THIRD QUARTER

Fiscal 2024 Report to Shareholders

Canaccord Genuity

Canaccord Genuity Group Inc. Reports Third Quarter Fiscal 2024 Results

TORONTO, February 7, 2024 – Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the third fiscal quarter and nine months ended December 31, 2023.

"We delivered our strongest quarterly result of the fiscal year, as our wealth management division continued to provide stable and growing earnings, and our capital markets businesses returned to profitability with a notable uptick in underwriting and advisory activities," said Dan Daviau, President & CEO of Canaccord Genuity Group Inc. "While we are encouraged by improving stabilization in our operating environment, we anticipate a slow build towards normalized activity levels as markets await a clear inflection point."

Third fiscal quarter and nine-month fiscal year-to-date highlights:

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

- Third quarter revenue of $389.1 million, an increase of 1.8% compared to the same period in the prior year and 15.4% compared to Q2/24
- Global wealth management revenue for the third fiscal quarter increased by 8.5% year-over-year to $195.0 million
- Global capital markets revenue for the third fiscal quarter decreased by 3.6% year-over- year and increased by 31.1% sequentially to $189.8 million reflecting modest improvement in revenue from investment banking, advisory and principal trading
- Nine-month fiscal year-to-date revenue of $1.1 billion, a decrease of 0.9% compared to the first nine months of fiscal 2023
- Third quarter net income before taxes excluding significant items(1) of $44.7 million, an increase of 42.0% compared to Q3/23 and an increase of 171.1% compared to Q2/24 (on an IFRS basis Q3/24 net income before taxes of $37.1 million compared to a net loss before taxes of $80.8 million for Q3/23 and a net loss before taxes of $0.7 million for Q2/24)
- Nine-month fiscal year-to-date net income before taxes excluding significant items(1) of $94.1 million, a decrease of 14.1% compared to the first nine months of fiscal 2023 (on an IFRS basis year-to-date net income before taxes of $42.7 million compared to a net loss before taxes of $39.9 million in the first nine months of fiscal 2023)
- Diluted earnings per common share excluding significant items(1) for the third fiscal quarter of $0.20 per share (diluted earnings per common share of $0.14 on an IFRS basis)
- Diluted earnings per common share excluding significant items(1) for the first nine months of fiscal 2024 of $0.27 (diluted loss per common share of $0.20 on an IFRS basis)
- Excluding significant items(1), CG's global wealth management businesses contributed net income before taxes of $37.8 million in the third quarter of fiscal 2024
- Excluding significant items(1) CG's global capital markets business contributed third quarter net income before taxes of $16.7 million, with all regions returning to profitability
- Total client assets(1) in our global wealth management business were $99.2 billion at December 31, 2023, a year-over-year increase of 5.1%, reflecting year-over-year increases of 4.5% in Canada, 4.4% in the UK & Crown Dependencies and 16.6% in Australia
- Third quarter common share dividend of $0.085 per share

(1) See Non-IFRS Measures on page 5

	Three months ended December 31 Q3/24	Q3/23	Year-over-year change	Three months ended September 30 Q3/24	Quarter-over-quarter change
Third fiscal quarter highlights – adjusted[1]					
Revenue excluding significant items[1]	**$ 389,503**	$ 382,349	1.9%	$ 337,508	15.4%
Expenses excluding significant items[1]	**$ 344,803**	$ 350,878	(1.7)%	$ 321,017	7.4%
Diluted earnings per common share excluding significant items[1][2]	**$ 0.20**	$ 0.16	25.0%	$ 0.00	n.m.
Net income excluding significant items[1]	**$ 33,304**	$ 28,197	18.1%	$ 10,717	210.8%
Net income (loss) attributable to common shareholders excluding significant items[1][3]	**$ 20,767**	$ 16,561	25.4%	$ (299)	n.m.
Third fiscal quarter highlights – IFRS					
Revenue	**$ 389,143**	$ 382,116	1.8%	$ 337,290	15.4%
Expenses	**$ 352,045**	$ 462,902	(23.9)%	$ 337,964	4.2%
Diluted earnings (loss) per common share	**$ 0.14**	$ (1.10)	112.7%	$ (0.20)	170.0%
Net income (loss)[2]	**$ 28,005**	$ (82,065)	134.1%	$ (5,867)	n.m.
Net income (loss) attributable to common shareholders[3]	**$ 14,346**	$ (95,166)	115.1%	$ (18,981)	175.6%

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 5
(2) Before non-controlling interests and preferred share dividends paid on the Series A and Series C Preferred Shares
(3) Net income (loss) attributable to common shareholders is calculated as the net income (loss) adjusted for non-controlling interests and preferred share dividends

Core business performance highlights:

Canaccord Genuity Wealth Management

The Company's combined global wealth management operations earned revenue of $195.0 million for the third fiscal quarter, a year-over-year increase of 8.5%. On a year-to-date basis, revenue in this division amounted to $573.3 million, an increase of 12.1% compared to the first nine months of the prior fiscal year. Net income before taxes excluding significant items[1] for this segment increased by 3.7% and 19.8% year-over-year for the three and nine month periods ended December 31, 2023, respectively.

- Wealth management operations in the UK & Crown Dependencies generated third quarter revenue of $101.8 million, an increase of 18.8% compared to the same period last year, primarily driven by higher quarterly interest income offset by a small decrease in commissions and fees revenue. Measured in local currency (GBP), revenue was £60.2 million in Q3/24 compared to £53.7 million in Q3/23, an increase of 12.1% compared to the same quarter last year. Excluding significant items[1], pre-tax net income for this business was $25.5 million in Q3/24 and $74.9 million fiscal year-to-date, year-over-year increases of 11.3% and 25.3%, respectively.
- Canaccord Genuity Wealth Management (North America) generated $77.0 million in third quarter revenue, a year-over-year decrease of 0.4% compared to Q3/23 and an increase of 8.8% compared to Q2/24. Fee-related revenue for the third fiscal quarter grew by 5.4 p.p. year-over-year to 50.9%. Excluding significant items[1] net income before taxes for this business was $10.8 million in Q3/24 and $29.0 million for the first nine months of fiscal 2024, which represents a year-over-year decrease of 12.6% and an increase of 1.5% respectively.
- Wealth management operations in Australia generated $16.2 million in third quarter revenue, a decrease of 2.7% compared to the third quarter of last year and an increase of 5.0% compared to Q2/24. Excluding significant items[1] net income before taxes for this business was $1.5 million in Q3/24 compared to net income of $1.2 million in Q3/23, and net income before taxes of $2.6 million for the first nine months of fiscal 2024 compared to net income of $0.5 million for the same period a year ago.

