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 titled "Fiscal 2024 Outlook" contains forward-looking information.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and a number of factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions; the dynamic nature of the financial services industry; inflationary pressures; credit, market, liquidity, strategic, insurance, operational, reputation, conduct and legal, regulatory and environmental risk; currency value and interest rate fluctuations, including as a result of market and oil price volatility; the effectiveness and adequacy of our risk management and valuation models and processes; legislative or regulatory developments in the jurisdictions where we operate; climate change and other ESG related risks; and the impact of the 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 unaudited interim condensed and audited annual consolidated financial statements and the Company's Annual Report and Annual Information Form (AIF) filed on www.sedar.com as well as the factors discussed in the sections titled "Risk Management" in this Management's Discussion and Analysis (MD&A) and "Risk Factors" in the AIF, which include market, liquidity, credit, operational, legal, cybersecurity and regulatory risks. Material factors or assumptions that were used by the Company to develop the forward-looking information contained in this document include, but are not limited to, those set out in the Fiscal 2024 Outlook section in this MD&A and those discussed from time to time in the Company's unaudited interim condensed and audited annual consolidated financial statements and its Annual report and AIF filed on www.sedar.com. Readers are cautioned that the preceding lists of material factors and assumptions are not exhaustive.

Although the forward-looking information contained in this document is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this document are made as of the date of this document and should not be relied upon as representing the Company's views as of any date subsequent to the date of this document. Certain statements included in this MD&A may be considered a "financial outlook" for the purposes of applicable Canadian securities laws. The financial outlook may not be 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

Fourth quarter fiscal year 2023 for the three months and fiscal year ended March 31, 2023 – this document is dated June 16, 2023

The following discussion of the financial condition and results of operations for Canaccord Genuity Group Inc. is provided to enable the reader to assess material changes in our financial condition and to assess results for the three months and fiscal year ended March 31, 2023 compared to the corresponding periods in the preceding fiscal year. The three-month period ended March 31, 2023 is also referred to as fourth quarter fiscal 2023 and Q4/23. Unless otherwise indicated or the context otherwise requires, the "Company" refers to Canaccord Genuity Group Inc. and "Canaccord Genuity Group or CG" refers to the Company 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, 2023 and March 31, 2022 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, 2023 and March 31, 2022 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 a 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 excluding any applicable fair value adjustments on certain illiquid or restricted marketable securities, warrants and options as recorded for IFRS reporting purposes but which are excluded for management reporting purposes and are not used by management to assess operating performance; (ii) expenses excluding significant items, which is composed of expenses per IFRS less any applicable amortization of intangible assets acquired in connection with a business combination, acquisition-related expense items, which includes costs recognized in relation to both prospective and completed acquisitions, certain incentive-based costs related to the acquisitions and growth initiatives of CGWM UK and the US and UK capital markets divisions, certain costs included in Corporate & Other development costs related to the expired management-led takeover bid for the common shares of the Company, impairment of goodwill and intangible assets in our Canadian capital markets operations, costs associated with the redemption of convertible debentures, costs associated with the reorganization of CGWM UK, fair value adjustment of certain contingent consideration in connection with prior acquisitions, and fair value adjustments to the derivative liability component of non-controlling interests in CGWM UK; (iii) overhead expenses excluding significant items, which are calculated as expenses excluding significant items less compensation expense; (iv) net income before taxes after intersegment allocations and excluding significant items, which is composed of revenue excluding significant items less expenses excluding significant items; (v) income taxes (adjusted), which is composed of income taxes per IFRS adjusted to reflect the associated tax effect of the excluded significant items; (vi) net income excluding significant items, which is net income before income taxes excluding significant items less income taxes (adjusted); (vii) non-controlling interests (adjusted), which is composed of the non-controlling interests per IFRS less the amortization of the equity component of the non-controlling interests in CGWM UK; and (viii) net income attributable to common shareholders excluding significant items, which is net income excluding significant items less non-controlling interests (adjusted) and preferred share dividends paid on the Series A and Series C Preferred Shares. Other items which have been excluded as significant items in prior periods for purposes of determining expenses, net income before taxes, net income and net income attributable to common shareholders all excluding significant items include impairment of goodwill and other assets, gains or losses related to business disposals including recognition of realized translation gains on the disposal of foreign operations, restructuring costs, certain accounting charges related to the change in the Company's long-term incentive plan (LTIP) as recorded with effect on March 31, 2018, and loss related to the extinguishment of convertible debentures as recorded for accounting purposes.

A reconciliation of non-IFRS measures that exclude significant items to the applicable IFRS measures from the audited consolidated financial statements for fiscal 2023 can be found in the table titled "Q4 and Fiscal 2023 Selected Financial Information Excluding Significant Items", on page 24.

Non-IFRS Ratios

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

Supplementary Financial Measures

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

Business Overview

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

Canaccord Genuity Group Inc. is publicly traded under the symbol CF on the Toronto Stock Exchange (TSX). Canaccord Genuity Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A. Canaccord Genuity Series C Preferred Shares are listed on the TSX under the symbol CF.PR.C.

ABOUT CANACCORD GENUITY GROUP INC.'S OPERATIONS

Canaccord Genuity Group Inc.'s operations are divided into two business segments: Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management. Together, these operations offer a wide range of complementary advisory and investment banking services, investment products and brokerage services to the Company's institutional, corporate and private clients. The Company's administrative segment is referred to as "Corporate and Other".

Canaccord Genuity Capital Markets

Canaccord Genuity Capital Markets is the global capital markets division of Canaccord Genuity Group Inc. (TSX: CF), offering institutional and corporate clients idea-driven investment banking, mergers and acquisitions (M&A), research, sales and trading services with capabilities in North America, the UK & Europe, Asia and Australia. We are committed to providing valued services to our clients throughout the entire lifecycle of their business and operating as a gold standard independent investment bank – expansive in resources and reach, but targeted in industry expertise, market focus and individual client attention.

Canaccord Genuity Wealth Management

Canaccord Genuity Wealth Management operations provide comprehensive wealth management solutions and brokerage and financial planning services to individual investors, private clients, charities and intermediaries through a full suite of services tailored to the needs of clients in each of its markets. The Company's wealth management division has Investment Advisors (IAs) and professionals in Canada, the UK, Jersey, Guernsey, the Isle of Man and Australia. Guernsey, Jersey and the Isle of Man are together referred to as the "Crown Dependencies". Our wealth management operations in the UK and in the Crown Dependencies are together referred to as CGWM UK.

Corporate and Other

Canaccord Genuity Group's administrative segment, described as Corporate and Other, includes revenues and expenses associated with providing correspondent brokerage services, bank and other interest, and activities not specifically allocable to either the

Canaccord Genuity Capital Markets or Canaccord Genuity Wealth Management divisions. Also included in this segment are the Company's operations and support services in Canada, which are responsible for front- and back-office information technology (IT) systems, compliance and risk management, operations, legal, finance and other administrative functions of Canaccord Genuity Group Inc.

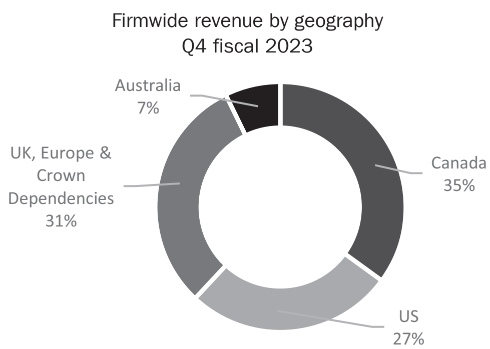
BUSINESS ACTIVITY

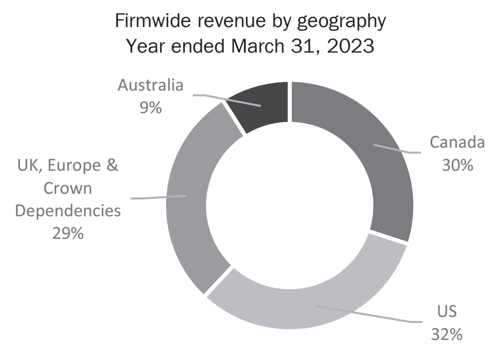
Our business is affected by the overall condition of the worldwide debt and equity markets.

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 of the recognition of such transactions in our capital markets business.

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

The following charts depict firm-wide revenue contributions by geography for Q4 2023 and the year ended March 31, 2023:



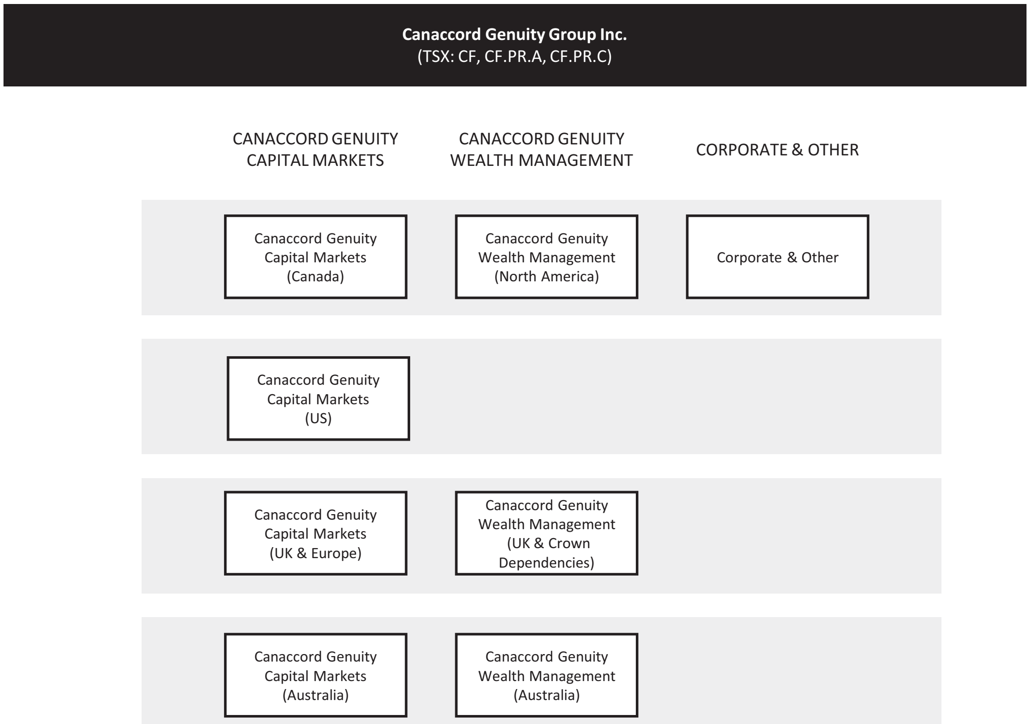


IMPACT OF CHANGES IN CAPITAL MARKETS ACTIVITY

As a brokerage firm, the Company derives its revenue primarily from sales commissions, underwriting, advisory fees and trading activity. As a result, the Company's business is materially affected by conditions in the financial marketplace and the economic environment, primarily in North America and Europe but also to some degree in 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.

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

BUSINESS SEGMENTS



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

<u>Canaccord Genuity Capital Markets (Canada)</u>

- Canaccord Genuity Corp. (capital markets division)
- Jitneytrade Inc.
- Canaccord Genuity Asia (Beijing) Limited
- Canaccord Genuity (Hong Kong) Limited[1]
- Canaccord Genuity Emerging Markets Ltd.

<u>Canaccord Genuity Wealth Management (North America)</u>

- Canaccord Genuity Corp. (wealth management division)
- Canaccord Genuity Wealth Management (USA) Inc.
- Canaccord Genuity Wealth & Estate Planning Services Ltd.

<u>Corporate and Other</u>

- Canaccord Genuity Corp. (corporate & other division)
- Canaccord Genuity Group Inc.
- Finlogik Inc.

<u>Canaccord Genuity Capital Markets (US)</u>

- Canaccord Genuity LLC
- Canaccord Genuity Petsky Prunier LLC
- CG Sawaya, LLC

<u>Canaccord Genuity Capital Markets (UK & Europe)</u>

- Canaccord Genuity Limited
- Canaccord Genuity Dubai Ltd.[2]
- Canaccord Genuity SAS

<u>Canaccord Genuity Wealth Management (UK & Crown Dependencies)</u>

- Canaccord Genuity Wealth Limited
- CG Wealth Planning Ltd.
- Canaccord Genuity Financial Planning Limited
- Adam & Company Investment Management Limited[3]
- Canaccord Genuity Asset Management Limited (previously "Hargreave Hale Limited")
- Canaccord Genuity Wealth (International) Limited
- Canaccord Genuity Wealth Group Holdings (Jersey) Limited
- Punter Southall Wealth Limited[3]

<u>Canaccord Genuity Capital Markets (Australia)</u>

- Canaccord Genuity (Australia) Limited
- Canaccord Genuity (Hong Kong) Limited[1]

<u>Canaccord Genuity Wealth Management (Australia)</u>

- Canaccord Genuity Financial Limited

(1) Canaccord Genuity (Hong Kong) Limited is a shared resource for both Canaccord Genuity Capital Markets (Canada) and Canaccord Genuity Capital Markets (Australia).
(2) The Company sold its interest in Canaccord Genuity Dubai Ltd. subsequent to March 31, 2023.
(3) The Company was wound up into an affiliate(s) as part of an internal restructuring subsequent to March 31, 2023.

In May 2022, HPS Investment Partners, LLC, on behalf of certain investment accounts and funds it manages (collectively, "HPS"), completed the purchase of a new series of Convertible Preferred Shares issued by Canaccord Genuity Wealth Group Holdings (Jersey) Limited, a subsidiary of the Company and the parent of all operating companies included in CGWM UK. This purchase was in connection with the acquisition by CGWM UK of Punter Southall Wealth ("PSW"). The new series of Convertible Preferred Shares bear the same terms as the Convertible Preferred Shares issued in fiscal 2022, except for the conversion ratio. Neither series of Convertible Preferred Shares contains an obligation for the Company to deliver cash or other financial assets to the holders of the Convertible Preferred Shares. 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 Canaccord Genuity Wealth Group Holdings (Jersey) Limited. On an as converted basis and subject to the liquidation preference associated with the Convertible Preferred Shares and Preference Shares, the Company holds an approximate 66.9% equity equivalent interest in Canaccord Genuity Wealth Group Holdings (Jersey) Limited.

The operating results of Jitneytrade Inc. and Finlogik Inc. (collectively referred to as "Jitneytrade") since the closing date of June 6, 2018 are included as part of Canaccord Genuity Capital Markets Canada and Corporate and Other, respectively. In addition, the operating results of Petsky Prunier LLC ("Petsky Prunier") since the closing date of February 13, 2019 and operating results of CG Sawaya, LLC ("Sawaya") since the closing date of 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 ("McCarthy Taylor") (renamed as CG McCarthy Taylor Limited), whose operations were subsequently transferred to CG Wealth Planning Limited since the closing date of January 29, 2019; the operating results of Thomas Miller Wealth Management Limited ("Thomas Miller") (renamed as CG Wealth Planning Limited) since the closing date of May 1, 2019; the private client investment management business of Adam & Company (including the acquisition of the entire issued capital of Adam & Company Investment Management Limited) since the closing date of October 1, 2021; and Punter Southall Wealth Limited ("PSW") as of May 31, 2022. Operating results for the business of Results International Group LLP ("Results") since the closing date of August 17, 2022 are included as part of Canaccord Genuity Capital Markets (UK & Europe).

Market Environment

Economic backdrop

Throughout fiscal 2023, the world economy benefitted from the reopening of several economic regions with the gradual lifting of pandemic lockdowns. The lagged impact of government spending, accumulated household savings, and the consumer spending transition from goods to services also supported economic growth. The war in Ukraine and lingering supply chain bottlenecks caused commodity prices to increase. In the US, the growing demand for labour and a shrinking labour pool caused the unemployment rate to fall and inflation on wages and goods and services accelerated. Inflation peaked in the second quarter of fiscal 2023 but remained well above target rates of 2% at the end of the fiscal year. Against this backdrop, equities and bonds sold off against the rapid pace of rate hikes through the first half of the year.

Over the 12-month period the S&P 500, S&P/TSX and the MSCI world indices posted negative returns of -7.7%, -5.2% and -7.0% respectively and US Treasury bond prices declined 6.9%.

Investment banking and advisory

Fiscal 2023 was a challenging year for capital-raising activities across our industry, and small cap and growth-oriented sectors were particularly impacted. We attribute most of the decline in initial public and secondary offerings in our core sectors to rising financing costs, heightened volatility in financial markets and broader economic uncertainties. M&A activities remained robust throughout most of the fiscal year and helped offset the impact of subdued new issues and agency trading activity.

Index Value at End of	Q4/22		Q1/23		Q2/23		Q3/23		Q4/23		
Fiscal Quarter	2022-03-31	(Y/Y)	2022-06-30	(Y/Y)	2022-09-30	(Y/Y)	2022-12-30	(Y/Y)	2023-03-31	(Y/Y)	(Q/Q)
S&P IFCI Global Small Cap	311.7	-2.8%	266.7	-24.9%	242.7	-28.6%	264.2	-22.3%	274.4	-12.0%	3.9%
S&P IFCI Global Large Cap	254.9	-14.1%	223.7	-27.3%	196.9	-29.5%	213.7	-22.2%	221.0	-13.3%	3.4%

Source: Refinitiv Datastream, Canaccord Genuity estimates

Our capital-raising and advisory activities are primarily focused on small- and mid-capitalization companies in specific growth sectors of the global economy. These sectors may experience growth or downturns independent of broader economic and market conditions. Government regulation can also have a profound impact on capital formation for smaller companies. Volatility in the business environment for these industries, or in the market for securities of companies within these industries in the regions where we operate, could adversely affect our financial results and ultimately the market value of our shares. Advisory revenues are primarily dependent on the successful completion of M&A and restructuring mandates.

Trading

Higher interest rates, heightened recession fears and a rapid deceleration in corporate earnings year-over-year led to heightened volatility in financial markets. As a result, trading volumes during the fourth quarter and fiscal 2023 have moderated from year-ago levels.

Average Value During	Q4/22		Q1/23		Q2/23		Q3/23		Q4/23			FY23	
Fiscal Quarter/Year	31-Mar-22	(Y/Y)	30-Jun-22	(Y/Y)	30-Sep-22	(Y/Y)	30-Dec-22	(Y/Y)	31-Mar-23	(Y/Y)	(Q/Q)	31-Mar-23	(Y/Y)
Russell 2000	2056.8	-6.3%	1856.6	-18.0%	1833.3	-17.9%	1793.7	-21.2%	1856.9	-9.7%	3.5%	1835.1	-16.9%
S&P 400 Mid Cap	2670.8	6.9%	2474.5	-8.5%	2418.1	-10.3%	2426.1	-13.1%	2555.4	-4.3%	5.3%	2468.3	-9.1%
FTSE 100	7443.0	11.7%	7435.2	6.1%	7297.3	3.0%	7275.8	0.5%	7755.5	4.2%	6.6%	7440.4	3.4%
MSCI EU Mid Cap	1314.8	4.5%	1217.0	-9.4%	1136.3	-19.2%	1126.1	-19.5%	1239.3	-5.7%	10.0%	1179.5	-13.6%
S&P/TSX	21308.0	16.7%	20563.0	5.0%	19328.7	-5.2%	19512.7	-7.3%	20184.0	-5.3%	3.4%	19894.9	-3.3%

Source: Refinitiv Datastream, Canaccord Genuity estimates

Global wealth management

Although equity prices generally improved in Q4/23, prices were lower on a year-over-year basis.

Total Return (excl. currencies)	Q4/22 Change (Q/Q)	Q1/23 Change (Q/Q)	Q2/23 Change (Q/Q)	Q3/23 Change (Q/Q)	Q4/23 Change (Q/Q)	Fiscal 2023 Change (Y/Y)
S&P 500	-4.6%	-16.1%	-4.9%	7.6%	7.5%	-7.7%
S&P/TSX	3.8%	-13.2%	-1.4%	6.0%	4.6%	-5.2%
MSCI EM ERGING MARKETS	-6.1%	-8.0%	-8.0%	6.7%	3.8%	-6.2%
MSCI WORLD	-5.3%	-15.5%	-6.7%	9.9%	7.4%	-7.0%
S&P GS COMMODITY INDEX	33.1%	2.0%	-10.3%	3.4%	-4.9%	-10.0%
US 10-YEAR T-BONDS	-7.0%	-5.5%	-5.8%	0.3%	4.3%	-6.9%
CAD/USD	1.1%	-2.9%	-6.9%	2.0%	0.3%	-7.5%
CAD/EUR	3.8%	2.5%	-0.4%	-6.6%	-1.0%	-5.6%

Source: Refinitiv Datastream, Canaccord Genuity estimates

Fiscal 2024 Outlook

It takes time for rate hikes by world central banks to filter through the economy. We expect that continued levels of elevated inflation, notably for services, may prevent central banks from delivering rate cuts in the short-term. Additionally, the US banking crisis that took place in our fourth quarter could prompt further deposit flight toward higher-yielding alternatives, which could cause banks to keep lending standards tighter for a longer period.

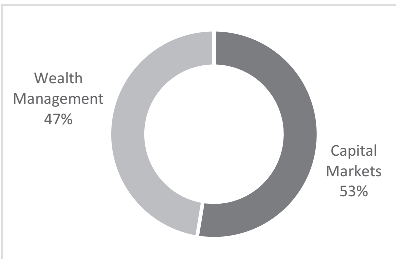
Our overall economic outlook for fiscal 2024 calls for a mild economic recession with pressure on corporate earnings. We believe financial markets will transition from inflation fears to growth concerns, which would lead to bouts of heightened market volatility, particularly in core Canaccord Genuity growth sectors. We anticipate that most world central banks will complete their monetary tightening cycle by the end of the first half of fiscal 2024, and some may cut rates.

Initial public offerings (IPOs), new issues and agency trading activities showed early signs of recovery at the start of fiscal 2024 but remain hindered by financial conditions, economic uncertainties and low risk appetite from investors. M&A advisory activities have remained robust, although are showing signs of slowing down and several completions have been extended due to market uncertainty. While we do not expect a rapid rebound in activity levels in fiscal 2024, our core business segments are well positioned to benefit as market sentiment and the economic outlook turns more positive.

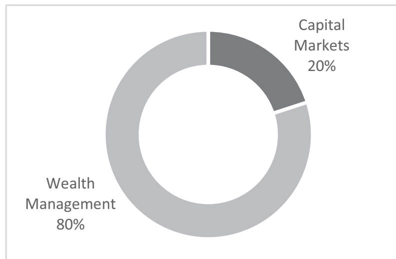
Core Business Performance Highlights-Fourth Quarter and Fiscal Year Ended March 31, 2023

The following charts depict revenue, pre-tax net income(1)(2) and earnings per share(1)(2) contributions from our primary business segments for the fiscal year ended March 31, 2023:

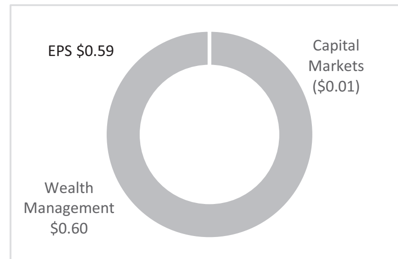
Revenue by business segment
Year ended March 31, 2023



Pre-tax net income contribution by business segment
Year ended March 31, 2023



Diluted earnings per share contribution by business segment
Year ended March 31, 2023



(1) Figures exclude significant items. See Non-IFRS Measures on page 14.
(2) Figures reflect an allocation of net losses in Corporate and Other to the capital markets and wealth management divisions.

CANACCORD GENUITY WEALTH MANAGEMENT

Globally, Canaccord Genuity Wealth Management earned revenue of $197.1 million during the fourth fiscal quarter and $708.3 million for fiscal 2023, a year-over-year increase of 13.1% and a decrease of 1.7%, respectively. The decrease in annual revenue is primarily attributable to the impact of lower investment banking revenue resulting from a decline in new issue activity, which was partially offset by higher interest revenue. Excluding significant items, this division contributed net income before taxes of $36.9 million(1) for the fourth quarter and $125.7 million(1) for the full year, an increase of 26.1% and a decrease of 15.3%, respectively.

- Canaccord Genuity Wealth Management (North America) generated $78.4 million in revenue and, after intersegment allocations, recorded net income before taxes of $10.9 million in Q4/23. Fiscal 2023 revenue in this business amounted to $302.2 million, and net income before taxes and after intersegment allocations amounted to $39.5 million
- Wealth management operations in the UK & Crown Dependencies generated $103.7 million in revenue and, after intersegment allocations and excluding significant items, recorded net income before taxes of $26.4 million(1) in the fourth quarter of fiscal 2023. Fiscal 2023 revenue in this business amounted to $343.7 million and net income before taxes and after intersegment allocations and excluding significant items amounted to $86.1 million(1).
- Wealth management operations in Australia generated revenue of $15.0 million and, after intersegment allocations and excluding significant items, recorded a loss before taxes of $0.4 million in the fourth quarter of fiscal 2023(1). Fiscal 2023 revenue in this business amounted to $62.4 million and income before taxes and after intersegment allocations amounted to $0.1 million.

Firm-wide client assets were $96.2 billion at March 31, 2023, representing an increase of $0.2 billion or 0.2% from $96.1 billion at March 31, 2022(2). Client assets across the individual businesses as at March 31, 2023 were as follows.

- $35.7 billion in North America, a decrease of $2.2 billion or 5.8% from March 31, 2022(2)
- $55.1 billion (£33.0 billion) in the UK & Crown Dependencies, an increase of $2.3 billion or 4.3% from $52.8 billion (£32.1 billion) at the end of the fourth quarter of the previous fiscal year(2)
- $5.4 billion (AUD$ 6.0 billion) in Australia held through our investment management platform, an increase of $0.1 billion or 1.5% from March 31, 2022(2)

CANACCORD GENUITY CAPITAL MARKETS

Globally, Canaccord Genuity Capital Markets earned revenue of $226.1 million for the fourth fiscal quarter and $792.9 million in fiscal 2023, representing year-over-year decreases of 27.5% and 39.2%, respectively. The decreases primarily reflected substantially lower investment banking revenues in all geographies in connection with the significant decline in industry-wide new issue volumes. Excluding significant items, this division recorded a loss before income taxes of $5.5 million(1) for the fourth quarter and income before income taxes of $30.8 million(1) for the full fiscal year.

In addition to the challenging backdrop which led to reduced activity levels in our core sectors and verticals, fiscal 2023 results in this division were impacted by declines in the market value of certain inventory and warrant positions earned in respect of our investment banking activities subsequent to March 31, 2022 and mostly recorded during Q1/23. These valuation changes primarily

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

impacted our Australian capital markets business and, to a lesser degree, our Canadian business. Market value adjustments also had a negative impact on our facilitation trading activity in Canada during Q1/23.

