at average exchange rates prevailing during the period. Unrealized gains or losses arising as a result of the translation of the foreign subsidiaries are recorded in accumulated other comprehensive income (loss). On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the consolidated statements of operations.

The Company also has monetary assets and liabilities that are receivable or payable from a foreign operation. If settlement of the receivable or payable is neither planned nor likely to occur in the foreseeable future, the differences upon translation are recognized in accumulated other comprehensive income (loss) as these receivables and payables form part of the net investment in the foreign operation.

INTANGIBLE ASSETS

Identifiable intangible assets acquired separately are measured on initial recognition at cost. The cost of identifiable intangible assets acquired in a business combination is equal to their fair value as at the date of acquisition. Following initial recognition, identifiable intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The amortization of intangible assets is recognized in the consolidated statements of operations as part of amortization expense.

The useful lives of identifiable intangible assets are assessed to be either finite or indefinite. Identifiable intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the identifiable intangible asset may be impaired. The amortization period and the amortization method for an identifiable intangible asset are reviewed at least annually, at each financial year end.

Identifiable intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually.

Identifiable intangible assets purchased through the acquisitions of Genuity Capital Markets (Genuity), Patersons Securities Limited, Collins Stewart Hawkpoint plc (CSHP), Eden Financial Ltd., Hargreave Hale, McCarthy Taylor, Petsky Prunier, Adam & Company and Sawaya Partners are customer relationships, non-competition agreements, brand name, trading licences, contract book, fund management contracts and technology, 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 it will provide benefit to the Company over a continuous period. Software under development or acquired is amortized over its useful life once the asset is available for use. Brand names with definite lives are amortized over three years. Customer relationships are amortized over five to 24 years. Internally developed or acquired software is amortized over a maximum of 10 years.

Internally developed or acquired software

Expenditures towards the development or acquisition of projects are recognized as intangible assets when the Company can demonstrate that the technical feasibility of the assets for use has been established. The assets are carried at cost less any accumulated amortization and accumulated impairment losses in accordance with IAS 38, “Intangible Assets”. Capitalized costs are expenditures directly attributable to the software development, such as employment, consulting or professional fees. Amortization of the assets begins when development is complete, and the assets are available for use. The assets are amortized over the period of expected future benefit.

IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of the FVLCS and the value-in-use of a particular asset or CGU. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, and the impairment is recognized in the consolidated statements of operations.

In assessing FVLCS, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The Company bases its impairment calculation on annual budget calculations, which are prepared separately for each of the Company’s CGUs to which the individual assets are allocated. These budget calculations generally cover a period of five years. A long-term growth rate is then calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognized in the consolidated statements of operations.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such an indication exists, the Company estimates the asset’s or CGU’s recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, or exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of operations.

The following assets have specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually as at March 31 or when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Indefinite life intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually, as at March 31, at the CGU level and when circumstances indicate that the carrying value may be impaired.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on deposit, treasury bills, commercial paper and bankers' acceptances with a term to maturity of less than three months from the date of purchase, which are subject to an insignificant risk of changes in value.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

[i] Financial assets

Initial recognition and measurement

On initial recognition, financial assets are classified as instruments measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on two criteria: the Company's business approach for managing the financial assets; and whether the instruments' contractual cash flows result in cash flows that are solely payments of principal and interest on the principal amount outstanding (the SPPI criteria).

The business approach considers whether the Company's objective is to receive cash flows from holding the financial assets, from selling the assets or a combination of both.

Classification and subsequent measurement

Financial assets classified as fair value through profit or loss (FVTPL)

Financial assets are classified as FVTPL when they either fail the contractual cash flow test or are held in a business model in which the aim is to realize the asset's value through a short-term sale. Financial assets at FVTPL are stated at fair value, with any resulting gain or loss recognized in the statements of operations. The net gain or loss recognized in the statements of operations includes any unpaid dividend or interest earned on the financial asset. Financial assets measured at FVTPL consist of marketable securities owned and investments not subject to significant influence by the Company.

The Company periodically evaluates the classification of its financial assets classified as FVTPL based on whether the intent to sell the financial assets in the near term is still appropriate. In rare circumstances, if the Company is unable to trade these financial assets due to inactive markets or if management's intent to sell them in the foreseeable future significantly changes, the Company may elect to reclassify these financial assets.

Financial assets classified as fair value through other comprehensive income (FVOCI)

A financial asset is classified as FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset result in cash flows that meet the SPPI criteria. Included in the FVOCI category was our investment in Euroclear which was disposed during the year ended March 31, 2021. There are no other financial assets classified as FVOCI.

Financial assets classified as amortized costs

A financial asset is measured at amortized cost if it is held within a business model that has an objective to hold financial assets to collect contractual cash flows and the contractual terms of the financial asset result in cash flows that meet the SPPI criteria. Items included in this category include cash and cash equivalents and accounts receivable.

The Company reclassifies financial assets only when its business approach for managing those assets changes.

Impairment of financial assets

The Company's accounts receivables are classified as financial assets measured at amortized cost and are subject to the ECL model. Accounts receivable includes trade receivables from clients and brokers and dealers. All our corporate finance and client receivables have a maturity of less than 12 months from initial recognition; therefore, the allowance is limited to 12-month ECLs. The Company established a valuation policy that is based on its historical credit loss experience, adjusted for forward-looking factors or other considerations as appropriate. The impact of the allowance is not considered to have a significant impact on our audited consolidated financial statements for the year ended March 31, 2022. A financial asset or group of financial assets was deemed to be impaired if there was objective evidence of impairment as a result of one or more events that occurred since the initial recognition of the asset.

Derecognition

A financial asset is derecognized primarily when the rights to receive cash flows from the asset have expired or the Company has transferred its right to receive cash flows from the asset.

[ii] Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and classified as either FVTPL or other financial liabilities.

Classification and subsequent measurement

Financial liabilities classified as fair value through profit or loss

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Gains or losses on liabilities held for trading are recognized in the statements of operations. The Company has not designated any financial liabilities as FVTPL that would not otherwise meet the definition of FVTPL upon initial recognition. Securities sold short, non-controlling interests derivative liability and contingent and deferred considerations are classified as held for trading and recognized at fair value.

Financial liabilities classified as amortized cost

After initial recognition, financial liabilities classified as other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statements of operations. Financial liabilities classified as amortized cost include accounts payable and accrued liabilities, bank loans, and subordinated debt. The carrying value of other financial liabilities approximates their fair value.

[iii] Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

[iv] Derivative financial instruments

Derivative financial instruments are financial contracts, the value of which is derived from the value of the underlying assets, interest rates, indices or currency exchange rates.

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.

The Company trades in futures contracts, which are agreements to buy or sell standardized amounts of a financial instrument at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and subject to daily cash margining. The Company trades in futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk.

The Company also trades in forward contracts, which are non-standardized contracts to buy or sell a financial instrument at a specified price on a future date. The Company trades in forward contracts in an attempt to mitigate foreign exchange risk on pending security settlements in foreign currencies.

FAIR VALUE MEASUREMENT

The Company measures financial instruments at fair value at each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

When available, quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs, are used to determine fair value. For financial instruments not traded in an active market, the fair value is determined using appropriate and reliable valuation techniques. Such techniques may include recent arm’s length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. Valuation techniques may require the use of estimates or management assumptions if observable market data is not available. When the fair value cannot be reliably measured using a valuation technique, then the financial instrument is measured at cost.

The Company categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Company’s valuation techniques. A level is assigned to each fair value measured based on the lowest level input significant to the fair value measurement in its entirety [Note 7]. For assets and liabilities that are recognized in the consolidated financial statements 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.

SECURITIES OWNED AND SOLD SHORT

Securities owned and sold short are recorded at fair value based on quoted market prices in an active market or a valuation model if no market prices are available. Unrealized gains and losses are reflected in income. Certain securities owned have been pledged as collateral for securities borrowing transactions. Securities owned and sold short are classified as held for trading financial instruments.

SECURITIES LENDING AND BORROWING

The Company employs securities lending and borrowing activities primarily to facilitate the securities settlement process. These arrangements are typically short term in nature, with interest being received when cash is delivered, and interest being paid when cash is received. The value of collateral for securities borrowed and securities loaned is carried at the amounts of cash collateral delivered and received in connection with the transactions.

Securities borrowed transactions require the Company to deposit cash, letters of credit or other collateral with the lender. For securities loaned, the Company receives collateral in the form of cash or other collateral in an amount generally in excess of the market value of the securities loaned. The Company monitors the fair value of the securities loaned and borrowed against the cash collateral on a daily basis and, when appropriate, the Company may require counterparties to deposit additional collateral, or it may return collateral pledged to ensure such transactions are appropriately collateralized.

Securities purchased under agreements to resell and securities sold under agreements to repurchase represent collateralized financing transactions. The Company receives securities purchased under agreements to resell, makes delivery of securities sold under agreements to repurchase, monitors the market value of these securities on a daily basis and delivers or obtains additional collateral as appropriate.

The Company manages its credit exposure by establishing and monitoring aggregate limits by customer for these transactions. Interest earned on cash collateral is based on a floating rate.

SECURITIES PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS AND OBLIGATIONS RELATED TO SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

The Company recognizes these transactions on the trade date at amortized cost using the effective interest rate method. Securities sold and purchased under repurchase agreements remain on the consolidated statement of financial position. Reverse repurchase agreements and repurchase agreements are treated as collateralized lending and borrowing transactions.

REVENUE RECOGNITION

Revenue is recognized either at a point in time when a single performance obligation is satisfied at once or over the period of time when a performance obligation is received and utilized by the customer over that period. The Company assesses its revenue arrangements in order to determine if it is acting as principal or agent. The main types of revenue contracts are as follows:

Commissions and fees revenue consists of revenue generated through commission-based brokerage services, recognized on a trade date basis, and the sale of fee-based products and services, recognized on an accrual basis. Realized and unrealized gains and losses on securities purchased for client-related transactions are reported as net facilitation losses and recorded net of commission revenue. Facilitation losses for the year ended March 31, 2022 were $9.1 million [2021 – $8.4 million]. Commissions are recognized at a point in time (trade date) as the performance obligation is satisfied.

Investment banking revenue consists of underwriting fees and commissions earned on corporate finance activities. The act of underwriting the securities is the sole performance obligation, and revenue is recognized at the point in time when the underwriting transaction is complete.

Advisory fees consist of ongoing management and advisory fees that are recognized over the period of time that this performance obligation is delivered. Also included in advisory fees is revenue from mergers and acquisitions activities, which is recognized at the point in time when the underlying transaction is substantially completed under the engagement terms and it is probable that a significant revenue reversal will not occur.

Principal trading revenue consists of income earned in connection with principal trading operations and is outside the scope of IFRS 15.

Interest revenue consists of interest earned on client margin accounts, interest earned on the Company's cash, interest earned on cash delivered in support of securities borrowing activity, and dividends earned on securities owned. Interest and dividend revenue is outside the scope of IFRS 15.

Other revenue includes foreign exchange gains or losses, revenue earned from correspondent brokerage services and administrative fee revenue.

EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Computer equipment, furniture and equipment, and leasehold improvements are recorded at cost less accumulated amortization. Amortization is being recorded as follows:

Computer equipment	Straight-line over useful life
Furniture and equipment	Straight-line over useful life
Leasehold improvements	Straight-line over the shorter of useful life and respective term of the leases

An item of property, plant and equipment, and any specific part initially recognized, is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of operations when the asset is derecognized.

The assets' residual values, useful lives and methods of amortization are reviewed at each financial year end, and are adjusted prospectively where appropriate.

INCOME TAXES

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the Company's tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statements of operations.

Deferred tax

Deferred taxes are accounted for using the liability method. This method requires that deferred taxes reflect the expected deferred tax effect of temporary differences at the reporting date between the carrying amounts of assets and liabilities for financial statement purposes and their tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences, except for taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits and carryforward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses, can be utilized. The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

No deferred tax liability has been recognized for taxable temporary differences associated with investments in subsidiaries from undistributed profits and foreign exchange translation differences as the Company is able to control the timing of the reversal of these temporary differences. The Company has no plans or intention to perform any actions that will cause the temporary differences to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited in the statements of operations except where it relates to items that may be credited directly to equity, in which case the deferred tax is recognized directly against equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax, except where the amount of sales tax incurred is not recoverable from the tax authority. In these circumstances, sales tax is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of accounts receivable or accounts payable in the consolidated statements of financial position.