Total client assets in the Company's global wealth management businesses at the end of the third fiscal quarter amounted to $99.2 billion, an increase of $4.8 billion or 5.1% from Q3/23.

- Client assets[1] in the UK & Crown Dependencies were $56.8 billion (£33.7 billion) as at December 31, 2023, an increase of 4.4% (increase of 1.4% in local currency) from $54.4 billion (£33.2 billion) at December 31, 2022. On a sequential basis, client assets increased by 8.0% (increase of 6.0% in local currency) from $52.6 billion (£31.7 billion) at the end of the previous quarter primarily due to improvements in market values and foreign exchange movement.
- Client assets[1] in North America were $36.3 billion as at December 31, 2023, an increase of 4.5% from $34.7 billion at December 31, 2022 and an increase of 2.8% compared to the previous fiscal quarter due to increases in market values and net new assets.
- Client assets[1] in Australia were $6.1 billion (AUD 6.8 billion) at December 31, 2023, an increase of 12.0% from $5.5 billion (AUD 6.3 billion) at the end of the previous quarter and an increase of 16.6% from $5.3 billion (AUD 5.7 billion) at December 31, 2022. In addition, client assets[1] totalling $14.5 billion (AUD 16.0 billion) are also held on record in less active and transactional accounts through our Australian platform.

Canaccord Genuity Capital Markets

Globally, Canaccord Genuity Capital Markets earned revenue of $189.8 million for the third fiscal quarter, a decrease of 3.6% compared to Q3/23 and an increase of 31.1% sequentially reflecting improving levels of investment banking, advisory and principal trading activities when compared to the second quarter of this fiscal year. For the nine months ended December 31, 2023, revenue decreased by 15.2% to $480.3 million, driven by lower advisory fees and principal trading revenue and partially offset by higher interest, commissions and fees and investment banking revenue.

Canaccord Genuity Capital Markets participated in 241 investment banking transactions globally, including led and co-led deals, raising total proceeds of $12.4 billion fiscal year-to-date.

(1) See Non-IFRS Measures on page 5

Advisory revenue for the three-month period was $74.6 million, a slight year-over-year decrease of 0.8% and an increase of 62.1% sequentially, which reflects improving contributions from our Canadian, US and UK businesses. Investment banking revenue increased by 5.8% compared to Q3/23 and by 29.2% sequentially, reflecting a modest increase in new issue activity in Canada, the US and UK, offset by a slight decrease in Australia. Commissions and fees revenue decreased by 4.9% year-over-year for the three-month period due to lower contributions from the US, partially offset by higher contributions from our Canadian and UK operations. Principal trading revenue decreased by 14.7% year-over-year as a result of reduced market-wide trading activity but increased by 47.0% compared to Q2/24 reflecting traditionally higher trading volumes at the end of the calendar year. Interest revenue decreased by 16.2% and increased by 58.4%, respectively, for the three- and nine- month periods ended December 31, 2023 due to the higher interest rate environment compared to last year, offset by reduced stock lending activity on a quarter-over-quarter basis.

All CG capital markets businesses achieved profitability in the third fiscal quarter. Excluding significant items[(1)], our global capital markets division recorded net income before taxes of $16.7 million for the third fiscal quarter, which compares favourably to the $5.9 million recorded in Q3/23 and primarily reflects the impact of lower compensation and fixed costs when compared to the same period a year ago. Net income excluding significant items[(1)] for the nine-month period ended December 31, 2023 was $2.7 million compared to $36.3 million for the same period in the prior year.

Summary of Corporate Developments

On November 9, 2023, the Company announced that through CGWM UK, it has entered into a share purchase agreement to acquire Intelligent Capital. Founded in 1999, Intelligent Capital is a financial planning business based in Glasgow, Scotland with approximately £220.0 million in client assets. Upon completion of the transaction, the professionals and clients of Intelligent Capital will operate under the Adam & Company brand, which represents the Scottish operating business of CGWM UK. The acquisition is expected to be completed within the first half of calendar 2024.

In the third quarter, Rod Phillips, a director of the Company, entered into a consulting agreement with Canaccord Genuity Corp., to provide services to the Company’s Canadian investment banking group. As part of the agreement and subject to receipt of regulatory approval, Rod Phillips will serve on the board of directors of Canaccord Genuity Corp. in the role of Vice-Chairman. Rod Phillips also remains a director of the Company but has ceased to be member of any of the commitees of the board.

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

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

(1) See Non-IFRS Measures on page 5

Summary of Results for Q3 and YTD Fiscal 2024 and Selected Financial Information Excluding Significant Items(1):