- Canaccord Genuity Capital Markets participated in a total of 83 investment banking transactions globally, raising total proceeds of $3.1 billion in Q4/23
- Canaccord Genuity Capital Markets participated in a total of 359 investment banking transactions globally, raising total proceeds of $17.5 billion in fiscal 2023

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

	For three months ended March 31		Quarter-over-quarter change	Year ended March 31		Year-over-year change
	2023	2023		**2023**	2022	
Commissions and fees	**19.4%**	15.6%	3.8 p.p.	**19.7%**	13.4%	6.3 p.p.
Investment banking	**18.1%**	30.5%	(12.4) p.p.	**16.0%**	35.5%	(19.5) p.p.
Advisory fees	**45.9%**	39.0%	6.9 p.p.	**45.7%**	37.5%	8.2 p.p.
Principal trading	**11.8%**	13.4%	(1.6) p.p.	**14.7%**	12.1%	2.6 p.p.
Interest	**4.5%**	0.8%	3.7 p.p.	**3.2%**	0.8%	2.4 p.p.
Other	**0.3%**	0.7%	(0.4) p.p.	**0.7%**	0.7%	(0.0) p.p.
Canaccord Genuity Capital Markets (total)	**100.0%**	100.0%		**100.0%**	100.0%	

p.p.: percentage points

Further detail is provided in the Business Segment Results beginning on page 29.

SUMMARY OF CORPORATE DEVELOPMENTS

On May 31, 2022 the Company, through CGWM UK, completed its acquisition of the private client investment management business of PSW for a total purchase price on closing of £168.0 million ($267.8 million). In connection with the completion of the acquisition, CGWM UK modified its existing banking arrangements and increased its bank loan by an additional £100 million ($159.4 million as of the acquisition date of May 31, 2022). In addition, certain institutional investors made an additional investment in CGWM UK through the purchase of a new series of Convertible Preferred Shares in the amount of £65.3 million ($104.1 million as of the acquisition date of May 31, 2022). With the issuance of the additional Convertible Preferred Shares and ordinary shares by CGWM UK in connection with the transaction, the Company's equity equivalent interest in CGWM UK on an as-converted basis now stands at 66.9%.

On June 1, 2022, the Company announced the reset of the dividend rate on its Cumulative 5-Year Rate Reset First Preferred Shares, Series C (the "Series C Preferred Shares"). Quarterly cumulative cash dividends, as declared, were paid at an annual rate of 4.993% for the five years ended 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%. The Company did not exercise its right to redeem all or any part of the outstanding Series C Preferred Shares on June 30, 2022.

On August 5, 2022, at the Fiscal 2022 Annual General Meeting of Shareholders, Michael Auerbach was elected to the Company's Board of Directors. Mr. Auerbach is an entrepreneur, investor, business consultant and private diplomat with deep experience in financial services, strategic intelligence, advisory and risk management.

On August 17, 2022, the Company completed its previously announced asset purchase agreement to acquire the business of Results International Group LLP ("Results"). Results is an independent advisory firm headquartered in London, UK that is focused in the Technology and Healthcare sectors. This transaction complements recent investments by the Company to expand its global Advisory business with the acquisitions of Petsky Prunier (2019) and Sawaya Partners (2021) and expands its European domain expertise in the Healthcare and Technology sectors.

On August 18, 2022, the Company filed a notice to renew the normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 4,959,281 of its common shares during the period from August 21, 2022 to August 20, 2023, 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.

On January 9, 2023, 1373313 B.C. Ltd (the "Offeror"), on behalf of itself and a management-led group consisting of officers and employees of the Company and its subsidiaries (collectively, the "CG Employee Group" or the "Management Group"), announced an intention to commence a take-over bid (the "Management Offer") to acquire all of the issued and outstanding common shares of the Company (other than certain common shares beneficially owned by the CG Employee Group) at a price of $11.25 per common share. A take-over bid circular was issued on January 29, 2023. Subsequently, a Special Committee of independent directors of the Company issued a circular in response to the take-over bid circular (the "Special Committee").

On March 13, 2023, the Company announced that Gillian Denham, Dipesh Shah, Charles Bralver and Sally Tennant (the “Former Special Committee Directors”) and Francesca Shaw provided the Company with notice of their resignations from the Board of Directors (the “Board”) of the Company. As a result of the resignations, the Board appointed Terrence Lyons as a new director and appointed Michael Auerbach as Chair of the Special Committee and Terrence Lyons as a member. The Board also appointed Mr. Lyons as its new Lead Director. Mr. Lyons is the former Lead Independent Director and Chair of the Audit and Risk Committee of the Company, having served as a director of the Company from 2004 to 2022.

On March 20, 2023, the Company announced that the Board of Directors had appointed Amy Freedman and Rod Phillips as independent directors. With these changes the Board is now comprised of seven (7) directors, of which five (5) are independent. The independent members of the Board also appointed Amy Freedman and Rod Phillips as additional members of the Special Committee.

On March 22, 2023, the Special Committee provided an update to shareholders with respect to its evaluation and consideration of the Management Offer, and announced that Greenhill & Co. Canada had been appointed as financial advisor.

On April 6, 2023, the Company announced that it had filed and mailed a Directors’ Circular in response to the Management Offer and the take-over bid circular dated February 27, 2023. At this time, the Board did not make a recommendation to shareholders and stated that the newly formed Special Committee required additional time to make an informed recommendation to the Board.

On April 11, 2023 the Company announced that it had received exemptive relief sought from the British Columbia Securities Commission and the Ontario Securities Commission to extend the period within which the Company was required to prepare and send a Directors’ Circular responding to the Management Offer. The Directors’ Circular was mailed and filed on April 6, 2023, in accordance with the exemptive relief.

On May 8, 2023, the Company announced that it had been advised by certain of its applicable regulatory authorities that, due to an ongoing regulatory matter involving one of the Company’s foreign subsidiaries, regulatory approval for the change in control contemplated by the Management Offer would not be granted on an expedited basis, and that based on continuing discussions with the regulatory authorities, the Company has determined that regulatory approvals will likely not be received in a timely enough manner to permit completion of the Management Offer prior to the expiry date of June 13, 2023, and may not be received prior to expiration of the financing commitments for the Management Offer on August 9, 2023. The receipt of regulatory approvals is a condition of the Management Offer.

On May 29, 2023, the Company announced that, through its Canadian wealth management business, it had completed its acquisition of Mercer’s Canadian private wealth business.

On June 5, 2023, the Board recommended that shareholders of the Company reject the Management Offer and issued a supplement to the directors’ circular dated April 6,2023. As described in the supplement, the reason for rejecting the Management Offer was that there exists a regulatory condition which was expected to remain unsatisfied at the expiry of the bid on June 13, 2023 and the waiver of which would directly contravene the express requirements of a regulatory authority.

On June 14, 2023, the Company announced the expiration of the Management Offer as certain substantive conditions to the Offer, including conditions related to the receipts of required regulatory approvals, were not satisfied as of the expiry time and the Management Group determined not to extend the Management Offer. The Company entered into an agreement with the Management Group with respect to certain matters relating to the Offer, including a two-year standstill with voting support commitments from certain members of the Management Group in favour of Board-supported director nominees, reimbursement of certain reasonable expenses of the Management Group (subject to clawback in certain circumstances), and continuation of an ad hoc independent committee, if required, although the Board is not actively considering the sale of any division and considers that all business units are important to the development of the long term value of the Company.

FINANCIAL OVERVIEW

Q4 AND FISCAL 2023 SELECTED FINANCIAL INFORMATION(1)(2)(5)

(C$ thousands, except per share and % amounts, and number of employees)	Three months ended March 31 2023	2022	2021	Q4/23 vs Q4/22	Year ended March 31 2023	2022	2021	Year over year change
Canaccord Genuity Group Inc. (CGGI)								
Revenue								
Commissions and fees	$ **196,774**	$ 196,976	$ 214,476	(0.1)%	$ **749,114**	$ 761,843	$ 735,239	(1.7)%
Investment banking	**50,962**	108,801	305,939	(53.2)%	**160,944**	561,725	761,551	(71.3)%
Advisory fees	**104,649**	122,353	66,761	(14.5)%	**364,554**	493,057	197,092	(26.1)%
Principal trading	**26,921**	41,960	87,830	(35.8)%	**117,238**	158,978	246,801	(26.3)%
Interest	**45,949**	10,264	7,487	347.7%	**115,245**	36,028	26,288	219.9%
Other	**5,134**	19,439	24,033	(73.6)%	**3,302**	34,371	40,717	(90.4)%
Total revenue	**430,389**	499,793	706,526	(13.9)%	**1,510,397**	2,046,002	2,007,688	(26.2)%
Expenses								
Compensation expense	**276,066**	294,695	395,638	(6.3)%	**936,872**	1,248,184	1,227,895	(24.9)%
Other overhead expenses(3)	**151,535**	108,024	117,784	40.3%	**500,578**	395,709	398,693	26.5%
Acquisition-related costs	**—**	515	418	(100.0)%	**7,403**	9,197	5,922	(19.5)%
Impairment of goodwill and other intangible assets	**—**	—	—	—	**102,571**	—	—	n.m.
Fair value adjustment of non-controlling interests derivative liability	**11,629**	—	—	n.m.	**11,629**	8,519	—	36.5%
Change in fair value of contingent consideration	**(14,278)**	—	—	n.m.	**(14,278)**	—	—	n.m.
Costs associated with redemption of convertible debentures	**—**	—	4,354	—	**—**	5,932	4,354	(100.0)%
Share of loss of an associate	**10**	11	616	(9.1)%	**55**	192	922	(71.4)%
Total expenses	**424,962**	403,245	518,810	5.4%	**1,544,830**	1,667,733	1,637,786	(7.4)%
(Loss) income before income taxes	**5,427**	96,548	187,716	(94.4)%	**(34,433)**	378,269	369,902	(109.1)%
Net (loss) income	$ **3,763**	$ 68,995	$ 139,394	(94.5)%	$ **(54,742)**	$ 270,565	$ 269,802	(120.2)%
Net (loss) income attributable to:								
CGGI shareholders	$ **(4,326)**	$ 58,657	$ 137,877	(107.4)%	$ **(90,104)**	$ 246,314	$ 263,786	(136.6)%
Non-controlling interests	$ **8,089**	$ 10,338	$ 1,517	(21.8)%	$ **35,362**	$ 24,251	$ 6,016	45.8%
(Loss) earnings per common share – diluted	$ **(0.08)**	$ 0.53	$ 0.93	(115.1)%	$ **(1.16)**	$ 2.16	$ 2.04	(153.7)%
Dividends per common share	$ **0.085**	$ 0.085	$ 0.075	—	$ **0.34**	$ 0.32	$ 0.25	6.3%
Total assets	$ **6,302,400**	$ 7,250,245	$ 7,631,801	(13.1)%				
Total liabilities	$ **4,903,763**	$ 5,833,476	$ 6,516,517	(15.9)%				
Non-controlling interests	$ **343,998**	$ 238,700	$ 8,190	44.1%				
Total shareholders' equity	$ **1,054,639**	$ 1,178,069	$ 1,107,094	(10.5)%				
Number of employees	**2,829**	2,587	2,356	9.4%				
Excluding significant items(4)								
Total revenue	$ **430,389**	$ 490,793	$ 692,326	(12.3)%	$ **1,523,348**	$ 2,040,602	$ 1,993,488	(25.3)%
Total expenses	$ **414,055**	$ 396,268	$ 509,087	4.5%	$ **1,397,476**	$ 1,623,036	$ 1,607,398	(13.9)%
Income before income taxes	$ **16,334**	$ 94,525	$ 183,239	(82.7)%	$ **125,872**	$ 417,566	$ 386,090	(69.9)%
Net income	$ **17,428**	$ 66,822	$ 137,128	(73.9)%	$ **100,986**	$ 305,827	$ 285,887	(67.0)%
Net income attributable to:								
CGGI shareholders	$ **9,645**	$ 57,069	$ 135,611	(83.1)%	$ **71,260**	$ 284,069	$ 279,871	(74.9)%
Non-controlling interests	$ **7,783**	$ 9,753	$ 1,517	(20.2)%	$ **29,726**	$ 21,758	$ 6,016	36.6%
Net income attributable to common shareholders, adjusted	$ **6,793**	$ 54,678	$ 133,260	(87.6)%	$ **60,312**	$ 274,585	$ 270,467	(78.0)%
Earnings per common share – diluted	$ **0.07**	$ 0.52	$ 1.20	(86.5)%	$ **0.59**	$ 2.51	$ 2.48	(76.5)%

(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 32.7% non-controlling interest has been recognized for the three months and fiscal 2023 [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]. The operating results of CGWM UK have been fully consolidated, and a 5.55% non-controlling interest in the outstanding ordinary shares of Canaccord Genuity Wealth Management Holdings (Jersey) Limited has been recognized for the three and 12 months ended March 31, 2023 [three and 12 months ended March 31, 2022 – 1.5%].

(3) Consists of trading costs, premises and equipment, communication and technology, interest, general and administrative, amortization of tangible, intangible and right-of-use assets, and development costs.

(4) Net income and earnings per common share excluding significant items reflect tax-effected adjustments related to such items. See Non-IFRS Measures on page 14 and the Q4 and Fiscal 2023 Selected Financial Information Excluding Significant Items table on page 24.

(5) Data includes the operating results of Adam & Company since October 1, 2021; Sawaya, since December 31, 2021; PSW, since May 31, 2022; and Results, since August 17, 2022.

n.m.: not meaningful

Q4 AND FISCAL 2023 SELECTED FINANCIAL INFORMATION EXCLUDING SIGNIFICANT ITEMS[1]

	Three months ended March 31		Quarter-over-quarter	Year ended March 31		Year-over-year
(C$ thousands, except per share and % amounts)	**2023**	2022	change	**2023**	2022	change
Revenue						
Revenue per IFRS	**$ 430,389**	$ 499,793	(13.9)%	**$ 1,510,397**	$ 2,046,002	(26.2)%
Significant items recorded in Corporate and Other						
Fair value adjustments on certain illiquid and restricted marketable securities	**—**	$ 9,000	(100.0)%	**$ (12,951)**	$ 5,400	n.m.
Total revenue excluding significant items	**$ 430,389**	$ 490,793	(12.3)%	**$ 1,523,348**	$ 2,040,602	(25.3)%
Expenses						
Expenses per IFRS	**$ 424,962**	$ 403,245	5.4%	**$ 1,544,830**	$ 1,667,733	(7.4)%
Significant items recorded in Canaccord Genuity Capital Markets						
Amortization of intangible assets	**$ 214**	$ 1,283	(83.3)%	**$ 4,656**	$ 1,843	152.6%
Incentive based costs related to acquisitions[2]	**$ 648**	$ 364	78.0%	**$ 1,975**	$ 364	n.m.
Impairment of goodwill and other intangible assets	**—**	—	—	**$ 102,571**	—	n.m.
Acquisition-related costs	**—**	—	—	**$ 1,477**	537	175.0%
Change in fair value of contingent consideration	**$ (14,278)**	—	n.m.	**$ (14,278)**	—	n.m.
Significant items recorded in Canaccord Genuity Wealth Management						
Amortization of intangible assets	**$ 6,314**	$ 4,190	50.7%	**$ 22,400**	$ 14,629	53.1%
Acquisition-related costs	**—**	$ 515	(100.0)%	**$ 5,926**	$ 8,660	(31.6)%
Incentive based costs related to acquisitions[2]	**$ 1,477**	$ 625	136.3%	**$ 3,977**	$ 3,419	16.3%
Costs associated with reorganization of UK & Crown Dependencies	**—**	—	—	**—**	$ 794	(100.0)%
Significant items recorded in Corporate and Other						
Fair value adjustment of non-controlling interests derivative liability	**$ 11,629**	—	n.m.	**$ 11,629**	$ 8,519	36.5%
Costs associated with redemption of convertible debentures	**—**	—	—	**—**	$ 5,932	(100.0)%
Development costs	**$ 4,903**	—	n.m.	**$ 7,021**	—	n.m.
Total significant items	**$ 10,907**	$ 6,977	56.3%	**$ 147,354**	$ 44,697	229.7%
Total expenses excluding significant items	**$ 414,055**	$ 396,268	4.5%	**$ 1,397,476**	$ 1,623,036	(13.9)%
Net income before taxes – adjusted	**$ 16,334**	$ 94,525	(82.7)%	**$ 125,872**	$ 417,566	(69.9)%
Income taxes (recovery) – adjusted	**$ (1,094)**	$ 27,703	(103.9)%	**$ 24,886**	$ 111,739	(77.7)%
Net income – adjusted	**$ 17,428**	$ 66,822	(73.9)%	**$ 100,986**	$ 305,827	(67.0)%
Significant items impacting net income attributable to common shareholders						
Non-controlling interests – IFRS	**$ 8,089**	$ 10,338	(21.8)%	**$ 35,362**	$ 24,251	45.8%
Amortization of equity component of the non-controlling interests in CGWM UK and other adjustment	**$ 306**	$ 585	(47.7)%	**$ 5,636**	$ 2,493	126.1%
Non-controlling interests (adjusted)[1]	**$ 7,783**	$ 9,753	(20.2)%	**$ 29,726**	$ 21,758	36.6%
Net income attributable to common shareholders excluding significant items[1]	**$ 6,793**	$ 54,678	(87.6)%	**$ 60,312**	$ 274,585	(78.0)%
Earnings per common share excluding significant items[1] – basic	**$ 0.10**	$ 0.62	(83.9)%	**$ 0.72**	$ 2.92	(75.3)%
Diluted earnings per common share excluding significant items[1] – diluted	**$ 0.07**	$ 0.52	(86.5)%	**$ 0.59**	$ 2.51	(76.5)%

(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 UK & Europe wealth management business and in the US and UK capital markets.
n.m.: not meaningful

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 Canaccord Genuity Wealth Management Holdings (Jersey) Limited 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 and fiscal year ended March 31, 2023, the effect of reflecting our proportionate share of CGWM UK's earnings is anti-dilutive for diluted EPS purposes under IFRS, but dilutive for the purpose of determining diluted EPS excluding significant items(1). 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.

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. Subsequent to year-end, the Company ceased its operations in Dubai. 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". Our Asian-based operations, comprising China and Hong Kong, have been combined with our Canadian and Australian capital markets operations to reflect the management of these operating units.

Goodwill

Due to the effect of weak equity market conditions globally and particularly in Canada, our Canadian capital markets operation experienced substantial declines in business activity and revenue, and incurred material losses over the fiscal year. With these adverse changes in the business environment, continued weakness in commodity prices and a challenging outlook as negative economic conditions persist, it was determined that the carrying value of our Canadian capital markets cash generating unit (CGU) exceeded its fair value as of December 31, 2022. As a result, the Company recorded an impairment charge in respect of goodwill of $101.8 million in Q3/23. In addition, the Company recorded an impairment charge related to the unamortized intangible assets of $0.8 million allocated to the Canadian capital markets CGU.

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 indefinite life intangible assets recorded in Canaccord Genuity Capital Markets Canada, or goodwill in Canaccord Genuity Capital Markets US and Canaccord Genuity Capital Markets UK & Europe.

Notwithstanding this determination as of March 31, 2023, changes or uncertainty in the economic environment may cause this determination to change. If the business climate changes and the Company is unable to achieve its internal forecasts, the Company may determine that there has been impairment and the Company may be required to record a goodwill impairment charge in the future. Adverse changes in the key assumptions utilized for purposes of impairment testing for goodwill and indefinite life intangible assets may result in the estimated recoverable amount of some or all of the applicable business units declining below the carrying value, with the result that impairment charges may be required. The amount of any impairment charge would affect some or all of the amounts recorded for goodwill and indefinite life intangible assets. Any such impairment charges would be determined after incorporating the effect of any changes in key assumptions, including any consequential effects of such changes on estimated operating income and on other factors. In addition, notwithstanding that there may be no change in the performance estimates used by the Company for purposes of determining whether there has been any impairment in its indefinite life intangible asset related to the Genuity brand name, in the event that the Company changes the way in which it uses that asset, the Company may be required to record an impairment charge.

(1) See Non-IFRS Measures on page 14

FOURTH QUARTER AND FISCAL 2023 VS. FOURTH QUARTER AND FISCAL 2022

REVENUE

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

REVENUE BY ACTIVITY AS A PERCENTAGE OF FIRMWIDE REVENUE

	For three months ended March 31		Quarter-over-quarter change	Year ended March 31		Year-over-year change
	2023	2022		**2023**	2022	
Commissions and fees	**45.7%**	39.4%	6.3 p.p.	**49.6%**	37.2%	12.4 p.p.
Investment banking	**11.8%**	21.8%	(10.0) p.p.	**10.7%**	27.5%	(16.8) p.p.
Advisory fees	**24.3%**	24.5%	(0.2) p.p.	**24.1%**	24.1%	0.0 p.p.
Principal trading	**6.3%**	8.4%	(2.1) p.p.	**7.8%**	7.8%	(0.0) p.p.
Interest	**10.7%**	2.1%	8.6 p.p.	**7.6%**	1.8%	5.8 p.p.
Other	**1.2%**	3.8%	(2.6) p.p.	**0.2%**	1.6%	(1.4) p.p.
Canaccord Genuity Group Inc. (total)	**100.0%**	100.0%		**100.0%**	100.0%	

p.p.: percentage points

Firm-wide revenue for the three months ended March 31, 2023 was $430.4 million, a decrease of 13.9% or $69.4 million compared to the same period a year ago. The decrease was primarily driven by the broad market downturn beginning at the start of our current fiscal year, which has resulted in a significant decline in new issue activity compared to the same period a year ago. This decline was partially offset by higher firm-wide interest revenue during the three-month period, which increased by 347.7% year-over-year to $45.9 million. Firm-wide revenue for fiscal 2023 was $1.5 billion, a decrease of 26.2% year-over-year. The most notable decrease was in investment banking, which decreased by $400.8 million or 71.3% year-over-year.

Commissions and fees revenue is primarily generated from private client investment management trading activity and institutional sales and trading. Firm-wide revenue generated from commissions and fees decreased slightly, by $0.2 million or 0.1% to $196.8 million in Q4/23 compared to Q4/22. Fiscal 2023 commissions and fees revenue were $749.1 million, a decrease of 1.7% or $12.7 million compared to the prior year. The decrease in the 12-month period primarily reflected lower contributions from our Canadian capital markets business, which was impacted by facilitation losses and market value adjustments in the first quarter of fiscal 2023.

Firm-wide investment banking revenue for the fourth fiscal quarter decreased by $57.8 million or 53.2% year-over-year, to $51.0 million, reflecting the continued broad-market reduction in new issue activity which impacted revenue across all business units. When compared to the previous quarter, investment banking revenue increased by 7.3%. Further contributing to the overall decrease in consolidated investment banking revenue was a decrease of $3.7 million or 27.0% in our Canaccord Genuity Wealth Management segment compared to Q4/22, reflecting the impact of reduced new issue activity in our Canadian and Australian wealth management businesses during the three-month period. Investment banking revenue for the year ended March 31, 2023 amounted to $160.9 million, a year-over-year decrease of $400.8 million or 71.3%, due to the significant reduction in new issue activity across all our core operations as discussed above.

Firm-wide advisory fee revenue in Q4/23 decreased by $17.7 million or 14.5% from the same quarter a year ago, to $104.6 million. Our US operations contributed $59.7 million of advisory revenue, representing a decrease of $5.2 million or 8.0% compared to the same period in the prior year. This reduction reflects the more challenging environment for completions and lower valuations, consistent with industry trends. Firm-wide advisory revenue for fiscal 2023 amounted to $364.6 million, a year-over-year decrease of 26.1% or $128.5 million, largely driven by a reduction in activity in our US and Canadian capital markets operations.

Firm-wide principal trading revenue was $26.9 million in Q4/23, representing a decrease of $15.0 million or 35.8% decrease compared to Q4/22. For the year ended March 31, 2023, firm-wide trading revenue was $117.2 million, a decrease of $41.7 million or 26.3% as a result of reduced market-wide trading activity when compared to the prior year.

Firm-wide interest revenue was $45.9 million for the three months ended March 31, 2023, representing an increase of $35.7 million or 347.7% from Q4/22; this is largely attributable to our Canadian wealth management and capital markets operations, which contributed interest revenue of $13.8 million and $8.6 million, respectively, for the three-month period. Interest revenue for fiscal 2023 was $115.2 million, an increase of $79.2 million or 219.9%, also mainly attributable to our Canadian wealth management and capital markets operations. The increase in interest revenue in both the three and 12-month periods is attributable to the increase in market rates compared to the same periods in fiscal 2022.

Other revenue was $5.1 million for Q4/23, a decrease of $14.3 million or 73.6% from the same period a year ago. In fiscal 2023, a fair value adjustment on certain warrants, illiquid or restricted marketable securities resulted in a reduction in revenue of $13.0 million, $11.4 million of which was incurred in the first fiscal quarter, reflecting the sharp declines in the market value of certain inventory and warrant positions related to our investment banking activities in Australia and Canada. The fair value 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 fair value of certain marketable securities as determined under applicable accounting standards may be significant and will be recorded through the consolidated statements of operations. Partially offsetting the fair value adjustment was an increase in interest income resulting from higher interest rates during the current fiscal year.

EXPENSES

Firm-wide expenses for the three months ended March 31, 2023 were $425.0 million, an increase of 5.4% or $21.7 million from Q4/22. Total expenses excluding significant items[(1)] as a percentage of revenue amounted to 96.2%, an increase 15.5 percentage points compared to the three months ended March 31, 2022.

For the year ended March 31, 2023, expenses were $1.5 billion compared to $1.7 billion for the same period in the prior year, a decrease of 7.4%. Total expenses excluding significant items[(1)] as a percentage of revenue increased by 12.2 percentage points compared to fiscal 2022.

EXPENSES AS A PERCENTAGE OF REVENUE

	Three months ended March 31		Quarter-over-quarter change	Year ended March 31		Year-over-year change
	2023	2022		**2023**	2022	
Compensation expense	**64.1%**	59.0%	5.1 p.p.	**62.0%**	61.0%	1.0 p.p.
Other overhead expenses[(1)]	**35.2%**	21.6%	13.6 p.p.	**33.1%**	19.4%	13.7 p.p.
Acquisition-related costs	**0.0%**	0.1%	(0.1) p.p.	**0.5%**	0.4%	0.1 p.p.
Fair value adjustment of non-controlling interests derivative liability	**2.7%**	0.0%	(2.7) p.p.	**0.8%**	0.4%	0.4 p.p.
Change in fair value of contingent consideration	**(3.3)%**	0.0%	(3.3) p.p.	**(0.9)%**	0.0%	(0.9) p.p.
Costs associated with redemption of convertible debentures	**0.0%**	0.0%	0.0 p.p.	**0.0%**	0.3%	(0.3) p.p.
Impairment of goodwill and other intangible assets	**0.0%**	0.0%	0.0 p.p.	**6.8%**	0.0%	6.8 p.p.
Total	**98.7%**	80.7%	18.0 p.p.	**102.3%**	81.5%	20.8 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

COMPENSATION EXPENSE

Firm-wide compensation expense in Q4/23 was $276.1 million, a decrease of $18.6 million or 6.3% compared to Q4/22. Total compensation expense as a percentage of revenue increased from 59.0% in Q4/22 to 64.1% in Q4/23, an increase of 5.2 percentage points. The increase in compensation ratio was partially due to changes in the value of stock-based compensation awards as well as shortfall coverage in certain discretionary compensation pools arising from lower revenue levels.