TREASURY SHARES

The Company's own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. This includes shares held in the employee benefit trusts and unvested share purchase loans and preferred shares held in treasury. No gain or loss is recognized in the statements of operations on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in contributed surplus. Voting rights related to treasury shares are nullified for the Company and no dividends are allocated to them.

EARNINGS PER COMMON SHARE

Basic earnings per common share is computed by dividing the net income (loss) attributable to common shareholders for the period by the weighted average number of common shares outstanding. Diluted earnings per common share reflects the dilutive effect in connection with the LTIP, other share-based payment plans, and the convertible debentures (up until the redemption date of April 9, 2021) based on the treasury stock method. The treasury stock method determines the number of incremental common shares by assuming that the number of shares the Company has granted to employees has been issued. 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.

SHARE-BASED PAYMENTS

Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions). The participating employees are eligible to receive shares that generally vest over three years (the RSUs). This program is referred to as the long-term incentive plan (the LTIP or the Plan).

Independent directors also receive deferred share units (DSUs) as part of their remuneration, which can only be settled in cash (cash-settled transactions). Certain executives may also receive performance stock options (PSOs) as part of their remuneration which are equity-settled.). In addition, certain senior executives receive performance share units (PSUs) as well as DSUs under the senior executives DSU plan as part of their remuneration, which can only be settled in cash (cash-settled transactions).

The dilutive effect, if any, of outstanding options and share-based payments is reflected as additional share dilution in the computation of diluted earnings (loss) per common share.

Equity-settled transactions

For equity-settled transactions, the Company measures the fair value of share-based awards as of the grant date.

RSUs issued by the Plan continue to vest 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. The Company determined that the awards do not meet the criteria for an in-substance service condition, as defined by IFRS 2. Accordingly, RSUs granted as part of the normal course incentive compensation payment cycle 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.

The Company estimates the number of equity instruments that will ultimately vest when calculating the expense attributable to equity-settled transactions. No expense is recognized for awards that do not ultimately vest.

When share-based awards vest, contributed surplus is reduced by the applicable amount and share capital is increased by the same amount.

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date. The fair values of DSUs for independent directors are expensed upon grant, as there are no vesting conditions [Note 23]. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognized through the statements of operations. The PSUs and DSUs were measured at fair value on grant date. Changes in value of the PSUs and DSUs at each reporting period are amortized over the remaining vesting period and recorded as a compensation expense in the statement of operations as a result of certain employment-related conditions.

PROVISIONS

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statements of operations net of any reimbursement. If the effect of the time value of money is significant, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Legal provisions

Legal provisions are recognized when it is probable that the Company will be liable for the future obligation as a result of a past event related to legal matters and when they can be reasonably estimated.

Restructuring provisions

Restructuring provisions are only recognized when the recognition criteria for provisions are fulfilled. In order for the recognition criteria to be met, the Company needs to have in place a detailed formal plan about the business or part of the business concerned, the location and number of employees affected, a detailed estimate of associated costs and an appropriate timeline. In addition, either the personnel affected must have a valid expectation that the restructuring is being carried out or the implementation must have been initiated. The restructuring provision recognized includes staff restructuring costs, reorganization expenses, onerous lease provisions and impairment of equipment and leasehold improvements.

LEASES

At the commencement of a lease, the liability to make lease payments and an asset representing the right to use the underlying asset during the lease term is recognized. The interest expense on the lease liability and the amortization expense on the right-of-use assets are charged to the statement of operations and separately recognized.

CLIENT MONEY

The Company's UK & Europe operations hold money on behalf of their clients in accordance with the client money rules of the Financial Conduct Authority in the United Kingdom. Such money and the corresponding liabilities to clients are not included in the consolidated statements of financial position as the Company is not beneficially entitled thereto. The amounts held on behalf of clients at the reporting date are included in Note 27.

SEGMENT REPORTING

The Company's segment reporting is based on the following operating segments: Canaccord Genuity Capital Markets, Canaccord Genuity Wealth Management and Corporate and Other. The Company's business operations are grouped into the following geographic regions: Canada, the UK and Europe (including Dubai), Australia, and the US. The Company's operations in Asia are allocated to the Canadian and Australian capital markets operations.

NOTE 6. Securities Owned and Securities Sold Short

	March 31, 2022		March 31, 2021	
	Securities owned $	**Securities sold short $**	Securities owned $	Securities sold short $
Corporate and government debt	**$ 548,639**	**$ 456,206**	$ 770,455	$ 777,996
Equities and convertible debentures	**502,590**	**111,084**	271,128	111,611
	$ 1,051,229	**$ 567,290**	$ 1,041,583	$ 889,607

As at March 31, 2022, corporate and government debt maturities range from 2022 to 2080 [March 31, 2021 – 2021 to 2080] and bear interest ranging from 0.00% to 16.00% [March 31, 2021 – 0.00% to 31.50%].

NOTE 7. Financial Instruments

CATEGORIES OF FINANCIAL INSTRUMENTS

The categories of financial instruments, excluding cash and cash equivalents and bank indebtedness and investment accounted for under the equity method, held by the Company at March 31, 2022 and 2021 are as follows:

	Fair value through profit or loss		**Fair value through other comprehensive income**		**Amortized cost**		**Total**	
	March 31, 2022 $	March 31, 2021 $	**March 31, 2022 $**	March 31, 2021 $	**March 31, 2022 $**	March 31, 2021 $	**March 31, 2022 $**	March 31, 2021 $
Financial assets								
Securities owned	**$ 1,051,229**	$ 1,041,583	**$ —**	$ —	**$ —**	$ —	**$ 1,051,229**	$ 1,041,583
Accounts receivable from brokers and investment dealers	**—**	—	**—**	—	**1,693,579**	2,434,162	**1,693,579**	2,434,162
Accounts receivable from clients	**—**	—	**—**	—	**1,020,112**	848,549	**1,020,112**	848,549
RRSP cash balances held in trust	**—**	—	**—**	—	**512,147**	494,476	**512,147**	494,476
Other accounts receivable	**—**	—	**—**	—	**212,817**	196,255	**212,817**	196,255
Investments	**10,990**	6,882	**—**	—	**—**	—	**10,990**	6,882
Total financial assets	**$ 1,062,219**	$ 1,048,465	**—**	$ —	**3,438,655**	$ 3,973,442	**$ 4,500,874**	$ 5,021,907
Financial liabilities								
Securities sold short	**$ 567,290**	$ 889,607	**$ —**	$ —	**$ —**	$ —	**$ 567,290**	$ 889,607
Accounts payable to brokers and investment dealers	**—**	—	**—**	—	**1,334,026**	1,845,236	**1,334,026**	1,845,236
Accounts payable to clients	**—**	—	**—**	—	**2,652,558**	2,559,721	**2,652,558**	2,559,721
Other accounts payable and accrued liabilities	**—**	—	**—**	—	**859,088**	755,643	**859,088**	755,643
Subordinated debt	**—**	—	**—**	—	**7,500**	7,500	**7,500**	7,500
Convertible debentures	**—**	—	**—**	—	**—**	168,112	**—**	168,112
Deferred consideration	**—**	8,087	**—**	—	**—**	—	**—**	8,087
Contingent consideration	**45,286**	29,196	**—**	—	**—**	—	**45,286**	29,196
Other long-term liability	**—**	—	**—**	—	**—**	—	**—**	—
Bank loan	**—**	—	**—**	—	**152,041**	78,319	**152,041**	78,319
Non-controlling interest-derivative	**41,090**	—	**—**	—	**—**	—	**41,090**	—
Total financial liabilities	**$ 653,666**	$ 926,890	**$ —**	$ —	**$ 5,005,213**	$ 5,414,531	**$ 5,658,879**	$ 6,341,421

The Company has not designated any financial instruments as fair value through profit or loss upon initial recognition using the fair value option.

FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognized or disclosed are categorized within a fair value hierarchy, described as follows, and 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 March 31, 2022 and 2021, the Company held the following classes of financial instruments measured at fair value:

		Estimated fair value March 31, 2022		
	March 31, 2022 $	Level 1 $	Level 2 $	Level 3 $
Securities owned				
Corporate debt	37,820	—	37,820	—
Government debt	510,819	353,857	156,962	—
Corporate and government debt	548,639	353,857	194,782	—
Equities	499,221	353,353	67,218	78,650
Convertible debentures	3,369	—	3,369	—
Equities and convertible debentures	502,590	353,353	70,587	78,650
	1,051,229	707,210	265,369	78,650
Investments	10,990	—	—	10,990
	1,062,219	707,210	265,369	89,640
Securities sold short				
Corporate debt	(5,001)	—	(5,001)	—
Government debt	(451,205)	(265,669)	(185,536)	—
Corporate and government debt	(456,206)	(265,669)	(190,537)	—
Equities	(111,084)	(82,410)	(28,674)	—
Convertible debentures		—	—	—
Equities and convertible debentures	(111,084)	(82,410)	(28,674)	—
	(567,290)	(348,079)	(219,211)	—
Non-controlling interests – derivative liability	(41,090)	—	—	(41,090)
Contingent consideration	(45,286)	—	—	(45,286)
	(653,666)	(348,079)	(219,211)	(86,376)

		Estimated fair value March 31, 2021		
	March 31, 2021 $	Level 1 $	Level 2 $	Level 3 $
Securities owned				
Corporate debt	20,419	—	20,419	—
Government debt	750,036	336,494	413,542	—
Corporate and government debt	770,455	336,494	433,961	—
Equities	267,148	157,535	69,861	39,752
Convertible debentures	3,980	—	3,980	—
Equities and convertible debentures	271,128	157,535	73,841	39,752
	1,041,583	494,029	507,802	39,752
Investments	6,882	—	—	6,882
	1,048,465	494,029	507,802	46,634
Securities sold short				
Corporate debt	(10,834)	—	(10,834)	—
Government debt	(767,162)	(345,224)	(421,938)	—
Corporate and government debt	(777,996)	(345,224)	(432,772)	—
Equities	(111,611)	(98,141)	(13,470)	—
Convertible debentures	—	—	—	—
Equities and convertible debentures	(111,611)	(98,141)	(13,470)	—
	(889,607)	(443,365)	(446,242)	—
Deferred considerations	(8,087)	—	—	(8,087)
Contingent consideration	(29,196)	—	—	(29,196)
	(926,890)	(443,365)	(446,242)	(37,283)

Movement in net Level 3 financial assets

Balance, March 31, 2021	$	9,351
Payment of contingent consideration in connection with acquisition of Thomas Miller		855
Payment of contingent consideration in connection with acquisition of Petsky Prunier		24,055
Payment of contingent consideration in connection with acquisition of Hargreave Hale		7,942
Addition of contingent consideration in connection with Sawaya		(42,856)
Reclassification of contingent consideration in connection with acquisition of Thomas Miller		1,363
Addition of investments		7,126
Movement in fair value of level 3 securities owned during the year		38,938
Non-controlling interests derivative liability in connection with Convertible Preferred Shares [Note 8]		(41,090)
Reclassification of investments from FVTPL to equity investment		(3,000)
Foreign exchange revaluation		580
Balance, March 31, 2022		**3,264**

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

Held for trading

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 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 March 31, 2022 was $78.7 million [March 31, 2021 – $39.8 million].

As at March 31, 2022, 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 10]. During the period ended March 31, 2022, the investment held in Katipult Technology Corp. was reclassified from FVTPL to an equity accounted investment.