(C$ thousands, except per share and % amounts)	Three months ended December 31 2023	Three months ended December 31 2022	Quarter-over-quarter change	Nine months ended December 31 2023	Nine months ended December 31 2022	YTD over YTD change
Revenue						
Revenue per IFRS	$ 389,143	$ 382,116	1.8%	$ 1,069,757	$ 1,080,008	(0.9)%
Significant items recorded in Corporate and Other						
Fair value adjustments on certain warrants and illiquid or restricted marketable securities	$ 360	$ 233	54.5%	$ 697	$ 12,951	(94.6)%
Total revenue excluding significant item(1)	$ 389,503	$ 382,349	1.9%	$ 1,070,454	$ 1,092,959	(2.1)%
Expenses						
Expenses per IFRS	$ 352,045	$ 462,902	(23.9)%	$ 1,027,051	$ 1,119,868	(8.3)%
Significant items recorded in Canaccord Genuity Capital Markets						
Amortization of intangible assets	$ 279	$ 1,643	(83.0)%	$ 945	$ 4,442	(78.7)%
Acquisition- related costs	—	—	—	—	$ 1,477	(100.0)%
Incentive-based costs related to acquisitions	$ 532	$ 523	1.7%	$ 1,467	$ 1,327	10.6%
Change in fair value of contingent consideration	—	—	—	$ (18,174)	—	n.m.
Restructuring costs	—	—	—	$ 12,673	—	n.m.
Impairment of goodwill and intangible assets	—	$ 102,571	(100.0)%	—	$ 102,571	(100.0)%
Significant items recorded in Canaccord Genuity Wealth Management						
Amortization of intangible assets	$ 5,707	$ 5,830	(2.1)%	$ 17,073	$ 16,086	6.1%
Acquisition-related costs	—	—	—	—	$ 5,926	(100.0)%
Incentive-based costs related to acquisitions	$ 724	$ 649	11.6%	$ 2,938	$ 2,500	17.5%
Restructuring costs	—	—	—	$ 810	—	n.m.
Significant items recorded in Corporate and Other						
Restructuring costs	—	—	—	$ 4,664	—	n.m.
Fair value adjustment of non-controlling interest derivative liability	—	—	—	$ 13,250	—	n.m.
Development costs(2)	—	$ 808	(100.0)%	$ 15,038	$ 2,118	n.m.
Total significant items – expenses(1)	$ 7,242	$ 112,024	(93.5)%	$ 50,684	$ 136,447	(62.9)%
Total expenses excluding significant items(1)	$ 344,803	$ 350,878	(1.7)%	$ 976,367	$ 983,421	(0.7)%
Net income before taxes excluding significant items(1)	$ 44,700	$ 31,471	42.0%	$ 94,087	$ 109,538	(14.1)%
Income taxes – adjusted(1)	$ 11,396	$ 3,274	248.1%	$ 30,633	$ 25,980	17.9%
Net income excluding significant items(1)	$ 33,304	$ 28,197	18.1%	$ 63,454	$ 83,558	(24.1)%
Significant items impacting net income attributable to common shareholders						
Non-controlling interests – IFRS	$ 10,807	$ 10,710	0.9%	$ 31,337	$ 27,273	14.9%
Amortization of equity component of the non-controlling interests in CGWM UK and other adjustments	$ 1,122	$ 1,465	(23.4)%	$ 4,463	$ 5,330	(16.3)%
Non-controlling interests (adjusted)(1)	$ 9,685	$ 9,245	4.8%	$ 26,874	$ 21,943	22.5%
Preferred share dividends	$ 2,852	$ 2,391	19.3%	$ 8,556	$ 7,173	19.3%
Net (loss) income attributable to common shareholders, excluding significant items(1)	$ 20,767	$ 16,561	25.4%	$ 28,024	$ 54,442	(48.5)%
Earnings per common share excluding significant items – basic(1)	$ 0.24	$ 0.20	20.0%	$ 0.33	$ 0.63	(47.6)%
Earnings per common share excluding significant items – diluted(1)	$ 0.20	$ 0.16	25.0%	$ 0.27	$ 0.53	(49.1)%

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

(2) Primarily professional fees and other costs related to the expired management take-over bid.

Diluted earnings per common share ("diluted EPS") and net income attributable to common shareholders are computed using the treasury stock method, giving effect to the exercise of all dilutive elements. The Convertible Preferred Shares and Preference Shares issued by Canaccord Genuity Wealth Management Holdings (Jersey) Limited are factored into these measures 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 nine months ended December 31, 2023, the effect of reflecting our proportionate share of CGWM UK's earnings is anti-dilutive under IFRS but dilutive for figures excluding significant items(1). As such, the diluted EPS and net income attributable to common shareholders under IFRS for

Q3 and YTD fiscal 2024 is computed based on net income attributable to common shareholders less paid and accrued dividends on the Convertible Preferred Shares and Preference shares issued by CGWM UK. Net income attributable to common shareholders excluding significant items(1) and diluted EPS excluding significant items(1) for the three and nine months ended December 31, 2023 reflects the Company's proportionate share of CGWM UK's net income excluding significant items(1) on an as converted basis.

Financial conditions

	December 31, 2023	September 30, 2023	Q3/24 vs Q2/24	March 31, 2023	Q3/24 vs Q4/23
Cash and cash equivalent	**662,174**	469,783	41.0%	1,008,432	(34.3)%
Working capital*	**719,928**	699,718	2.9%	749,571	(4.0)%
Total assets	**4,884,749**	5,460,190	(10.5)%	6,302,400	(22.5)%
Total liabilities	**3,540,298**	4,135,250	(14.4)%	4,903,763	(27.8)%
Non-controlling interests	**350,263**	346,169	1.2%	343,998	1.8%
Total shareholders' equity	**994,188**	978,771	1.6%	1,054,639	(5.7)%

* As of September 30, 2023, a portion of the bank loan in the amount of $286.2 million was classified as current liability on the unaudited interim condensed consolidated Statement of Financial Position as the completion and execution of final documentation extending the maturity date of the bank loan to September 30, 2025 had not been completed at the end of Q2 fiscal 2024. Unadjusted working capital as presented on the Statement of Financial Position as of September 30, 2023 was $413.5 million. The extension has since been finalized during the third quarter of fiscal 2024. For the purpose of this table working capital as of September 30, 2023 has been restated to reflect the extension as if it had been effective as of September 30, 2023.

Common and Preferred Share Dividends:

On February 7, 2024, the Board of Directors approved a dividend of $0.085 per common share, payable on March 15, 2024, with a record date of March 1, 2024.

On February 7, 2024, the Board approved a cash dividend of $0.25175 per Series A Preferred Share payable on April 1, 2024 to Series A Preferred shareholders of record as at March 15, 2024.

On February 7, 2024, the Board approved a cash dividend of $0.42731 per Series C Preferred Share payable on April 1, 2024 to Series C Preferred shareholders of record as at March 15, 2024.