Compensation expense for fiscal 2023 was $936.9 million, a decrease of $311.3 million or 24.9% compared to the same period in the prior year. Compensation expense as a percentage of revenue increased by 1.0 percentage point to 62.0% for fiscal 2023, reflecting the softer revenue environment.

OTHER OVERHEAD EXPENSES

	Three months ended March 31		Quarter-over-quarter change	Year ended March 31		Year-over-year change
(C$ thousands, except % amounts)	**2023**	2022		**2023**	2022	
Trading costs	**$ 23,417**	$ 23,588	(0.7)%	**$ 96,083**	$ 102,824	(6.6)%
Premises and equipment	**6,904**	5,327	29.6%	**21,986**	20,074	9.5%
Communication and technology	**23,239**	20,336	14.3%	**85,482**	73,873	15.7%
Interest	**23,915**	7,483	219.6%	**54,539**	23,598	131.1%
General and administrative	**43,344**	29,434	47.3%	**138,461**	101,431	36.5%
Amortization[(1)]	**10,838**	8,945	21.2%	**41,634**	27,593	50.9%
Amortization of right of use assets	**6,552**	6,697	(2.2)%	**26,335**	23,894	10.2%
Development costs	**13,326**	6,214	114.5%	**36,058**	22,422	60.8%
Total other overhead expenses	**$ 151,535**	$ 108,024	40.3%	**$ 500,578**	$ 395,709	26.5%

(1) Includes amortization of intangible assets. See the Q4 and Fiscal 2023 Selected Financial Information Excluding Significant Items table on page 24.

Other overhead expenses were $151.5 million, an increase of 40.3% in Q4/23 compared to Q4/22. As a percentage of revenue, other overhead expenses were 35.2% in Q4/23 compared to 21.6% in Q4/22, an increase of 13.6 percentage points.

General and administrative expense increased by $13.9 million or 47.3% for the quarter ended March 31, 2023, compared to the same period in the prior year; this was due to higher promotion and travel expenses, as activity levels in connection with conferences, client meetings and events increased following the end of COVID-19 restrictions.

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

Interest expense also increased by $16.4 million or 219.6% compared to Q4/22, primarily as a result of higher interest expense in our CGWM UK operations associated with additional bank loans obtained in connection with the acquisition of PSW completed on May 31, 2022 and increases in market rates. Interest expense in our Canadian capital markets operations increased by $4.0 million due to increased stock borrowing activity and higher interest rates.

Amortization expense increased by $1.9 million or 21.2% compared to Q4 fiscal 2022 largely as a result of the amortization of intangible assets acquired in connection with PSW and Results.

Other overhead expenses for fiscal 2023 increased by $104.9 million to $500.6 million, an increase of 26.5% from the prior year. As a percentage of revenue, other overhead expenses increased by 13.8 percentage points compared to fiscal 2022. The most significant increases in overhead expenses included general and administrative, interest, and amortization expenses for the reasons discussed above. For fiscal 2023, development costs were $36.1 million, compared to $22.4 million for the same period in the prior year; this change was due to an increase in incentive-based costs related to the acquisition of Sawaya and other growth initiatives in our US capital markets operations, recruiting and incentive-based costs in our Canadian and Australian wealth management operations, as well as costs in our Corporate & Other segment related to the expired management take-over bid.

Acquisition-related costs of $7.4 million recorded in fiscal 2023 related to the acquisitions of PSW and Results.

Due to the effect of weak equity market conditions globally and particularly in Canada, our Canadian capital markets operation experienced substantial declines in business activity and revenue and incurred material losses over the fiscal year. With these adverse changes in the business environment, continued weakness in commodity prices, and a challenging outlook as negative economic conditions persist, it was determined that the carrying value of our Canadian capital markets CGU exceeded its fair value as of December 31, 2022. As a result, the Company recorded an impairment charge in respect of goodwill of $101.8 million during Q3/23. In addition, the Company recorded an impairment charge related to the unamortized intangible assets of $0.8 million allocated to the Canadian capital markets. CGU.

During the years ended March 31, 2023 and March 31, 2022, the Company recorded fair value adjustments of $11.6 million and $8.5 million, respectively, related to the derivative liability component of the non-controlling interests related to the Convertible Preferred Shares issued by CGWM UK.

In addition, the Company recorded a fair value adjustment of $14.3 million related to the reduction in the contingent consideration liability in connection with the acquisition of Sawaya.

INCOME TAX

Income tax expense for the three months ended March 31, 2023 was $1.7 million on income before income taxes of $5.4 million compared to tax expense of $27.6 million on income before income taxes of $96.5 million in Q4/22. The change in effective tax rate was largely due to tax recoveries recorded in higher tax jurisdictions and the remeasurement of deferred tax assets related to unvested awards in connection with share-based payment plans, and changes in the value of stock-based awards compared to the previous quarter.

For the year ended March 31, 2023, income tax expense was $20.3 million on a loss before income taxes of $34.4 million, compared to income tax expense of $107.7 million on income before income taxes of $378.3 million for the same period in the prior year. The change in the effective tax rate was mainly due to the non-deductibility of the impairment of goodwill and intangible assets for tax purposes. In addition, the remeasurement of deferred tax assets related to unvested awards in connection with share-based payment plans also impacted the effective tax rate as the value of stock-based awards decreased compared to March 31, 2022.

NET INCOME (LOSS)

Net income for Q4/23 was $3.8 million compared to net income of $69.0 million in the same period a year ago. Net loss attributable to common shareholders was $7.2 million compared to net income attributable to common shareholders of $56.3 million for the three months ended March 31, 2022. Diluted loss per common share was $0.08 in Q4/23 compared to diluted earnings per common share of $0.53 in Q4/22.

Net loss for fiscal 2023 was $54.7 million compared to net income of $270.6 million in the prior year. Net loss attributable to common shareholders was $101.1 million compared to net income attributable to common shareholders of $236.8 million for fiscal 2022. Diluted loss per common share was $1.16 in the current year compared to diluted earnings per common share of $2.16 in fiscal 2022.

Excluding significant items(1), net income for Q4/23 was $17.4 million compared to net income of $66.8 million in Q4/22. Net income attributable to common shareholders excluding significant items(1) was $6.8 million compared to $54.7 million for the same period in the prior year. Diluted earnings per common share excluding significant items(1) was $0.07 in Q4/23 compared to diluted earnings per common share excluding significant items(1) of $0.52 in Q4/22.

Excluding significant items(1) and before non-controlling interests and preferred share dividends, net income for fiscal 2023 was $101.0 million compared to net income of $305.8 million for fiscal 2022. Diluted earnings per common share, excluding significant items(1), were $0.59 for the 12-month period compared to diluted earnings per common share excluding significant items(1) of $2.51 for the prior year.

(1) See Non-IFRS Measures on page 14

Business Segment Results – Q4 and Year Ended March 31, 2023 Compared with Q4 and Year Ended March 31, 2022(1)(2)

	For the years ended March 31							
				2023				2022
(C$ thousands, except number of employees)	Canaccord Genuity Capital Markets	Canaccord Genuity Wealth Management	Corporate and Other	Total	Canaccord Genuity Capital Markets	Canaccord Genuity Wealth Management	Corporate and Other	Total
Revenue								
Canada	$ 148,356	$ 297,145	$ 9,240	$ 454,741	$ 341,453	$ 328,458	$ 22,521	$ 692,432
UK & Europe	96,275	343,728	—	440,003	120,355	310,495	—	430,850
US	482,750	5,019	—	487,769	667,176	6,821	—	673,997
Australia	65,472	62,412	—	127,884	174,090	74,633	—	248,723
Total revenue	792,853	708,304	9,240	1,510,397	1,303,074	720,407	22,521	2,046,002
Expenses	836,819	591,589	116,422	1,544,830	961,236	576,728	129,769	1,667,733
Intersegment allocations	21,651	23,293	(44,944)	—	20,007	22,670	(42,677)	—
(Loss) income before income taxes	$ (65,617)	$ 93,422	$ (62,238)	$ (34,433)	$ 321,831	$ 121,009	$ (64,571)	$ 378,269
Excluding significant items(3)								
Revenue	792,853	708,304	22,191	1,523,348	1,303,074	720,407	17,121	2,040,602
Expenses	740,418	559,286	97,772	1,397,476	958,492	549,226	115,318	1,623,036
Intersegment allocations	21,651	23,293	(44,944)	—	20,007	22,670	(42,677)	—
Income (loss) before income taxes	30,784	125,725	(30,637)	125,872	324,575	148,511	(55,520)	417,566
Number of employees	935	1,467	427	2,829	890	1,292	405	2,587

(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.
(2) The operating results of the Australian operations have been fully consolidated and a non-controlling interest of 32.7% has been recognized for fiscal 2023. 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.
(3) See the Q4 and Fiscal 2023 Selected Financial Information Excluding Significant Items table on page 24.

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 it also conducts principal trading activities. The Company has offices and employees in more than 20 locations in Canada, the US, the UK & Europe, Australia and Asia.

Our capital markets division has over 900 employees who are organized into product, industry, geographic and support groups. Our industry coverage groups are focused in key growth sectors of the global economy and are primarily focused in the Technology, Healthcare & Life Sciences (which includes cannabis), Metals & Mining, and Consumer & Retail sectors, with additional exposure to the Diversified, Transportation & Industrials, Energy, and Structured Products & Sustainability sectors. Our capabilities include private placements, equity and debt underwriting, IPOs, follow-on offerings, at-the-market offerings, debt finance and restructuring, advisory (which includes M&A and private capital/financial sponsor advisory services), principal trading, block trades and market making.

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

Outlook

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

The Company expects continued benefits from its investments to grow contributions from higher-margin advisory activities. During fiscal 2023, the Company, through its UK & Europe capital markets business, completed the acquisition of the business of Results, a UK-based advisory business focused in the Technology and Healthcare sectors. This transaction complements recent investments by the Company to expand its global advisory business with the acquisitions of Petsky Prunier (2019) and Sawaya (2021) in the US, as it adds expertise in the Healthcare and Technology sectors to its platform in the UK.

The dynamic nature of the operating environment for global mid-market capital markets activities requires us to maintain a level of agility in our business mix that allows us to stay competitive and meet the evolving needs of our clients. For this reason, the

Company will continue to make disciplined investments, as appropriate, to further strengthen our operations in areas where we believe we can capture additional market share.

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

FINANCIAL PERFORMANCE(1)(2)

	Three months ended March 31, 2023					Three months ended March 31, 2022				
(C$ thousands, except number of employees)	**Canada**	**UK(5)**	**US**	**Australia**	**Total**	Canada	UK(5)	US	Australia	Total
Revenue	**70,141**	**28,168**	**114,292**	**13,539**	**226,140**	74,481	29,237	146,532	61,796	312,046
Expenses										
Compensation expense	**44,732**	**16,338**	**80,237**	**12,074**	**153,381**	36,921	19,330	77,981	39,276	173,508
Other overhead expenses	**17,829**	**9,691**	**42,607**	**3,712**	**73,839**	13,921	7,679	33,648	3,830	59,078
Change in fair value of contingent consideration	**—**	**—**	**(14,278)**	**—**	**(14,278)**	—	—	—	—	—
Total expenses	**62,561**	**26,029**	**108,566**	**15,786**	**212,942**	50,842	27,009	111,629	43,106	232,586
Intersegment allocations(3)	**3,787**	**372**	**914**	**200**	**5,273**	5,469	770	998	480	7,717
Income (loss) before income taxes(3)	**$ 3,793**	**$ 1,767**	**$ 4,812**	**$ (2,447)**	**$ 7,925**	$ 18,170	$ 1,458	$ 33,905	$ 18,210	$ 71,743
Non-controlling interests(2)	**—**	**—**	**—**	**(576)**	**(576)**	—	—	—	3,185	3,185
Excluding significant items(4)										
Total revenue	**70,141**	**28,168**	**114,292**	**13,539**	**226,140**	74,481	29,237	146,532	61,796	312,046
Total expenses	**62,561**	**25,615**	**122,396**	**15,786**	**226,358**	50,782	27,009	110,042	43,106	230,939
Intersegment allocations(3)	**3,787**	**372**	**914**	**200**	**5,273**	5,469	770	998	480	7,717
Income (loss) before income taxes(3)	**$ 3,793**	**$ 2,181**	**$ (9,018)**	**$ (2,447)**	**$ (5,491)**	$ 18,230	$ 1,458	$ 35,492	$ 18,210	$ 73,390
Number of employees	**275**	**180**	**394**	**86**	**935**	278	143	378	91	890

	Year ended March 31, 2023					Year ended March 31, 2022				
(C$ thousands, except number of employees)	**Canada**	**UK(5)**	**US**	**Australia**	**Total**	Canada	UK(5)	US	Australia	Total
Revenue	**148,356**	**96,275**	**482,750**	**65,472**	**792,853**	341,453	120,355	667,176	174,090	1,303,074
Expenses										
Compensation expense	**96,256**	**57,917**	**296,074**	**38,576**	**488,823**	168,942	78,963	385,975	107,906	741,786
Other overhead expenses	**64,583**	**30,142**	**145,431**	**18,070**	**258,226**	53,735	28,205	122,094	14,879	218,913
Impairment of goodwill and other assets	**102,571**	**—**	**—**	**—**	**102,571**	—	—	—	—	—
Change in fair value of contingent consideration	**—**	**—**	**(14,278)**	**—**	**(14,278)**	—	—	—	—	—
Acquisition-related costs	**—**	**1,477**	**—**	**—**	**1,477**	—	—	537	—	537
Total expenses	**263,410**	**89,536**	**427,227**	**56,646**	**836,819**	222,677	107,168	508,606	122,785	961,236
Intersegment allocations(3)	**15,717**	**1,495**	**3,467**	**972**	**21,651**	14,526	1,484	3,248	749	20,007
Income (loss) before income taxes(3)	**$ (130,771)**	**$ 5,244**	**$ 52,056**	**$ 7,854**	**$ (65,617)**	$ 104,250	$ 11,703	$ 155,322	$ 50,556	$ 321,831
Non-controlling interests(2)	**—**	**—**	**—**	**2,688**	**2,688**	—	—	—	6,581	6,581
Excluding significant items(4)										
Total revenue	**148,356**	**96,275**	**482,750**	**65,472**	**792,853**	341,453	120,355	667,176	174,090	1,303,074
Total expenses	**160,659**	**86,887**	**436,226**	**56,646**	**740,418**	222,301	107,168	506,238	122,785	958,492
Intersegment allocations(3)	**15,717**	**1,495**	**3,467**	**972**	**21,651**	14,526	1,484	3,248	749	20,007
Income (loss) before income taxes(3)	**$ (28,020)**	**$ 7,893**	**$ 43,057**	**$ 7,854**	**$ 30,784**	$ 104,626	$ 11,703	$ 157,690	$ 50,556	$ 324,575
Number of employees	**275**	**180**	**394**	**86**	**935**	278	143	378	91	890

(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 non-controlling interest of 32.7% has been recognized for fiscal 2023. A 15% non-controlling interest had been recognized for the first nine months of fiscal 2022 and 32.7% for the fourth quarter of fiscal 2022.
(3) Income before income taxes includes intersegment allocations and excludes non-controlling interests. See the Intersegment Allocated Costs section on page 39.
(4) Refer to the Q4 and Fiscal 2023 Selected Financial Information Excluding Significant Items table on page 24.
(5) Includes our Dubai-based operations.

REVENUE – CANACCORD GENUITY CAPITAL MARKETS

Revenue from Canaccord Genuity Capital Markets is generated from commissions and fees earned in connection with investment banking and advisory transactions and institutional sales and trading activity, as well as trading gains and losses from Canaccord Genuity Capital Markets' principal trading activity, including its international trading operations. In Australia and Canada, revenue is also earned through inventory positions, which are included as part of investment banking revenue. The value of these positions can fluctuate with changes in the market environment.

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

	Three months ended March 31		Quarter-over-quarter change	Year ended March 31		Year-over-year change
	2023	2022		**2023**	2022	
Revenue generated in:						
Canada	**31.0%**	23.8%	7.2 p.p	**18.7%**	26.2%	(7.5) p.p
UK & Europe	**12.5%**	9.4%	3.1 p.p	**12.1%**	9.2%	2.9 p.p
US	**50.5%**	47.0%	3.5 p.p	**60.9%**	51.2%	9.7 p.p
Australia	**6.0%**	19.8%	(13.8) p.p	**8.3%**	13.4%	(5.1) p.p
Canaccord Genuity Capital Markets (total)	**100%**	100%		**100%**	100%	

p.p.: percentage points

Canaccord Genuity Capital Markets generated $226.1 million in revenue for the three months ended March 31, 2023, a decrease of 27.5% or $85.9 million from the same quarter a year ago. Our US capital markets business was the largest contributor of revenue for the three-month period, which amounted to $114.3 million, or 50.5% of total capital markets revenue. The largest decrease was recorded in our Australian capital markets business, where Q4/23 revenue decreased by $48.3 million or 78.1% year-over-year to $13.5 million.

For the 12 months ended March 31, 2023, revenue for our global capital markets operations was $792.9 million, a decrease of $510.2 million or 39.2% compared to the prior year.

Declines in the three- and 12-month periods were attributable to a market-wide reduction in activity levels, primarily in investment banking. In addition to the more challenging environment, sharp declines in the market value of certain inventory and warrant positions earned in respect of our investment banking activities had a negative impact on year-to-date revenues earned by our Australian capital markets business and, to a lesser degree, our Canadian capital markets business.

Investment banking

The substantial reduction in market-wide underwriting activities persisted through fiscal 2023, and this especially impacted smaller issuers in several of our key growth sectors. Revenue from the Metals & Mining sector, a historic area of strength for the Company, reflects contributions from Australia, Canada and the UK. Revenue from the Healthcare sector was led by our US and Canadian capital markets businesses and includes transactions with companies in the Cannabis sector. Revenue in the Other segment was led by our UK and Canadian businesses and included transactions with companies in the Energy sector.

Investment banking revenue for the three months ended March 31, 2023 was $40.9 million, a decrease of $54.1 million or 56.9% compared to Q4/22. When compared to Q3/23, investment banking revenue increased modestly, by 8.6%. Investment banking revenue for fiscal 2023 was $126.6 million, a significant decrease of $336.5 million or 72.7% compared to fiscal 2022, reflecting the challenging backdrop for capital raising activities across our industry that impacted several of our core focus sectors. As discussed above, investment banking revenue was impacted by the sharp decline in the market value of certain inventory and warrant positions related to our investment banking activities in Canada and Australia as well as certain market value adjustments related to our facilitation activity in Canada, which primarily impacted our first fiscal quarter results.

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

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

	Fiscal 2023				
Sectors	**Global**	Canada	US	UK & Dubai	Australia
Healthcare	**16%**	15%	67%	0%	3%
Technology	**6%**	5%	16%	8%	3%
Metals & Mining	**51%**	42%	2%	12%	78%
Consumer & Retail	**4%**	1%	14%	0%	4%
Other	**23%**	37%	1%	80%	12%
Total	**100.0%**	100.0%	100.0%	100.0%	100.0%

Note in reference to the tables above: Transactions with companies in the Cannabis sector in Canada are included under the Healthcare sector.

Advisory

Increasing contributions from higher-margin advisory activities helps to offset the inherent volatility of our capital raising activities and continues to be an important strategic priority for the Company. Our specialized expertise in key sectors of the economy and our track record of success in equity capital markets activities position 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. Meanwhile, our advisory activities outpaced the broader market in the first half of fiscal 2023, M&A completions in the second half were down from the yearly and quarterly comparison periods. Advisory revenue earned in Q4/23 was $103.8 million, a decrease of $17.8 million or 14.6% when compared to the same period last year, and an increase of 38.0% when compared to Q3/23. Revenue in fiscal 2023 earned through capital markets advisory decreased by 25.8% year-over-year to $362.5 million, which reflects the more challenging environment for completions and lower valuations. Our US business was the largest contributor in this segment, with fiscal 2023 advisory revenue of $250.9 million, or 69.2% of global capital markets advisory revenue, which was primarily earned in the Technology, Consumer & Retail and Healthcare sectors; this reflects our investments in the growth of our capabilities.

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

	Fiscal 2023			
Sectors	**Global**	Canada	US	UK & Dubai
Healthcare	**10%**	10%	12%	3%
Technology	**54%**	3%	73%	12%
Metals & Mining	**9%**	67%	0%	3%
Consumer & Retail	**16%**	9%	13%	34%
Other	**11%**	11%	2%	48%
Total	**100.0%**	100.0%	100.0%	100.0%

Principal trading

Principal trading revenue for the three months ended March 31, 2023 was $26.6 million, a decrease of $15.1 million or 36.2% compared to Q4/22. For the year ended March 31, 2023, revenue earned from principal trading activity amounted to $116.9 million, a decrease of $41.3 million or 26.1% compared to the prior fiscal year, primarily a reflection of lower market volatility that reduced market activity and revenue opportunities when compared to the record levels set in the prior year. Our US business contributed $104.2 million of trading revenues for the 12-month period, largely attributable to the International Equities Group.

Commissions and fees

Commissions and fees revenue was $43.8 million and $156.2 million for the three and 12-month periods ended March 31, 2023, with year-over-year decreases of 10.2% and 10.7%, respectively; these numbers reflect lower client trading activity and reduced new issue activity. Commissions and fees revenue in our US operations for fiscal 2023 increased by $4.9 million or 5.2% year-over-year, offset by a decrease of $20.6 million or 44.9% in our Canadian operations due to facilitation losses largely recorded in Q1/23.

EXPENSES – CANACCORD GENUITY CAPITAL MARKETS

Expenses in our Canaccord Genuity Capital Markets division for the three months ended March 31, 2023 were $212.9 million, a decrease of 8.4% or $19.6 million compared to the same period a year ago. For fiscal 2023, expenses decreased by $124.4 million or 12.9% to $836.8 million. As a percentage of revenue, total expenses excluding significant items(1) in this division increased by 26.1 percentage points and 19.8 percentage points for the three and 12-month period ended March 31, 2023, respectively, compared to the same period in the prior year, due to the fixed nature of certain overhead expenses.

Compensation expense

Partly reflecting the reduction in incentive-based revenue, compensation expense in our capital markets division for the three months and year ended March 31, 2023 decreased by $20.1 million or 11.6% and $253.0 million or 34.1%, respectively, compared to the same period in the prior year. Total compensation expense as a percentage of revenue for the three months ended March 31, 2023 was 67.8%, an increase of 12.2 percentage points compared to Q4/22. The compensation ratio for Q4/23 for all regions was negatively impacted by changes in the value of certain share-based compensation payments granted in prior periods and shortfall coverage in certain discretionary compensation pools. The total compensation ratio was 61.7% for the year ended March 31, 2023, an increase of 4.8 percentage points from the prior year.

In Canada, total compensation expense as a percentage revenue increased by 14.2 percentage points and 15.4 percentage points compared to the three and 12 months ended March 31, 2022, respectively, as a result of fixed staff costs relative to the decrease in revenue during the current period and the related pressure on discretionary compensation pools. In the US, the increases in compensation ratio for Q4/23 and fiscal 2023 were impacted by changes in the composition of revenue and the associated variable compensation associated with the different revenue streams, as well as an increase in share-based payment expense as discussed above. In Australia, a change in the relative levels of fixed and variable compensation and a significant

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

decline in revenue during the fourth quarter of fiscal 2023 contributed to a 25.6 percentage point increase in total compensation ratio. Total compensation expense as a percentage of revenue decreased by 8.1 and 5.5 percentage points for the quarter and year ended March 31, 2023, respectively, for our UK & Europe operations.

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

	Three months ended March 31		Quarter-over-quarter change	Year ended March 31		Year-over-year change
	2023	2022		**2023**	2022	
Canada	**63.8%**	49.6%	14.2 p.p	**64.9%**	49.5%	15.4 p.p
UK & Europe	**58.0%**	66.1%	(8.1) p.p	**60.2%**	65.6%	(5.4) p.p
US	**70.2%**	53.2%	17.0 p.p	**61.3%**	57.9%	3.4 p.p
Australia	**89.2%**	63.6%	25.6 p.p	**58.9%**	62.0%	(3.1) p.p
Canaccord Genuity Capital Markets (total)	**67.8%**	55.6%	12.2 p.p	**61.7%**	56.9%	4.8 p.p

p.p.: percentage points

Other overhead expenses

Other overhead expenses in our global capital markets increased by 25.0% and 18.0% compared to the three and 12-month period of fiscal 2022, respectively.

On a quarterly and year-over-year basis, interest expense increased by $2.1 million or 52.0% and $5.8 million or 44.2%, respectively, largely driven by stock borrowing activity in our Canadian capital markets operations. Increased spending in promotion and travel as well as conference costs in our Canadian and US capital markets operations were the primary drivers of higher general and administrative expenses, which increased by 84.6% and 55.6% compared to the three and 12-month period of fiscal 2022, respectively. These activities were targeted investments in our business development and talent retention efforts, which were concentrated in a short period following two years of COVID-19 restrictions. More normalized levels are expected going forward.

Partially offsetting the overall increase in overhead expenses for the three months and fiscal year ended March 31, 2023 was a decrease in trading costs of $0.8 million or 4.1% and $6.7 million or 8.1%, respectively, compared to the same period in the prior year; this was mainly due to lower trading costs in our US operations in connection with reduced trading activity during the periods.

Amortization expense decreased by 37.2% or $1.2 million in Q4/23 but increased by 51.9% or $3.5 million for fiscal 2023 when compared to the same periods of the prior year, largely due to the amortization of intangibles acquired in connection with the acquisitions of Sawaya, which closed on December 31, 2021, and Results, which was completed on August 17, 2022.

Acquisition-related costs of $1.5 million recorded during fiscal 2023 related to the acquisition of Results, which was completed on August 17, 2022.

In addition, the Company recorded a fair value adjustment of $14.3 million related to fair value changes in the contingent consideration liability in connection with the acquisition of Sawaya.

Due to the effect of weak equity market conditions globally, our Canadian capital markets operation experienced declines in business activity and revenue and incurred material losses over the fiscal year. With these adverse changes in the business environment, continued weakness in commodity prices, and a challenging outlook as negative economic conditions persist, it was determined that the carrying value of our Canadian capital markets CGU exceeded its fair value as of December 31, 2022. As a result, the Company recorded an impairment charge in respect of goodwill of $101.8 million in Q3/23. In addition, the Company recorded an impairment charge related to the unamortized intangible assets of $0.8 million allocated to the Canadian capital markets CGU.