The Convertible Preferred Shares and Preference Shares issued to management and employees of CGWM UK [Note 8] 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. The derivative liability component of £25.0 million (C$41.1 million) is included in the statement of financial position as of March 31, 2022. During the year ended March 31, 2022, a fair value adjustment of $8.5 million was recorded in connection with the derivative liability. [Note 8]

Level 3 financial liabilities also include the deferred and contingent consideration included as part of the total purchase consideration for the acquisitions of Hargreave Hale, Petsky Prunier, Thomas Miller and Sawaya. During the year ended March 31, 2022, the Company paid the remaining contingent consideration in connection with the purchase of Petsky Prunier [March 31, 2021 – $29.2 million] and the deferred consideration related to the acquisition of Hargreave Hale [March 31, 2021 – $8.1 million]. As part of the acquisition of Sawaya, there was contingent consideration of $35.4 million recorded as of March 31, 2022. [Note 11]

The long-term portion of the contingent consideration and the non-controlling interests derivative liability are included as other liabilities in the statement of financial position as at March 31, 2022.

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.

RISK MANAGEMENT

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Credit risk arises from cash and cash equivalents, net receivables from clients and brokers and investment dealers, and other accounts receivable. The maximum exposure of the Company to credit risk before taking into account any collateral held or other credit enhancements is the carrying amount of financial assets as disclosed in the Company's audited consolidated financial statements as at March 31, 2022 and 2021.

The primary source of credit risk to the Company is in connection with trading activity by private clients and in private client margin accounts. To minimize its exposure, the Company applies certain credit standards, applies limits to transactions and requires settlement of securities transactions on a cash basis or delivery against payment. Margin transactions are collateralized by securities in the clients' accounts in accordance with limits established by the applicable regulatory authorities and are subject to the Company's credit review and daily monitoring procedures. Management monitors the collectability of receivables and estimates an allowance for doubtful accounts. The accounts receivable outstanding are expected to be collectible within one year. The Company has recorded an allowance for doubtful accounts of $2.9 million as at March 31, 2022 [March 31, 2021 – $6.8 million] [Note 9].

The Company is also exposed to the risk that counterparties to transactions will not fulfill their obligations. Counterparties primarily include investment dealers, clearing agencies, banks and other financial institutions. The Company does not rely entirely on ratings assigned by credit rating agencies in evaluating counterparty risk. The Company mitigates credit risk by performing its own due diligence assessments on the counterparties, obtaining and analyzing information regarding the structure of the financial instruments, and keeping current with new innovations in the market. The Company also manages this risk by conducting regular credit reviews to assess creditworthiness, reviewing security and loan concentrations, holding and marking to market collateral on certain transactions and conducting business through clearing organizations with performance guarantees.

As at March 31, 2022 and 2021, the Company's most significant counterparty concentrations were with financial institutions and institutional clients. Management believes that they are in the normal course of business and does not anticipate loss for non-performance.

Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they become due. The Company's management is responsible for reviewing liquidity resources to ensure funds are readily available to meet its financial obligations as they become due, as well as ensuring adequate funds exist to support business strategies and operational growth. The Company's business requires capital for operating and regulatory purposes. The current assets reflected on the statements 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. Client receivables are generally collateralized 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. Additional information regarding the Company's capital structure and capital management objectives is discussed in Note 26.

The following table presents the contractual terms to maturity of the financial liabilities owed by the Company as at March 31, 2022 and March 31, 2021, respectively:

Financial liability	Carrying amount $		Contractual term to maturity
	March 31, 2022	March 31, 2021	
Securities sold short	**567,290**	889,607	Due on demand
Subordinated debt(1)	**7,500**	7,500	Due on demand(1)
Accounts payable and accrued liabilities	**4,845,672**	5,160,600	Due within one year
Current portion of bank loan	**6,574**	12,119	Due within one year
Current portion of contingent consideration	**10,618**	17,706	Due within one year
Long term portion of bank loan	**145,467**	66,200	Fiscal 2025
Long term portion of contingent consideration	**34,668**	11,490	Fiscal 2023
Deferred consideration		8,087	n/a
Convertible debentures(2)	**—**	168,112	Due within one year
Non-controlling interests derivative liability	**41,090**	—	Fiscal 2027

(1) Subject to Investment Industry Regulatory Organization of Canada's approval.
(2) Redemption of the convertible debentures completed on April 9, 2021

The fair values for cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying values and will be paid within 12 months.

Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices. The Company separates market risk into three categories: fair value risk, interest rate risk and foreign exchange risk.

Fair value risk

When participating in underwriting activities, the Company may incur losses if it is unable to resell the securities it is committed to purchase or if it is forced to liquidate its commitment at less than the agreed upon purchase price. The Company is also exposed to fair value risk as a result of its principal trading activities in equity securities, fixed income securities, and derivative financial instruments. Securities at fair value are valued based on quoted market prices where available and, as such, changes in fair value affect earnings as they occur. Fair value risk also arises from the possibility that changes in market prices will affect the value of the securities the Company holds as collateral for client margin accounts. The Company mitigates its fair value risk exposure through controls to limit concentration levels and capital usage within its inventory trading accounts, as well as through monitoring procedures of the margin accounts.

The following table summarizes the effect on earnings as a result of a fair value change in financial instruments as at March 31, 2022 and March 31, 2021, respectively. This analysis assumes all other variables remain constant. The methodology used to calculate the fair value sensitivity is consistent with the prior year.

			March 31, 2022			March 31, 2021
Financial instrument	Carrying value Asset (Liability)	Effect of a 10% increase in fair value on net income	Effect of a 10% decrease in fair value on net income	Carrying value Asset (Liability)	Effect of a 10% increase in fair value on net income	Effect of a 10% decrease in fair value on net income
Equities and convertible debentures owned	502,590	18,000	(18,000)	$ 271,128	$ 10,000	$ (10,000)
Equities and convertible debentures sold short	(111,084)	(4,000)	4,000	(111,611)	$ (4,000)	$ 4,000

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the fair value or future cash flows of financial instruments held by the Company. The Company incurs interest rate risk on its cash and cash equivalent balances, bank indebtedness, fixed income portion of securities owned and securities sold short, net clients' balances, RRSP cash balances held in trust and net brokers' and investment dealers' balances, as well as its subordinated debt and bank loan. The Company attempts to minimize and monitor its exposure to interest rate risk through quantitative analysis of its net positions of fixed income securities, clients' balances, securities lending and borrowing activities, and short-term borrowings. The Company also trades in futures in an attempt to mitigate interest rate risk. Futures are included in marketable securities owned, net of marketable securities sold short, for the purpose of calculating interest rate sensitivity.

All cash and cash equivalents mature within three months. Net clients' receivable (payable) balances charge (incur) interest based on floating interest rates. Subordinated debt bears interest at a rate of prime plus 4.0% payable monthly.

The following table provides the effect on net income for the years ended March 31, 2022 and 2021 if interest rates had increased or decreased by 100 basis points applied to balances as of March 31, 2022 and March 31, 2021, respectively. Fluctuations in interest rates do not have an effect on OCI. This sensitivity analysis assumes all other variables remain constant. The methodology used to calculate the interest rate sensitivity is consistent with the prior year.

			March 31, 2022			March 31, 2021
	Carrying value Asset (Liability) $	Net income effect of a 100 bps increase in interest rates $	Net income effect of a 100 bps decreases in interest rates(1) $	Carrying value Asset (Liability) $	Net income effect of a 100 bps increase in interest rates $	Net income effect of a 100 bps decreases in interest rates(1) $
Cash and cash equivalents, net of bank indebtedness	$ 1,788,261	$ 13,054	$ (13,054)	$ 1,883,292	$ 13,842	$ (13,842)
Marketable securities owned, net of marketable securities sold short	483,939	3,533	(3,533)	151,976	1,117	(1,117)
Clients' payable, net	(1,632,446)	(11,917)	11,917	(1,711,172)	(12,577)	12,577
RRSP cash balances held in trust	512,147	3,739	(3,739)	494,476	3,634	(3,634)
Brokers' and investment dealers' balance, net	359,553	2,625	(2,625)	588,926	4,329	(4,329)
Subordinated debt	(7,500)	(55)	55	(7,500)	(55)	55
Bank loan	(152,041)	(1,110)	1,110	(78,319)	(576)	576

(1) *Subject to a floor of zero.*

Foreign exchange risk

Foreign exchange risk arises from the possibility that changes in foreign currency exchange rates will result in losses. The Company's primary foreign exchange risk results from its investment in its US, Australia and UK & Europe subsidiaries. These subsidiaries are translated using the foreign exchange rate at the reporting date. Any fluctuation in the Canadian dollar against the US dollar, the pound sterling or the Australian dollar will result in a change in the unrealized gains (losses) on translation of foreign operations recognized in accumulated other comprehensive income (loss).

All of the subsidiaries may also hold financial instruments in currencies other than their functional currency; therefore, any fluctuations in foreign exchange rates will impact foreign exchange gains or losses in the statement of operations.

The following table summarizes the estimated effects on net income (loss) and OCI as a result of a 5% change in the value of the foreign currencies where there is significant exposure. The analysis assumes all other variables remain constant. The methodology used to calculate the foreign exchange rate sensitivity is consistent with the prior year.

As at March 31, 2022:

Currency	Effect of a 5% appreciation in foreign exchange rate on net income $	Effect of a 5% depreciation in foreign exchange rate on net income $	Effect of a 5% appreciation in foreign exchange rate on OCI $	Effect of a 5% depreciation in foreign exchange rate on OCI $
US dollar	(920)	920	22,670	(22,670)
Pound sterling	(360)	360	30,365	(30,365)
Australian dollar	(93)	93	5,509	(5,509)

As at March 31, 2021:

Currency	Effect of a 5% appreciation in foreign exchange rate on net income $	Effect of a 5% depreciation in foreign exchange rate on net income $	Effect of a 5% appreciation in foreign exchange rate on OCI $	Effect of a 5% depreciation in foreign exchange rate on OCI $
US dollar	$ (1,067)	$ 1,067	$ 12,701	$ (12,701)
Pound sterling	(172)	172	25,041	(25,041)
Australian dollar	(263)	263	4,638	(4,638)

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are financial contracts, the value of which is derived from the value of the underlying assets, interest rates, indices or currency exchange rates. All derivative financial instruments are expected to be settled within six months subsequent to fiscal year end.

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 March 31, 2022:

		Notional amount (millions)	Average price	Maturity	Fair value
To sell US dollars	USD$	1.8	$1.25 (CAD/USD)	April 1, 2022	—
To buy US dollars	USD$	2.3	$1.25 (CAD/USD)	April 1, 2022	—

Forward contracts outstanding at March 31, 2021:

		Notional amount (millions)	Average price	Maturity	Fair value
To sell US dollars	USD$	nil	—	—	—
To buy US dollars	USD$	5.9	$1.26 (CAD/USD)	April, 1, 2021	$ (0.01)

The Company's Canaccord Genuity Wealth Management segment in the UK & Europe 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 68 days as at March 31, 2022 [March 31, 2021 – 54 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 March 31, 2022 and March 31, 2021, respectively. The fair value of the forward contract assets and liabilities is included in the accounts receivable and payable balances.

	March 31, 2022						March 31, 2021					
		Assets		Liabilities		Notional amount		Assets		Liabilities		Notional amount
Foreign exchange forward contracts	$	82	$	75	$	11,760	$	113	$	100	$	19,014

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 March 31, 2022, the notional amount of the bond futures contracts outstanding was long $9.7 million [March 31, 2021 – short $1.1 million].

The Company's Canadian operations are also involved in trading US Treasury futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. There were no outstanding US Treasury futures contracts outstanding as at March 31, 2022 and March 31, 2021.

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

The Company employs securities lending and borrowing primarily to facilitate the securities settlement process. These arrangements are typically short term in nature, with interest being received when cash is delivered, and interest being paid when cash is received. These transactions are fully collateralized and are subject to daily margin calls for any deficiency between the market value of the security given and the amount of collateral received. These transactions are collateralized by either cash or securities, including government treasury bills and government bonds, and are reflected within accounts receivable and accounts payable. Interest earned on cash collateral is based on a floating rate. At March 31, 2022 and 2021, the floating rates were nil.

	Cash				Securities			
		Loaned or delivered as collateral $		Borrowed or received as collateral $		Loaned or delivered as collateral $		Borrowed or received as collateral $
March 31, 2022	**$**	**282,142**	**$**	**186,174**	**$**	**203,465**	**$**	**309,123**
March 31, 2021	$	232,558	$	39,404	$	63,536	$	232,126

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 unpaid client securities and/or securities owned by the Company. As at March 31, 2022, the Company had nil balance outstanding [March 31, 2021 – $nil (£ nil)].