Non-IFRS Measures

Certain non-IFRS measures, non-IFRS ratios and supplementary financial measures are utilized by the Company as measures of financial performance. Non-IFRS measures, non-IFRS ratios and supplementary financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

Management believes that these non-IFRS measures, non-IFRS ratios and supplementary financial measures allow for a better evaluation of the operating performance of the Company's business and facilitate meaningful comparison of results in the current period to those in prior periods and future periods. Non-IFRS measures presented in this earnings release include certain figures from our statement of operations that are adjusted to exclude significant items. Although figures that exclude significant items provide useful information by excluding certain items that may not be indicative of the Company's core operating results, a limitation of utilizing these figures that exclude significant items is that the IFRS accounting effects of these items do in fact reflect the underlying financial results of the Company's business. Accordingly, these effects should not be ignored in evaluating and analyzing the Company's financial results. Therefore, management believes that the Company's IFRS measures of financial performance and the respective non-IFRS measures should be considered together.

Non-IFRS Measures (Adjusted Figures)

Figures that exclude significant items provide useful information by excluding certain items that may not be indicative of the Company's core operating results. Financial statement items that exclude significant items are non-IFRS measures. To calculate these non-IFRS financial statement items, we exclude certain items from our financial results prepared in accordance with IFRS. The items which have been excluded are referred to herein as significant items. The following is a description of the composition of the non-IFRS measures used in this earnings release (note that some significant items excluded may not be applicable to the calculation of the non-IFRS measures for each comparative period): (i) *revenue excluding significant items*, which is composed of revenue per IFRS less any applicable fair value adjustments on certain illiquid or restricted marketable securities as recorded for IFRS reporting purposes but which are excluded for management reporting purposes and are not used by management to assess operating performance; (ii) *expenses excluding significant items*, which is composed of expenses per IFRS less any applicable amortization of intangible assets acquired in connection with a business combination, certain costs included in Corporate & Other development costs related to the expired management-led takeover bid for the common shares of the Company, restructuring costs, certain incentive-based costs related to the acquisitions and growth initiatives in CGWM UK and US and UK capital markets, fair value adjustments to the derivative liability component of non-controlling interests in CGWM UK, change in fair value of contingent consideration in connection with prior acquisitions ; (iii) *net income before taxes excluding significant items*, which is composed of revenue excluding significant items less expenses excluding significant items; (iv) *income taxes (adjusted)*, which is composed of income taxes per IFRS adjusted to reflect the associated tax effect of the excluded significant items; (v) *net income excluding significant items*, which is composed of net income before income taxes excluding significant items less income taxes (adjusted); (vi) *non-controlling interests (adjusted)*, which is composed of non-controlling interests per IFRS less the amortization of the equity component of non-controlling interests in CGWM UK and adjusted as applicable under the treasury stock method when dilutive; and (vii) *net income attributable to common shareholders excluding significant items*, which is composed of net income excluding significant items less non-controlling interests (adjusted) and preferred share dividends paid on the Series A and Series C Preferred Shares.

A reconciliation of non-IFRS measures that exclude significant items to the applicable IFRS measures from the interim condensed consolidated financial statements for the third quarter of fiscal 2024 can be found above in the table entitled "Summary of results for Q3 fiscal 2024 and year-to-date fiscal 2024 and selected financial information excluding significant items".

Non-IFRS Ratios

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

Supplementary Financial Measures

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

Contents

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This document may contain "forward-looking statements" (as defined under applicable 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 each section entitled "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 wars in Ukraine and Israel and the resulting humanitarian crisis on the global economy. 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.sedarplus.ca as well as the disclosure 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 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.sedarplus.ca. 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 document may be considered "financial outlook" for purposes of applicable Canadian securities laws, the financial outlook may not be appropriate for purposes other than this document. 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.

PRESENTATION OF FINANCIAL INFORMATION AND NON-IFRS MEASURES

This MD&A is based on the unaudited interim condensed consolidated financial statements for the three- and nine-month periods ended December 31, 2023 (Third quarter 2024 Financial Statements) prepared in accordance with International Financial Reporting Standards (IFRS). The third quarter 2024 Financial Statements have been prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" (IAS 34), and using accounting policies consistent with those applied in preparing the Company's Audited Annual Consolidated Financial Statements for the year ended March 31, 2023.

Management's Discussion and Analysis

Third quarter fiscal 2024 for the three- and nine-month periods ended December 31, 2023 – this document is dated February 7, 2024

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- and nine- month periods ended December 31, 2023 compared to the corresponding periods in the preceding fiscal year. The three-month period ended December 31, 2023 is also referred to as third quarter of fiscal 2024 and Q3/24. Unless otherwise indicated or the context otherwise requires, the "Company" refers to Canaccord Genuity Group Inc. and "Canaccord Genuity Group" refers to the Company and its direct and indirect subsidiaries. This discussion should be read in conjunction with: the unaudited interim condensed consolidated financial statements for the nine-month period ended December 31, 2023, beginning on page 40 of this report; our Annual Information Form (AIF) dated June 24, 2023; and the fiscal 2023 annual Management's Discussion and Analysis (MD&A) including the audited consolidated financial statements for the fiscal year ended March 31, 2023 (Audited Annual Consolidated Financial Statements) in the Company's annual report dated June 28, 2023 (the 2023 Annual Report). There has been no material change to the information contained in the annual MD&A for fiscal 2023 except as disclosed in this MD&A. The Company's financial information is expressed in Canadian dollars unless otherwise specified.

Non-IFRS measures

Certain non-IFRS measures, non-IFRS ratios and supplementary financial measures are utilized by the Company as measures of financial performance. Non-IFRS measures, non-IFRS ratios and supplementary financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

Management believes that these non-IFRS measures, non-IFRS ratios and supplementary financial measures allow for a better evaluation of the operating performance of the Company's business and facilitate meaningful comparison of results in the current period to those in prior periods and future periods. Non-IFRS measures presented in this Management's Discussion & Analysis 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, restructuring expense, 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 adjusted as applicable under the treasury stock method when dilutive; 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 unaudited interim condensed consolidated financial statements for the third quarter of fiscal 2024 can be found in the table entitled "Summary of results for Q3 and year-to-date fiscal 2024 selected financial information excluding significant items" on page 17.