Income before income taxes

Income before income taxes including allocated overhead expenses for the three months ended March 31, 2023 was $7.9 million for our combined capital markets business, compared to net income of $71.7 million in the same period a year ago. Excluding significant items(1) loss before taxes was $5.5 million in Q4/23 compared to income before income taxes of $73.4 million in the same period of fiscal 2022.

For fiscal 2023, loss before income taxes including allocated overhead expenses was $65.6 million compared to net income before income taxes of $321.8 million for fiscal 2022. Excluding significant items(1) net income before taxes declined by $293.8 million or 90.5% to $30.8 million.

The decline in our quarterly and fiscal year income before taxes in our global capital markets business was largely attributable to the significant decline in revenue across our core operations as a result of the global market downturn, in addition to the impact of markdowns certain inventory and warrant positions earned in respect of our investment banking activities and mostly recorded during Q1/23.

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

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, 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, 2023. Revenue earned by this business is largely generated through fee-based accounts, portfolio management, interest and financial planning activities. Fee-related revenue as a percentage of total revenue in this business was 80.2% for the year ended March 31, 2023. The business offers services to domestic (UK) and international clients and provides investing options from both third party and proprietary financial products, including investment funds managed by Canaccord Genuity Wealth Management portfolio managers. This business had 252 Investment Professionals on March 31, 2023.

On March 31, 2023, Canaccord Genuity Wealth Management had nine offices located across Canada, including IAs who are registered in the US. Fee-related revenue as a percentage of total revenue in this business was 46.2% for fiscal 2023 ended March 31, 2023. This business had 145 Advisor teams on March 31, 2023.

In Australia, Canaccord Genuity Wealth Management had nine offices on March 31, 2023. This business had 119 Advisor teams on March 31, 2023.

Outlook

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

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

The Company will continue to pursue strategic opportunities to increase the scale of its wealth management business in the UK & Crown Dependencies. We are increasingly improving synergies as we integrate the businesses that we have acquired in the last 12 months.

In connection with the acquisition of PSW which was completed on May 31, 2022, CGWM UK added £100 million ($159.4 million as of May 31, 2022) 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 Canaccord Genuity Wealth Management Holdings (Jersey) Limited in the amount of £65.3 million ($104.1 million as of May 31, 2022). With this investment, and with the small equity component issued in connection with the acquisition, the Company's effective as-converted interest in CGWM UK is approximately 66.9%, subject to the liquidation preference associated with the Convertible Preferred Shares and the Preference Shares.

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 IAs. While the recruiting environment remains competitive, our ability to attract and retain high quality advisors is based on the benefits of our independent platform, which provides access to global resources and expertise, supported by investments to advance our technology and product offering, and a multi-year track record of revenue growth and profitability. We maintain a strong focus on investing in technology and training programs and building a comprehensive suite of products targeted at attracting high net worth investors and providing resources to advisors to help them grow their businesses. Subsequent to the end of the third fiscal quarter, on February 1, 2023, the Company announced that it has entered into a definitive agreement with Mercer Global Investments Canada Limited to acquire Mercer's Canadian Private Wealth Business. The transaction closed on May 29, 2023.

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

FINANCIAL PERFORMANCE – CANACCORD GENUITY WEALTH MANAGEMENT NORTH AMERICA[1][2]

(C$ thousands, except AUM and AUA (in C$ millions), number of employees, Advisory Teams and % amounts)	Three months ended March 31		Quarter-over-quarter change	Year ended March 31		Year-over-year change
	2023	2022		2023	2022	
Revenue	$ 78,410	$ 76,165	2.9%	$ 302,164	$ 335,279	(9.9)%
Expenses						
Compensation expense	43,453	47,426	(8.4)%	168,001	198,197	(15.2)%
Other overhead expenses	19,256	17,083	12.7%	73,763	60,079	22.8%
Total expenses	$ 62,709	$ 64,509	(2.8)%	$ 241,764	$ 258,276	(6.4)%
Intersegment allocations[2]	4,837	6,555	(26.2)%	20,926	20,659	1.3%
Income before income taxes[2]	$ 10,864	$ 5,101	113.0%	$ 39,474	$ 56,344	(29.9)%
AUM (discretionary)[3]	8,834	8,482	4.1%			
AUA[4]	35,694	37,881	(5.8)%			
Number of Advisory Teams	145	146	(0.7)%			
Number of employees	499	489	2.0%			
Excluding significant items[5]						
Total expenses	$ 62,709	$ 64,509	(2.8)%	$ 241,764	$ 258,276	(6.4)%
Intersegment allocations[2]	4,837	6,555	(26.2)%	20,926	20,659	1.3%
Income before income taxes[2]	$ 10,864	$ 5,101	113.0%	$ 39,474	$ 56,344	(29.9)%

(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 39.
(3) AUM in Canada include all assets managed on a discretionary basis under programs that include CGWM's Managed Solutions Programs as well as its Private Investment Management Program. Services provided include the selection of investments and the provision of investment advice. See Non-IFRS Measures on page 14.
(4) AUA in Canada is the market value of client assets administered by the Company, from which the Company earns commissions and fees and includes AUM. See Non-IFRS Measures on page 14.
(5) Refer to Non-IFRS Measures on page 14 and the Q4 and Fiscal 2023 Selected Financial Information Excluding Significant Items table on page 24.

Revenue from Canaccord Genuity Wealth Management North America was $78.4 million, an increase of $2.2 million or 2.9% compared to the three months ended March 31, 2022. For the year ended March 31, 2023, revenue was $302.2 million, a reduction of $33.1 million or 9.9%. Investment banking revenue in this business segment decreased by 30.3% and 70.6% year-over-year for the three- and 12-month periods ended March 31, 2023, due to lower new issue activity, which was partially offset by higher interest revenue. The higher interest rate environment has benefited interest income associated with our deposit and lending activities in this business. Interest income was up 162.8% to $13.8 million for the three-month period and 144.0% to $46.2 million for the fiscal year.

AUA[1] in Canada decreased by 5.8% to $35.7 billion at March 31, 2023, compared to $37.9 billion at March 31, 2022, reflecting the reduction in market values which were partially offset by a net inflow of new client assets. As of March 31, 2023 there were 145 Advisory Teams in Canada, a decrease of one from a year ago. Fee-related revenue in our North American operations as a percentage of total revenue increased by 6.8 percentage points compared to fiscal 2022 and accounted for 46.2% of the wealth management revenue in Canada during fiscal 2023.

Total expenses in this business for the three months ended March 31, 2023 were $62.7 million, a decrease of $1.8 million or 2.8% compared to the same period a year ago. For the year ended March 31, 2023, total expenses were $241.8 million, a reduction of $16.5 million or 6.4% compared to the previous year.

Compensation costs were down by $4.0 million or 8.4% for Q4/23 and by $30.2 million or 15.2% for fiscal 2023. Compensation expense as a percentage of revenue was 55.4% for Q4 fiscal 2023 and 55.6% for the fiscal year, representing decreases of 6.8 percentage points and 3.5 percentage points, respectively.

Other overhead costs increased by $2.2 million or 12.7% and $13.7 million or 22.8% compared to the three and 12 months ended March 31, 2022. The increase in expenses for the three- and 12 months ended March 31, 2023 was driven by higher premises and equipment, communication and technology, and general and administrative expenses. General and administrative expenses increased by $0.7 million or 18.7% compared to Q4/22 and by $5.5 million or 45.7% for the fiscal year due to higher conference costs. Premises and equipment expense was up $0.7 million or 102.6% on a three-month basis and $1.7 million or 67.9% for the full year due to additional allocations from the Corporate and Other segment. Development costs also increased by $2.2 million or 16.7% for the year ended March 31, 2023 as a result of the amortization of incentive-based payments to new recruits.

Income before taxes for the three months ended March 31, 2023 was $10.9 million, an increase of $5.8 million or 113.0% compared to Q4/22. On a fiscal year basis, income before income taxes was $39.5 million, a reduction of $16.9 million or 29.9% compared to the prior year.

(1) See Non-IFRS Measures on page 14

FINANCIAL PERFORMANCE – CANACCORD GENUITY WEALTH MANAGEMENT UK & CROWN DEPENDENCIES(1)(5)

(C$ thousands, except AUM (in C$ millions), number of employees, investment professionals and fund managers, and % amounts)	Three months ended March 31 2023	2022	Quarter-over-quarter change	Year ended March 31 2023	2022	Year-over-year change
Revenue	**$ 103,730**	$ 80,316	29.2%	**$ 343,728**	$ 310,495	10.7%
Expenses						
Compensation expense	**42,527**	38,202	11.3%	**163,634**	162,618	0.6%
Other overhead expenses	**41,922**	22,345	87.6%	**117,628**	79,645	47.7%
Acquisition-related cost	**—**	515	(100.0)%	**5,926**	8,660	(31.6)%
Total expenses	**84,449**	61,062	38.3%	**287,188**	250,923	14.5%
Intersegment allocations(2)	**558**	927	(39.8)%	**2,236**	1,758	27.2%
Income before income taxes(2)	**18,723**	18,327	2.2%	**54,304**	57,814	(6.1)%
Non-controlling interest(6)	**8,798**	7,064	24.5%	**32,651**	16,879	93.4%
AUM(3)	**55,101**	52,830	4.3%			
Number of investment professionals and fund managers	**252**	220	14.5%			
Number of employees	**737**	581	26.9%			
Excluding significant items(4)						
Total expenses	**$ 76,776**	$ 55,849	37.5%	**$ 255,348**	$ 223,895	14.0%
Intersegment allocations(2)	**558**	927	(39.8)%	**2,236**	1,758	27.2%
Income before income taxes(2)	**26,396**	23,540	12.1%	**86,144**	84,842	1.5%
Non-controlling interest(6)	**8,492**	6,479	31.1%	**27,015**	14,386	87.8%

(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 39.
(3) AUM in the UK & Crown Dependencies is the market value of client assets managed and administered by the Company, from which the Company earns commissions and fees. This measure includes both discretionary and non-discretionary accounts. See Non-IFRS Measures on page 14.
(4) Refer to Non-IFRS Measures on page 14 and the Q4 and Fiscal 2023 Selected Financial Information Excluding Significant Items table on page 24.
(5) Includes the operating results of Adam & Company since the acquisition date of October 1, 2021 and PSW as of May 31, 2022.
(6) The non-controlling interest is the portion of the net income after income taxes of CGWM UK not attributable to the Company.

Revenue from our UK & Crown Dependencies wealth management business is largely generated through fee-related accounts and portfolio management activities and, as such, is less sensitive to changes in levels of trading activity, although more sensitive to changes in market values. Revenue for Q4/23 was $103.7 million, an increase of $23.4 million or 29.2% from Q4/22, and the highest quarterly revenue on record for this operation. Revenue for fiscal 2023 also reached a new record of $343.7 million, an increase of $33.2 million or 10.7% from the prior year. The higher interest rate environment has also positively impacted interest income in this business, which has increased by $27.7 million to $30.3 million for fiscal 2023. Measured in local currency (GBP), revenue was £63.1 million in the three months ended March 31, 2023 compared to £47.3 million for the three months ended March 31, 2022, an increase of 33.3%. For the year ended March 31, 2023, revenue was £215.2 million compared to £181.4 million for the year ended March 31, 2022, an increase of 18.6%.

AUM(1) in the UK & Crown Dependencies as of March 31, 2023 reached a new record of $55.1 billion, an increase of 4.3% compared to $52.8 billion as of March 31, 2022, driven by increases in client assets as well as new assets added to our platform following the completion of the acquisition of PSW on May 31, 2022. Measured in local currency (GBP), AUM(1) increased by 2.8% from £32.1 billion at March 31, 2022 to £33.0 billion at March 31, 2023. Fee-related revenue in our UK & Crown Dependencies wealth management operations accounted for 80.2% of total revenue in the year ended March 31, 2023, an increase of 1.6 percentage points from the prior year.

Total compensation expense increased by $4.3 million or 11.3% in Q4/23 and $1.0 million or 0.6% for fiscal 2023 compared to the prior year. Total compensation expense as a percentage of revenue decreased by 6.6 percentage points from 47.6% to 41.0% and by 4.8 percentage points from 52.4% to 47.6% for fiscal 2023, respectively.

Other overhead expenses in this business were $41.9 million for the three months ended March 31, 2023 compared to $22.3 million in the same period in the prior year, an increase of $19.6 million or 87.6% year-over-year. The most significant increase related to interest expense, which increased by $14.0 million compared to Q4/22 due to additional bank loans obtained in connection with the acquisitions of Adam & Co and PSW. Amortization expense increased by $2.2 million or 43.4% compared to the three months ended March 31, 2022, mainly as a result of the amortization of intangibles acquired in connection with the acquisition of PSW completed on May 31, 2022. Communication and technology expense increased by $1.3 million or 41.9% to support the increased headcount in this operation.

Other overhead expenses of $117.6 million for fiscal 2023 were up by $38.0 million or 47.7% from the prior year, with the most significant increases in communication and technology, interest expense and amortization expense for the same reasons as discussed

(1) See Non-IFRS Measures on page 14

above. In addition, general and administrative expense increased by $2.1 million or 10.9% year-over-year, due to higher promotion and travel costs as well as higher costs to support the expanded operations.

Acquisition-related costs of $5.9 million for the year ended March 31, 2023 related to the acquisition of PSW.

Fourth quarter fiscal 2023 income before income taxes was $18.7 million compared to $18.3 million for Q4/22, and net income before taxes excluding significant items[1] was $26.4 million compared to $23.5 million for Q4/22. For the year ended March 31, 2023 net income before income taxes was $54.3 million compared to $57.8 million in fiscal 2022, and net income before taxes excluding significant items[1] was $86.1 million compared to $84.8 million for the prior fiscal year.

FINANCIAL PERFORMANCE – CANACCORD GENUITY WEALTH MANAGEMENT AUSTRALIA[1]

	Three months ended March 31			Year ended March 31		
(C$ thousands, except AUM (in C$ millions), number of employees, investment professionals and fund managers, and % amounts)	**2023**	2022	Quarter-over-quarter change	**2023**	2022	Year-over-year change
Revenue	**$ 14,969**	$ 17,793	(15.9)%	**$ 62,412**	$ 74,633	(16.4)%
Expenses						
Compensation expense	**11,105**	13,245	(16.2)%	**44,492**	51,505	(13.6)%
Other overhead expenses	**4,314**	3,804	13.4%	**18,145**	16,024	13.2%
Total expenses	**15,419**	17,049	(9.6)%	**62,637**	67,529	(7.2)%
Intersegment allocations[2]	**54**	253	(78.7)%	**131**	253	(48.2)%
Income before income taxes[2]	**(504)**	491	(202.6)%	**(356)**	6,851	(105.2)%
Non-controlling interest[6]	**(133)**	89	(249.4)%	**23**	791	(97.1)%
AUM[4]	**5,432**	5,352	1.5%			
Number of investment professionals and fund managers	**119**	115	3.5%			
Number of employees	**231**	222	4.1%			
Excluding significant items[5]						
Total expenses	**$ 15,301**	$ 16,932	(9.6)%	**$ 62,174**	$ 67,055	(7.3)%
Intersegment allocations[3]	**54**	253	(78.7)%	**131**	253	(48.2)%
Income before income taxes[3]	**(386)**	608	(163.5)%	**107**	7,325	(98.5)%
Non-controlling interest[6]	**(133)**	89	(249.4)%	**23**	791	(97.1)%

(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 39.
(3) AUM is the market value of client assets managed and administered by the Company. See Non-IFRS Measures on page 14.
(4) Refer to Non-IFRS Measures on page 14 and the Q4 and Fiscal 2023 Selected Financial Information Excluding Significant Items table on page 24.
(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

During the three months ended March 31, 2023, Canaccord Genuity Wealth Management Australia generated revenue of $15.0 million, a decrease of $2.8 million or 15.9% compared to the same period a year ago. For the year ended March 31, 2023, revenue was $62.4 million, a reduction of $12.2 million or 16.4% compared to fiscal 2022. Investment banking revenue for the fiscal year declined by 39.1% or $6.6 million due to lower new issue activity. AUM[1] in our Australian wealth management operations was $5.4 billion as of March 31, 2023, an increase of 1.5% from Q4/22 largely due to an increase in net new assets in connection with our recruiting initiatives. In addition, client assets[1] totalling $14.6 billion are also held on record in other less active accounts on our Australian wealth management platforms compared to $17.5 billion as of March 31, 2022. Fee-related revenue in our Australian operations as a percentage of total revenue accounted for 34.7% of the wealth management revenue during the year ended March 31, 2023, an increase of 7.6 percentage points from fiscal 2022.

Total compensation expense decreased by $2.1 million or 16.2% and by $7.0 million and 13.6% for the three months and fiscal year ended March 31, 2023, respectively, compared to the same periods in the prior year. As a percentage of revenue, total compensation expense for Q4/23 and fiscal 2023 was 74.2% and 71.3%, respectively, reflecting a decrease of 0.3 percentage points and an increase of 2.3 percentage points from the prior period comparatives, respectively.

Other overhead expenses of $4.3 million were $0.5 million or 13.4% higher compared to Q4/22 mainly due to an increase in the amortization of right-of-use assets as a result of a reallocation of expenses between the Australian wealth and capital markets operations. For the year ended March 31, 2023, other overhead expenses increased by $2.1 million or 13.2% compared to the prior year, principally driven by an increase in development and communication and technology costs of $1.6 million and $0.5 million, respectively, as a result of the operation's active recruitment efforts in fiscal 2023.

Fourth quarter fiscal 2023 loss before income taxes was $0.5 million compared to net income before taxes of $0.5 million for Q4/22. For the three months ended March 31, 2023, loss before taxes excluding significant items[1] was $0.4 million compared to net income before income taxes of $0.6 million for Q4/22. Loss before income taxes for fiscal 2023 was $0.4 million compared

(1) See Non-IFRS Measures on page 14

to income before income taxes of $6.9 million for the prior period. For the year ended March 31, 2023, net income before taxes excluding significant items[1] was $0.1 million compared to $7.3 million for fiscal 2022.

CORPORATE AND OTHER SEGMENT[1]

FINANCIAL PERFORMANCE – CORPORATE AND OTHER SEGMENT

	Three months ended March 31			Year ended March 31		
(C$ thousands, except number of employees and % amounts)	2023	2022	Quarter-over-quarter change	2023	2022	Year-over-year change
Revenue	$ 7,140	$ 13,473	(47.0)%	$ 9,240	$ 22,521	(59.0)%
Expenses						
Compensation expense	25,600	22,314	14.7%	71,922	94,078	(23.6)%
Other overhead expenses	12,204	5,714	113.6%	32,816	21,048	55.9%
Fair value adjustment of non-controlling interests derivative liability	11,629	—	n.m.	11,629	8,519	36.5%
Costs associated with redemption of convertible debentures	—	—	—	—	5,932	(100.0)%
Share of loss of an associate	10	11	(9.1)%	55	192	(71.4)%
Total expenses	49,443	28,039	76.3%	116,422	129,769	(10.3)%
Intersegment allocations[2]	(10,722)	(15,452)	30.6%	(44,944)	(42,677)	(5.3)%
(Loss) income before income taxes[2]	(31,581)	886	n.m.	(62,238)	(64,571)	3.6%
Number of employees	427	405	5.4%			
Excluding significant items[3]						
Revenue	$ 7,140	$ 4,473	59.6%	$ 22,191	$ 17,121	29.6%
Total expenses	32,911	28,039	17.4%	97,772	115,318	(15.2)%
Intersegment allocations[2]	(10,722)	(15,452)	30.6%	(44,944)	(42,677)	(5.3)%
Loss before income taxes[2]	(15,049)	(8,114)	(85.5)%	(30,637)	(55,520)	44.8%

(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 39.
(3) Refer to Non-IFRS Measures on page 14 and the Q4 and Fiscal 2023 Selected Financial Information Excluding Significant Items table on page 24.
n.m.: not meaningful

This segment, described as Corporate and Other, includes revenues and expenses associated with providing correspondent brokerage services, bank and other interest, foreign exchange gains and losses, and expenses not specifically allocable to either the Canaccord Genuity Capital Markets or Canaccord Genuity Wealth Management divisions. Also included in this segment are the Company's Canadian-based operations and support services, which are responsible for front- and back-office IT systems, compliance and risk management, operations, finance, and all administrative functions. Allocations and charges to the Capital Markets and Wealth Management segments in Canada and other regions are recorded as intersegment allocations.

Revenue in the Corporate and Other segment for the three months ended March 31, 2023 was $7.1 million compared to $13.5 million in the same quarter a year ago. For the year ended March 31, 2023, revenue was $9.2 million compared to $22.5 million a year ago. During the 12 months ended March 31, 2023, there was a change to the fair value adjustment recorded on certain warrants and illiquid and restricted marketable securities, resulting in a decrease in revenue of $13.0 million, largely recorded in Q1/23. 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 marketable securities as determined under applicable accounting standards may be significant and will be recorded through the consolidated statements of operations. Interest revenue increased by $3.1 million or 248.8% and $8.1 million or 148.7% for the three and 12-month period of fiscal 2023, respectively, compared to the same periods in the prior year due to the increase in interest rates.

Expenses in this segment for the three months ended March 31, 2023 increased by $21.4 million or 76.3% to $49.4 million compared to the three months ended March 31, 2022. On a fiscal year basis, total expenses decreased by $13.3 million or 10.3%.

Compensation expense increased by $3.3 million or 14.7% compared to the three months ended March 31, 2022 mainly due to higher share-based payment expense compared to Q4/22. Compensation expense decreased by $22.2 million and 23.6% for fiscal 2023, reflecting both the reduced profitability of the Company as a whole and also a decline in the fair value of certain share-based payment awards granted in prior periods compared to fiscal 2022.

The increase in other overhead expenses of $6.5 million in Q4 fiscal 2023 was principally due to $5.4 million of professional fees related to the expired management take-over bid, as well as the net result of higher general and administrative expenses which increased by $1.2 million to support higher headcount, partially offset by lower communication costs which decreased by $0.8 million, as well as lower premises and equipment expense which decreased by $1.2 million due to a reallocation of expense to the Canadian capital markets and wealth management operations. For the year ended March 31, 2023, other overhead expenses amounted to $32.8 million, $11.8 million higher than fiscal 2022. The increase in other overhead expenses for fiscal 2023 was principally driven by professional fees and other costs incurred by the Company related to the expired management take-over bid as well as higher general and administrative expense as discussed above.

During the years ended March 31, 2023 and March 31, 2022, the Company recorded a fair value adjustment of $11.6 million and $8.5 million, respectively, related to the derivative liability component of the non-controlling interests related to the Convertible Preferred Shares issued by CGWM UK.

Overall, the loss before income taxes was $31.6 million compared to income before income taxes of $0.9 million for the three months ended March 31, 2022. The net loss before taxes excluding significant items(1) was $15.0 million for the three months ended March 31, 2023, compared to a net loss before taxes of $8.1 million for the same period in the prior year. For fiscal 2023, loss before income taxes was $62.2 million compared to a loss of $64.6 million for fiscal 2022. Excluding significant items(1), loss before income taxes was $30.6 million compared to a loss before income taxes of $55.5 million on a fiscal year basis.

INTERSEGMENT ALLOCATED COSTS

Included in the Corporate and Other segment are certain support services and other expenses that have been incurred to support the activities within the Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management segments in Canada as well as in all other regions. Certain trading, clearing and settlement charges are included as a trading cost in the applicable business units and as a trading cost recovery in Corporate and Other. In addition, certain overhead costs are charged by Canaccord Genuity Capital Markets UK & Europe to Canaccord Genuity Wealth Management UK & Crown Dependencies and are included in intersegment allocated costs for these business units.

Quarterly Financial Information – Seven Fiscal Quarters Prior to Q4/23(1)

The following table provides selected quarterly financial information for the eight most recently completed financial quarters ended on or before March 31, 2023. This information is unaudited but reflects all adjustments of a recurring nature, which are, in the opinion of management, necessary to present a fair statement of the results of operations for the periods presented. Quarter-to-quarter comparisons of financial results are not necessarily meaningful and should not be relied upon as indications of future performance.