BANK LOAN

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for its acquisitions of Hargreave Hale, Thomas Miller and Adam & Company. The balance outstanding at March 31, 2022, net of unamortized financing fees, was $152.0 million [March 31, 2021 – $78.3 million]. [Note 17]

SHORT-TERM LOAN FACILITY

On April 9, 2021, the Company redeemed the entire $132.7 million principal amount of its outstanding Debentures due December 31, 2023. The total redemption price including accrued interest was $168.1 million which was fully accrued at March 31, 2021. In order to fund the redemption in part, and pursuant to the terms of a commitment letter entered into with certain institutional investors on March 18, 2021, the Company entered into a credit agreement on April 6, 2021 with certain lenders for a senior secured first lien term loan facility in an aggregate principal amount of £69.0 million. This loan was repaid from the proceeds of the issuance of the Convertible Preferred Shares by CGWM UK to certain institutional investors on July 29, 2021.

OTHER CREDIT FACILITIES

Excluding the bank loan in connection with the acquisitions of Hargreave Hale, Thomas Miller and Adam & Company as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $657.0 million [March 31, 2021 – $637.1 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 March 31, 2022, there was no bank indebtedness outstanding [March 31, 2021 – $nil].

A subsidiary of the Company has also entered into secured irrevocable standby letters of credit from a financial institution totaling $3.7 million (US$2.9 million) [March 31, 2021 – $2.9 million (US$2.3 million)] as rent guarantees for its leased premises in New York. As of March 31, 2022, and March 31, 2021, there were no outstanding balances under these standby letters of credit.

NOTE 8. NON-CONTROLLING INTERESTS

UK & Crown Dependencies Wealth Management

On July 29, 2021, certain institutional investors acquired convertible preferred shares (“Convertible Preferred Shares”) in the amount of £125.0 million (C$218.0 million) issued by 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 [Note 7].

On an as converted basis the Convertible Preferred Shares represent 21.93% of the outstanding equity interest in CGWM UK as at March 31, 2022. Cumulative dividends, when, as and if declared by the board of directors of CGWM UK, are payable by CGWM UK on the Convertible Preferred Shares at the greater of an annual 7.5% coupon and the proportionate share that such shares would receive, on an as converted basis, in respect of any dividends declared and paid in respect of ordinary shares of CGWM UK. No dividends may be paid on any other class of shares of CGWM UK unless and until the cumulative dividends on the Convertible Preferred Shares are declared and paid. If a liquidity event occurs before the end of five years the Convertible Preferred Shares will carry a liquidation preference equal to the greatest of (i) the amount of principal plus accrued but unpaid dividends attributable to the Convertible Preferred Shares had they been issued five years prior, (ii) an amount equal to 1.5 multiplied by the issue price of the Convertible Preferred Shares (less any previously paid dividends), or (iii) the amount which the holders of the Convertible Preferred Shares would receive on an as converted basis. If a liquidity event occurs on or after the fifth anniversary then the Convertible Preferred Shares will carry a liquidation preference equal to the greater of (i) the amount of principal plus accrued but unpaid dividends attributable to the Convertible Preferred Shares or (ii) the amount which the holders of the Convertible Preferred Shares would receive on an as converted basis. If a liquidity event has not occurred after five years, then CGWM UK has an option to acquire the Convertible Preferred Shares at the greater of the applicable liquidation preference amount and the amount which would provide the holders of the Convertible Preferred Shares with an internal rate of return of 11.5% (including all previously paid dividends). After the fifth anniversary the holders of the Convertible Preferred Shares have certain rights in respect of initiating a liquidity event. The Convertible Preferred Shares carry customary minority rights in respect of CGWM UK governance and financial matters, including representation on the CGWM UK board of directors.

In connection with the issuance of the Convertible Preferred Shares, CGWM UK 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 March 31, 2022, £24.6 million (CAD$42.7 million) of such equity instruments in CGWM UK were purchased in connection with this equity program. Included in these equity instruments of CGWM UK were preferred shares with the same economic attributes as the Convertible Preferred Shares (the “Preference Shares”). Preference Shares in the amounts of £7.5 million (CAD$13.0 million) were issued to management as of March 31, 2022. 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. In connection with the purchase of the ordinary shares, a limited recourse loan of £4.0 million (CAD$6.9 million) as well as certain full recourse employee loans were made. A management incentive plan arrangement 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 Convertible Preferred Shares are no longer outstanding.

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, if applicable, 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 March 31, 2022.

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 component will be remeasured at the end of each reporting period using the Company’s best estimate of its value. During the year ended March 31, 2022, a fair value adjustment of $8.5 million was recorded in the consolidated statement of operations. The carrying value of the derivative liability at March 31, 2022 was $41.1 million and included in other liabilities in the audited 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 Preferred Shares. The fair value is calculated using the estimated fair value as determined on 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 an 65% indirect interest in Canaccord Genuity (Australia) Limited and Canaccord Genuity Financial Limited as of March 31, 2022 [March 31, 2021 – 80%].

During the year ended March 31, 2022, the share structure for the Australian operations was reorganized through the sale of partly paid shares to selected employees of Canaccord Financial Group (Australia) Pty Ltd. (CFGA) and as a result the Company's ownership in CFGA decreased from 80% to 65%. However, for accounting purposes, because of shares held in an employee trust controlled by CFGA, commencing the fourth quarter of fiscal 2022 the Company's ownership interest changes to 67% from 85%. The purpose of the change in the ownership structure was to provide further alignment with our employee base in the Australian region and to provide the business with capital and access to capital for continued growth.

Canaccord Genuity (Australia) Limited (CGAL) operates in the capital markets segment, while the wealth management business is carried out by Canaccord Genuity Financial Limited (CGFL). As discussed in Note 26, CGAL and CGFL are both regulated by the Australian Securities and Investments Commission.

Summarized statement of profit or loss for the years ended March 31, 2022 and 2021:

	Australia		UK & Crown Dependencies		Total	
	2022 $	2021 $	**2022 $**	2021 $	**2022 $**	2021 $
Revenue	**248,721**	244,964	**310,495**	277,329	**559,216**	522,293
Expenses	**190,744**	188,090	**252,681**	230,004	**443,425**	418,094
Net income before taxes	**57,977**	56,874	**57,814**	47,325	**115,791**	104,199
Income tax expense	**20,935**	17,104	**9,528**	5,827	**30,463**	22,931
Net income	**37,042**	39,770	**48,286**	41,498	**85,328**	81,268

	Australia		UK & Crown Dependencies		Total	
Attributable to:	**2022 $**	2021 $	**2022 $**	2021 $	**2022 $**	2021 $
CGGI shareholders	**29,670**	33,754	**31,407**	41,498	**61,077**	75,252
Non-controlling interests	**7,372**	6,016	**16,879**	—	**24,251**	6,016
	37,042	39,770	**48,286**	41,498	**85,328**	81,268

Summarized statement of financial position as at March 31, 2022 and 2021:

	Australia		UK & Crown Dependencies		Total	
	2022 $	2021 $	**2022 $**	2021 $	**2022 $**	2021 $
Current assets	**235,141**	178,147	**162,826**	92,390	**397,967**	270,537
Non-current assets	**33,473**	27,006	**367,770**	297,012	**401,243**	324,018
Current liabilities	**133,434**	113,879	**94,256**	93,871	**227,690**	207,750
Non-current liabilities	**18,238**	7,493	**182,515**	101,689	**200,753**	109,182

Summarized cash flow information for the years ended March 31, 2022 and 2021:

	Australia		UK & Crown Dependencies		Total	
	2022 $	2021 $	**2022 $**	2021 $	**2022 $**	2021 $
Cash provided by operating activities	33,150	83,324	86,100	23,436	119,250	106,760
Cash used by financing activities	(31,125)	(3,546)	70,034	(39,071)	38,909	(42,617)
Cash used by investing activities	(1,530)	(426)	(98,755)	(787)	(100,285)	(1,213)
Foreign exchange impact on cash balance	(2,291)	2,739	(8,274)	(2,974)	(10,565)	(235)
Net (decrease) increase in cash and cash equivalents	(1,796)	82,091	49,105	(19,396)	47,309	62,695

The non-controlling interests as of March 31, 2022 comprised of the following:

As at and for the period ended March 31	Australia		UK & Crown Dependencies		Total	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
Balance, opening	8,190	156	—	—	8,190	156
Comprehensive income attributable to non-controlling interests	8,687	6,374	16,879	—	25,566	6,374
Foreign exchange on non-controlling interests	329	1,660	(5,112)	—	(4,783)	1,660
Dividends paid to non-controlling interest	(5,853)	—	—	—	(5,853)	—
Issuance of convertible preferred shares, net of discount	—	—	212,449	—	212,449	—
Issuance of equity instruments to management and employees	—	—	35,722	—	35,722	—
Reclassification to derivative liability on issuance date	—	—	(34,682)	—	(34,682)	—
Acquisition-related costs, net of deferred tax recovery	—	—	(2,834)	—	(2,834)	—
Share-based payment	—	—	1,740	—	1,740	—
Increase in non-controlling interests due to issuance of partly paid shares	10,843	—	—	—	10,843	—
Payment of dividends on convertible preferred shares	—	—	(7,139)	—	(7,139)	—
Reclassification of other comprehensive income on issuance date	1,105	—	(1,624)	—	(519)	—
Balance, ending	23,301	8,190	215,399	—	238,700	8,190

Comprehensive income attributable to non-controlling interests	March 31 2022 $	March 31 2021 $
Australia	8,687	6,374
UK & Crown Dependencies	16,879	—
Total	25,566	6,374

NOTE 9. Accounts Receivable and Accounts Payable and Accrued Liabilities

ACCOUNTS RECEIVABLE

	March 31, 2022 $	March 31, 2021 $
Brokers and investment dealers	$ 1,693,579	$ 2,434,162
Clients	1,020,112	848,549
RRSP cash balances held in trust	512,147	494,476
Other	212,817	196,255
	$ 3,438,655	$ 3,973,442

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2022 $	March 31, 2021 $
Brokers and investment dealers	$ 1,334,026	$ 1,845,236
Clients	2,652,558	2,559,721
Other	859,088	755,643
	$ 4,845,672	$ 5,160,600

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 Investment Industry Regulatory Organization of Canada (IIROC) 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 clients' accounts. Interest on margin loans and on amounts due to clients is based on a floating rate [March 31, 2022 – 5.7% to 6.5% and 0.00% to 0.05%, respectively; March 31, 2021 – 5.45% to 6.25% and 0.00% to 0.05%, respectively].

As at March 31, 2022, the allowance for doubtful accounts was $2.9 million [March 31, 2021 – $6.8 million]. See below for the movements in the allowance for doubtful accounts:

Balance, March 31, 2020	$	8,861
Charge for the year		6,947
Recoveries		(8,985)
Foreign exchange		18
Balance, March 31, 2021	$	6,841
Charge for the year		4,835
Recoveries		(8,625)
Foreign exchange		(106)
Balance, March 31, 2022	$	2,945

NOTE 10. Investments

	March 31, 2022 $	March 31, 2021 $
Investment accounted for under the equity method	$ 11,938	$ 5,311
Investments held as fair value through profit or loss	$ 10,990	$ 6,882
	$ 22,928	$ 12,193

Breakdown of investments as follow:

INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

	March 31, 2022	March 31, 2021
Canaccord Genuity G Ventures Corp.	1,298	—
Canaccord Genuity Growth II Corp.	—	2,897
InterCure Ltd.	—	1,785
Katipult Technology Corp.	3,000	—
Link Investment Management Inc.	2,500	—
International Deal Gateway Blockchain Inc.	4,500	—
Other	640	629
	$ 11,938	$ 5,311

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

	March 31, 2022	March 31, 2021
Capital Markets Gateway LLC	3,864	$ 3,882
InvestX Capital Ltd	3,126	—
Proactive Group Holdings Inc.	4,000	—
Katipult Technology Corp.	—	3,000
	$ 10,990	$ 6,882

During the period ended March 31, 2022, the Company, through a wholly owned subsidiary, made an investment of $1.4 million for Class B preferred share and warrants of Canaccord Genuity G Ventures Corp. (CGGV). CGGV is a special purpose acquisition corporation formed to effect an acquisition of one or more businesses. The Company holds a 20.0% interest in CGGV and is considered to exert significant influence over the operations of CGGV. Accordingly, the investment in CGGV is accounted for using the equity method. The Company's equity portion of the net loss of CGGV for the period ended March 31, 2022 was $0.2 million.