Non-IFRS Ratios

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

Supplementary Financial Measures

Client assets are supplementary financial measures that do not have any definitions prescribed under IFRS 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 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 value-driven 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 provides comprehensive wealth management solutions, brokerage and financial planning services to individual investors, private clients, charities and intermediaries through a full suite of services tailored to the needs of clients in each of its markets. The Company's wealth management division has Investment Advisors (IAs) and professionals in Canada, the UK, Jersey, Guernsey, the Isle of Man and Australia. 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, which are responsible for front- and back-office information technology systems, compliance and risk management, operations, legal, finance, and other administrative functions of Canaccord Genuity Group Inc.

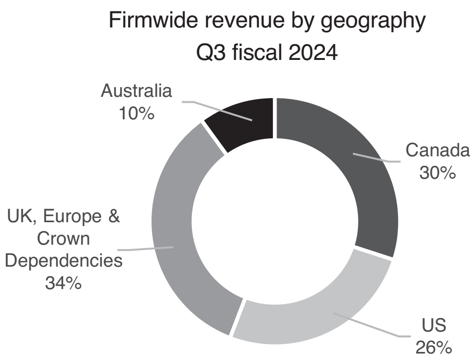
BUSINESS ACTIVITY

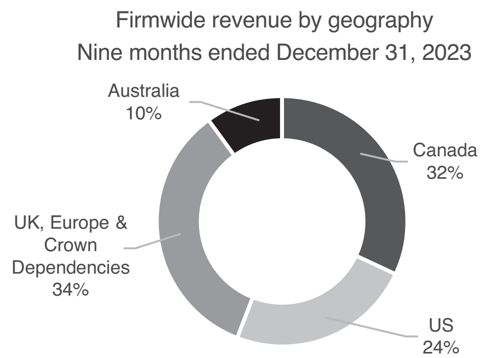
Our business is affected by the overall condition of the worldwide debt and equity markets.

The timing of revenue recognition can also materially affect the Company’s quarterly results. The majority of revenue from underwriting and advisory transactions is recorded when the transaction has closed and, as a result, quarterly results can also be affected by the timing for the recognition of revenue for 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 continued to invest in increasing 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 chart depicts firmwide revenue contributions by geography for Q3 2024 and the nine months ended December 31, 2023:

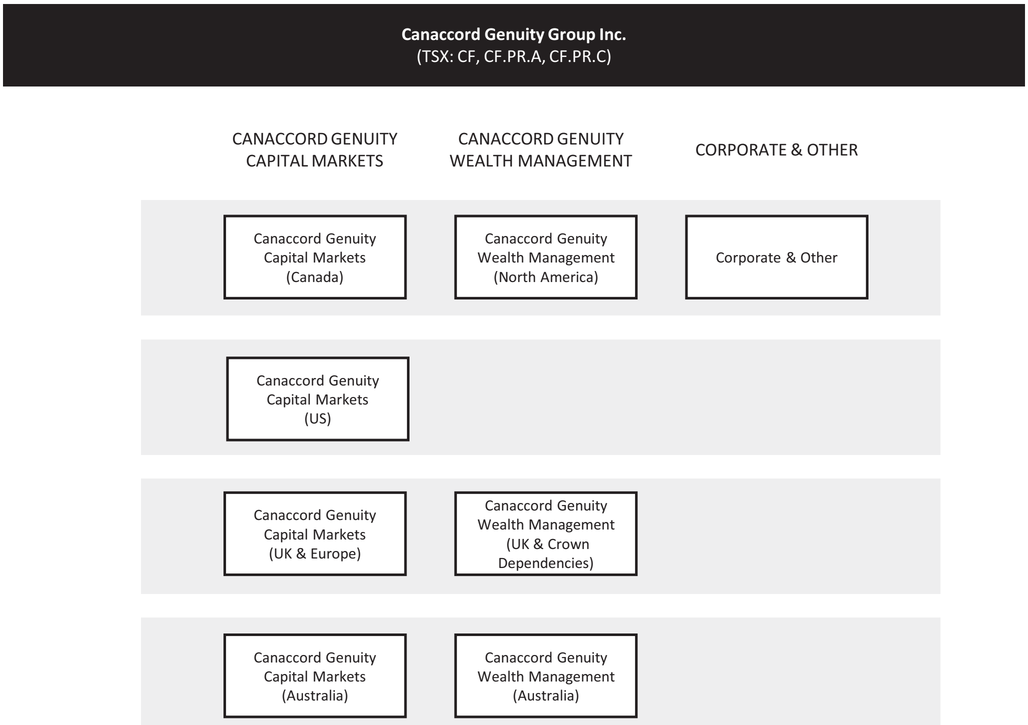




As a brokerage firm, the Company derives its revenue primarily from sales commissions, underwriting, advisory fees, and trading activity. As a result, the Company’s business is materially affected by conditions in the financial marketplace and the economic environment, primarily in North America and Europe, and to some degree Asia and Australia. Canaccord Genuity Group’s long-term international business development initiatives over the past several years have laid a solid foundation for revenue diversification. A disciplined capital strategy allows the Company to remain competitive in a dynamic 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, mergers and acquisitions (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:

Canaccord Genuity Capital Markets (Canada)

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

Canaccord Genuity Wealth Management (North America)

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

Corporate and Other

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

Canaccord Genuity Capital Markets (US)

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

Canaccord Genuity Capital Markets (UK & Europe)

- Canaccord Genuity Limited

Canaccord Genuity Wealth Management (UK & Crown Dependencies)

- Canaccord Genuity Wealth Limited
- CG Wealth Planning Ltd.
- Canaccord Genuity Financial Planning Limited
- Canaccord Genuity Asset Management Limited (previously "Hargreave Hale Limited")
- Canaccord Genuity Wealth (International) Limited
- Canaccord Genuity Wealth Group Holdings (Jersey) Limited

Canaccord Genuity Capital Markets (Australia)

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

Canaccord Genuity Wealth Management (Australia)

- 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).

Certain institutional investors acquired two series of the 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. On an as-converted basis and subject to the liquidation preference associated with the Convertible Preferred Shares and Preference Shares issued to management and employees of CGWM UK, the Company holds an approximate 66.9% equity equivalent interest in Canaccord Genuity Wealth Group Holdings (Jersey) Limited. Terms of the Convertible Preferred Shares and Preference Shares are disclosed in Note 8 of the audited consolidated financial statements of the Company for the year ended March 31, 2023.