(C$ thousands, except number of employees and % amounts)				Fiscal 2023				Fiscal 2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue								
Canaccord Genuity Capital Markets	$ 226,140	$ 196,879	$ 205,697	$ 164,137	$ 312,046	$ 361,893	$ 304,919	$ 324,216
Canaccord Genuity Wealth Management:								
North America	78,410	77,364	73,429	72,961	76,165	82,589	72,367	104,158
UK & Crown Dependencies	103,730	85,691	80,970	73,337	80,316	81,741	75,109	73,329
Australia	14,969	16,633	14,889	15,921	17,793	20,571	18,752	17,517
Corporate and Other	7,140	5,549	5,537	(8,986)	13,473	5,423	4,014	(389)
Total revenue	430,389	382,116	380,522	317,370	499,793	552,217	475,161	518,831
Net income (loss)	3,763	(82,065)	26,564	(3,004)	68,995	66,732	61,785	73,053
(Loss) earnings per common share – basic	$ (0.08)	$ (1.10)	$ 0.17	$ (0.14)	$ 0.62	$ 0.59	$ 0.56	$ 0.72
Diluted (loss) earnings per common share	$ (0.08)	$ (1.10)	$ 0.14	$ (0.14)	$ 0.53	$ 0.52	$ 0.49	$ 0.63
Net Income excluding significant items(1)	$ 17,428	$ 28,197	$ 35,426	$ 19,935	$ 66,822	$ 84,632	$ 69,719	$ 84,654
Earnings per common share, excluding significant items(1) – basic	$ 0.10	$ 0.20	$ 0.30	$ 0.13	$ 0.62	$ 0.80	$ 0.66	$ 0.84
Diluted earnings per common share, excluding significant items(1)	$ 0.07	$ 0.16	$ 0.25	$ 0.11	$ 0.52	$ 0.69	$ 0.58	$ 0.73

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

(1) See Non-IFRS Measures on page 14

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

(C$ thousands, except per share amounts)				Fiscal 2023				Fiscal 2022
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total revenue per IFRS	$ 430,389	$ 382,116	$ 380,522	$ 317,370	$ 499,793	$ 552,217	$ 475,161	$ 518,831
Total expenses per IFRS	424,962	462,902	341,490	315,476	403,245	457,234	388,124	419,130
Revenue								
Significant items recorded in Corporate and Other								
Fair value adjustments on certain illiquid and restricted marketable securities	—	233	1,271	11,447	(9,000)	(1,400)	—	5,000
Total revenue excluding significant items	$ 430,389	$ 382,349	$ 381,793	$ 328,817	$ 490,793	$ 550,817	$ 475,161	$ 523,831
Expenses								
Significant items recorded in Canaccord Genuity Capital Markets								
Amortization of intangible assets	214	1,643	1,535	1,264	1,283	107	160	293
Change in fair value of contingent consideration	(14,278)	—	—	—	—	—	—	—
Acquisition-related costs	—	—	1,477	—	—	537	—	—
Impairment of goodwill and other intangible assets	—	102,571	—	—	—	—	—	—
Incentive based costs related to acquisitions	648	523	437	367	364	—	—	—
Significant items recorded in Canaccord Genuity Wealth Management								
Amortization of intangible assets	6,314	5,830	5,944	4,312	4,190	4,113	3,178	3,148
Acquisition-related costs	—	—	(1,656)	7,582	515	6,225	1,920	—
Incentive based costs related to acquisitions	1,477	649	1,265	586	625	348	2,095	351
Costs associated with reorganization of CGWM UK	—	—	—	—	—	—	794	—
Significant items recorded in Corporate and Other								
Costs associated with redemption of convertible debentures	—	—	—	—	—	—	468	5,464
Development costs	4,903	808	1,310	—	—	—	—	—
Fair value adjustment of non-controlling interests derivative liability	11,629	—	—	—	—	8,519	—	—
Total significant items – expenses	10,907	112,024	10,312	14,111	6,977	19,849	8,615	9,256
Total expenses excluding significant items	414,055	350,878	331,178	301,365	396,268	437,385	379,509	409,874
Net income before income taxes – adjusted	$ 16,334	$ 31,471	$ 50,615	$ 27,452	$ 94,525	$ 113,432	$ 95,652	$ 113,957
Income tax expense (recovery) – adjusted	(1,094)	3,274	15,189	7,517	27,703	28,800	25,933	29,303
Net income – adjusted	$ 17,428	$ 28,197	$ 35,426	$ 19,935	$ 66,822	$ 84,632	$ 69,719	$ 84,654
Net income attributable to common shareholders	$ 6,793	$ 16,561	$ 25,793	$ 11,879	$ 54,678	$ 75,098	$ 63,326	$ 81,251
Earnings per common share adjusted – basic	$ 0.10	$ 0.20	$ 0.30	$ 0.13	$ 0.62	$ 0.80	$ 0.66	$ 0.84
Diluted earnings per common share adjusted – diluted	$ 0.07	$ 0.16	$ 0.25	$ 0.11	$ 0.52	$ 0.69	$ 0.58	$ 0.73

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

(2) 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 the fourth quarter of fiscal 2022 and first quarter of fiscal 2023, rounding and the dilutive impact of share issuance commitments in the quarterly and year to date EPS figures, the sum of the quarterly earnings per common share figures may not equal the annual earnings per share figure.

Quarterly trends and risks

Our quarterly results are generally not significantly affected by seasonal factors. However, the Company's revenue and income can experience considerable variations from quarter to quarter and from year to year due to factors beyond the Company's control. The business is affected by the overall condition of the global capital markets and by activity in our core focus sectors, as well as by changes in the market for growth companies and companies in emerging markets and sectors. The Company's revenue from an underwriting transaction is recorded only when a transaction has been substantially completed or closed. Consequently, the timing of revenue recognition can materially affect Canaccord Genuity Group Inc.'s quarterly results.

The Company recorded revenue of $430.4 million in Q4/23, which was approximately 4.0% lower than the average for the previous seven quarters. On a consolidated basis, investment banking revenue declined from record level of $305.9 million in Q4/21 to $51.0 million in Q4/23, due to lower market-wide activity in all our geographies. Advisory fees revenue of $104.6 million was approximately 3.0% lower than the average of the last seven fiscal quarters, which included a strong first-half of fiscal 2023 and the record revenue which was achieved in fiscal 2022. Firm-wide commissions and fees revenue declined slightly by 0.1% year-over-year to $196.8 million. Revenue from principal trading activities decreased by 35.8% year-over-year to $26.9 million.

The higher interest rate environment supported a 347.7% year-over-year increase in interest revenue to $45.9 million, which was approximately 205% higher than the average of the last seven fiscal quarters. When compared to Q3/23, commissions and fees, investment banking, advisory fees and interest revenues increased by 4.3%, 7.3%, 38.3% and 43.2%, respectively.

Global Capital Markets

Our global capital markets operations generated revenue of $226.1 million, a decrease of approximately 15% from the average quarterly revenue for the past seven quarters due to the prolonged global market downturn, which has impacted activity levels in all segments, but most notably investment banking. Compared to the previous quarter, revenue was 14.9% higher in Q4/23.

Our US capital markets operation was the biggest contributor to capital markets revenue with $114.3 million for the quarter, a decrease of 1.2% from the previous quarter and 22.0% from Q4/22. Fourth quarter revenue in this region was approximately 23% lower than the average of the last seven fiscal quarters. While advisory activity in this business has remained healthy, fourth quarter advisory revenue in this segment was approximately 18% lower than the average of the last seven fiscal quarters, a comparison period that included record quarterly revenues earned in fiscal 2022.

Revenue in our Canadian capital markets operations was $70.1 million in Q4/23, a decrease of 5.8% over Q4 fiscal 2022 and an increase of 122.5% on a sequential basis. Fourth quarter revenue in this business was approximately 17% higher than the average of the last seven fiscal quarters; this is primarily attributable to higher advisory and interest revenues, which were approximately 51% and 172% higher than the average of the last seven fiscal quarters.

Revenue in our Australian capital markets operations decreased by 55.6% sequentially, principally as a result of a 59.9% decrease in investment banking revenue which reflects lower activity levels in our core focus sectors. Fourth quarter revenue in this region was approximately 58% lower than the average of the last seven fiscal quarters, a comparison period that included record quarterly investment banking revenues earned in the second half of fiscal 2022.

Our UK & Europe capital markets operations recorded revenue of $28.2 million for Q4/23, an increase of 46.3% compared to the previous quarter. Fourth quarter revenue in this business was approximately 5.0% higher than the average of the last seven fiscal quarters. Advisory fees revenue was sequentially up 40.7% and approximately 4.0% higher than the average of the previous seven quarters.

Global Wealth Management

Fourth quarter revenue in our global wealth management businesses amounted to $197.1 million, an increase of 9.7% compared to Q3/23. Fourth quarter revenue in this division was approximately 12% higher than the average of the last seven fiscal quarters.

Revenue in our Canaccord Genuity North America wealth management operations increased by 2.9% compared to Q4/22 and by 1.4% sequentially. Fourth quarter revenue in this business was approximately 2% lower than the average of the last seven fiscal quarters. When compared to the average of the past seven fiscal quarters, investment banking revenue in this business was approximately 47% lower while interest revenue increased by approximately 88.0%. AUA(1) were $35.7 billion, an increase of 2.8% when measured against Q3/23, and were 5.8% below their peak of $37.9 billion achieved in Q4/22, reflecting reduced market values in connection with the broad market downturn.

The CGWM UK operations have contributed consistently to our revenue and profitability levels. Revenue for Q4/23 was $103.7 million, approximately 32% higher than the average for the past seven quarters, supported by stronger commissions and fees and interest revenue. AUM(1) for this group increased by 4.3% as of the end of Q4/23 to $55.1 billion compared to Q4/22 due to increases in client asset values as well as new assets added to our platform following the completion of the acquisition of PSW.

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

Revenue in our Australia wealth management operations reached $15.0 million in Q4/23, a decrease of 10.0% over the previous quarter and a decline of 15.9% compared to the corresponding quarter in fiscal 2022. Fourth quarter revenue in this business was approximately 14% lower than the average of the last seven fiscal quarters, a comparison period that included record quarterly investment banking revenue earned in fiscal 2022. AUM[(1)] as of March 31, 2023 were $5.4 billion, an increase of 1.5% compared to the corresponding period in fiscal 2022, reflecting our active recruitment efforts in fiscal 2023.

Corporate and Other

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

Financial Condition

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

	Balance sheet summary as at March 31				
(C$ thousands)	**2023**	2022	2021	2020	2019
Assets					
Cash and cash equivalents	**$ 1,008,432**	$ 1,788,261	$ 1,883,292	$ 997,111	$ 820,739
Securities owned	**715,078**	1,051,229	1,041,583	931,467	690,499
Accounts receivable	**3,355,203**	3,438,655	3,973,442	3,275,841	2,656,664
Income taxes recoverable	**34,209**	1,967	738	5,603	2,502
Deferred tax assets	**90,733**	98,224	81,229	39,487	22,117
Investments	**18,101**	22,928	12,193	10,105	6,224
Equipment and leasehold improvements	**48,180**	34,643	23,070	24,860	25,792
Goodwill and other intangibles	**928,735**	697,272	531,038	565,587	524,757
Right-of-use asset	**103,729**	117,066	85,216	106,134	—
Total assets	**$ 6,302,400**	$ 7,250,245	$ 7,631,801	$ 5,956,195	$ 4,749,294
Liabilities and equity					
Bank indebtedness	**$ —**	$ —	$ —	$ —	$ 9,639
Securities sold short	**556,303**	567,290	889,607	875,017	373,419
Accounts payable, accrued liabilities and provisions	**3,739,992**	4,853,894	5,170,957	3,680,186	3,141,977
Income taxes payable	**2,177**	15,952	56,285	11,721	5,415
Current portion of bank loan	**13,342**	6,574	12,119	7,042	9,294
Current portion of lease liability	**26,712**	23,928	24,311	23,417	—
Current portion of contingent consideration	**17,325**	10,618	17,706	57,859	—
Promissory note	**—**	—	—	—	5,832
Lease liability	**92,526**	101,620	70,591	88,922	—
Other liabilities	**98,378**	75,758	19,577	58,340	132,285
Bank loan	**293,780**	145,467	66,200	79,192	50,370
Deferred tax liabilities	**55,728**	24,875	13,552	9,903	7,978
Subordinated debt	**7,500**	7,500	7,500	7,500	7,500
Convertible debentures	**—**	—	168,112	128,322	127,225
Non-controlling interests	**343,998**	238,700	8,190	156	1,997
Shareholders' equity	**1,054,639**	1,178,069	1,107,094	928,618	876,363
Total liabilities and equity	**$ 6,302,400**	$ 7,250,245	$ 7,631,801	$ 5,956,195	$ 4,749,294

ASSETS

Cash and cash equivalents were $1.0 billion on March 31, 2023 compared to $1.8 billion on March 31, 2022. Refer to the Liquidity and Capital Resources section on page 44 for more details.

Securities owned were $0.7 billion on March 31, 2023 compared to $1.1 billion on March 31, 2022, mainly due to a decrease in equities and convertible debentures owned as of March 31, 2023.

Accounts receivable were $3.4 billion at March 31, 2023 compared to $3.4 billion at March 31, 2022, in line with the prior year.

Goodwill was $622.8 million and intangible assets were $305.9 million on March 31, 2023. On March 31, 2022, goodwill was $510.3 million and intangible assets were $187.0 million. These amounts represent the goodwill and intangible assets acquired through the purchases of Genuity Capital Markets, Collins Stewart Hawkpoint plc, Eden Financial Ltd., Hargreave Hale, Jitneytrade, McCarthy Taylor, Petsky Prunier, Thomas Miller, Patersons, Adam & Company and Sawaya, and as of March 31, 2023, also included PSW and Results.

During fiscal 2023, the Company recorded an impairment charge of $102.6 million on the goodwill and intangible assets related to the Canadian capital markets CGU.

Right-of-use assets at March 31, 2023 were $103.7 million compared to $117.1 million at March 31, 2022, mainly due to amortization recorded during the period.

Other assets, consisting of income taxes receivable, deferred tax assets, equipment and leasehold improvements, and investments, were $191.2 million at March 31, 2023 compared to $157.8 million at March 31, 2022. The increase in other assets was mainly due to higher income taxes receivable at March 31, 2023.

LIABILITIES AND EQUITY

Securities sold short were $556.3 million at March 31, 2023 compared to $567.3 million at March 31, 2022, mostly due to an increase in short positions in corporate and government debt.

Accounts payable and accrued liabilities, including provisions, were $3.7 billion at March 31, 2023, a decrease from $4.9 billion at March 31, 2022, mainly due to a decrease in payables to clients.

Subordinated debt, income taxes payable and deferred tax liabilities were $65.4 million at March 31, 2023, an increase from $48.3 million at March 31, 2022. The increase was mostly due to the increase in deferred tax liabilities, partially offset by a reduction in income taxes payable.

There were also lease liabilities of $119.2 million recorded as of March 31, 2023 [March 31, 2022 – $125.5 million].

At the end of March 31, 2023, deferred and contingent consideration was $54.0 million [March 31, 2022 – $45.3 million]. During the year ended March 31, 2023, there was an adjustment to the contingent consideration related to Sawaya of $1.5 million with a corresponding increase in goodwill. In addition, there was $16.9 million and $3.3 million of contingent and deferred consideration, respectively, arising from the Results acquisition as of March 31, 2023. In addition, the Company recorded a fair value adjustment of $14.3 million related to a change in the fair value of the contingent consideration liability in connection with the acquisition of Sawaya.

On May 31, 2022, institutional investors acquired a new series of Convertible Preferred Shares in the amount of £65.3 million ($104.1 million) issued by the Company's subsidiary, CGWM UK. Both series of the Convertible Preferred Shares and Preference Shares issued to management and employees of CGWM UK were treated as a compound instrument comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle the instrument by delivering the economic equivalent of a variable number of common shares of CGWM UK. During the years ended March 31, 2023 and March 31, 2022, the Company recorded a fair value adjustment of $11.6 million and $8.5 million, respectively, related to the derivative liability component of the non-controlling interests related to the Convertible Preferred Shares issued by CGWM UK. The carrying value of the derivative liability component of £37.0 million (C$61.7 million) [March 31, 2022 – £25.0 million (C$41.1 million)] is included in other liabilities in the statement of financial position as of March 31, 2023.

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, Adam & Company and PSW. The loan is repayable in instalments of principal and interest and matures in September 2024. The interest rate on this loan is 7.177% per annum as at March 31, 2023 [March 31, 2022 – 3.375% per annum]. The total bank loans outstanding as of March 31, 2023, net of financing charges, was $307.1 million [March 31, 2022 – $152.0 million].

Excluding the bank loan in connection with the acquisitions of Hargreave Hale, Thomas Miller, Adam & Company and PSW as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $667.4 million [March 31, 2022 – $657.0 million]. These limited 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, 2023, there were no balances outstanding under these other credit facilities [March 31, 2022 – $nil].

Non-controlling interests were $344.0 million at March 31, 2023 compared to $238.7 million as at March 31, 2022, an increase of $105.3 million, mainly related to the equity component of the new Series of Convertible Preferred Shares issued by CGWM UK, net of dividends received and foreign exchange movement. Non-controlling interests also represent 32.7% [March 31, 2022 – 32.7%] of the net assets of our operations in Australia.

Off-balance sheet arrangements

A subsidiary of the Company has entered into secured irrevocable standby letters of credit from a financial institution totaling $3.9 million (US$2.9 million) [March 31, 2022 – $3.7 million (US$2.9 million)] as rent guarantees for its leased premises in New York. As of March 31, 2023 and March 31, 2022, there were no outstanding balances under these standby letters of credit.

Bank indebtedness and other credit facilities

The Company enters into call loans or overdraft positions primarily to facilitate the securities settlement process for both client and Company securities transactions. The bank indebtedness is collateralized by unpaid client securities and/or securities owned by the Company. As of March 31, 2023, and March 31, 2022, the Company had no bank indebtedness outstanding under these facilities.

In the normal course of business, the Company enters into contracts that give rise to commitments of future minimum payments that affect its liquidity.

The following table summarizes the Company's long-term contractual obligations on March 31, 2023:

(C$ thousands)	Total	Fiscal 2024	Fiscal 2025 – Fiscal 2026	Fiscal 2027 – Fiscal 2028	Thereafter
Premises and equipment operating leases	142,547	34,148	47,809	22,188	38,402
Bank loan(1)	342,897	35,365	307,532	—	—
Total contractual obligations	485,444	69,513	355,341	22,188	38,402

(1) Bank loan obtained to finance a portion of the cash consideration for the acquisitions in CGWM UK. The bank loan bears interest at 7.177% [March 31, 2022 – 3.375%] 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 preferred shares, common shares, retained earnings and accumulated other comprehensive income (OCI). On March 31, 2023, cash and cash equivalents were $1.0 billion, a decrease of $779.8 million from $1.8 billion as of March 31, 2022. During fiscal 2023 ended March 31, 2023, financing activities provided cash in the amount of $71.2 million, mainly due to proceeds from a bank loan obtained in connection with the acquisition of PSW, issuance of Convertible Preferred Shares in CGWM UK, partially offset by purchases of common shares for the LTIP, dividends paid on Convertible Preferred Shares issued in the UK & Crown Dependencies, payment of dividends to non-controlling interests in Australia, and cash dividends paid on common and preferred shares. Investing activities used cash in the amount of $288.1 million for the acquisitions of PSW and Results, the purchase of equipment and leasehold improvements and intangible assets. Operating activities used cash in the amount of $584.4 million, which was largely due to changes in non-cash working capital. An increase in cash of $21.5 million was attributable to the effect of foreign exchange translation on cash balances.

Compared to the year ended March 31, 2022, cash provided by financing activities increased by $214.1 million due to additional proceeds from a bank loan in the current year, the redemption of convertible debentures in April 2021 and additional purchases of common shares under the substantial issuer bid and NCIB in fiscal 2022 compared to the current year. Cash used in investing activities increased by $86.1 million during fiscal 2023 ended March 31, 2023 compared to the same period last year, mainly due to the acquisitions of PSW and Results during the current fiscal year. Changes in non-cash working capital balances as well as reduced profitability led to a decrease in cash provided by operating activities of $847.7 million. In addition, cash balances increased by $32.5 million from the effects of foreign exchange translation on cash balances. Overall, cash and cash equivalents decreased by $779.8 million from $1.8 billion at March 31, 2022 to $1.0 billion at March 31, 2023.

The Company's business requires capital for operating and regulatory purposes. The Company's working capital, including cash and cash equivalents, is fully deployed by the Company in its operations to support regulatory capital levels as required and counter-party requirements, including cash deposit requirements needed to maintain current levels of activity. The majority of current assets reflected on the Company's audited consolidated statement of financial position are highly liquid. The majority of the positions held as securities owned are readily marketable, and all are recorded at their fair value. Securities sold short are highly liquid securities. The fair value of these securities fluctuates daily as factors such as changes in market conditions, economic conditions and investor outlook affect market prices. Client receivables are secured by readily marketable securities and are reviewed daily for impairment in value and collectability. Receivables and payables from brokers and dealers represent the following: current open transactions that generally settle within the normal two-day settlement cycle, collateralized securities borrowed and/or loaned in transactions that can be closed within a few days on demand, and balances on behalf of introducing brokers representing net balances in connection with their client accounts.

The Company has certain commitments as discussed in the Off-Balance Sheet Arrangements and Bank Indebtedness and Other Credit Facilities sections above. Other than contracts entered into in the ordinary course of business, the Company has not entered into any contract which can reasonably be regarded as material.

Outstanding Preferred and Common Share Data

	Outstanding shares as of March 31	
	2023	2022
Preferred shares		
Series A – issued shares outstanding	**4,540,000**	4,540,000
Series C – issued shares outstanding	**4,000,000**	4,000,000
Common shares		
Issued shares excluding unvested shares(1)	**87,477,151**	88,057,175
Issued shares outstanding(2)	**99,594,391**	99,697,799
Issued shares outstanding – diluted(3)	**104,497,584**	104,500,074
Average shares outstanding – basic	**87,381,995**	94,871,398
Average shares outstanding – diluted(4)	**n/a**	109,434,474

(1) Excludes 11,994,885 unvested shares purchased by employee benefit trusts for the LTIP, and 122,355 outstanding shares related to share purchase loans.

(2) Includes 11,994,885 unvested shares purchased by employee benefit trusts for the LTIP, and 122,355 outstanding shares related to share purchase loans.
(3) Includes 4,903,193 share issuance commitments net of forfeitures.
(4) This is the diluted share number used to calculate diluted EPS. For the year ended March 31, 2023, the instruments involving potential common shares were excluded from the calculation of diluted loss per share as they were anti-dilutive.

Preferred shares

SERIES A PREFERRED SHARES

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

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%.

SERIES B PREFERRED SHARES

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 (the "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

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

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, were paid at an annual rate of 4.993% for the five years ended 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%.

SERIES D PREFERRED SHARES

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 (the "Series D Preferred Series"), subject to certain conditions, on June 30, 2022 and have the option on June 30 every five years thereafter. The number of shares tendered for conversion by the conversion deadline of June 15, 2022 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, 2022 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. The Company did not redeem any Series C Preferred Shares on June 30, 2022.

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

COMMON SHARES

On August 18, 2022, the Company filed a notice to renew the NCIB to provide the Company with the choice to purchase up to a maximum of 4,959,281 of its common shares during the period from August 21, 2022 to August 20, 2023 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 12-month period ended March 31, 2023, there were 502,000 shares purchased under the NCIB. There were also 83,300 shares purchased under the NCIB during the year ended March 31, 2022 and cancelled during fiscal 2023, which ended March 31, 2023.

The Company has entered into a predefined plan with a designated broker to allow for the repurchase of its common shares under this NCIB. The Company's broker may repurchase the common shares under the plan on any trading day during the NCIB, including at any time during the Company's internal trading blackout periods. The plan has been reviewed by the TSX and will terminate on the earlier of the termination of the plan by the Company in accordance with its terms and the expiry of the NCIB.

The ability to make purchases under the current NCIB commenced on August 21, 2022 and will continue for one year (to August 20, 2023) at the discretion of the Company. The maximum consideration will be the market price of the securities at the time of acquisition. In order to comply with the trading rules of the TSX, the daily purchases are limited to 76,881 common shares of the Company (which is 25% of the average daily trading volume (ADTV) of common shares of the Company on the TSX in the six calendar months from February 2021 to July 2022 (25% of the ADTV of 307,527)).

As of May 31, 2023, the Company has 99,594,391 common shares issued and outstanding.

ISSUANCE AND CANCELLATION OF COMMON SHARE CAPITAL

	Number of shares
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 PSO	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**
Shares issued in connection with settlement of Sawaya deferred consideration	195,993
Shares issued in connection with exercise of PSO	285,899
Shares purchased and cancelled under the normal course issuer bid	(585,300)
Balance, March 31, 2023	**99,594,391**

Share-Based Payment Plans

LONG-TERM INCENTIVE PLAN

Under the LTIP, eligible participants are awarded restricted share units (RSUs), which generally vest over three years. For employees in Canada, the US, the Channel Islands, Australia and the UK, employee benefit trusts (the Trusts) have been established. The Company or certain of its subsidiaries, as the case may be, funds 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 10 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 DSU 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 and based on 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.

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 4x exercise price cap on payout value (i.e., the gain on the exercise of the options is limited to 3x the exercise price).

PSW CONDITIONAL SHARE PLAN

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

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 and 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, 2023**	March 31, 2022
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(1)	Guernsey	**94.5%**	96.7%
Canaccord Genuity Financial Planning Limited(1)(4)	United Kingdom	**94.5%**	96.7%
Canaccord Genuity Wealth Limited(1)	United Kingdom	**94.5%**	96.7%
Canaccord Genuity Wealth Group Limited(1)	United Kingdom	**94.5%**	96.7%
Canaccord Genuity Wealth (International) Holdings Limited(1)	Guernsey	**94.5%**	96.7%
Hargreave Hale Limited(1)	United Kingdom	**94.5%**	96.7%
CG Wealth Planning Limited(1)	United Kingdom	**94.5%**	96.7%
Adam & Company Investment Management Limited(1)(4)	United Kingdom	**94.5%**	96.7%
Punter Southall Wealth Limited(1)(4)	United Kingdom	**94.5%**	n/a
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%**	100%
Canaccord Financial Group (Australia) Pty Ltd(2)	Australia	**65%**	65%
Canaccord Genuity (Australia) Limited(2)	Australia	**65%**	65%
Canaccord Genuity Financial Limited(2)	Australia	**65%**	65%
Patersons Asset Management Limited(2)	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%

	Country of incorporation	% equity interest March 31, 2023	March 31, 2022
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.(3)	United Arab Emirates	**100%**	100%
Canaccord Genuity Wealth Group Holdings (Jersey) Limited(1)	Jersey	**94.5%**	96.7%
Canaccord Genuity Hawkpoint Limited	United Kingdom	**100%**	100%
Canaccord Genuity Management Company Limited(1)(4)	Ireland	**100%**	100%

(1) The Company issued Convertible Preferred Shares to certain institutional investors and certain equity instruments in CGWM UK within the context of the transaction value and reflecting a 5.5% 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 a 33.1% equity equivalent interest.

(2) 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, 2023 the Company is considered to have a 67.3% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2022 – 67.3%].

(3) The Company sold its interest in Canaccord Genuity (Dubai) Ltd. subsequent to March 31, 2023.

(4) This company was wound-up as part of an internal restructuring subsequent to March 31, 2023.

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 senior executives DSU 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, 2023 and March 31, 2022.

(in thousands)	March31, 2023 $	March 31, 2022 $
Short-term employee benefits	**48,804**	33,585
Share-based payments	**892**	736
Total compensation paid to key management personnel	**49,696**	34,321

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

(in thousands)	March31, 2023 $	March 31, 2022 $
Accounts receivable	**18,115**	12,009
Accounts payable and accrued liabilities	**600**	1,271

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, 2023. The Company's consolidated financial statements for the years ended March 31, 2023 and March 31, 2022 were also prepared in accordance with IFRS.

The preparation of the March 31, 2023 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 the 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 preliminary purchase price allocation, including the valuation of goodwill and intangible assets acquired in connection with the acquisitions of PSW and Results, as well as the valuation of the contingent consideration related to Results and Sawaya.

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

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, 2023.

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, 2023. 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, 2023 and 2022. Therefore, the financial position, financial performance and cash flows of CGAL and CGF have been consolidated.

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 CGU's 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, 2023 were $13.0 million [2022 – $9.1 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 M&A 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 LTIP (or the "Plan").

Independent directors also receive DSUs as part of their remuneration, which can only be settled in cash (cash-settled transactions). Certain executives may also receive PSOs as part of their remuneration, which are equity-settled. In addition, certain senior executives receive 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 the 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 in 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 OCI 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

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. Forward contracts to buy US dollars at March 31, 2023 had a notional amount of US$1.8 million compared to $2.3 million on March 31, 2022. Forward contracts outstanding to sell US dollars had a notional amount of US $3.9 million, an increase of US $2.1 million from March 31, 2022. 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 a transaction are typically in the local currency.

These contracts were entered into in an attempt to mitigate foreign exchange risk on pending security settlements in foreign currencies. The fair value of these contracts is nominal due to their short term to maturity.