The Company, through a wholly owned subsidiary, held an investment in Capital Markets Gateway LLC (CMG) for US$3.1 million ($3.9 million) [March 31, 2021 – US$3.1 million ($3.9 million)]. The Company is not considered to exert significant influence over the operations of CMG. Accordingly, the investment in CMG are accounted for as financial assets measured at FVTPL and included as investments on the consolidated statement of financial position as at March 31, 2022.

The Company also held an investment in convertible unsecured subordinated debentures of Katipult Technology Corp (Katipult). During the year ended March 31, 2022, the investment held in Katipult Technology Corp. was reclassified from FVTPL to an equity accounted investment.

The Company also made investments of $2.5 million in Series A units in Link Investment Management Inc. ("Link") and $4.5 million in Series A units of International Deal Gateway Blockchain Inc. ("IDG") during the period ended March 31, 2022. The Company is considered to exert significant influence over the operations of Link and IDG 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 March 31, 2022.

In addition, during the period ended March 31, 2022, the Company also invested US $2.5 million ($3.1 million) in Series A preferred shares of InvestX Capital Ltd ("InvestX"), as well as an investment of $4.0 million in the preferred shares of Proactive Group Holdings Inc. ("Proactive"). The Company does not exert significant influence over the operations of InvestX or Proactive. Accordingly, the investments in InvestX and Proactive are accounted for as financial assets measured at FVTPL and included as investments on the consolidated statement of financial position as at March 31, 2022.

NOTE 11. Business Combinations

i) Adam & Company

On October 1, 2021, the Company, through CGWM UK completed its acquisition of the private client investment management business of Adam & Company (including the acquisition of the entire issued capital of Adam & Company Investment Management Limited) for £54.5 million (C$93.3 million). In connection with the completion of the acquisition, a subsidiary of the Company modified its existing banking arrangements and increased its bank loan by an additional £53.3 million (C$87.6 million as of March 31, 2022) [Notes 7 and 17].

The preliminary purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

CONSIDERATION PAID

Cash	$	93,316
		93,316

NET ASSETS ACQUIRED

Accounts receivable		5,875
Deferred tax assets		673
Accounts payable and accrued liabilities		(2,334)
Identifiable intangible assets		52,930
Deferred tax liability related to identifiable intangible assets		(12,901)
Goodwill		49,073
	$	93,316

Identifiable intangible assets of $52.9 million were recognized and relate to customer relationships and brand name. The goodwill of $49.1 million represents the value of expected synergies arising from the acquisition. Goodwill is not deductible for tax purposes.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired from Adam & Company are estimates, which were made by management at the time of the preparation of these audited 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 12 months after the acquisition date.

The aggregate acquisition-related expenses incurred by the Company during the year ended March 31, 2022 in connection with the acquisition of Adam & Company were $2.1 million which comprised mainly of professional fees.

Revenue and net income generated by Adam & Company including acquisition-related costs, were $9.7 million and $1.8 million, respectively, since the acquisition date.

Had Adam & Company been consolidated from April 1, 2021, as part of the consolidated statement of operations, the consolidated revenue and net income would have been approximately $2.1 billion and $274.5 million, respectively, for the year ended March 31, 2022. These figures represent historical results and are not necessarily indicative of future performance.

ii) Sawaya Partners

On December 31, 2021, the Company completed its acquisition of Sawaya Partners (Sawaya), a leading independent M&A advisory firm to the consumer sector based in the US. The initial cash consideration was US$ 36.0 million (C$45.5 million), with additional contingent consideration of up to US$ 40.0 million (C$50.6 million) payable over a period of four years following completion, subject to achievement of performance targets related to revenue. The contingent consideration was recorded at its fair value of US$33.9 million (C$42.9 million) as of the acquisition date.There was also deferred consideration of US$ 9.0 million (C$ 11.4 million), payable over a period of four years following completion, in cash or shares based on the Company's option subject to a 12-month election period after the date of acquisition.

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 rate ranging from 0.39% to 1.12%, and a volatility factor of 8.0%. 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 preliminary purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

CONSIDERATION PAID

Cash	$	45,513
Deferred consideration		11,378
Contingent consideration		42,856
	$	99,747

NET ASSETS ACQUIRED

Accounts receivable		78
Equipment and leasehold improvements		1,122
Right of use assets		4,070
Accounts payable and accrued liabilities		(77)
Lease liabilities		(4,070)
Identifiable intangible assets		4,876
Goodwill		93,748
	$	99,747

Identifiable intangible assets of $4.9 million were recognized and relate to the contract book and brand name. The goodwill of $93.7 million represents the value of expected synergies arising from the acquisition.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired from Sawaya are estimates, which were made by management at the time of the preparation of these audited 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 12 months after the acquisition date.

The aggregate acquisition-related expenses incurred by the Company during the year ended March 31, 2022 in connection with the acquisition of Sawaya were $0.5 million which comprised mainly of professional fees.

Revenue and net loss generated by Sawaya including acquisition-related costs, were $4.6 million and $3.6 million, respectively, since the acquisition date.

NOTE 12. Equipment and Leasehold Improvements

	Cost $	Accumulated amortization $	Net book value $
March 31, 2022			
Computer equipment	21,197	17,522	3,675
Furniture and equipment	28,965	25,564	3,401
Leasehold improvements	91,779	64,212	27,567
	141,941	107,298	34,643
March 31, 2021			
Computer equipment	24,024	21,906	2,118
Furniture and equipment	29,751	26,810	2,941
Leasehold improvements	90,871	72,860	18,011
	144,646	121,576	23,070

	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Cost				
Balance, March 31, 2020	$ 24,072	$ 29,672	$ 89,897	$ 143,641
Additions	438	198	4,221	4,857
Disposals	(4)	(2)	(2,540)	(2,546)
Foreign exchange	(482)	(117)	(707)	(1,306)
Balance, March 31, 2021	24,024	29,751	90,871	144,646
Reclassification	1,879	—	(2,038)	(159)
Additions	3,348	2,346	15,050	20,744
Disposals	(7,052)	(2,796)	(11,035)	(20,883)
Foreign exchange	(1,002)	(336)	(1,069)	(2,407)
Balance, March 31, 2022	21,197	28,965	91,779	141,941

	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Accumulated amortization and impairment				
Balance, March 31, 2020	$ 21,730	$ 26,256	$ 70,795	$ 118,781
Amortization	620	567	4,761	5,948
Disposals	(4)	(1)	(2,540)	(2,545)
Foreign exchange	(440)	(12)	(156)	(608)
Balance, March 31, 2021	21,906	26,810	72,860	121,576
Reclassification	1,478	—	(1,637)	(159)
Amortization	2,048	1,828	4,454	8,330
Disposals	(7,041)	(2,792)	(10,817)	(20,650)
Foreign exchange	(869)	(282)	(648)	(1,799)
Balance, March 31, 2022	17,522	25,564	64,212	107,298

The carrying value of any temporarily idle property, plant and equipment is not considered material as at March 31, 2022 and March 31, 2021.

NOTE 13. Right-of-Use Assets

Cost	
Balance, March 31, 2020	$ 129,000
Additions	9,101
Reclassification	(1,601)
Foreign exchange	(3,378)
As at March 31, 2021	133,122
Additions	**61,424**
Extinguishment	**(4,020)**
Foreign exchange	**(1,660)**
As at March 31, 2022	**188,866**
Amortization	
Balance, March 31, 2020	22,866
Charge for the year	25,040
As at March 31, 2021	47,906
Charge for the year	**23,894**
As at March 31, 2022	**71,800**
Net book value as at March 31, 2021	$ 85,216

Net book value as at March 31, 2022	**$**	**117,066**

NOTE 14. Goodwill and Other Intangible Assets

	Goodwill $	Brand names (indefinite life) $	Brand names $	Customer relationships $	Technology $	Trading licences $	Fund management $	Contract book	Favourable lease	Client books	Total $
Gross amount											
Balance, March 31, 2020	718,049	44,930	614	164,940	37,893	584	39,427	6,884	594	—	295,866
Additions	—	—	—	—	2,260	—	—	—	—	—	2,260
Foreign exchange	(15,302)	—	(70)	(1,394)	(521)	41	(646)	(734)	(68)	—	(3,392)
Balance, March 31, 2021	702,747	44,930	544	163,546	39,632	625	38,781	6,150	526		294,734
Additions	142,821	—	1,382	52,116	2,541	—	—	4,308	—	1,931	62,278
Foreign exchange	(12,657)	—	(42)	(8,345)	(1,704)	(8)	(1,947)	(80)	(3)	—	(12,129)
Reclassification	—	—	—	184	(184)	—	—	—	—	—	—
Balance, March 31, 2022	**832,911**	**44,930**	**1,884**	**207,501**	**40,285**	**617**	**36,834**	**10,378**	**523**	**1,931**	**344,883**
Accumulated amortization and impairment											
Balance, March 31, 2020	(322,632)	—	(238)	(88,010)	(23,787)	(196)	(6,375)	(6,852)	(238)	—	(125,696)
Amortization	—	—	(190)	(11,980)	(3,739)	(427)	(3,650)	—	(222)	—	(20,208)
Foreign exchange	—	—	32	814	332	(2)	145	734	38	—	2,093
Reclassification	—	—	32	2,931	—	—	(2,931)	(32)	—	—	—
Balance, March 31, 2021	(322,632)	—	(364)	(96,245)	(27,194)	(625)	(12,811)	(6,150)	(422)	—	(143,811)
Amortization	—	—	(335)	(11,297)	(3,002)	—	(3,620)	(1,112)	(103)	(206)	(19,675)
Foreign exchange	—	—	6	3,461	1,290	8	795	36	2	(2)	5,596
Balance, March 31, 2022	(322,632)	—	(693)	(104,081)	(28,906)	(617)	(15,636)	(7,226)	(523)	(208)	(157,890)
Net book value											
March 31, 2021	380,115	44,930	180	67,301	12,438	—	25,970	—	104	—	150,923
March 31, 2022	**510,279**	**44,930**	**1,191**	**103,420**	**11,379**	—	**21,198**	**3,152**	—	**1,723**	**186,993**

Identifiable intangible assets purchased through the acquisitions of Genuity Capital Markets (Genuity), the 80% 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 and Sawaya Partners are customer relationships, non-competition agreements, trading licences, fund management contracts, technology and brand names acquired through the acquisitions of Petsky Prunier and Sawaya Partners, 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 OTHER ASSETS

The carrying amounts of goodwill and indefinite life intangible assets acquired through business combinations are as follows:

	Intangible assets with indefinite lives		Goodwill		Total	
	March 31, 2022 $	March 31, 2021 $	**March 31, 2022 $**	March 31, 2021 $	**March 31, 2022 $**	March 31, 2021 $
Canaccord Genuity Capital Markets CGUs						
Canada	**$ 44,930**	$ 44,930	**$ 101,732**	$ 101,732	**$ 146,662**	$ 146,662
US	**—**	—	**189,608**	97,441	**189,608**	97,441
Canaccord Genuity Wealth Management CGUs						
UK & Crown Dependencies (Channel Islands)	**—**	—	**88,644**	93,374	**88,644**	93,374
UK & Crown Dependencies (UK wealth)	**—**	—	**127,434**	84,651	**127,434**	84,651
Australia	**—**	—	**2,861**	2,917	**2,861**	2,917
	$ 44,930	$ 44,930	**$ 510,279**	$ 380,115	**$ 555,209**	$ 425,045

Goodwill acquired in connection with the acquisition of Sawaya [Note 11] is included in the Canaccord Genuity Capital Markets (US) CGU for the purpose of goodwill impairment testing. The Canaccord Genuity Wealth Management (UK Wealth) CGU for the purpose of goodwill impairment testing includes the goodwill acquired in connection with the acquisitions Adam & Company [Note 11].