The Company holds a 65% ownership interest in Canaccord Genuity (Australia) Limited and Canaccord Genuity Financial Limited.

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, 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) and 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 the operating results of Punter Southall Wealth Limited ("PSW") whose operations were subsequently transferred to Canaccord Genuity Wealth Limited and to CG Wealth Planning Ltd. since the closing date 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)", and the Canadian private wealth management business of Mercer Global Investments Canada Limited, referred to as "Mercer", are included as part of the operating results of Canaccord Genuity Wealth Management Canada since the closing date of May 29, 2023.

Market Environment During Q3 fiscal 2024

Economic backdrop

During our third fiscal quarter, the S&P 500 (+11.7%), the S&P/TSX (+8.1%) and the MSCI World index (+11.1%) enjoyed strong positive performances, and US Treasuries advanced by 6.8%.

Global economic growth remains weak but still positive. Inflation rates have begun to move downward. The US Federal Reserve and the Bank of Canada have indicated that interest rate cuts may begin in the next year. Markets in all of our geographies have begun to price in the expectation of lower interest rates in calendar 2024, which is helping to strengthen demand for bonds and risk assets.

Investment banking and advisory

Announced M&A and new issue activities improved modestly in the three-month period but remain hindered by slowing global growth prospects and interest rate uncertainties. With high corporate cash levels and monetary policies easing, corporate activity is expected to improve. However, a full recovery will likely depend on lower financing costs as well as earnings and economic growth.

Index Value at End of		Q3/23		Q4/23		Q1/24		Q2/24		Q3/24	
Fiscal Quarter	2022-12-30	(Y/Y)	2023-03-31	(Y/Y)	2023-06-30	(Y/Y)	2023-09-29	(Y/Y)	2023-12-29	(Y/Y)	(Q/Q)
S&P IFCI Global Small Cap	264.2	-22.3%	274.4	-12.0%	280.7	5.2%	278.2	14.6%	298.0	12.8%	7.1%
S&P IFCI Global Large Cap	213.7	-22.2%	221.0	-13.3%	221.1	-1.1%	213.5	8.4%	229.6	7.4%	7.6%

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 more 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 merger, acquisition and restructuring mandates.

Trading

Trading volumes improved modestly when compared to the same period of the prior fiscal year. Lower bond yields triggered some buying interest in interest-sensitive sectors such as financials, REITs, utilities, and telecommunications and strong gold prices supported increased trading activity within the mining industry. While small cap equities enjoyed some recovery, we believe several quarters of outperformance are likely needed for a sustained improvement in trading volumes.

Average Value During		Q3/23		Q4/23		Q1/24		Q2/24		Q3/24	
Fiscal Quarter/Year	30-Dec-22	(Y/Y)	31-Mar-23	(Y/Y)	30-Jun-23	(Y/Y)	29-Sep-23	(Y/Y)	29-Dec-23	(Y/Y)	(Q/Q)
Russell 2000	1793.7	-21.2%	1856.9	-9.7%	1797.8	-3.2%	1892.3	3.2%	1809.4	0.9%	-4.4%
S&P 400 Mid Cap	2426.1	-13.1%	2555.4	-4.3%	2492.7	0.7%	2624.6	8.5%	2545.2	4.9%	-3.0%
FTSE 100	7275.8	0.5%	7755.5	4.2%	7692.6	3.5%	7508.6	2.9%	7511.4	3.2%	0.0%
MSCI EU Mid Cap	1126.1	-19.5%	1239.3	-5.7%	1229.9	1.1%	1209.4	6.4%	1191.0	5.8%	-1.5%
S&P/TSX	19512.7	-7.3%	20184.0	-5.3%	20187.7	-1.8%	20156.3	4.3%	19896.7	2.0%	-1.3%

Source: Refinitiv Datastream, Canaccord Genuity estimates

Global wealth management

Major equity indexes improved during our third fiscal quarter and a strong rally in government bonds also helped to support portfolio performances, with the value of client assets increasing both sequentially and year-over-year.

Total Return (excl. currencies)	Q3/23 Change (Q/Q)	Q4/23 Change (Q/Q)	Q1/24 Change (Q/Q)	Q2/24 Change (Q/Q)	Q3/24 Change (Q/Q)
S&P 500	7.6%	7.5%	8.7%	-3.3%	11.7%
S&P/TSX	6.0%	4.6%	1.1%	-2.2%	8.1%
MSCI EMERGING MARKETS	6.7%	3.8%	1.8%	-1.3%	5.6%
MSCI WORLD	9.9%	7.4%	6.3%	-3.3%	11.1%
S&P GS COMMODITY INDEX	3.4%	-4.9%	-2.7%	16.0%	-10.7%
US 10-YEAR T-BONDS	0.3%	4.3%	-1.9%	-5.1%	6.8%
CAD/USD	2.0%	0.3%	2.1%	-2.5%	2.5%
CAD/EUR	-6.6%	-1.0%	1.4%	0.6%	-1.8%

Source: Refinitiv Datastream, Canaccord Genuity estimates

Outlook

Broad market expectations are that further interest rate increases are unlikely with the focus shifting to the timing of rate cuts. Historically this has been positive for bonds and other defensive areas of the equity market. That said, inflation remains above target levels, suggesting a cautious approach and potentially fewer rate cuts than were initially expected by market participants.

The market for new issues remained at historically low levels but improving sentiment and a trend toward a more favourable environment give us optimism for improving activity levels, barring any material economic shocks.

Indicators suggest that M&A activity will improve. Trading activity is expected to also improve as risk appetite increases for small and mid-cap growth equities.

Looking ahead, while we expect that our key geographies will avoid a deep recession and/or a contraction in corporate earnings, we remain somewhat cautious in our outlook.