The Company's Canaccord Genuity Wealth Management segment in the UK & Crown Dependencies trades foreign exchange forward contracts on behalf of its clients and establishes matching contracts with the counterparties. The Company has no significant net exposure, assuming no counterparty default.

FUTURES

The Company's Canadian operations are involved in trading various futures contracts, in an attempt to mitigate market risk, interest rate risk, yield curve risk and liquidity risk. Futures contracts are agreements to buy or sell a standardized amount of an underlying asset, at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and are subject to daily cash margining. The Company's Canadian operations have traditionally engaged in the trading of Canadian & US Government bond futures contracts to mitigate its risk. The Company's Canadian operations also began trading other types of futures contracts, including but not limited to index futures and commodity futures.

At March 31, 2023, the notional amount of the Canadian bond futures contracts outstanding was short $1.4 million [March 31, 2022 – long $9.7 million].

The fair value of all 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 year ended March 31, 2023.

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, 2023.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

DISCLOSURE CONTROLS AND PROCEDURES

As of March 31, 2023, an evaluation was carried out, under the supervision of and with the participation of management, including the President & Chief Executive Officer (CEO) and the Executive Vice President & Chief Financial Officer (CFO), 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 & CFO concluded that our disclosure controls and procedures were effective as of March 31, 2023.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management, including the President & CEO and the Executive Vice President & CFO, 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 & CFO concluded that the Company's internal control over financial reporting was designed and operating effectively as of and during the year ended March 31, 2023 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, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Risk Management

OVERVIEW

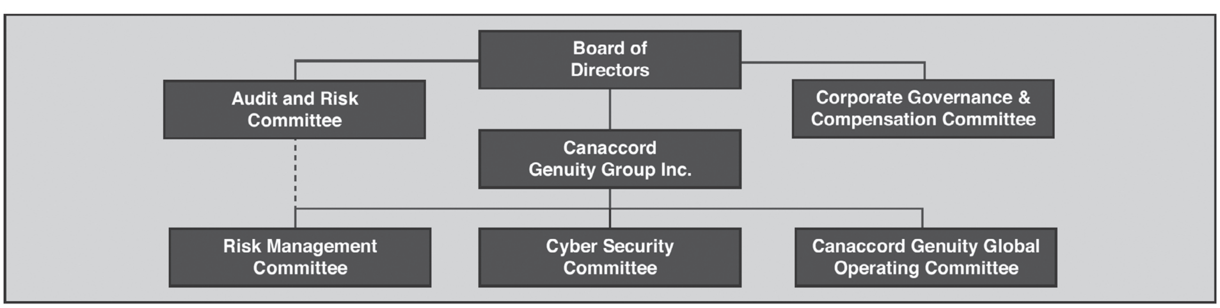
Uncertainty and risk are inherent when conducting operations within financial markets. As an active participant in the Canadian and international capital markets, the Company is exposed to risks that could result in financial losses. The Company has identified its principal risks as: market risk, credit 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 and Risk Management Committees. See the Company's current 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 (CRO) 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 CRO 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 its 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 the 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 of 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 an 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

The purposes of a risk and control self-assessment (RCSA) are 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 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 and safekeeping of client funds, use and safekeeping of client data, credit granting, collection activity, anti-money laundering, anti-insider trading, anti-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 provides services only 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 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 for 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 set-up 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 both to 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.

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 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 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, 2023, senior officers and directors of the Company collectively owned approximately 14.7% of the issued and outstanding (25.1% fully diluted) common shares of Canaccord Genuity Group Inc. If a sufficient number of these shareholders were to act or vote together, they would 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 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 and capital requirements; and such other factors as the Board determines to be relevant.

Dividend Declaration

On June 16, 2023, the Board of Directors approved a dividend of $0.085 per common share, payable on July 4, 2023, with a record date of June 23, 2023.

On June 16, 2023, the Board approved a cash dividend of $0.25175 per Series A Preferred Share payable on June 30, 2023 to Series A Preferred shareholders of record as at June 23, 2023.

On June 16, 2023, the Board approved a cash dividend of $0.42731 per Series C Preferred Share payable on June 30, 2023 to Series C Preferred shareholders of record as at June 23, 2023.

Additional Information

Additional information relating to Canaccord Genuity Group Inc., including its Annual Information Form, is available on the Company's website at www.cgf.com/investor-relations/investor-resources/financial-reports/ and on SEDAR 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, 2023 and 2022, and the consolidated statements of operations, consolidated statements of comprehensive (loss) 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, 2023 and 2022, 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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, 2023, the Group has $364.6 million of advisory fee 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.

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill in cash-generating units ["CGUs"]	
As at March 31, 2023, the Group has $622.8 million of goodwill recognized within CGUs. Management 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. The Group recognized a $101.7 million impairment charge in relation to the goodwill of the Canada Capital Markets CGU in the year ended March 31, 2023. Due to the subjectivity involved in forecasting and discounting future cash flows and the significance of the CGUs' recognized goodwill as at March 31, 2023, 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".	To test the estimated FVLCS of the CGUs, our audit procedures included, among others: • 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.

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 and 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.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
June 16, 2023

Canaccord Genuity Group Inc.
Consolidated Statements of Financial Position

As at (in thousands of Canadian dollars)	Notes	March 31, 2023 $	March 31, 2022 $
ASSETS			
Current			
Cash and cash equivalents		$ 1,008,432	$ 1,788,261
Securities owned	6	715,078	1,051,229
Accounts receivable	9, 23	3,355,203	3,438,655
Income taxes receivable		34,209	1,967
Total current assets		5,112,922	6,280,112
Deferred tax assets	15	90,733	98,224
Investments	10	18,101	22,928
Equipment and leasehold improvements	12	48,180	34,643
Intangible assets	14	305,915	186,993
Goodwill	14	622,820	510,279
Right of use assets	13	103,729	117,066
Total assets		6,302,400	7,250,245
LIABILITIES AND EQUITY			
Current			
Securities sold short	6, 7	556,303	567,290
Accounts payable and accrued liabilities	9, 23	3,720,332	4,845,672
Provisions	27	19,660	8,222
Income taxes payable		2,177	15,952
Subordinated debt	16	7,500	7,500
Current portion of bank loan	17	13,342	6,574
Current portion of lease liabilities	18	26,712	23,928
Current portion of deferred and contingent consideration	7,11	17,325	10,618
Total current liabilities		4,363,351	5,485,756
Deferred tax liabilities	15	55,728	24,875
Other liabilities	7, 11	98,378	75,758
Bank loan	17	293,780	145,467
Lease liabilities	18	92,526	101,620
Total liabilities		4,903,763	5,833,476
Equity			
Attributable to equity holders of CGGI		1,054,639	1,178,069
Attributable to non-controlling interests		343,998	238,700
Total equity		1,398,637	1,416,769
Total liabilities and shareholders' equity		6,302,400	7,250,245

See accompanying notes

On behalf of the Board:

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

DANIEL DAVIAU **TERRENCE A. LYONS**

Canaccord Genuity Group Inc.
Consolidated Statements of Operations

For the years ended (in thousands of Canadian dollars, except per share amounts)	Notes	March 31, 2023 $	March 31, 2022 $
REVENUE			
Commissions and fees		**749,114**	761,843
Investment banking		**160,944**	561,725
Advisory fees		**364,554**	493,057
Principal trading		**117,238**	158,978
Interest		**115,245**	36,028
Other		**3,302**	34,371
		1,510,397	2,046,002
EXPENSES			
Compensation expense		**936,872**	1,248,184
Trading costs		**96,083**	102,824
Premises and equipment		**21,986**	20,074
Communication and technology		**85,482**	73,873
Interest		**54,539**	23,598
General and administrative		**138,461**	101,431
Amortization	**12, 14**	**41,634**	27,593
Amortization of right of use assets	**13**	**26,335**	23,894
Development costs		**36,058**	22,422
Acquisition-related costs	**11**	**7,403**	9,197
Impairment of goodwill and intangible assets	**14**	**102,571**	—
Fair value adjustment of non-controlling interest derivative liability	**8**	**11,629**	8,519
Change in fair value of contingent consideration	7	**(14,278)**	—
Loss and other costs in connection with extinguishment of convertible debentures		**—**	5,932
Share of loss of an associate		**55**	192
		1,544,830	1,667,733
Net (loss) income before income taxes		**(34,433)**	378,269
Income tax expense (recovery)	**15**		
Current		**20,173**	122,072
Deferred		**136**	(14,368)
		20,309	107,704
Net (loss) income for the year		**(54,742)**	270,565
Net (loss) income attributable to:			
CGGI shareholders		**(90,104)**	246,314
Non-controlling interests	**8**	**35,362**	24,251
Weighted average number of common shares outstanding (thousands)			
Basic	**20**	**87,382**	94,871
Diluted	**20**	**n/a**	109,434
(Loss) earnings per common share			
Basic	**20**	**$ (1.16)**	$ 2.50
Diluted	**20**	**$ (1.16)**	$ 2.16
Dividend per Series A Preferred Share	**21**	**$ 1.00**	$ 1.00
Dividend per Series C Preferred Share	**21**	**$ 1.71**	$ 1.25
Dividend per common share	**21**	**$ 0.34**	$ 0.32

See accompanying notes

Canaccord Genuity Group Inc.
Consolidated Statements of Comprehensive (Loss) Income

For the years ended (in thousands of Canadian dollars)		March 31, 2023 $		March 31, 2022 $
Net (loss) income for the year		**(54,742)**		270,565
Other comprehensive income (loss)				
Net change in unrealized gains (losses) on translation of foreign operations, net of tax		**38,832**		(33,566)
Comprehensive (loss) income for the year		**(15,910)**		236,999
Comprehensive (loss) income attributable to:				
CGGI shareholders		**(54,001)**	$	211,433
Non-controlling interests	8	**38,091**	$	25,566

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, 2023 $	March 31, 2022 $
Preferred shares, opening and closing	**19**	**205,641**	205,641
Common shares, opening		**576,166**	662,366
Acquisition of common shares for long-term incentive plan (LTIP)		**(69,416)**	(60,824)
Release of vested common shares from employee benefit trusts		**55,240**	34,188
Change in shares committed to purchase under the normal course issuer bid		**3,411**	4,770
Shares issued in connection with acquisition of Sawaya Partners		**2,883**	—
Shares issued in connection with exercise of performance stock options (PSOs)		**1,924**	4,099
Shares purchased and cancelled under normal course issuer bid		**(4,034)**	(23,527)
Shares purchased and cancelled under substantial issuer bid		**—**	(44,801)
Net unvested share purchase loans		**171**	(105)
Common shares, closing	**20**	**566,345**	576,166
Contributed surplus, opening		**64,241**	62,402
Share-based payments, net		**(12,444)**	45,983
Shares purchased and cancelled under normal course issuer bid		**(2,597)**	(21,787)
Shares purchased and cancelled under substantial issuer bid		**—**	(27,486)
Shares committed to purchase under the normal course issuer bid		**2,537**	(2,537)
Unvested share purchase loans		**(171)**	105
Change in current net income tax receivable and deferred tax asset relating to share-based payments		**(2,166)**	7,561
Contributed surplus, closing		**49,400**	64,241
Retained earnings, opening		**251,540**	73,220
Net (loss) income attributable to CGGI shareholders		**(90,104)**	246,314
Common share dividends	**21**	**(30,936)**	(30,797)
Preferred share dividends	**21**	**(10,948)**	(9,484)
Shares purchased and cancelled under substantial issuer bid		**—**	(27,713)
Retained earnings, closing		**119,552**	251,540
Deferred consideration, opening		**11,378**	—
Payment during the year		**(2,883)**	—
Deferred consideration in connection with acquisition of Sawaya Partners	**11**	**—**	11,378
Deferred consideration, closing		**8,495**	11,378
Accumulated other comprehensive income, opening		**69,103**	103,465
Reclassification of other comprehensive income to non-controlling interest		**—**	519
Other comprehensive income (loss) attributable to CGGI shareholders		**36,103**	(34,881)
Accumulated other comprehensive income, closing		**105,206**	69,103
Total shareholders' equity		**1,054,639**	1,178,069
Non-controlling interests, opening		**238,700**	8,190
Non-controlling interests, closing	**8**	**343,998**	238,700
Total equity		**1,398,637**	1,416,769

See accompanying notes

Canaccord Genuity Group Inc.
Consolidated Statements of Cash Flows

For the years ended (in thousands of Canadian dollars)	Notes	March 31, 2023 $	March 31, 2022 $
OPERATING ACTIVITIES			
Net (loss) income for the year		**(54,742)**	270,565
Items not affecting cash			
Amortization	**12, 14**	**41,634**	27,593
Amortization of right-of-use assets	**13**	**26,335**	23,894
Deferred income tax expense (recovery)		**136**	(14,368)
Share-based compensation expense	**22**	**59,495**	146,827
Fair value adjustment of non-controlling interests derivative liability	**8**	**11,629**	8,519
Impairment of goodwill and intangible assets	**14**	**102,571**	—
Share of loss of associate		**55**	192
Change in fair value of contingent consideration	**7**	**(14,728)**	—
Impairment of investments	**10**	**4,750**	—
Interest expense in connection with lease liabilities		**7,603**	6,518
Changes in non-cash working capital			
Decrease/(increase) in securities owned		**336,152**	(9,647)
Decrease in accounts receivable		**83,452**	539,655
Increase in income taxes receivable, net		**(42,351)**	(36,162)
Decrease in securities sold short		**(10,987)**	(322,316)
Decrease in accounts payable, accrued liabilities and provisions		**(1,135,420)**	(378,017)
Cash (used in) provided by operating activities		**(584,416)**	263,253
FINANCING ACTIVITIES			
Purchase of shares for cancellation under normal course issuer bid		**(6,631)**	(45,314)
Purchase of shares under substantial issuer bid		—	(100,000)
Acquisition of common shares for long-term incentive plan		**(69,416)**	(60,824)
Proceeds from issuance of convertible preferred shares and other equity instruments in UK & Crown Dependencies wealth management operations, net of acquisition related costs		**102,223**	224,963
Payment of cash dividends on convertible preferred shares issued in UK & Crown Dependencies wealth management operations		**(20,368)**	(7,141)
Payment of dividends to Australian non-controlling interests		**(7,683)**	—
Redemption of convertible debentures		—	(168,112)
Proceeds from bank loan		**159,400**	88,465
Proceeds from exercise of performance share options		**1,924**	4,099
Payment of bank loan		**(13,041)**	(8,432)
Cash dividends paid on common shares		**(30,936)**	(30,797)
Cash dividends paid on preferred shares		**(10,948)**	(9,484)
Lease payments		**(33,301)**	(30,282)
Cash provided by (used in) financing activities		**71,223**	(142,859)
INVESTING ACTIVITIES			
Purchase of equipment and leasehold improvements, net of disposals		**(24,348)**	(12,122)
Purchase of intangibles		**(4,006)**	(2,541)
Acquisition of Punter Southall Wealth, net of cash acquired		**(238,591)**	—
Acquisition of Results International Group LLP		**(8,211)**	—
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)
Purchase of investments		—	(14,161)
Payment of deferred and contingent consideration		**(12,955)**	(32,852)
Cash used in investing activities		**(288,111)**	(201,995)
Effect of foreign exchange on cash balances		**21,475**	(13,430)
Decrease in cash position		**(779,829)**	(95,031)
Cash position, beginning of year		**1,788,261**	1,883,292
Cash position, end of year		**1,008,432**	1,788,261
Supplemental cash flow information			
Interest received		**$ 115,231**	$ 36,100
Interest paid		**$ 52,570**	$ 22,232
Income taxes paid		**$ 64,532**	$ 160,055

See accompanying notes

Canaccord Genuity Group Inc.
Notes to consolidated financial statements

As at March 31, 2023 and March 31, 2022
and for the years ended March 31, 2023 and 2022
(in thousands of Canadian dollars, except per share amounts)

1. Corporate information

Through its principal subsidiaries, Canaccord Genuity Group Inc. (the Company or CGGI) is an independent, full-service investment dealer with capital markets operations in North America, the UK & Europe, Asia, and Australia. The Company also has wealth management operations in Canada, the UK, the Crown Dependencies and Australia. The Company has operations in each of the two principal segments of the securities industry: capital markets and wealth management. Together, these operations offer a wide range of complementary investment products, brokerage services and investment banking services to the Company's private, institutional and corporate clients.

Canaccord Genuity Group Inc. was incorporated on February 14, 1997 by the filing of a memorandum and articles with the Registrar of Companies for British Columbia under the *Company Act* (British Columbia) and continues in existence under the *Business Corporations Act* (British Columbia). The Company's head office is located at Suite 2200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1H2. The Company's registered office is located at Suite 2200, 700 West Georgia Street, Vancouver, British Columbia, V7Y 1K8 (as of May 15, 2022).

The Company's common shares are publicly traded under the symbol CF on the Toronto Stock Exchange (TSX). The Company's Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A. The Company's Series C Preferred Shares are listed on the TSX under the symbol CF.PR.C.

The Company's business experiences considerable variations in revenue and income from quarter to quarter and year to year due to factors beyond the Company's control. The Company's business is affected by the overall condition of the worldwide equity and debt markets.

2. Basis of preparation

STATEMENT OF COMPLIANCE

These 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 certain investments at fair value through profit or loss, 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 16, 2023.

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.

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

The significant judgments, estimates and assumptions include consolidation, revenue recognition, share-based payments, income taxes and valuation of deferred tax assets, impairment of goodwill, intangible assets and other long-lived assets, allowance for credit losses, fair values of levels 2 and 3 financial instruments, provisions and the valuation of the non-controlling interests derivative liability. Amendments may be made to estimates relating to net assets acquired in an acquisition as well as the allocation of identifiable intangible assets between indefinite life and finite lives. Judgments, estimates and assumptions were also utilized in connection with the preliminary purchase price allocation, including the valuation of goodwill and intangible assets acquired in connection with the acquisitions of Punter Southall Wealth and Results International Group LLP, as well as the valuation of the contingent consideration related to Results International Group LLP. For year ended March 31, 2022, estimates and assumptions were utilized in connection with the valuation of goodwill and intangible assets acquired in connection with the acquisitions of Adam & Company and Sawaya Partners.

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

During the year ended March 31, 2022, certain institutional investors acquired convertible preferred shares ("A Convertible Preferred Shares") in the amount of £125.0 million (C$218.0 million) issued by CGWM UK. On May 31, 2022, certain institutional investors purchased a new series of Convertible Preferred Shares (B Convertible Preferred Shares) issued by CGWM UK for £65.3 million ($104.1 million as of the issuance date). The two series of the Convertible Preferred Shares are collectively described as Convertible Preferred Shares in discussions below.

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 components will be remeasured at the end of each reporting period using the Company's best estimate of its value with any changes in fair value recorded through net income for the period. Significant judgment is required in respect of the estimates and assumptions to be used in the determination of the fair value of the derivative component at each reporting period.

In the discussions below, unless otherwise noted, Hargreave Hale Limited is referred to as "Hargreave Hale" (renamed as Canaccord Genuity Asset Management), Petsky Prunier LLC is referred to as "Petsky Prunier", Sawaya Partners LLC is referred to as "Sawaya", McCarthy Taylor Limited (renamed as CG McCarthy Taylor Limited) and whose operations were subsequently transferred to CG Wealth Planning Limited is referred to as "McCarthy Taylor", Thomas Miller Wealth Management Limited (renamed as CG Wealth Planning Limited) and the private client business of Thomas Miller Investment (Isle of Man) Limited are referred to as "Thomas Miller", Patersons Securities Limited (renamed as Canaccord Genuity Financial Limited) is referred to as "Patersons", the private client investment management business acquired from Adam & Company (including the acquisition of the entire issued capital of Adam & Company Investment Management Limited) is referred to as "Adam & Company", and Jitneytrade Inc., Finlogik Capital Inc. and Finlogik Inc. are collectively referred to as "Jitneytrade", Punter Southall Wealth Limited as "PSW" and Results International Group LLP as "Results".

Consolidation

The Company owns 65% [March 31, 2022 – 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, 2023. 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, 2023 and 2022. Therefore, the financial position, financial performance and cash flows of CGAL and CGF have been consolidated.

The Company has employee benefit trusts, which are considered SPEs [Note 22], 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 and at each reporting date after the grant date in the case of cash-settled awards. 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 22.

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 CGUs 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.

3. Adoption of new and revised standards

There were no new accounting standards adopted for the year ended March 31, 2023.

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, 2023.

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, Collins Stewart Hawkpoint plc (CSHP), Eden Financial Ltd., Hargreave Hale, McCarthy Taylor, Petsky Prunier, Adam & Company, Sawaya , PSW and Results are customer relationships, non-competition agreements, brand name, trading licenses, fund management contracts, contract book, favorable lease, client books 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. Amortization is being recorded as follows:

- Brand name with definitive lives – up to a maximum of three years
- Customer relationships – up to a maximum of 14 years
- Technology – internally developed or acquired software up to a maximum of 10 years
- Fund management contracts – up to a maximum of 10 years
- Contract book – over the contract book period, usually up to a maximum of 2 years
- Client books – up to 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

Financial assets are classified as fair value through profit or loss (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 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

A financial asset is classified as fair value through other comprehensive income (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. There are no financial assets classified as FVOCI.

Financial assets classified as amortized cost

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 twelve months from initial recognition; therefore, the allowance is limited to twelve 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, 2023. A financial asset or group of financial assets is deemed to be impaired if there is 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 a 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, 2023 were $13.0 million [2022 – $9.1 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 (M&As) 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 (LOSS) 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 long-term incentive plan (LTIP) and other share-based payment plans 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 (loss) 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 restricted share units, or "RSUs"). This program is referred to as the long-term incentive plan (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 22]. 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 the 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 (FCA) 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 26.

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 & Europe (including Dubai), Australia, and the US. The Company's operations in Asia are allocated to the Canadian and Australian capital markets operations.

6. Securities Owned and Securities Sold Short

	March 31, 2023		March 31, 2022	
	Securities owned $	**Securities sold short $**	Securities owned $	Securities sold short $
Corporate and government debt	**$ 428,119**	**$ 394,284**	$ 548,639	$ 456,206
Equities and convertible debentures	**286,959**	**162,019**	502,590	111,084
	$ 715,078	**$ 556,303**	$ 1,051,229	$ 567,290

As at March 31, 2023, corporate and government debt maturities range from 2023 to 2080 [March 31, 2022 – 2022 to 2080] and bear interest ranging from 0.00% to 20.00% [March 31, 2022 – 0.00% to 16.00%].

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, 2023 and 2022 are as follows:

	Fair value through profit or loss		**Amortized cost**		**Total**	
	March 31, 2023 $	March 31, 2022 $	**March 31, 2023 $**	March 31, 2022 $	**March 31, 2023 $**	March 31, 2022 $
Financial assets						
Securities owned	**$ 715,078**	$ 1,051,229	**$ —**	$ —	**$ 715,078**	$ 1,051,229
Accounts receivable from brokers and investment dealers	**—**	—	**1,939,685**	1,693,579	**1,939,685**	1,693,579
Accounts receivable from clients	**—**	—	**869,883**	1,020,112	**869,883**	1,020,112
RRSP cash balances held in trust	**—**	—	**332,055**	512,147	**332,055**	512,147
Other accounts receivable	**—**	—	**213,580**	212,817	**213,580**	212,817
Investments at FVTPL	**11,569**	10,990	**—**		**11,569**	**$ 10,990**
Total financial assets	**$ 726,647**	$ 1,062,219	**$ 3,355,203**	3,438,655	**$ 4,081,850**	$ 4,500,874
Financial liabilities						
Securities sold short	**$ 556,303**	$ 567,290	**$ —**	$ —	**$ 556,303**	$ 567,290
Accounts payable to brokers and investment dealers	**—**	—	**1,361,601**	1,334,026	**1,361,601**	1,334,026
Accounts payable to clients	**—**	—	**1,738,806**	2,652,558	**1,738,806**	2,652,558
Other accounts payable and accrued liabilities	**—**	—	**619,925**	859,088	**619,925**	859,088

	Fair value through profit or loss		Amortized cost		Total	
	March 31, 2023 $	March 31, 2022 $	**March 31, 2023 $**	March 31, 2022 $	**March 31, 2023 $**	March 31, 2022 $
Subordinated debt	**—**	—	**7,500**	7,500	**7,500**	7,500
Deferred and Contingent consideration	**53,998**	45,286	**—**	—	**53,998**	45,286
Bank loan	**—**	—	**307,122**	152,041	**307,122**	152,041
Non-controlling interest-derivative	**61,705**	41,090	**—**	—	**61,705**	41,090
Total financial liabilities	**$ 672,006**	$ 653,666	**$ 4,034,954**	$ 5,005,213	**$ 4,706,960**	$ 5,658,879

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, 2023 and 2022, the Company held the following classes of financial instruments measured at fair value:

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

		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

		Estimated fair value		
			March 31, 2022	
	March 31, 2022 $	Level 1 $	Level 2 $	Level 3 $
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)	—
	(567,290)	(348,079)	(219,211)	—
Non-controlling interest – derivative liability	(41,090)	—	—	(41,090)
Deferred and contingent consideration	(45,286)	—	—	(45,286)
	(653,666)	(348,079)	(219,211)	(86,376)

Movement in net Level 3 financial assets (liability)

Balance, March 31, 2022	$	3,264
Payment of contingent and deferred consideration in connection with acquisition of Thomas Miller and PSW		12,955
Adjustment to contingent consideration in connection with Sawaya [Note 11]		(1,519)
Addition of deferred and contingent consideration in connection with Results [Note 11]		(18,847)
Addition of deferred consideration in connection with PSW		(10,140)
Change in fair value of contingent consideration in connection with Sawaya [Note 11]		14,278
Movement in fair value of level 3 securities owned during the period		(61,997)
Non-controlling interest derivative liability component in connection with issuance of B Convertible Preferred Shares [Note 8]		(7,970)
Fair value adjustment of non-controlling interest derivative liability		(11,629)
Foreign exchange revaluation		(5,876)
Balance, March 31, 2023		(87,481)

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 a 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, 2023 was $14.9 million [March 31, 2022 – $78.7 million].

As at March 31, 2023, the Company, either directly or through a wholly owned subsidiary, held investments in Capital Markets Gateway LLC, InvestX Capital Ltd. and Proactive Group Holdings Inc. which have been classified as Level 3 financial instruments given they do not have any observable inputs or market indicators [Note 10].

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. During the year ended March 31, 2023, a fair value adjustment of $11.6 million [March 31, 2022 – $8.5 million] was recorded in the statement of operations. The derivative liability component of £37.0 million (C$61.7 million) [March 31, 2022 – £25.0 million (C$41.1 million)] is included in the statement of financial position as of March 31, 2023.

In connection with the acquisitions of Sawaya and Results, there are current and long-term portion of deferred and contingent considerations recorded of $54.0 million as of March 31, 2023. During the year ended March 31, 2023, the Company recorded a reduction in the fair value of the contingent consideration in connection with the acquisition of Sawaya of $14.3 million through the consolidated statements of operations.