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, or when 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 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.

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. The CGUs which recorded goodwill in their carrying value as of March 31, 2022 were Canaccord Genuity Capital Markets Canada, Canaccord Genuity Capital Markets US, Canaccord Genuity Wealth Management UK & Europe (Channel Islands), Canaccord Genuity Wealth Management UK & Europe (UK) and Canaccord Genuity Wealth Management (Australia). 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.

The discount rate utilized for each of these CGUs for the purposes of these calculations was 12.5% [March 31, 2021 – 12.5%]. Cash flow estimates for each of these CGUs were based on management assumptions as described above and utilized a compound annual revenue growth rate of 5.0% over the forecast period except for Canaccord Genuity Capital Markets Canada and Canaccord Genuity Capital Markets US which utilized a compound annual growth rate of 5.0% [March 31, 2021 – 0.0%] for Canaccord Genuity Capital Markets Canada and 0.0% for Canaccord Genuity Capital Markets US [March 31, 2021 – 2.5%] as well as estimates in respect of operating margins. The terminal growth rate used for each of Canaccord Genuity Capital Markets Canada, Canaccord Genuity Capital Markets US , Canaccord Genuity Wealth Management UK & Europe (Channel Islands), Canaccord Genuity Wealth Management UK & Europe (UK), and Canaccord Genuity Wealth Management (Australia) was 2.5% [March 31, 2021 – 2.5%].

NOTE 15. Income Taxes

The major components of income tax expense are:

	March 31, 2022 $	March 31, 2021 $
Consolidated statements of operations		
Current income tax expense		
Current income tax expense	$ 122,348	$ 133,283
Adjustments in respect of prior years	(276)	(31)
	122,072	133,252
Deferred income tax recovery		
Origination and reversal of temporary differences	(14,301)	(30,284)
Impact of change in tax rates	(67)	12
Benefit arising from a previously unrecognized tax loss	—	(2,880)
	(14,368)	(33,152)
Income tax expense reported in the statements of operations	$ 107,704	$ 100,100

The Company's income tax expense differs from the amount that would be computed by applying the combined federal and provincial income tax rates as a result of the following:

	March 31, 2022 $	March 31, 2021 $
Net income before income taxes	**378,269**	369,902
Income tax expense at the statutory rate of 27.0% (2021 – 27.0%)	**102,129**	99,874
Difference in tax rates in foreign jurisdictions	**(1,978)**	(1,810)
Permanent differences	**4,694**	5,266
Change in accounting and tax base estimate	**2,074**	2,193
Impact of change in tax rate on deferred tax liabilities in connection with intangible assets acquired in respect of previous acquisitions	**1,957**	—
Utilization of tax losses and other temporary differences not recognized	**(749)**	(2,615)
Share-based payments	**(1,470)**	(4,456)
Other	**1,047**	1,648
Income tax expense reported in the statements of operations	**$107,704**	$100,100

The following were the deferred tax assets and liabilities recognized by the Company and movements thereon during the year:

	Consolidated statements of financial position		Consolidated statements of operations	
	March 31, 2022 $	March 31, 2021 $	**March 31, 2022 $**	March 31, 2021 $
Unrealized gain on securities owned	**$(33,770)**	$ (18,024)	**$ 17,398**	$ 17,240
Legal provisions	**1,273**	1,771	**498**	(522)
Unpaid remunerations	**36,250**	24,634	**(11,337)**	(17,004)
Unamortized capital cost of equipment and leasehold improvements over their net book value	**3,085**	3,637	**553**	2,134
Unamortized common share purchase loans	**39,368**	29,179	**(10,189)**	(21,131)
Loss carryforwards	**10,195**	10,445	**250**	2,028
Long-term incentive plan	**54,139**	41,837	**(12,302)**	(19,910)
Other intangible assets	**(42,087)**	(29,243)	**12,845**	400
Other	**4,896**	3,441	**(12,084)**	3,613
	$ 73,349	$ 67,677	**$(14,368)**	$ (33,152)

Deferred tax assets and liabilities as reflected in the consolidated statements of financial position are as follows:

	March 31, 2022 $	March 31, 2021 $
Deferred tax assets	**$ 98,224**	$ 81,229
Deferred tax liabilities	**(24,875)**	(13,552)
	$ 73,349	$ 67,677

The movement for the year in the net deferred tax position was as follows:

	March 31, 2022 $	March 31, 2021 $
Opening balance	67,677	$ 29,584
Tax recovery recognized in the consolidated statements of operations	14,368	33,152
Deferred taxes acquired in business combination	(12,255)	—
Tax benefit recognized in equity	742	6,866
Foreign exchange and other	2,817	(1,925)
Ending balance as of March 31	$ 73,349	$ 67,677

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Tax loss carryforwards of $2.8 million [2021 – $4.8 million] in the UK and Europe, $6.5 million [2021 – $7.3 million] in the US and $0 million [2021 – $0.3 million] in Australia have been recognized as deferred tax assets. The losses in these jurisdictions can be carried forward indefinitely. Tax loss carryforwards of $30.8 million [2021 – $29.4 million] in Canada have been recognized as a deferred tax asset and can be carried forward 20 years.

At the balance sheet date, the Company has tax loss carryforwards of approximately $22.4 million [2021 – $22.8 million] and other temporary differences of $nil [2021 – $nil] for which a deferred tax asset has not been recognized. These relate to subsidiaries outside of Canada that have a history of losses and may also be subject to legislative limitations on use and may not be used to offset taxable income elsewhere in the consolidated group of companies. The subsidiaries have no taxable temporary differences or any tax planning opportunities available that could partly support the recognition of these deferred tax assets, as the likelihood of future economic benefit is not sufficiently assured. These losses are to carry forward indefinitely.

NOTE 16. Subordinated Debt

	March 31, 2022 $	March 31, 2021 $
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 Investment Industry Regulatory Organization of Canada (IIROC). As at March 31, 2022 and 2021, the interest rates for the subordinated debt were 6.7% and 6.45%, respectively. The carrying value of subordinated debt approximates its fair value due to the short-term nature of this liability.

NOTE 17. Bank Loan

	March 31, 2022 $	March 31, 2021 $
Loan	**$154,498**	$79,051
Less: Unamortized financing fees	**(2,457)**	(732)
	152,041	78,319
Current portion	**6,574**	12,119
Long-term portion	**145,467**	66,200

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for its acquisitions of Hargreave Hale, Thomas Miller and Adam & Company. The loan is repayable in instalments of principal and interest and matures in September 2024. The interest rate on this loan is 3.375% per annum as at March 31, 2022 [March 31, 2021 – 2.1288% per annum].

NOTE 18. Lease Liabilities

	March 31, 2022 $	March 31, 2021 $
Year one	**30,351**	29,642
Year two	**29,919**	24,587
Year three	**24,732**	21,550
Year four	**16,340**	16,456
Year five and thereafter	**55,635**	19,751
	156,977	111,986
Effect of discounting	**(31,429)**	(17,084)
Present value of minimum lease payments	**125,548**	94,902
Less: current portion	**(23,928)**	(24,311)
Non-current portion of lease liabilities	**101,620**	70,591

NOTE 19. Convertible Debentures

	March 31, 2022		March 31, 2021	
	Liability	**Equity**	Liability	Equity
Convertible debentures	$ —	—	$ 168,112	—

On April 9, 2021, the Company redeemed the entire $132,690,000 principal amount of its 6.25% convertible unsecured senior subordinated debentures due on December 31, 2023 (the "Debentures"). The redemption price of the Debentures was $1,266.95

for each $1,000 principal amount of Debentures, being equal to the aggregate of (i) $1,250 per $1,000 principal amount of Debentures, and (ii) $16.95 of accrued and unpaid interest per $1,000 principal amount up to but excluding April 9, 2021.

NOTE 20. Preferred Shares

	March 31, 2022		March 31, 2021	
	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

[i] 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.

On September 1, 2021, the Company announced the reset of the dividend rate on its Cumulative 5-year Rate Reset First Preferred Shares, Series A (the “Series A Preferred Shares”). Quarterly cumulative cash dividends, as declared, were paid at an annual rate of 3.885% for the five years ended September 30, 2021. Commencing October 1, 2021 and ending on and including September 30, 2026, quarterly cumulative dividends, if declared, will be paid at an annual rate of 4.028%. The dividend rate will be reset every five years at a rate equal to the five-year Government of Canada yield plus 3.21%.

Holders of Series A Preferred Shares had the option to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series B (Series B Preferred Series), subject to certain conditions, on September 30, 2021 and have the option on September 30 every five years thereafter. The number of shares tendered for conversion by the conversion deadline of September 30, 2021 was below the minimum required to proceed with the conversion and, accordingly, no Series B Preferred Shares were issued. Series B Preferred Shares would entitle any holders thereof to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 3.21%.

The Company had the option to redeem the Series A Preferred Shares on September 30, 2021 and has the option to redeem on September 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

[ii] SERIES C PREFERRED SHARES

The Company issued 4,000,000 Cumulative 5-Year Rate Reset First Preferred Shares, Series C (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.

Quarterly cumulative cash dividends, if declared, are paid at an annual rate of 4.993% for the five years ending on and including June 30, 2022. Thereafter, the dividend rate will be reset every five years at a rate equal to the five-year Government of Canada bond yield plus 4.03%.

Holders of Series C Preferred Shares had the option to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series D (Series D Preferred Shares), subject to certain conditions, on June 30, 2017 and have the option on June 30 every five years thereafter. The number of shares tendered for conversion by the conversion deadline of June 30, 2017 was below the minimum required to proceed with the conversion and, accordingly, no Series D Preferred Shares were issued. Series D Preferred Shares would entitle any holders thereof to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 4.03%.

The Company had the option to redeem the Series C Preferred Shares on June 30, 2017, and has the option to redeem on June 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.
On May 24, 2022, the Company announced that it does not intend to exercise its option to redeem the Series C Preferred Shares on June 30, 2022. [Note 29]

NOTE 21. Common Shares

	March 31, 2022		March 31, 2021	
	Amount $	Number of shares	Amount $	Number of shares
Issued and fully paid	**685,270**	**99,697,799**	749,500	108,191,331
Shares committed to repurchase under the normal course issuer bid	**(3,411)**	**(495,100)**	(8,181)	(689,500)
Held for share-based payment plans	**(1,505)**	**(122,355)**	(1,401)	(122,355)
Held for the LTIP	**(104,188)**	**(11,023,169)**	(77,552)	(11,588,393)
	576,166	**88,057,175**	662,366	95,791,083

[i] AUTHORIZED

Unlimited common shares without par value.

[ii] ISSUED AND FULLY PAID

	Number of shares	Amount $
Balance, March 31, 2020	**107,812,361**	**$ 745,275**
Shares issued in connection with share-based payment plans [Note 23]	**1,121**	**10**
Shares issued in connection with settlement of Petsky Prunier deferred consideration	**736,850**	**6,545**
Shares issued in connection with settlement of Jitneytrade contingent consideration	**300,000**	**2,000**
Shares issued in connection with exercise of PSO	**182,999**	**1,232**
Shares issued in connection with conversion of convertible debentures	**3,500**	**23**
Shares purchased and cancelled under the normal course issuer bid	**(845,500)**	**(5,585)**
Balance, March 31, 2021	**108,191,331**	**749,500**
Shares issued in connection with settlement of Petsky Prunier deferred consideration	**736,850**	—
Shares issued in connection with exercise of PSO	**609,046**	**4,098**
Shares purchased and cancelled under the substantial course issuer bid	**(6,451,612)**	**(44,801)**
Shares purchased and cancelled under the normal course issuer bid	**(3,387,816)**	**(23,527)**
Balance, March 31, 2022	**99,697,799**	**685,270**

In a substantial issuer bid which commenced on December 22, 2021 and expired on January 27, 2022, the Company made an offer (the "Offer") to purchase for cancellation up to $100.0 million of its common shares. The Offer was made by way of a "modified Dutch auction", which allowed shareholders who chose to participate in the offer to individually select the price, within a price range of not less than $15.50 per Common Share and not more than $16.50 per common share (in increments of $0.10 per Common Share), at which they were willing to sell their common shares. Upon expiry of the offer, the Company determined that $15.50 was the lowest purchase price that allowed it to purchase the maximum number of common shares properly tendered to the offer, and not properly withdrawn, having an aggregate purchase price of approximately $100.0 million. The Company therefore purchased for cancellation 6,451,612 of its common shares at a purchase price of $15.50 per share. Common shares are reduced by the number of shares estimated to be repurchased at the weighted average share value, with the excess recorded as a reduction to contributed surplus and retained earnings.