Core Business Performance Highlights

Third quarter and nine-months fiscal year-to-date

	Three months ended							
	December 31, 2023				December 31, 2022			
	Canaccord Genuity Wealth Management	**Canaccord Genuity Capital Markets**	**Corporate and Other(1)**	**Total**	Canaccord Genuity Wealth Management	Canaccord Genuity Capital Markets	Corporate and Other(1)	Total
Revenue – adjusted(2)	**$195,042**	**$189,843**	**$ 4,618**	**$389,503**	$179,688	$196,879	$ 5,782	$382,349
Pre-tax income (loss) – adjusted(2)	**37,840**	**16,681**	**(9,821)**	**44,700**	36,474	5,918	(10,921)	31,471
Diluted earnings (loss) per share – adjusted(2)	**$ 0.16**	**$ 0.04**	**$ —**	**$ 0.20**	$ 0.17	$ (0.01)	—	$ 0.16

(1) The losses in Corporate & Other are allocated to capital markets and wealth management segments based on revenue and other factors and assumptions for the purpose of presenting adjusted diluted earnings (loss) per share, on a divisional basis
(2) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 8.

	Nine months ended							
	December 31, 2023				December 31, 2022			
	Canaccord Genuity Wealth Management	**Canaccord Genuity Capital Markets**	**Corporate and Other(1)**	**Total**	Canaccord Genuity Wealth Management	Canaccord Genuity Capital Markets	Corporate and Other(1)	Total
Revenue – adjusted(2)	**$573,293**	**$480,346**	**$16,815**	**$1,070,454**	$511,195	$566,713	$15,051	$1,092,959
Pre-tax income (loss) – adjusted(2)	**106,485**	**2,709**	**(15,107)**	**94,087**	88,851	36,275	(15,588)	109,538
Diluted earnings (loss) per share – adjusted(2)	**$ 0.47**	**$ (0.20)**	**$ —**	**$ 0.27**	$ 0.44	$ 0.09	—	$ 0.53

(1) The losses in Corporate & Other are allocated to capital markets and wealth management segments based on revenue and other factors and assumptions for the purpose of presenting adjusted diluted earnings (loss) per share, on a divisional basis
(2) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 8.

CANACCORD GENUITY WEALTH MANAGEMENT

Globally, Canaccord Genuity Wealth Management earned revenue of $195.0 million during the third fiscal quarter and $573.3 million fiscal year-to-date, representing year-over-year increases of 8.5% and 12.1% respectively. Commissions and fees revenue increased 1.2% year-over-year and 6.3% sequentially to $150.4 million. Investment banking revenue in this division remained below historic levels but increased by 43.8% compared to the second fiscal quarter. Interest income of $36.7 million for the three-month period has helped to partially offset the reduced revenue from new issue activities. Excluding significant items, this division recorded net income before taxes of $37.8 million(1) for the third quarter and $106.5 (1) million fiscal year-to-date, representing year-over-year increases of 3.7% and 19.8% respectively.

- Canaccord Genuity Wealth Management (North America) generated $77.0 million in revenue and, after intersegment allocations, recorded net income before taxes of $10.8 million in Q3/24. Fiscal year-to-date revenue in this business amounted to $220.5 million and net income before taxes and after intersegment allocations amounted to $29.0 million, an improvement of 1.5% compared to the same period in the last fiscal year.
- Wealth management operations in the UK & Crown Dependencies generated $101.8 million in revenue and, after intersegment allocations and excluding significant items, recorded net income before taxes of $25.5 million in the third quarter of fiscal 2024(1), an increase of 11.3% year over year. Fiscal year-to-date revenue in this business increased by 27.5% year-over-year to $306.0 million and net income before taxes and after intersegment allocations and excluding significant items(1) increased by 25.3% to $74.9 million.
- Wealth management operations in Australia generated revenue of $16.2 million and, after intersegment allocations and excluding significant items, recorded income before taxes of $1.5 million in the third quarter of fiscal 2024(1). Fiscal year-to-date revenue in this business amounted to $46.8 million and net income before taxes and after intersegment allocations and excluding significant items(1) amounted to $2.6 million.

Firmwide client assets were $99.2 billion at December 31, 2023 representing an increase of $4.8 billion or 5.1% from $94.4 billion(2) at the end of Q3/23. Client assets across the individual businesses as at December 31, 2023 were as follows:

- $36.3 billion in North America, an increase of $1.6 billion or 4.5% from December 31, 2022(2)
- $56.8 billion (£33.7 billion) in the UK & Crown Dependencies, an increase of $2.4 billion or 4.4% from $54.4 billion (£33.2 billion) at the end of the third quarter of the previous fiscal year(2)
- $6.1 billion in Australia held through our investment management platform, an increase of $0.9 million or 16.6% from December 31, 2022(2)

CANACCORD GENUITY CAPITAL MARKETS

Globally, Canaccord Genuity Capital Markets earned revenue of $189.8 million for the third fiscal quarter, and $480.3 million fiscal year-to-date, representing year-over-year decreases of 3.6% and 15.2% respectively. Investment banking revenue of $39.9 million remained below historic levels but improved by 5.8% year-over-year and by 29.2% compared to the second fiscal quarter. Advisory revenue of $74.6 million decreased by 0.8% year-over-year but increased 62.1% sequentially. Principal trading revenue of $29.8 million declined by 14.7% year-over-year but increased by 47.0% sequentially, primarily reflecting higher seasonal volumes at the end of the calendar year. All capital markets business units achieved profitability during the third fiscal quarter. Excluding significant items this division recorded net income before income taxes of $16.7 million(1) for the third quarter and $2.7 million(1) fiscal year-to-date.

Canaccord Genuity Capital Markets participated in a total of 241 investment banking transactions globally, raising total proceeds of $12.4 billion during the nine months ended December 31, 2023.

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

	For three months ended December 31		Quarter-over-quarter change	For nine months ended December 31		Year-over-year change
	2023	2022		**2023**	2022	
Commissions and fees	**19.9%**	20.2%	(0.3) p.p.	24.6%	19.8%	4.8 p.p.
Investment banking	**21.0%**	19.1%	1.9 p.p.	20.9%	15.1%	5.8 p.p.
Advisory fees	**39.3%**	38.2%	1.1 p.p.	33.5%	45.7%	(12.2) p.p.
Principal trading	**15.7%**	17.8%	(2.1) p.p.	15.2%	15.9%	(0.7) p.p.
Interest	**3.5%**	4.0%	(0.5) p.p.	4.9%	2.7%	2.2 p.p.
Other	**0.6%**	0.7%	(0.1) p.p.	0.9%	0.8%	0.1 p.p.
Canaccord Genuity Capital Markets (total)	**100.0%**	100.0%		100.0%	100.0%	

Further detail is provided in the Business Segment Results beginning on page 22.

