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.

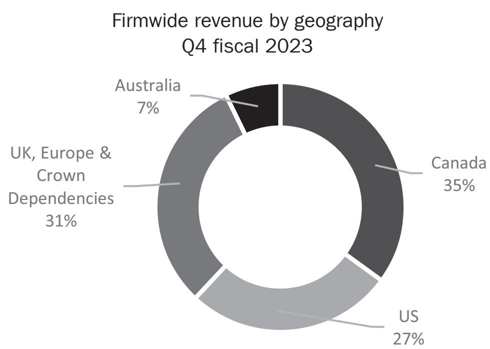
BUSINESS ACTIVITY

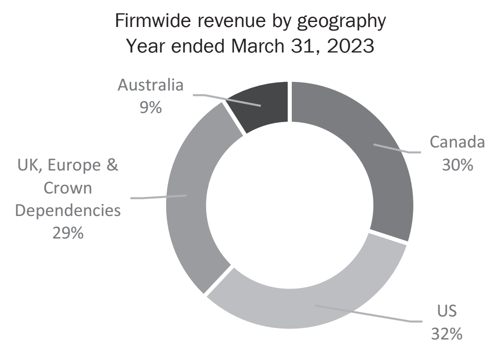
Our business is affected by the overall condition of the worldwide debt and equity markets.

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:



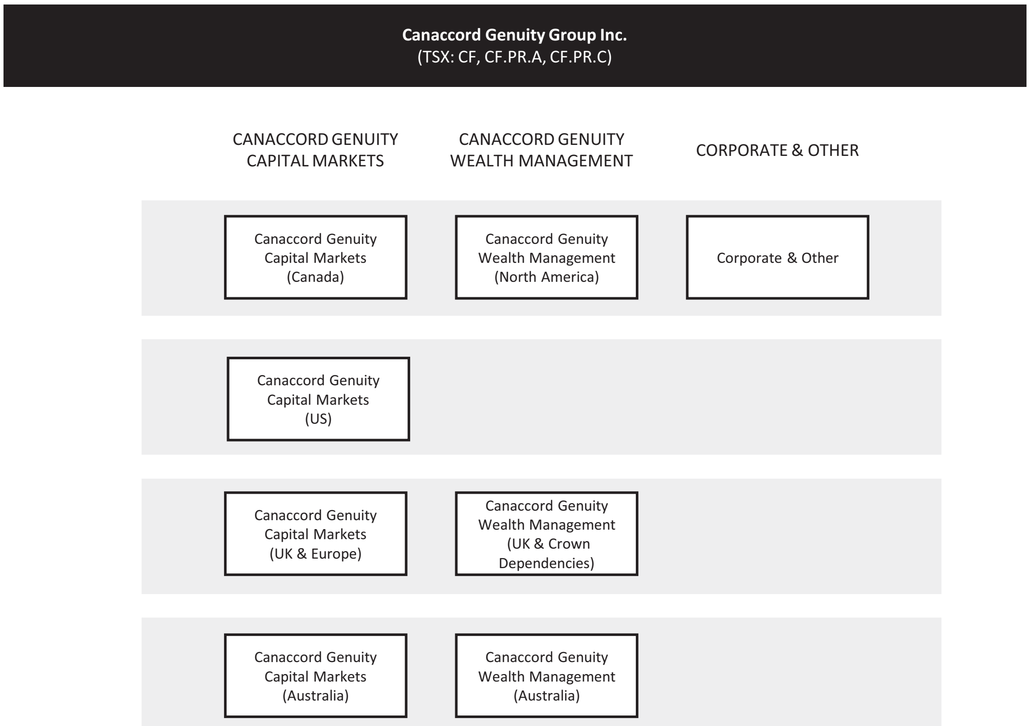


IMPACT OF CHANGES IN CAPITAL MARKETS ACTIVITY

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.