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 year ended March 31, 2022, there were 3,401,116 shares purchased under the NCIB, of which 83,300 shares have not been cancelled as of March 31, 2022. There were also 70,000 shares purchased under the NCIB during the year ended March 31, 2021 and cancelled during the year ended March 31, 2022.

[iii] EARNINGS PER COMMON SHARE

	For the years ended	
	March 31, 2022 $	March 31, 2021 $
Earnings per common share		
Net income attributable to CGGI shareholders	$ 246,314	$ 263,786
Preferred share dividends	(9,484)	(9,404)
Equity portion of loss on extinguishment of convertible debentures	—	(32,100)
Net income attributable to common shareholders	236,830	222,282
Weighted average number of common shares (number)	94,871,398	96,658,863
Basic earnings per share	$ 2.50	$ 2.30
Diluted earnings per common share		
Net income attributable to common shareholders	236,830	222,282
Weighted average number of common shares (number)	94,871,398	96,658,863
Dilutive effect in connection with LTIP (number)	10,922,398	11,212,531
Dilutive effect in connection with acquisition of Sawaya (number)	783,972	—
Dilutive effect in connection with PSOs(number)	2,856,706	1,106,578
Adjusted weighted average number of common shares (number)	109,434,474	108,977,972
Diluted earnings per common share	$ 2.16	$ 2.04

NOTE 22. Dividends

COMMON SHARE DIVIDENDS

The Company declared the following common share dividends during the year ended March 31, 2022:

Record date	Payment date	Cash dividend per common share	Total common dividend amount
June 18, 2021	June 30, 2021	$ 0.075	$ 8,059
August 27, 2021	September 10, 2021	$ 0.075	$ 8,015
November 26, 2021	December 10, 2021	$ 0.075	$ 7,936
February 25, 2022	March 10, 2022	$ 0.085	$ 8,507

On June 2, 2022, the Board of Directors approved a dividend of $0.085 per common share, payable on June 30, 2022, with a record date of June 17, 2022. [Note 29]

PREFERRED SHARE DIVIDENDS

Record date	Payment date	Cash dividend per Series A Preferred Share	Cash dividend per Series C Preferred Share	Total preferred dividend amount
June 18, 2021	June 30, 2021	$ 0.24281	$ 0.31206	$ 2,351
September 17, 2021	September 30, 2021	$ 0.24281	$ 0.31206	$ 2,351
December 17, 2021	December 31, 2021	$ 0.25175	$ 0.31206	$ 2,391
March 18, 2022	March 31, 2022	$ 0.25175	$ 0.31206	$ 2,391

On June 2, 2022, the Board approved a cash dividend of $0.25175 per Series A Preferred Share payable on June 30, 2022 to Series A Preferred shareholders of record as at June 17, 2022 [Note 29].

On June 2, 2022, the Board approved a cash dividend of $0.31206 per Series C Preferred Share payable on June 30, 2022 to Series C Preferred shareholders of record as at June 17, 2022 [Note 29].

NOTE 23. 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 4,825,572 RSUs [year ended March 31, 2021 – 5,872,783 RSUs] granted in lieu of cash compensation to employees during the year ended March 31, 2022. The Trusts purchased 4,531,020 common shares [year ended March 31, 2021 – 4,694,369 common shares] during the year ended March 31, 2022.

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 year ended March 31, 2022 was $13.45 [March 31, 2021 – $5.92].

	Number
Awards outstanding, March 31, 2020	13,104,975
Grants	5,872,783
Vested	(7,156,597)
Forfeited	(157,352)
Awards outstanding, March 31, 2021	11,663,809
Grants	**4,825,572**
Vested	**(5,096,244)**
Forfeited	**(212,602)**
Awards outstanding, March 31, 2022	**11,180,535**

	Number
Common shares held by the Trusts, March 31, 2020	14,063,465
Acquired	4,694,369
Released on vesting	(7,169,441)
Common shares held by the Trusts, March 31, 2021	11,588,393
Acquired	**4,531,020**
Released on vesting	**(5,096,244)**
Common shares held by the Trusts, March 31, 2022	**11,023,169**

[ii] INDEPENDENT DIRECTOR DEFERRED SHARE UNITS

Beginning April 1, 2011, the Company adopted a deferred share unit (DSU) plan for its independent directors. From August 7, 2020, half of the independent directors' annual fee was paid in the form of DSUs. Directors may elect annually to use more of their directors' fees for DSUs. When a director leaves the Board of Directors, outstanding DSUs are paid out in cash with the amount equal to the number of DSUs held multiplied by the volume weighted average price of the Company's common shares for the ten trading days immediately preceding a date elected in advance by the outgoing director as the valuation date at any time between their ceasing to be a director and December 1 of the following calendar year.

During the year ended March 31, 2022, the Company granted 53,629 DSUs [2021 – 91,603 DSUs]. The carrying amount of the liability relating to DSUs at March 31, 2022 was $7.7 million [2021 – $6.4 million].

[iii] EXECUTIVE EMPLOYEE DEFERRED SHARES 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 March 31, 2022 was $5.4 million [March 31, 2021 – $ nil].

[iv] 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. During the year ended March 31, 2021, the PSU plan was amended to include certain employment-related conditions to the vesting of the awards resulting in a change 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 March 31, 2022 was $140.2 million [March 31, 2021 – $85.9 million].

[v] 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 ratably 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 year ended March 31, 2022, the stock price performance vesting conditions had been met on all the outstanding options. A total of 3,421,289 options outstanding (net of options already exercised) had met both stock price performance and time-based vesting conditions and are therefore fully vested and outstanding.

The following is a summary of the Company's PSOs as at March 31, 2022:

	Number of PSOs	Weighted average exercise price ($)
Balance, March 31, 2021	6,237,001	$ 6.78
Exercised	(609,046)	$ 6.73
Balance, March 31, 2022	**5,627,955**	**$ 6.79**

[vi] SHARE-BASED COMPENSATION EXPENSE

	For the years ended	
	March 31, 2022 $	March 31, 2021 $
Long-term incentive plan	**$ 82,452**	$ 72,654
Deferred share units (cash-settled)	**342**	3,327
Deferred share units (cash-settled) – senior executives	**5,435**	—
PSO	**1,393**	2,766
PSU (cash-settled)	**55,465**	64,287
Other share-based payment plan	**1,740**	3,374
Total share-based compensation expense	**$ 146,827**	$ 146,408

NOTE 24. Related Party Transactions

[i] CONSOLIDATED SUBSIDIARIES

The consolidated financial statements include the financial statements of the Company and the Company's operating subsidiaries and intermediate holding companies listed in the following table:

		% equity interest	
	Country of incorporation	**March 31, 2022**	March 31, 2021
Canaccord Genuity Corp.	Canada	**100%**	100%
CG Investments Inc.	Canada	**100%**	100%
CG Investments Inc. III	Canada	**100%**	100%
CG Investments Inc. IV	Canada	**100%**	100%
CG Investments Inc. V	Canada	**100%**	100%
CG Investments Inc. VI	Canada	**100%**	100%
CG G Sponsors Inc. I	Canada	**100%**	100%
Jitneytrade Inc.	Canada	**100%**	100%
Finlogik Inc.	Canada	**100%**	100%
Finlogik Tunisie, SARL	Tunisia	**75%**	75%
Canaccord Genuity SAS	France	**100%**	100%
Canaccord Genuity Wealth (International) Limited*	Guernsey	**96.7%**	100%
Canaccord Genuity Financial Planning Limited*	United Kingdom	**96.7%**	100%
Canaccord Genuity Wealth Limited*	United Kingdom	**96.7%**	100%
Canaccord Genuity Wealth Group Limited*	United Kingdom	**96.7%**	100%
Canaccord Genuity Wealth (International) Holdings Limited*	Guernsey	**96.7%**	100%
Hargreave Hale Limited*	United Kingdom	**96.7%**	100%
CG Wealth Planning Limited*	United Kingdom	**96.7%**	100%
Adam & Company Investment Management Limited*	United Kingdom	**96.7%**	100%
Canaccord Genuity Limited	United Kingdom	**100%**	100%
Canaccord Genuity Wealth Group Holdings Ltd.	Canada	**100%**	100%
Canaccord Genuity LLC	United States	**100%**	100%
Canaccord Genuity Wealth Management (USA) Inc.	United States	**100%**	100%
Canaccord Genuity Wealth & Estate Planning Services Ltd.	Canada	**100%**	100%
Canaccord Genuity Petsky Prunier LLC	United States	**100%**	100%
Canaccord Asset Management Inc.	Canada	**100%**	100%
Canaccord Adams Financial Group Inc.	United States	**100%**	100%
Collins Stewart Inc.	United States	**100%**	100%
Canaccord Genuity (2021) LLC	United States	**100%**	100%
Canaccord Genuity Finance Corp.	Canada	**100%**	100%
Canaccord Adams (Delaware) Inc.	United States	**100%**	100%
Canaccord Genuity Securities LLC	United States	**100%**	100%
CG Sawaya, LLC	United States	**100%**	100%
Canaccord Genuity (2021) Holdings ULC	Canada	**100%**	100%
Canaccord Genuity (2021) Limited Partnership	Canada	**100%**	100%
Canaccord Genuity (2021) GP ULC	Canada	**100%**	100%
Stockwave Equities Ltd.	Canada	**100%**	100%
Canaccord Genuity Group Finance Company Ltd.	Canada	**100%**	100%
Canaccord Genuity (Hong Kong) Limited	China (Hong Kong SAR)	**100%**	100%
Canaccord Genuity Emerging Markets Ltd.	Bahamas	**100%**	n/a
Canaccord Financial Group (Australia) Pty Ltd**	Australia	**65%**	80%
Canaccord Genuity (Australia) Limited**	Australia	**65%**	80%
Canaccord Genuity Financial Limited**	Australia	**65%**	80%
Patersons Asset Management Limited**	Australia	**65%**	80%
Canaccord Genuity Asia (Beijing) Limited 加通亚洲（北京）投资顾问有限公司	China	**100%**	100%
The Balloch Group Limited	British Virgin Islands	**100%**	100%
Canaccord Genuity Asia (Hong Kong) Limited	China (Hong Kong SAR)	**100%**	100%
Canaccord Genuity (Dubai) Ltd.	United Arab Emirates	**100%**	100%
Canaccord Genuity Wealth Group Holdings (Jersey) Limited*	Jersey	**96.7%**	100%
Canaccord Genuity Hawkpoint Limited	United Kingdom	**100%**	100%
Canaccord Genuity Management Company Limited	Ireland	**100%**	100%

* During the year ended March 31, 2022, the Company issued Convertible Preferred Shares to certain institutional investors and certain equity instruments in CGWM UK within the context of the transaction value reflecting a 4.3% interest in the outstanding ordinary shares of CGWM UK. On an as converted basis, convertible preferred shares, preference shares and ordinary shares issued to management and employees of CGWM UK together represent an 26.5% equity equivalent interest.

** The Company owns 65% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd., Canaccord Genuity (Australia) Limited, and Canaccord Genuity Financial Limited, but for accounting purposes, as of March 31, 2022 the Company is considered to have an 67.3% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2021 – 85%] [Note 8].

[ii] COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE COMPANY

Disclosed in the table below are the amounts recognized as expenses related to individuals who are key management personnel as at March 31, 2022 and 2021:

	March 31, 2022 $	March 31, 2021 $
Short-term employee benefits	**33,585**	10,663
Share-based payments	**736**	654
Total compensation paid to key management personnel	**34,321**	11,317

[iii] OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

	March 31, 2022 $	March 31, 2021 $
Accounts receivable	**12,009**	**4,686**
Accounts payable and accrued liabilities	**1,271**	**1,562**

[iv] TERMS AND CONDITIONS OF TRANSACTIONS WITH RELATED PARTIES

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.