The long-term portion of the deferred and contingent consideration and the non-controlling interests derivative liability are included as other liabilities in the statement of financial position as at March 31, 2023.

The fair value measurements determined as described above may not be indicative of net realizable value or reflective of future values. Furthermore, the Company believes its valuation methods are appropriate and consistent with those which would be utilized by a market participant.

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, 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, 2023 and 2022.

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 $3.1 million as at March 31, 2023 [March 31, 2022 – $2.9 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, 2023 and 2022, 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 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 25.

The following table presents the contractual terms to maturity of the financial liabilities owed by the Company as at March 31, 2023 and March 31, 2022, respectively:

Financial liability	Carrying amount $		Contractual term to maturity
	March 31, 2023	March 31, 2022	
Securities sold short	**556,303**	567,290	Due on demand
Subordinated debt(1)	**7,500**	7,500	Due on demand(1)
Accounts payable and accrued liabilities	**3,720,332**	4,845,672	Due within one year
Current portion of bank loan	**13,342**	6,574	Due within one year
Current portion of deferred and contingent consideration	**17,325**	10,618	Due within one year
Long term portion of bank loan	**293,780**	145,467	Fiscal 2025
Long term portion of deferred and contingent consideration	**36,673**	34,668	Fiscal 2025 to 2027
Non-controlling interests derivative liability	**61,705**	41,090	Fiscal 2027

(1) Subject to approval from Canadian Investment Regulatory Organization (formerly Investment Industry Regulatory Organization of Canada)

The fair values for cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying values and will be paid within twelve 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, 2023 and March 31, 2022, 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, 2023			March 31, 2022
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	286,959	10,000	(10,000)	502,590	18,000	(18,000)
Equities and convertible debentures sold short	(162,019)	(6,000)	6,000	(111,084)	(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 securities owned, net of 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, 2023 and 2022 if interest rates had increased or decreased by 100 basis points applied to balances as of March 31, 2023 and March 31, 2022, 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, 2023			March 31, 2022
	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	$ 1,008,432	$ 7,362	$ (7,362)	$ 1,788,261	$ 13,054	$ (13,054)
Securities owned, net of securities sold short	158,775	1,159	(1,159)	483,939	3,533	(3,533)
Clients' payable, net	(868,923)	(6,343)	6,343	(1,632,446)	(11,917)	11,917
RRSP cash balances held in trust	332,055	2,424	(2,424)	512,147	3,739	(3,739)
Brokers' and investment dealers' balance, net	578,084	4,220	(4,220)	359,553	2,625	(2,625)
Subordinated debt	(7,500)	(55)	55	(7,500)	(55)	55
Bank loan	(307,122)	(2,242)	2,242	(152,041)	(1,110)	1,110

(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, 2023:

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	$ (1,407)	$ 1,407	$ 23,072	$ (23,072)
Pound sterling	(393)	393	$ 48,975	$ (48,975)
Australian dollar	70	(70)	$ 4,074	$ (4,074)

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)

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, 2023:

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

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	—

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 63 days as at March 31, 2023 [March 31, 2022 – 68 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, 2023 and March 31, 2022, respectively. The fair value of the forward contract assets and liabilities is included in the accounts receivable and payable balances.

			March 31, 2023			March 31, 2022
	Assets	**Liabilities**	**Notional amount**	Assets	Liabilities	Notional amount
Foreign exchange forward contracts	**$ 108**	**$ 98**	**$ 13,812**	$ 82	$ 75	$ 11,760

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, and in accordance with terms specified by a regulated futures exchange; they 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, 2023, the notional amount of the bond futures contracts outstanding was short $1.4 million [March 31, 2022 – long $9.7 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, 2023 and March 31, 2022.

The fair value of all 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, 2023 and 2022, the floating rate was nil.

	Cash		**Securities**	
	Loaned or delivered as collateral $	**Borrowed or received as collateral $**	**Loaned or delivered as collateral $**	**Borrowed or received as collateral $**
March 31, 2023	**$ 205,794**	**$ 130,651**	**$ 157,222**	**$ 206,328**
March 31, 2022	$ 282,142	$ 186,174	$ 203,465	$ 309,123

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, 2023, the Company had a nil balance outstanding [March 31, 2022 – $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, Adam & Company and Punter Southall. The balance outstanding at March 31, 2023, net of unamortized financing fees, was $307.1 million [March 31, 2022 – $152.0 million] [Note 17]. The facility ends on September 30, 2024 and the then outstanding payments are immediately due for repayment.

OTHER CREDIT FACILITIES

Excluding the bank loan in connection with the acquisitions of Hargreave Hale, Thomas Miller, Adam & Company and Punter Southall as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $667.4 million [March 31, 2022 – $657.0 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, 2023, there was no bank indebtedness outstanding [March 31, 2022 – $nil].

A subsidiary of the Company has also entered into secured irrevocable standby letters of credit from a financial institution totaling $3.9 million (US$2.9 million) [March 31, 2022 – $3.7 million (US$2.9 million)] as rent guarantees for its leased premises in New York. As of March 31, 2023, and March 31, 2022, there were no outstanding balances under these standby letters of credit.

8. NON-CONTROLLING INTERESTS

UK & Crown Dependencies Wealth Management

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

On May 31, 2022, certain institutional investors purchased a new series of Convertible Preferred Shares (“B Convertible Preferred Shares”) issued by CGWM UK for £65.3 million ($104.1 million as of the issuance date of May 31, 2022). The proceeds, net of discount of $2.1 million, were used in connection with the acquisition of PSW [note 11]. The B Convertible Preferred Shares bear the same terms as the A Convertible Preferred Shares issued during the year ended March 31, 2022 except for differences in conversion ratios. The two series of the Convertible Preferred Shares are collectively described as Convertible Preferred Shares in discussions below.

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 from the date of issuance of the A Convertible Preferred Shares 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 of the issuance of the A Convertible Preferred Shares 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 A Convertible Preferred Shares, CGWM UK provided for the purchase of certain equity instruments in CGWM UK by management and employees of CGWM UK. £24.6 million (CAD$42.7 million at the time of issuance) of such equity instruments in CGWM UK have been 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 A Convertible Preferred Shares (the “Preference Shares”). Preference Shares in the amounts of £7.5 million (CAD$13.0 million) were outstanding as of March 31, 2023. 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$6.7 million as of March 31, 2023) as well as certain full recourse employee loans were made. A management incentive plan has been implemented which, subject to certain minimum threshold levels, will provide for certain payments if a liquidity event occurs within six years or after six years if a liquidity event has not occurred and the A Convertible Preferred Shares are no longer outstanding.

In connection with the acquisition of PSW [Note 11], the Company also issued £4.0 million ($6.4 million as of the acquisition date of May 31, 2022) of ordinary shares of CGWM UK as part of the purchase consideration. In addition, a management incentive plan has been implemented. A total of £2.5 million of CGWM UK ordinary shares are expected to be issued in connection with this plan.

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

The Convertible Preferred Shares and Preference Shares do not give rise to any obligation for the Company to deliver cash or other financial assets to the holders thereof. The Convertible Preferred Shares and Preference Shares were treated as a compound instrument comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle the instrument, 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, 2023.

The fair value of the Convertible Preferred Shares and Preference Shares at issuance was allocated to the respective equity and derivative liability components. The fair value of the non-controlling interests derivative liability was established first and the residual amount was recorded to the equity component. The derivative components will be remeasured at the end of each reporting period using the Company's best estimate of its value. During the twelve months ended March 31, 2023, the Company recorded a derivative liability in connection with the issuance of the B Convertible Preferred Shares of £5.0 million ($8.0 million as of May 31, 2022). During the year ended March 31, 2023, a fair value adjustment of $11.6 million [March 31, 2022 – $8.5 million] was recorded in the statement of operations. The carrying value of the derivative liability component of £37.0 million (C$61.7 million) [March 31, 2022 – £25.0 million (C$41.1 million)] is included in other liabilities in the statement of financial position as of March 31, 2023.

The Company uses a Black Scholes model to estimate the fair value of the derivative liability embedded in the Convertible Preferred Shares and Preference Shares. The fair value is calculated using the estimated fair value as determined on an as converted equity equivalent basis and the amount of the liquidation preference of the Convertible Preferred Shares and Preference Shares. Other assumptions include estimates in respect of volatility, the risk-free interest and dividend rates.

Significant judgment is involved in the assumptions and estimates used to determine the fair value of the derivative liability component at each reporting period.

Australia

The Company owns 65% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd., and through that ownership a 65% indirect interest in Canaccord Genuity (Australia) Limited and Canaccord Genuity Financial Limited as of March 31, 2023 [March 31, 2022 – 65%]. Because of shares held in an employee trust controlled by CFGA, the Company holds a 67% ownership for accounting purposes.

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 25, both CGAL and CGFL are regulated by the Australian Securities and Investments Commission.

Summarized statement of profit or loss for the years ended March 31, 2023 and 2022:

	Australia		UK & Crown Dependencies		Total	
	2023 $	**2022 $**	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Revenue	**127,838**	248,721	**343,728**	310,495	**471,566**	559,216
Expenses	**119,690**	190,744	**289,424**	252,681	**409,114**	443,425
Net income before taxes	**8,148**	57,977	**54,304**	57,814	**62,452**	115,791
Income tax (recovery) expense	**(462)**	20,935	**6,403**	9,528	**5,941**	30,463
Net income	**8,610**	37,042	**47,901**	48,286	**56,511**	85,328

	Australia		UK & Crown Dependencies		Total	
Attributable to:	**2023 $**	**2022 $**	**2023 $**	**2022 $**	**2023 $**	**2022 $**
CGGI shareholders	**5,899**	29,670	**15,250**	31,407	**21,149**	61,077
Non-controlling interests	**2,711**	7,372	**32,651**	16,879	**35,362**	24,251
	8,610	37,042	**47,901**	48,286	**56,511**	85,328

Summarized statement of financial position as at March 31, 2023 and 2022:

	Australia		UK & Crown Dependencies		Total	
	2023 $	**2022 $**	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Current assets	**172,683**	235,141	**225,682**	162,826	**398,365**	397,967
Non-current assets	**38,523**	33,473	**1,622,049**	1,041,733	**1,660,572**	1,075,206
Current liabilities	**86,439**	133,434	**143,925**	94,256	**230,364**	227,690
Non-current liabilities	**16,313**	18,238	**364,915**	182,515	**381,228**	200,753

Summarized cash flow information for the years ended March 31, 2023 and 2022:

	Australia		UK & Crown Dependencies		Total	
	2023 $	**2022 $**	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Cash provided by operating activities	6,655	33,150	32,329	86,100	38,984	119,250
Cash (used in) provided by financing activities	(7,683)	(31,125)	231,549	70,034	223,866	38,909
Cash used by investing activities	(2,468)	(1,530)	(256,245)	(98,755)	(258,713)	(100,285)
Foreign exchange impact on cash balance	(4,134)	(2,291)	2,928	(8,274)	(1,206)	(10,565)
Net (decrease) increase in cash and cash equivalents	(7,630)	(1,796)	10,561	49,105	2,931	47,309

The non-controlling interests as of March 31, 2023 and 2022 comprised of the following:

As at and for the period ended March 31	Australia		UK & Crown Dependencies		Total	
	2023 $	2022 $	**2023 $**	2022 $	**2023 $**	2022 $
Balance, opening	**23,301**	8,190	**215,400**	—	**238,701**	8,190
Comprehensive income attributable to non-controlling interests	**5,440**	8,687	**32,651**	16,879	**38,091**	25,566
Foreign exchange on non-controlling interests	**(582)**	329	**(4,790)**	(5,112)	**(5,372)**	(4,783)
Dividends paid to non-controlling interest	**(7,683)**	(5,853)	—	—	**(7,683)**	(5,853)
Issuance of convertible preferred shares, net of discount	**—**	—	**102,017**	212,449	**102,017**	212,449
Issuance of equity instruments to management and employees	**—**	—	206	35,722	206	35,722
Reclassification to derivative liability on issuance date	**—**	—	**(7,970)**	(34,682)	**(7,970)**	(34,682)
Issuance of equity instruments in connection with acquisition of PSW [Note 11]	**—**	—	**6,376**	—	**6,376**	—
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	**—**	—	**(20,368)**	(7,139)	**(20,368)**	(7,139)
Reclassification of other comprehensive income on issuance date	**—**	1,105	**—**	(1,624)	—	(519)
Balance, ending	**20,476**	23,301	**323,522**	215,399	**343,998**	238,700

Comprehensive income attributable to non-controlling interests	**March 31 2023 $**	March 31 2022 $
Australia	**5,440**	8,687
UK & Crown Dependencies	**32,651**	16,879
Total	**38,091**	25,566

9. Accounts Receivable and Accounts Payable and Accrued Liabilities

ACCOUNTS RECEIVABLE

	March 31, 2023 $	March 31, 2022 $
Brokers and investment dealers	**$ 1,939,685**	$ 1,693,579
Clients	**869,883**	1,020,112
RRSP cash balances held in trust	**332,055**	512,147
Other	**213,580**	212,817
	$ 3,355,203	$ 3,438,655

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2023 $	**March 31, 2022 $**
Brokers and investment dealers	**$ 1,361,601**	$ 1,334,026
Clients	**1,738,806**	2,652,558
Other	**619,925**	859,088
	$ 3,720,332	$ 4,845,672

Amounts due from and to brokers and investment dealers include balances from resale and repurchase agreements, securities loaned and borrowed, and brokers' and dealers' counterparty balances.

Client security purchases are entered into on either a cash or a margin basis. In the case of a margin account, the Company extends a loan to a client for the purchase of securities, using securities purchased and/or other securities in the client's account as collateral. Amounts loaned to any client are limited by the margin regulations of the Canadian Investment Regulatory Organization ("CIRO") (formerly Investment Industry Regulatory Organization of Canada) and other regulatory authorities and are subject to the Company's credit review and daily monitoring procedures.

Amounts due from and to clients are due by the settlement date of the trade transaction. Margin loans are due on demand and are collateralized by the assets in the clients' accounts. Interest on margin loans and on amounts due to clients is based on a floating rate [March 31, 2023 – 9.70% to 11.00% and 0.00% to 0.05%, respectively; March 31, 2022 – 5.7% to 6.5% and 0.00% to 0.05%, respectively].

As at March 31, 2023, the allowance for doubtful accounts was $3.1 million [March 31, 2022 – $2.9 million]. See below for the movements in the allowance for doubtful accounts:

Balance, March 31, 2021	$	**6,841**
Charge for the year		**4,835**
Recoveries		**(8,625)**
Foreign exchange		**(106)**
Balance, March 31, 2022	$	**2,945**
Charge for the year		**3,888**
Recoveries		**(3,751)**
Foreign exchange		**—**
Balance, March 31, 2023		**3,082**

10. Investments

	March 31, 2023 $	March 31, 2022 $
Investment accounted for under the equity method	**6,532**	11,938
Investments held as fair value through profit or loss	**11,569**	10,990
	18,101	22,928

Breakdown of investments is as follows:

INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

	March 31, 2023	March 31, 2022
Canaccord Genuity G Ventures Corp.	**1,243**	1,298
Katipult Technology Corp.	**500**	3,000
Link Investment Management Inc.	**250**	2,500
International Deal Gateway Blockchain Inc.	**4,500**	4,500
Other	**39**	640
	6,532	$ 11,938

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

	March 31, 2023	March 31, 2022
Capital Markets Gateway LLC	**4,177**	3,864
InvestX Capital Ltd	**3,392**	3,126
Proactive Group Holdings Inc.	**4,000**	4,000
	11,569	$ 10,990

Investments accounted for under equity method

The Company recorded a net share of loss on associates of $0.06 million during the year ended March 31, 2023 [March 31, 2022 – net loss of $0.2 million]. Additionally, the Company recorded aggregate impairments during the year of $4.75 million on certain of these investments, including $2.5 million on Katipult Technology Corp ("Katipult) and $2.25 million on Link Investment Management Inc ("Link").

The Company is considered to exert significant influence over the operations of Katipult, Link and International Deal Gateway Blockchain Inc. factoring in potential voting rights, even though the Company does not currently have any entitlement to a share of the net assets of these companies. Accordingly, these investments are treated as equity investments and included as investments in the consolidated statement of financial position as at March 31, 2023.

Investments held as FVTPL

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

11. Business Combinations

RESULTS INTERNATIONAL GROUP LLP

On August 17, 2022, the Company, through its UK & Europe capital markets business, completed its acquisition of Results International Group LLP (Results). The initial cash consideration net of liabilities assumed was £5.3 million ($8.2 million), with additional contingent consideration of up to £14.45 million ($22.5 million) payable over a period of four years following completion, subject to the achievement of performance targets related to revenue. The contingent consideration was recorded at its fair value of £10.1 million ($15.7 million) as of the acquisition date. There was also deferred consideration of £2.0 million ($3.1 million), payable over a period of three years following completion, in cash or the Company's shares based on the Company's option.

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 an earnings before interest, taxation, depreciation and amortization (EBITDA) forecast, a risk-free rate of 2.0% and a volatility factor of 8.0%. Option pricing models require the input of highly subjective assumptions including 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

Cash net of liabilities assumed	$	8,211
Deferred consideration		3,112
Contingent consideration		15,735
	$	27,058

NET ASSETS ACQUIRED

Accounts receivable		1,307
Equipment and leasehold improvements		38
Right of use assets		3,667
Accounts payable and accrued liabilities		(5,079)
Lease liabilities		(4,171)
Identifiable intangible assets		2,728
Deferred tax liability related to identifiable intangible assets		(641)
Goodwill		29,209
	$	27,058

Identifiable intangible assets of $2.7 million were recognized and relate to the contract book, brand name and customer relationships. The goodwill of $29.2 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 Results 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 twelve months after the acquisition date.

The aggregate acquisition-related expenses incurred by the Company during the year ended March 31, 2023 in connection with the acquisition of Results were $1.5 million which comprised mainly of professional fees.

Revenue and net loss generated by Results including acquisition-related costs, were $3.8 million and $3.7 million, respectively, since the acquisition date.

Had Results been consolidated from April 1, 2022, as part of the consolidated statement of operations, the consolidated revenue and net loss would have been approximately $1.5 billion and $53.0 million, respectively, for the twelve months ended March 31, 2023. These figures represent historical results and are not necessarily indicative of future performance.

PUNTER SOUTHALL WEALTH LIMITED

On May 31, 2022, the Company, through CGWM UK completed its acquisition of the private client investment management business of Punter Southall Wealth Limited (PSW) for cash payment of £164.0 million ($261.4 million), issuance of shares from CGWM UK of £4.0 million ($6.4 million) and deferred consideration of £6.4 million (C$10.1 million) related to the purchase of excess regulatory capital. The deferred consideration was paid in October 2022.

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 £100 million (C$159.4 million as of the issuance date of May 31, 2022). In addition, certain institutional investors have made an additional investment in CGWM UK through the purchase of a new series of Convertible Preferred Shares in the amount of £65.3 million ($104.1 million as of the acquisition date of May 31, 2022). [Note 8]

Also, in connection with the acquisition, the Company adopted a share-based payment plan for certain awards to be made to certain employees of PSW. [Note 22]

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, are disclosed below.

CONSIDERATION

Cash	$ 261,416
Issuance of CGWM UK ordinary shares [Note 8]	6,376
Deferred consideration	10,140
	277,932

NET ASSETS ACQUIRED

Cash	$ 22,832
Accounts receivable	6,653
Equipment and leasehold improvements	448
Right of use assets	3,073
Deferred tax assets	598
Accounts payable and accrued liabilities	(10,063)
Lease liabilities	(3,728)
Identifiable intangible assets	136,022
Deferred tax liability related to identifiable intangible assets	(33,547)
Goodwill	155,644
	277,932

Identifiable intangible assets of $136.0 million were recognized and relate to customer relationships and brand name. The goodwill of $155.6 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 PSW 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 twelve months after the acquisition date.

The aggregate acquisition-related expenses incurred by the Company during the period ended March 31, 2023 in connection with the acquisition of PSW were $5.9 million which comprised mainly of professional fees.

Revenue and net income generated by PSW including acquisition-related costs, were $45.9 million and $10.6 million, respectively, since the acquisition date.

Had PSW been consolidated from April 1, 2022, as part of the consolidated statement of operations, the consolidated revenue and net loss would have been approximately $1.5 billion and $48.6 million, respectively, for the twelve months ended March 31, 2023. These figures represent historical results and are not necessarily indicative of future performance.

ADAM & COMPANY

During the twelve months ended March 31, 2023, the Company finalized its purchase price accounting in connection with the acquisition of Adam & Company. There were no changes to the purchase price and fair value of net assets acquired on the date of the acquisition disclosed in the Company’s audited consolidated financial statements for the year ended March 31, 2022.

The 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.

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 & Retail sector based in the US. During the twelve months ended March 31, 2023, the Company finalized its purchase price accounting. There was a remeasurement of the contingent consideration which resulted in an increase of $1.5 million in both goodwill and contingent consideration as of and for the twelve months ended March 31, 2023.

During the year ended March 31, 2023, the Company recorded a decline in the fair value of the contingent consideration of $14.3 million through the consolidated statement of operations. [Note 7]

The 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

Cash	$	45,513
Deferred consideration		11,378
Contingent consideration		44,626
	$	101,517

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		5,155
Goodwill		95,239
	$	101,517

Identifiable intangible assets of $5.2 million were recognized and relate to the contract book and brand name. The goodwill of $95.2 million represents the value of expected synergies arising from the acquisition.

12. Equipment and Leasehold Improvements

	Cost $	Accumulated amortization $	Net book value $
March 31, 2023			
Computer equipment	19,906	16,957	2,949
Furniture and equipment	34,957	26,884	8,073
Leasehold improvements	107,560	70,402	37,158
	162,423	114,243	48,180
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

	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Cost				
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
Acquisitions of Results and PSW [Note 11]	10	110	366	486
Additions	2,875	6,874	15,860	25,609
Disposals	(4,620)	(1,177)	(1,245)	**(7,042)**
Foreign exchange	444	185	800	1,429
Balance, March 31, 2023	19,906	34,957	107,560	162,423

	Computer equipment $	Furniture and equipment $	Leasehold improvements $	Total $
Accumulated amortization and impairment				
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
Amortization	2,580	2,209	6,888	11,677
Disposals	(3,604)	(1,025)	(1,152)	(5,781)
Foreign exchange	459	136	454	1,049
Balance, March 31, 2023	16,957	26,884	70,402	114,243

The carrying value of any temporarily idle property, plant and equipment is not considered material as at March 31, 2023 and March 31, 2022.

13. Right-of-Use Assets

Cost	
Balance, March 31, 2021	$ 133,122
Additions	61,424
Extinguishment	(4,020)
Foreign exchange	(1,660)
As at March 31, 2022	188,866
Additions	**19,430**
Extinguishment	**(7,813)**
Foreign exchange	**1,381**
As at March 31, 2023	**201,864**
Amortization	
Balance, March 31, 2021	47,906
Charge for the year	23,894
As at March 31, 2022	71,800
Charge for the year	**26,335**
As at March 31, 2023	**98,135**
Net book value as at March 31, 2022	$ 117,066
Net book value as at March 31, 2023	**103,729**

The right of use assets comprise mostly of leases for office premises.

14. Goodwill and Other Intangible Assets

	Goodwill $	Brand names (indefinite life) $	Brand names $	Customer relationships $	Technology $	Trading licenses $	Fund management contracts $	Contract book	Favorable lease	Client books	Total $
Gross amount											
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
Additions	184,853	—	274	137,795	4,006	—	—	682	—	—	142,757
Foreign exchange	27,823	—	120	8,599	470	(14)	535	859	42	(66)	10,545
Adjustments	1,594	—	—	—	—	—	—	—	—	—	—
Balance, March 31, 2023	**1,047,181**	**44,930**	**2,278**	**353,895**	**44,761**	**603**	**37,369**	**11,919**	**565**	**1,865**	**498,185**
Accumulated amortization and impairment											
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)
Amortization	—	—	(805)	(19,040)	(3,127)	—	(3,369)	(3,626)	—	(183)	(30,150)
Impairment	(101,729)	—	—	(842)	—	—	—	—	—	—	(842)
Foreign exchange	—	—	(76)	(1,787)	(479)	14	(384)	(641)	(42)	7	(3,388)
Balance, March 31, 2023	(424,361)		(1,574)	(125,750)	(32,512)	(603)	(19,389)	(11,493)	(565)	(384)	(192,270)
Net book value											
March 31, 2022	510,279	44,930	1,191	103,420	11,379	—	21,198	3,152	—	1,723	186,993
March 31, 2023	**622,820**	**44,930**	**704**	**228,145**	**12,249**	—	**17,980**	**426**	—	**1,481**	**305,915**

Identifiable intangible assets purchased through the acquisitions of Genuity Capital Markets (Genuity), the initial 50% interest in Canaccord Genuity (Australia) Limited (Canaccord Genuity Australia), Collins Stewart Hawkpoint plc (CSHP), Eden Financial Ltd., Hargreave Hale, Jitneytrade, Petsky Prunier, McCarthy Taylor, Thomas Miller, Patersons, Adam & Company, Sawaya, PSW and Results are customer relationships, trading licences, fund management contracts, contract book, technology and brand names acquired through the acquisitions of Petsky Prunier, Adam & Company and Sawaya, which have finite lives and are amortized on a straight-line basis over their estimated useful lives. Branding acquired through the acquisition of Genuity is considered to have an indefinite life as the Company has no plans to cease its use in the future.

IMPAIRMENT TESTING OF GOODWILL AND 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, 2023 $	March 31, 2022 $	**March 31, 2023 $**	March 31, 2022 $	**March 31, 2023 $**	March 31, 2022 $
Canaccord Genuity Capital Markets CGUs						
Canada	**$ 44,930**	$ 44,930	**—**	$ 101,732	**$ 44,930**	$ 146,662
US	**—**	—	**$ 206,664**	189,608	**206,664**	189,608
UK & Europe	**—**	—	**31,304**	—	**31,304**	—
Canaccord Genuity Wealth Management CGUs						
UK & Crown Dependencies (Channel Islands)	**—**	—	**89,944**	88,644	**89,944**	88,644
UK & Crown Dependencies (UK wealth)	**—**	—	**292,145**	127,434	**292,145**	127,434
Australia	**—**	—	**2,763**	2,861	**2,763**	2,861
	$ 44,930	$ 44,930	**$ 622,820**	$ 510,279	**667,750**	$ 555,209

Goodwill acquired in connection with PSW [Note 11] is included in the Canaccord Genuity Wealth Management (UK Wealth) CGU and goodwill acquired in connection with Results is included in the Canaccord Genuity Capital Markets UK & Europe for the purpose of goodwill impairment testing. [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, and whenever circumstances indicate the carrying value may potentially be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the CGU to which goodwill and indefinite life intangible assets are allocated. Where the carrying amount of a CGU exceeds its recoverable amount, an impairment loss is recognized. Any impairment loss first reduces the carrying amount of any goodwill allocated to the CGUs; then, if any impairment loss remains, the other assets of the unit are reduced on a pro rata basis. Impairment losses relating to goodwill cannot be reversed in future periods. The Company considers the relationship between its market capitalization and the book value of its equity, among other factors, when reviewing for indicators of impairment.