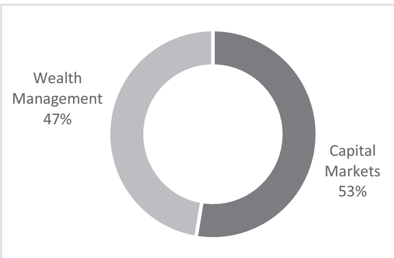
Our overall economic outlook for fiscal 2024 calls for a mild economic recession with pressure on corporate earnings. We believe financial markets will transition from inflation fears to growth concerns, which would lead to bouts of heightened market volatility, particularly in core Canaccord Genuity 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.

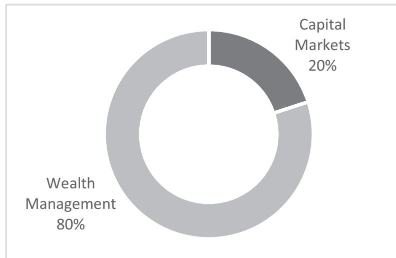
Core Business Performance Highlights-Fourth Quarter and Fiscal Year Ended March 31, 2023

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:

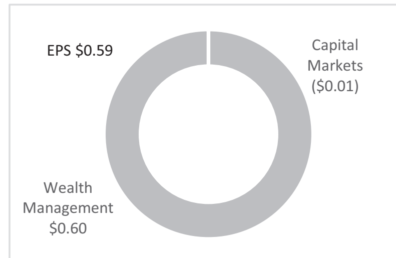
Revenue by business segment
Year ended March 31, 2023



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]

(C$ thousands, except per share and % amounts)	Three months ended March 31 2023	Three months ended March 31 2022	Quarter-over-quarter change	Year ended March 31 2023	Year ended March 31 2022	Year-over-year 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)

(C$ thousands, except number of employees)	2023 Canaccord Genuity Capital Markets	2023 Canaccord Genuity Wealth Management	2023 Corporate and Other	2023 Total	2022 Canaccord Genuity Capital Markets	2022 Canaccord Genuity Wealth Management	2022 Corporate and Other	2022 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

For the years ended March 31

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 14. Detailed financial results for the business segments are shown in Note 25 of the audited consolidated financial statements.
(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 2023	Three months ended March 31 2022	Quarter-over-quarter change	Year ended March 31 2023	Year ended March 31 2022	Year-over-year change
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 Q4	Q3	Q2	Q1	Fiscal 2022 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%

		% equity interest	
	Country of incorporation	**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

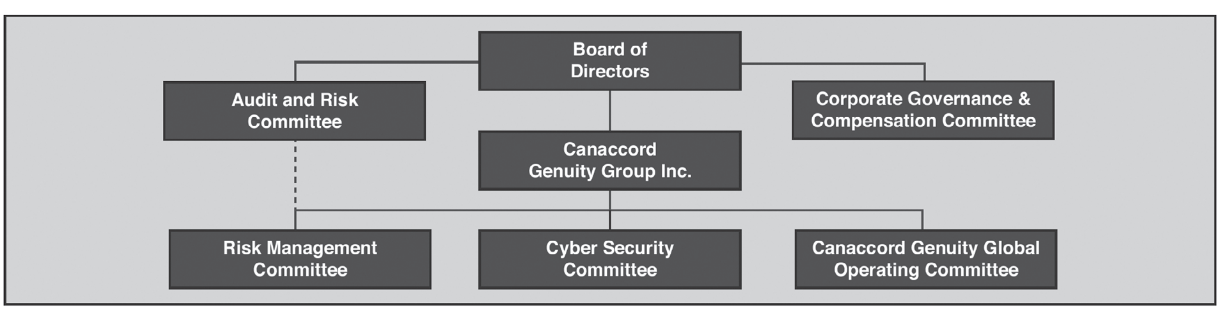
Uncertainty and risk are inherent when conducting operations within financial markets. As an active participant in the Canadian and international capital markets, the Company is exposed to risks that could result in financial losses. The Company has identified its principal risks as: market risk, credit 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.