NOTE 25. 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), Australia and the US. Commencing in the fiscal year starting April 1, 2019, the Other Foreign Locations (OFL), comprised of our operations in China and Hong Kong, have been combined with our Canadian and Australian capital markets operations.

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 and Adam & Company 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 CG Sawaya is allocated to the Canaccord Genuity Capital Markets US 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.

	March 31, 2022				March 31, 2021			
	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	174,826	587,001	16	761,843	$ 212,431	$ 522,638	$ 170	$ 735,239
Investment banking	463,118	98,607	—	561,725	644,089	117,462	—	761,551
Advisory fees	488,579	4,478	—	493,057	193,464	3,572	56	197,092
Principal trading	158,232	744	2	158,978	245,662	1,139	—	246,801
Interest	8,985	21,580	5,463	36,028	6,605	13,808	5,875	26,288
Other	9,334	7,997	17,040	34,371	9,977	5,000	25,740	40,717
Expenses, excluding undernoted	924,199	512,719	109,468	1,546,386	933,076	478,995	107,711	1,519,782
Amortization	6,784	20,192	617	27,593	6,796	18,890	470	26,156
Amortization of right of use assets	15,278	5,444	3,172	23,894	14,536	7,626	2,878	25,040
Development costs	1,366	20,861	195	22,422	5,855	17,465	3,926	27,246
Interest expense	13,072	8,852	1,674	23,598	11,739	5,222	11,403	28,364
Acquisition related costs	537	8,660	—	9,197	4,644	1,278	—	5,922
Non-controlling interest derivative liability fair value adjustment	—	—	8,519	8,519	—	—	—	—
Costs associated with redemption of convertible debentures	—	—	5,932	5,932	—	—	4,354	4,354
Share of loss of an associate	—	—	192	192	—	—	922	922
Income (loss) before intersegment allocations and income taxes	341,838	143,679	(107,248)	378,269	335,582	134,143	(99,823)	369,902
Intersegment allocations	20,007	22,670	(42,677)	—	18,263	17,288	(35,551)	—
Income (loss) before income taxes	321,831	121,009	(64,571)	378,269	317,319	116,855	(64,272)	369,902

For the years ended

For geographic reporting purposes, the Company's business operations are grouped into Canada, the US, the UK & Europe (including Dubai) and Australia. The Asian operations are allocated to our Canadian and Australian capital markets operations. The comparatives have not been restated. 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 years ended

	March 31, 2022 $	March 31, 2021 $
Canada	$ 692,432	$ 789,814
UK, Europe & Crown Dependencies	430,850	372,864
United States	673,997	600,046
Australia	248,723	244,964
	$ 2,046,002	$ 2,007,688

The following table presents selected figures pertaining to the financial position of each geographic location:

	Canada $	UK & Crown Dependencies $	United States $	Australia $	Total $
As at March 31, 2022					
Equipment and leasehold improvements	**$ 15,847**	**$ 9,796**	**$ 5,506**	**$ 3,494**	**$ 34,643**
Goodwill	**101,732**	**216,078**	**189,608**	**2,861**	**510,279**
Intangible assets	**48,932**	**127,117**	**3,746**	**7,198**	**186,993**
Non-current assets	**$ 166,511**	**$ 352,991**	**$ 198,860**	**$ 13,553**	**$ 731,915**
As at March 31, 2021					
Equipment and leasehold improvements	$ 6,197	$ 6,873	$ 6,165	$ 3,835	$ 23,070
Goodwill	101,732	178,025	97,441	2,917	380,115
Intangible assets	48,184	96,357	376	6,006	150,923
Non-current assets	$ 156,113	$ 281,255	$ 103,982	$ 12,758	$ 554,108

NOTE 26. Capital Management

The Company's business requires capital for operating and regulatory purposes, including funding current and future operations. The Company's capital structure is underpinned by shareholders' equity, which is comprised of preferred shares, common shares, contributed surplus, retained earnings and accumulated other comprehensive income , and is further complemented by the subordinated debt, non-controlling interests, bank loans and convertible debentures. The following table summarizes our capital as at March 31, 2022 and 2021:

Type of capital	March 31, 2022 $	March 31, 2021 $
Preferred shares	**$ 205,641**	$ 205,641
Common shares	**576,166**	662,366
Deferred consideration	**11,378**	—
Contributed surplus	**64,241**	62,402
Retained earnings	**251,540**	73,220
Accumulated other comprehensive income	**69,103**	103,465
Shareholders' equity	**1,178,069**	1,107,094
Non-controlling interests	**238,700**	8,190
Convertible debentures	**—**	168,112
Subordinated debt	**7,500**	7,500
Bank loan	**152,041**	78,319
	$ 1,576,310	$ 1,369,215

The Company's capital management framework is designed to maintain the level of capital that will:

- Meet the Company's regulated subsidiaries' target ratios as set out by the respective regulators
- Fund current and future operations
- Ensure that the Company is able to meet its financial obligations as they become due
- Support the creation of shareholder value

The following subsidiaries are subject to regulatory capital requirements in the respective jurisdictions by the listed regulators:

- Canaccord Genuity Corp. and Jitneytrade Inc. are subject to regulation in Canada primarily by the Investment Industry Regulatory Organization of Canada (IIROC)
- Canaccord Genuity Limited, Canaccord Genuity Wealth Limited, Canaccord Genuity Financial Planning Limited, CG McCarthy Taylor Limited, CG Wealth Planning Limited, Adam & Company Investment Management Limited and Hargreave Hale Limited are regulated in the UK by the Financial Conduct Authority (FCA)
- Canaccord Genuity Wealth (International) Limited is licensed and regulated by the Guernsey Financial Services Commission, the Isle of Man Financial Supervision Commission and the Jersey Financial Services Commission
- Canaccord Genuity (Australia) Limited and Canaccord Genuity Financial Limited are regulated by the Australian Securities and Investments Commission
- Canaccord Genuity (Hong Kong) Limited is regulated in Hong Kong by the Securities and Futures Commission
- Canaccord Genuity LLC is registered as a broker dealer in the US and is subject to regulation primarily by the Financial Industry Regulatory Authority, Inc. (FINRA)

- Canaccord Genuity Wealth Management (USA) Inc. is registered as a broker dealer in the US and is subject to regulation primarily by FINRA
- Canaccord Genuity (Dubai) Ltd. is subject to regulation in the United Arab Emirates by the Dubai Financial Services Authority (DFSA)
- Canaccord Genuity Emerging Markets Ltd. is subject to regulation in the Bahamas by the Securities Commission of the Bahamas
- Canaccord Genuity Insurance Company Ltd is subject to regulation by the Financial Services Commission (Barbados)

Margin requirements in respect of outstanding trades, underwriting deal requirements and/or working capital requirements cause regulatory capital requirements to fluctuate on a daily basis. Compliance with these requirements may require the Company to keep sufficient cash and other liquid assets on hand to maintain regulatory capital requirements rather than using these liquid assets in connection with its business or paying them out in the form of cash disbursements. Some of the subsidiaries are also subject to regulations relating to withdrawal of capital, including payment of dividends to the Company. There were no significant changes in the Company's capital management policy during the current year. The Company's subsidiaries were in compliance with all of the minimum regulatory capital requirements as at and during the year ended March 31, 2022.

NOTE 27. Client Money

At March 31, 2022, the UK & Europe operations held client money in segregated accounts of $2.859 billion (£1.740 billion) [2021 – $2.770 billion (£1.600 billion)]. This client money includes $7.345 million (£4.469 million) [2021 – $7.278 million (£4.204 million)] of cash to settle outstanding trades and $2.852 billion (£1.735 billion) [2021 – $2.756 billion (£1.592 billion)] of segregated deposits, which are held on behalf of clients and which are not reflected on the consolidated statements of financial position. Movement in settlement balances is reflected in operating cash flows.

NOTE 28. Provisions and Contingencies

PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and when 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 years ended March 31, 2022 and 2021:

	Legal provisions $	Restructuring provisions $	Total provisions $
Balance, March 31, 2020	$ 4,545	$ 2,190	$ 6,735
Additions	6,711	—	6,711
Utilized	(2,705)	(384)	(3,089)
Balance, March 31, 2021	8,551	1,806	10,357
Additions	2,515	—	2,515
Utilized	(4,419)	(231)	(4,650)
Balance, March 31, 2022	**6,647**	**1,575**	**8,222**

Commitments, litigation proceedings and contingent liabilities

In the normal course of business, the Company is involved in litigation, and as of March 31, 2022, 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 March 31, 2022, 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.

Litigation matters and asserted and unasserted claims against the Company may be in respect of certain subsidiaries of CGGI, CGGI directly or both CGGI and certain of its subsidiaries.

The Company provides financial advisory, underwriting and other services to, and trades 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 third party proceedings which may have a material adverse effect on the Company's 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. Notwithstanding these procedures, the Company is currently a party to securities class action proceedings in Canada and the US relating to underwriting services provided to certain issuers in the cannabis and e-cigarette and vaping industries. Although the Company believes that these claims are without merit and intends to vigorously defend itself, the probable outcome of these class action proceedings cannot be predicted with certainty and a reliable estimate of the amount of losses, if any, in the event of adverse outcomes is not determinable as at the date of these financial statements and, accordingly, the Company has not recorded a provision in respect of these claims. The risk of any further actions against the Company is not known. As at the date of these audited consolidated financial statements, the Company has not recorded a provision in respect of any other such matters.

Risks associated with emerging industries such as the cannabis and 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.

NOTE 29. Subsequent Events

Business combination

On May 31, 2022, the Company announced that through its wealth management business in the UK ("CGWM UK"), it has completed its previously announced acquisition of Punter Southall Wealth ("PSW"), including the intermediary-facing brand Psigma. In connection with completion of the acquisition, CGWM UK added £100 million (C$169.2 million) to its existing bank facility. In addition, HPS Investment Partners, LLC on behalf of investment accounts and funds it manages made an additional investment in CGWM UK on closing of the acquisition through the purchase of a new series of convertible preferred shares of CGWM UK in the amount of £65.3 million (C$110.5 million). Cumulative dividends will be payable by CGWM UK on the convertible preferred shares at the greater of an annual 7.5% coupon and the proportionate share that such shares would receive on an as converted basis. The convertible preferred shares will also carry customary minority rights in respect of CGWM UK governance and financial matters, a liquidation preference, and call protections.

Series C Preferred Shares dividend reset

On May 24, 2022, the Company announced that it does not intend to exercise its option to redeem the Series C Preferred Shares on June 30, 2022. The Company has the option to redeem on June 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends.

On June 1, 2022, the Company announced the reset of the dividend rate on its Series C Preferred Shares. Quarterly cumulative cash dividends, as declared, are paid at an annual rate of 4.993% for the five years ending on and including June 30, 2022. Commencing July 1, 2022 and ending on and including June 30, 2027, quarterly cumulative dividends, if declared, will be paid at an annual rate of 6.837%. The dividend rate will be reset every five years at a rate equal to the five-year Government of Canada yield plus 4.03%. Up until June 15, 2022 holders of the Series C Preferred Shares have the option to convert those shares into Series D Preferred Shares which will carry a quarterly floating rate equal to the three-month Government of Canada Treasury Bill rate plus 4.03%. The issuance of Series D Preferred Shares is subject to a certain minimum level.

DIVIDENDS

On June 2, 2022, the Board of Directors approved a dividend of $0.085 per common share, payable on June 30, 2022, with a record date of June 17, 2022. [Note 22].

On June 2, 2022, the Board approved a cash dividend of $0.25175 per Series A Preferred Share payable on June 30, 2022 to Series A Preferred shareholders of record as at June 17, 2022 [Note 22].

On June 2, 2022, the Board approved a cash dividend of $0.31206 per Series C Preferred Share payable on June 30, 2022 to Series C Preferred shareholders of record as at June 17, 2022 [Note 22].