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

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

Cash flow estimates for each of these CGUs were based on management assumptions as described above and utilized a compounded annual growth rate and a terminal growth rate. The discount rates, compound annual growth rates and terminal growth rates for each CGU are summarized in the table below.

	Discount rate		Compound annual Growth rate		Terminal growth rate	
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Canaccord Genuity Capital Markets CGUs						
Canada	**14.0%**	12.5%	**10.9%**	5.0%	**2.5%**	2.5%
US	**14.0%**	12.5%	**2.5%**	0.0%	**2.5%**	2.5%
UK & Europe	**14.0%**	—	**10.0%**	—	**2.5%**	—
Canaccord Genuity Wealth Management CGUs						
UK & Crown Dependencies (Channel Islands)	**12.5%**	12.5%	**5.0%**	5.0%	**2.5%**	2.5%
UK & Crown Dependencies (UK wealth)	**12.5%**	12.5%	**7.5%**	5.0%	**2.5%**	2.5%
Australia	**14.0%**	12.5%	**5.0%**	5.0%	**2.5%**	2.5%

Due to the effect of weak equity market conditions globally and particularly in Canada, the Canadian capital markets operation experienced substantial declines in business activity and revenue and has incurred material losses on a year-to-date basis. With these adverse changes in the business environment, continued weakness in commodity prices and a challenging outlook as negative economic conditions persist, it was determined that the carrying value of our Canadian capital markets CGU exceeded its fair value during an interim test as at December 31, 2022. As a result, the Company recorded an impairment charge in respect of goodwill of $101.7 million during the three months ended December 31, 2022. In addition, the Company recorded an impairment charge related to the unamortized intangible assets of $0.8 million allocated to the Canadian capital markets CGU.

Sensitivity testing was conducted as part of the impairment test of goodwill and indefinite life intangible assets for the Canaccord Genuity Capital Markets – UK & Europe CGU. The sensitivity testing included assessing the impact that reasonably possible declines in revenue estimates for the twelve month period ending on March 31, 2024, declines in growth rates after that period and increases in the discount rates would have on the recoverable amounts of the CGUs, with other assumptions being held constant. An increase of the discount rate of 1.8 percentage points, a decrease in the estimated revenue for the twelve month period ending March 31, 2024 of $2.6 million, a decrease in the five year compound annual growth of 2.1 percentage points or a decrease in the terminal growth rate of 2.4% may result in the estimate of the recoverable amount declining below the carrying value with the result that an impairment charge may be required. Any such impairment charge would be determined after incorporating the effect of any changes in key assumptions including any consequential effects of such changes on estimated operating income and on other factors.

15. Income Taxes

The major components of income tax expense are as follows:

	March 31, 2023 $	March 31, 2022 $
Consolidated statements of operations		
Current income tax expense		
Current income tax expense	**$ 22,125**	$ 122,348
Adjustments in respect of prior years	**(1,952)**	(276)
	20,173	122,072
Deferred income tax expense (recovery)		
Origination and reversal of temporary differences	**138**	(14,301)
Impact of change in tax rates	**(2)**	(67)
	136	(14,368)
Income tax expense reported in the statements of operations	**20,309**	$ 107,704

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, 2023 $	March 31, 2022 $
Net (loss) income before income taxes	(34,433)	378,269
Income tax (recovery) expense at the statutory rate of 27.0% (2022 – 27.0%)	(9,370)	102,129
Difference in tax rates in foreign jurisdictions	(5,443)	(1,978)
Permanent differences	8,815	7,441
Impairment of goodwill and intangible assets	26,414	—
Change in accounting and tax base estimate	835	2,074
Impact of change in tax rate	(1,671)	1,957
Share-based payments	1,446	(1,470)
Other	(717)	(2,449)
Income tax expense reported in the statements of operations	$ 20,309	$107,704

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, 2023 $	March 31, 2022 $	March 31, 2023 $	March 31, 2022 $
Unrealized (loss) gain on securities owned	$ (5,778)	$ (33,770)	$(27,992)	$ 17,398
Legal provisions	1,103	1,273	170	498
Unpaid remunerations	16,978	36,250	19,492	(11,337)
Unamortized capital cost of equipment and leasehold improvements over their net book value	2,551	3,085	534	553
Unamortized common share purchase loans	34,968	39,368	4,400	(10,189)
Loss carryforwards	9,025	10,195	1,170	250
Long-term incentive plan	53,221	54,139	918	(12,302)
Other intangible assets	(82,348)	(42,087)	5,530	12,845
Other	5,285	4,896	(4,086)	(12,084)
	$ 35,005	$ 73,349	$ 136	$ (14,368)

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

	March 31, 2023 $	March 31, 2022 $
Deferred tax assets	$ 90,733	$ 98,224
Deferred tax liabilities	(55,728)	(24,875)
	$ 35,005	$ 73,349

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

	March 31, 2023 $	March 31, 2022 $
Opening balance	73,349	67,677
Tax (expense) recovery recognized in the consolidated statements of operations	(136)	14,368
Deferred taxes acquired in business combination	(34,191)	(12,255)
Tax benefit recognized in equity	(5,722)	742
Foreign exchange and other	1,705	2,817
Ending balance as of March 31	$ 35,005	$ 73,349

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 $6.3 million [2022 – $2.8 million] in the UK & Europe and $6.3 million [2022 – $6.5 million] in the US have been recognized as deferred tax assets. The losses in these jurisdictions can be carried forward indefinitely. Tax loss carryforwards of $24.1 million [2022 – $30.8 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 $23.8 million [2022 – $22.4 million] and other temporary differences of $nil [2022 – $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.

16. Subordinated Debt

	March 31, 2023 $	March 31, 2022 $
Loan payable, interest payable monthly at prime + 4% per annum, due on demand	**7,500**	7,500

The loan payable is subject to a subordination agreement and may only be repaid with the prior approval of the CIRO. As at March 31, 2023 and 2022, the interest rates for the subordinated debt were 10.7% and 6.7%, respectively. The carrying value of subordinated debt approximates its fair value due to the short-term nature of this liability.

17. Bank Loan

	March 31, 2023 $	March 31, 2022 $
Loan	**310,192**	154,498
Less: Unamortized financing fees	**(3,070)**	(2,457)
	307,122	152,041
Current portion	**13,342**	6,574
Long-term portion	**293,780**	145,467

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, Adam & Company and PSW. During the year ended March 31, 2023, the Company obtained an additional bank loan of £100.0 million (C$166.8 million as of March 31, 2023) [Note 11]. The loan is repayable in instalments of principal and interest and matures in September 2024. The interest rate on this loan is 7.177% per annum as at March 31, 2023 [March 31, 2022 – 3.375% per annum].

18. Lease Liabilities

	March 31, 2023 $	March 31, 2022 $
Year one	**34,148**	30,351
Year two	**28,674**	29,919
Year three	**19,134**	24,732
Year four	**12,000**	16,340
Year five and thereafter	**48,579**	55,635
	142,535	156,977
Effect of discounting	**(23,297)**	(31,429)
Present value of minimum lease payments	**119,238**	125,548
Less: current portion	**(26,712)**	(23,928)
Non-current portion of lease liabilities	**92,526**	101,620

19. Preferred Shares

	March 31, 2023		March 31, 2022	
	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 (“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 Shares”), 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.

On June 1, 2022, the Company announced the reset of the dividend rate on its Cumulative 5-year Rate Reset First Preferred Shares, Series C (the “Series C Preferred Shares”). Quarterly cumulative cash dividends, as declared, were paid at an annual rate of 4.993% for the five years ended 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%.

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, 2022 and have the option on June 30 every five years thereafter. The number of shares tendered for conversion by the conversion deadline of June 15, 2022 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, 2022 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. No shares were redeemed on June 30, 2022.

20. Common Shares

	March 31, 2023		March 31, 2022	
	Amount $	Number of shares	Amount $	Number of shares
Issued and fully paid	**686,043**	**99,594,391**	685,270	99,697,799
Shares committed to repurchase under the normal course issuer bid	—	—	(3,411)	(495,100)
Held for share-based payment plans	**(1,334)**	**(122,355)**	(1,505)	(122,355)
Held for the LTIP	**(118,364)**	**(11,994,885)**	(104,188)	(11,023,169)
	566,345	**87,477,151**	576,166	88,057,175

[i] AUTHORIZED

Unlimited common shares without par value.

[ii] ISSUED AND FULLY PAID

	Number of shares	Amount $
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 PSOs (performance stock options)	**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**
Shares issued in connection with settlement of Sawaya deferred consideration	**195,993**	**2,883**
Shares issued in connection with exercise of PSO	**285,899**	**1,924**
Shares purchased and cancelled under the normal course issuer bid	**(585,300)**	**(4,034)**
Balance, March 31, 2023	**99,594,391**	**686,043**

On August 18, 2022, the Company filed a notice to renew the normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 4,959,281 of its common shares during the period from August 21, 2022 to August 20, 2023 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, 2023, there were 502,000 shares purchased under the NCIB. There were also 83,300 shares purchased under the NCIB during the year ended March 31, 2022 and cancelled during the year ended March 31, 2023.

[iii] (LOSS) EARNINGS PER COMMON SHARE

	For the years ended	
	March 31, 2023 $	March 31, 2022 $
(Loss) earnings per common share		
Net (loss) income attributable to CGGI shareholders	$ **(90,104)**	$ 246,314
Preferred share dividends	**(10,948)**	(9,484)
Net (loss) income attributable to common shareholders	**(101,052)**	236,830
Weighted average number of common shares (number)	**87,381,995**	94,871,398
Basic (loss) earnings per share	$ **(1.16)**	$ 2.50
Diluted (loss) earnings per common share		
Net (loss) income attributable to common shareholders	**(101,052)**	236,830
Weighted average number of common shares (number)	**n/a**	94,871,398
Dilutive effect in connection with LTIP (number)	**n/a**	10,922,398
Shares payable in connection with Results deferred consideration (number)	**n/a**	—
Dilutive effect in connection with acquisition of Sawaya (number)	**n/a**	783,972
Dilutive effect in connection with PSOs (number)	**n/a**	2,856,706
Adjusted weighted average number of common shares (number)	**n/a**	109,434,474
Diluted (loss) earnings per common share	$ **(1.16)**	$ 2.16

For the year ended March 31, 2023, the instruments involving potential common shares were excluded from the calculation of diluted loss per share as they were anti-dilutive.

21. Dividends

COMMON SHARE DIVIDENDS

The Company declared the following common share dividends during the year ended March 31, 2023:

Record date	Payment date	Cash dividend per common share	Total common dividend amount
June 17, 2022	June 30, 2022	$ 0.085	$ 8,429
September 2, 2022	September 15, 2022	$ 0.085	$ 8,431
December 2, 2022	December 15, 2022	$ 0.085	$ 8,431
February 24, 2023	March 10, 2023	$ 0.085	$ 8,461

On June 16, 2023, the Board of Directors approved a dividend of $0.085 per common share, payable on July 4, 2023, with a record date of June 23, 2023. [Note 28]

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 17, 2022	June 30, 2022	$ 0.251750	$ 0.312060	$ 2,391
September 16, 2022	September 30, 2022	$ 0.251750	$ 0.427310	$ 2,852
December 23, 2022	January 3, 2023	$ 0.251750	$ 0.427310	$ 2,852
March 17, 2023	March 31, 2023	$ 0.251750	$ 0.427310	$ 2,852

On June 16, 2023, the Board approved a cash dividend of $0.25175 per Series A Preferred Share payable on June 30, 2023 to Series A Preferred shareholders of record as at June 23, 2023. [Note 28]

On June 16, 2023, the Board approved a cash dividend of $0.42731 per Series C Preferred Share payable on June 30, 2023 to Series C Preferred shareholders of record as at June 23, 2023. [Note 28]

22. 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 8,198,677 RSUs [year ended March 31, 2022 – 4,825,572 RSUs] granted in lieu of cash compensation to employees during the year ended March 31, 2023. The Trusts purchased 6,951,114 common shares [year ended March 31, 2022 – 4,531,020 common shares] during the year ended March 31, 2023.

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, 2023 was $10.17. [March 31, 2022 – $13.45].

	Number
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
Grants	8,198,677
Vested	(5,979,398)
Forfeited	(115,399)
Awards outstanding, March 31, 2023	**13,284,415**

	Number
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
Acquired	6,951,114
Released on vesting	(5,979,398)
Common shares held by the Trusts, March 31, 2023	**11,994,885**

[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, 2023, the Company granted 81,920 DSUs [2022 – 53,629 DSUs]. The carrying amount of the liability relating to DSUs at March 31, 2023 was $3.9 million [2022 – $7.7 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, 2023 was $9.6 million [March 31, 2022 – $5.4 million].

[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 the value of the PSUs at each reporting period are amortized over the remaining vesting period and recorded as a compensation expense in the statement of operations.

The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to PSUs at March 31, 2023 was $106.9 million [March 31, 2022 – $140.2 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 rateably over four years (with one-third vesting on each of the second, third and fourth anniversaries of the date of the grant). The PSOs will also be subject to market (stock price) performance vesting conditions, and have a four times exercise price cap on payout value (i.e., the gain on the exercise of the options is limited to three times the exercise price). During the year ended March 31, 2023, the stock price performance vesting conditions had been met on all the outstanding options. A total of 4,855,668 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 as of March 31, 2023. A total of 4,122,335 PSOs expired on June 14, 2023. In addition, 600,000 PSOs will expire on August 16, 2023.

The following is a summary of the Company's PSOs as at March 31, 2023:

	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
Grants	300,000		8.77
Exercised	(705,620)		6.73
Balance, March 31, 2023	**5,222,335**		**6.92**

Under IFRS 2, "Share-Based Payments", the impact of market conditions, such as a target share price upon which vesting is conditioned, should be considered when estimating the fair value of the PSOs. A Monte Carlo simulation is used to simulate a range of possible future stock prices for the Company over the period from the grant date to the expiry date of the PSOs. The purpose of this modelling is to use a probabilistic approach for estimating the fair value of the PSOs under IFRS 2. The following assumptions were used in the Monte Carlo model for grants made in the year ended March 31, 2023:

Dividend yield	3.78%
Expected volatility	48.60%
Risk-free interest rate	3.39%
Expected life	4 years

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 PSOs.

[vi] PSW CONDITIONAL SHARE PLAN

In connection with the acquisition of PSW [Note 11], the Company adopted a share-based payment plan in the amount of £2.5 million (CAD $4.2 million) in respect of CGWM UK ordinary shares for certain key employees of PSW. The plan is subject to various vesting conditions and accordingly, the Company recognizes the cost of such awards as an expense over the applicable vesting period.

[vii] SHARE-BASED COMPENSATION EXPENSE

	For the years ended	
	March 31, 2023 $	March 31, 2022 $
Long-term incentive plan	**45,426**	82,452
Deferred share units (cash-settled)	**(561)**	342
Deferred share units (cash-settled) – senior executives	**4,029**	5,435
PSO	**635**	1,393
PSU (cash-settled)	**8,685**	55,465
Other share-based payment plan	**1,281**	1,740
Total share-based compensation expense	**59,495**	146,827

23. 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, 2023**	March 31, 2022
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(1)	Guernsey	**94.5%**	96.7%
Canaccord Genuity Financial Planning Limited(1)(4)	United Kingdom	**94.5%**	96.7%
Canaccord Genuity Wealth Limited(1)	United Kingdom	**94.5%**	96.7%
Canaccord Genuity Wealth Group Limited(1)	United Kingdom	**94.5%**	96.7%
Canaccord Genuity Wealth (International) Holdings Limited(1)	Guernsey	**94.5%**	96.7%
Hargreave Hale Limited(1)	United Kingdom	**94.5%**	96.7%
CG Wealth Planning Limited(1)	United Kingdom	**94.5%**	96.7%
Adam & Company Investment Management Limited(1)(4)	United Kingdom	**94.5%**	96.7%
Punter Southall Wealth Limited(1)(4)	United Kingdom	**94.5%**	n/a
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%**	100%
Canaccord Financial Group (Australia) Pty Ltd(2)	Australia	**65%**	65%
Canaccord Genuity (Australia) Limited(2)	Australia	**65%**	65%
Canaccord Genuity Financial Limited(2)	Australia	**65%**	65%
Patersons Asset Management Limited(2)	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.(3)	United Arab Emirates	**100%**	100%
Canaccord Genuity Wealth Group Holdings (Jersey) Limited(1)	Jersey	**94.5%**	96.7%
Canaccord Genuity Hawkpoint Limited	United Kingdom	**100%**	100%
Canaccord Genuity Management Company Limited(4)	Ireland	**100%**	100%

(1) The company issued Convertible Preferred Shares to certain institutional investors and certain equity instruments in CGWM UK within the context of the transaction value and reflecting a 5.55% 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 a 33.1% equity equivalent interest. [Note 8]

(2) 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, 2023 the Company is considered to have a 67.3% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2022 – 67.3%] [Note 8].

(3) The Company sold its interest in Canaccord Genuity (Dubai) Ltd. subsequent to March 31, 2023.

(4) This company was wound-up as part of an internal restructuring subsequent to March 31, 2023.

[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, 2023 and 2022:

	March 31, 2023 $	March 31, 2022 $
Short-term employee benefits	48,804	33,585
Share-based payments	892	736
Total compensation paid to key management personnel	49,696	34,321

[iii] OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

	March 31, 2023 $	March 31, 2022 $
Accounts receivable	18,115	12,009
Accounts payable and accrued liabilities	600	1,271

[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.

24. 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, Adam & Company and PSW is allocated to the Canaccord Genuity Wealth Management UK & Europe (UK Wealth) segment. Amortization of identifiable intangible assets acquired through the acquisitions of Petsky Prunier and CG Sawaya is allocated to the Canaccord Genuity Capital Markets US segment. Amortization of identifiable intangible assets acquired through the acquisition of Results is allocated to Canaccord Genuity Capital Markets UK and Europe segment. Amortization of identifiable intangible assets acquired through the acquisition of Patersons is allocated to Canaccord Genuity Wealth Management Australia. There are no significant intersegment revenues. Income taxes are managed on a Company basis and are not allocated to operating segments. All revenue and operating profit is derived from external customers. The Company also does not allocate cash flows by reportable segments.

For the years ended	March 31, 2023				March 31, 2022			
	Canaccord Genuity Capital Markets $	**Canaccord Genuity Wealth Management $**	**Corporate and Other $**	**Total $**	Canaccord Genuity Capital Markets $	Canaccord Genuity Wealth Management $	Corporate and Other $	Total $
Commissions and fees	**156,187**	**591,772**	**1,155**	**749,114**	174,826	587,001	16	761,843
Investment banking	**126,588**	**34,356**	—	**160,944**	463,118	98,607	—	561,725
Advisory fees	**362,549**	**2,005**	—	**364,554**	488,579	4,478	—	493,057
Principal trading	**116,900**	**338**	—	**117,238**	158,232	744	2	158,978
Interest	**25,067**	**76,593**	**13,585**	**115,245**	8,985	21,580	5,463	36,028
Other	**5,562**	**3,240**	**(5,500)**	**3,302**	9,334	7,997	17,040	34,371
Expenses, excluding undernoted	**698,759**	**490,833**	**89,292**	**1,278,884**	924,199	512,719	109,468	1,546,386
Amortization	**10,303**	**29,662**	**1,669**	**41,634**	6,784	20,192	617	27,593
Amortization of right of use assets	**15,756**	**7,133**	**3,446**	**26,335**	15,278	5,444	3,172	23,894
Development costs	**3,383**	**25,296**	**7,379**	**36,058**	1,366	20,861	195	22,422
Interest expense	**18,848**	**32,739**	**2,952**	**54,539**	13,072	8,852	1,674	23,598
Acquisition related costs	**1,477**	**5,926**	—	**7,403**	537	8,660	—	9,197
Impairment of goodwill and intangible assets	**102,571**	—	—	**102,571**	—	—	—	
Fair value adjustment of non-controlling interest derivative liability	**—**	**—**	**11,629**	**11,629**	—	—	8,519	8,519
Change in fair value of contingent consideration	**(14,278)**	**—**	**—**	**(14,278)**				
Costs associated with redemption of convertible debentures	—	—	—	—	—	—	5,932	5,932
Share of loss of an associate	—	—	**55**	**55**	—	—	192	192
(Loss) Income before intersegment allocations and income taxes	**(43,966)**	**116,715**	**(107,182)**	**(34,433)**	341,838	143,679	(107,248)	378,269
Intersegment allocations	**21,651**	**23,293**	**(44,944)**	—	20,007	22,670	(42,677)	—
(Loss) income before income taxes	**(65,617)**	**93,422**	**(62,238)**	**(34,433)**	321,831	121,009	(64,571)	378,269

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, 2023 $**	March 31, 2022 $
Canada	**$ 454,741**	$ 692,432
UK, Europe & Crown Dependencies	**440,003**	430,850
United States	**487,769**	673,997
Australia	**127,884**	248,723
	$ 1,510,397	$ 2,046,002

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, 2023					
Equipment and leasehold improvements	**31,692**	**9,399**	**4,076**	**3,013**	**48,180**
Goodwill	—	**413,393**	**206,664**	**2,763**	**622,820**
Intangible assets	**47,903**	**251,564**	**186**	**6,262**	**305,915**
Non-current assets	**79,595**	**674,356**	**210,926**	**12,038**	**976,915**
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

25. 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, 2023 and 2022:

Type of capital	March 31, 2023 $	March 31, 2022 $
Preferred shares	**205,641**	205,641
Common shares	**566,345**	576,166
Deferred consideration	**8,495**	11,378
Contributed surplus	**49,400**	64,241
Retained earnings	**119,552**	251,540
Accumulated other comprehensive income	**105,206**	69,103
Shareholders' equity	**1,054,639**	1,178,069
Non-controlling interests	**343,998**	238,700
Subordinated debt	**7,500**	7,500
Bank loan	**307,122**	152,041
	1,713,259	$ 1,576,310

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 CIRO
- 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, Punter Southwall 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). The Company sold its interest in Canaccord Genuity (Dubai) Ltd subsequent to March 31, 2023
- 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, 2023.

26. Client Money

At March 31, 2023, the UK & Europe operations held client money in segregated accounts of $3.280 billion (£1.967 billion) [2022 – $2.859 billion (£1.740 billion)]. This client money comprises of $7.121 million (£4.270 million) [2022 – $7.345 million (£4.469 million)] of cash to settle outstanding trades and $3.272 billion (£1.962 billion) [2022 – $2.852 billion (£1.735 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.

27. 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, 2023 and 2022:

	Legal provisions $	Restructuring provisions $	Total provisions $
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
Additions	13,363	—	13,363
Utilized	(1,874)	(51)	(1,925)
Balance, March 31, 2023	**18,136**	**1,524**	**19,660**

Commitments, litigation proceedings and contingent liabilities

In the normal course of business, the Company is involved in litigation, and as of March 31, 2023, it was a defendant in various legal actions. The Company has established provisions for matters where payments are probable and can be reasonably estimated. While the outcome of these actions is subject to future resolution, management's evaluation and analysis of these actions indicate that, individually and in the aggregate, the probable ultimate resolution of these actions will not have a material effect on the financial position of the Company.

The Company is also subject to asserted and unasserted claims arising in the normal course of business which, as of March 31, 2023, have not resulted in the commencement of legal actions. The Company cannot determine the effect of all asserted and unasserted claims on its financial position; however, where losses arising from asserted and unasserted claims are considered probable and where such losses can be reasonably estimated, the Company has recorded a provision.

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 is subject to certain rules, regulations, and other regulatory requirements specific to the broker-dealer business and, as such, the Company operates within a regulatory framework involving certain governmental agencies and organizations. As a regulated entity and in the normal course, the Company is subject to periodic reviews and examinations by those agencies and organizations. The Company maintains policies and procedures designed to ensure compliance with these rules, regulations and requirements, but, in the event that a regulatory authority determines that there was a failure by the Company to follow or comply with certain procedures or a regulatory requirement or there is a deficiency in the Company's records or reports or some other compliance or financial failure then the Company may agree to pay a fine or penalty or agree to certain other sanctions, or, alternatively, a regulatory authority may impose a fine, penalty or other sanction. If such circumstances arise, the Company records a provision for any matter where a payment is considered probable and can be reasonably estimated.

In connection with this regulatory oversight, the Company is involved in an enforcement matter arising from a regulatory review of the Company's wholesale market making activities. Although the Company expects that the underlying enforcement matter will be resolved in the ordinary course and expects that the resolution of the enforcement matter will not have a material impact on its financial condition or results of operations, the Company may incur a significant penalty and additional costs related to its business or become subject to other terms or conditions that may adversely impact its business. An estimate for a settlement of the enforcement matter has been recorded as of March 31, 2023, based on management's judgment and based on the information currently available to the Company, but because the ultimate resolution of this matter is not known and the amount of the loss is uncertain, the Company may be required to make a payment that is more than the amount recorded. In determining the estimate, management referred to previous enforcement matters that were settled by other companies recognizing that facts and circumstances in such cases were significantly different than those in the Company's current matter. These other cases reflected a wide range of settlement payments, and it is reasonably possible that an actual settlement will exceed the estimate currently recorded as of March 31, 2023. An actual estimate of any such excess cannot be made at this time. Adjustments will be recorded in subsequent periods if further information becomes available that changes the estimate.

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 provides services only 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 favor of the Company. The Company has determined that any such proceedings are unlikely and, accordingly, has not recorded a provision in respect of such matters.

Risks associated with emerging industries such as the cannabis industry 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 Company may be unable to recover amounts in respect of any indemnity claims.

28. Subsequent Events

1. BUSINESS COMBINATION

On May 29, 2023, the Company, through its Canadian wealth management business, completed its previously announced acquisition of Mercer Global Investments Canada Limited's Canadian private wealth business for cash consideration of $2.4 million and contingent consideration subject to achievement of certain performance targets.

2. DIVIDENDS

On June 16, 2023, the Board of Directors approved a dividend of $0.085 per common share, payable on July 4, 2023, with a record date of June 23, 2023. [Note 21]

On June 16, 2023, the Board approved a cash dividend of $0.25175 per Series A Preferred Share payable on June 30, 2023 to Series A Preferred shareholders of record as at June 23, 2023. [Note 21]

On June 16, 2023, the Board approved a cash dividend of $0.42731 per Series C Preferred Share payable on June 30, 2023 to Series C Preferred shareholders of record as at June 23, 2023. [Note 21]