SUMMARY OF CORPORATE DEVELOPMENTS DURING Q3/24

On November 9, 2023, the Company announced that through CGWM UK, it has entered into a share purchase agreement to acquire Intelligent Capital. Founded in 1999, Intelligent Capital is a financial planning business based in Glasgow, Scotland with approximately £220.0 million in client assets. Upon completion of the transaction, the professionals and clients of Intelligent Capital will operate under the Adam & Company brand, which represents the Scottish operating business of CGWM UK. The acquisition is expected to be completed within the first half of calendar 2024.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8.
(2) See Non-IFRS Measures on page 8.

In the third quarter, Rod Phillips, a director of the Company, entered into a consulting agreement with Canaccord Genuity Corp., to provide services to the Company's Canadian investment banking group. As part of the agreement and subject to receipt of regulatory approval, Rod Phillips will serve on the board of directors of Canaccord Genuity Corp. in the role of Vice-Chairman. Rod Phillips also remains a director of the Company but has ceased to be member of any of the committees of the board.

Financial Overview

Q3 AND YEAR-TO-DATE FISCAL 2024 SELECTED FINANCIAL INFORMATION[(1)(2)(5)]

(C$ thousands, except per share and % amounts, and number of employees)	Three months ended December 31 2023	2022	2021	Q3/24 vs Q3/23	Nine months ended December 31 2023	2022	2021	YTD over YTD change
Canaccord Genuity Group Inc. (CGGI)								
Revenue								
Commissions and fees	$ **188,066**	$ 188,647	$ 197,009	(0.3)%	$ **553,964**	$ 552,340	$ 564,867	0.3%
Investment banking	**46,488**	47,494	151,025	(2.1)%	**118,908**	109,982	452,924	8.1%
Advisory fees	**74,747**	75,667	153,297	(1.2)%	**161,525**	259,905	370,704	(37.9)%
Principal trading	**29,951**	35,123	33,980	(14.7)%	**73,196**	90,317	117,018	(19.0)%
Interest	**45,507**	32,085	9,639	41.8%	**148,487**	69,296	25,764	114.3%
Other	**4,384**	3,100	7,267	41.4%	**13,677**	(1,832)	14,932	n.m.
Total revenue	**389,143**	382,116	552,217	1.8%	**1,069,757**	1,080,008	1,546,209	(0.9)%
Expenses								
Compensation expense	**223,097**	240,303	340,929	(7.2)%	**608,686**	660,806	953,489	(7.9)%
Other overhead expenses[(3)]	**128,948**	120,003	100,961	7.5%	**405,072**	349,043	287,685	16.1%
Acquisition-related costs	**—**	—	6,762	n.m.	**—**	7,403	8,682	(100.0)%
Restructuring costs	**—**	—	—	—	**18,147**	—	—	n.m.
Fair value adjustment of non-controlling interests derivative liability	**—**	—	8,519	—	**13,250**	—	8,519	n.m.
Change in fair value of contingent consideration	**—**	—	—	—	**(18,174)**	—	—	n.m.
Costs associated with redemption of convertible debentures	**—**	—	—	—	**—**	—	5,932	—
Impairment of goodwill and intangible assets	**—**	102,571	—	(100.0)%	**—**	102,571	—	(100.0)%
Share of loss of an associate	**—**	25	63	(100.0)%	**70**	45	181	55.6%
Total expenses	**352,045**	462,902	457,234	(23.9)%	**1,027,051**	1,119,868	1,264,488	(8.3)%
Income (loss) before income taxes	**37,098**	(80,786)	94,983	145.9%	**42,706**	(39,860)	281,721	207.1%
Net income (loss)	$ **28,005**	$ (82,065)	$ 66,732	134.1%	$ **21,870**	$ (58,505)	$ 201,570	137.4%
Net income (loss) attributable to:								
CGGI shareholders	$ **17,198**	$ (92,775)	$ 58,645	118.5%	$ **(9,467)**	$ (85,778)	$ 187,229	89.0%
Non-controlling interests	$ **10,807**	$ 10,710	$ 8,087	0.9%	$ **31,337**	$ 27,273	$ 14,341	14.9%
Preferred share dividends	$ **2,852**	$ 2,391	$ 2,391	19.3%	$ **8,556**	$ 7,173	$ 7,093	19.3%
Net income ((loss) attributable to common shareholders	$ **14,346**	$ (95,166)	$ 56,254	115.1%	$ **(18,023)**	(92,951)	$ 180,136	80.6%
Earnings (loss) per common share – diluted	$ **0.14**	$ (1.10)	$ 0.52	112.7%	**(0.20)**	(1.06)	1.64	81.1%
Dividends per common share	$ **0.085**	$ 0.085	$ 0.085	—	**0.255**	0.255	0.235	—
Total assets	$ **4,884,749**	$ 6,079,979	$ 7,039,426	(19.7)%				
Total liabilities	$ **3,540,298**	$ 4,728,987	$ 5,692,955	(25.1)%				
Non-controlling interests	$ **350,263**	$ 348,212	$ 238,499	0.6%				
Total shareholders' equity	$ **994,188**	$ 1,002,780	$ 1,107,972	(0.9)%				
Number of employees	**2,784**	2,850	2,510	(2.3)%				
Excluding significant items[(4)]								
Total revenue	$ **389,503**	$ 382,349	$ 550,817	1.9%	$ **1,070,454**	$ 1,092,959	$ 1,549,809	(2.1)%
Total expenses	$ **344,803**	$ 350,878	$ 437,385	(1.7)%	$ **976,367**	$ 983,421	$ 1,226,768	(0.7)%
Income before income taxes	$ **44,700**	$ 31,471	$ 113,432	42.0%	$ **94,087**	$ 109,538	$ 323,041	(14.1)%
Net income	$ **33,304**	$ 28,197	$ 84,632	18.1%	$ **63,454**	$ 83,558	$ 239,005	(24.1)%
Net income attributable to:								
CGGI shareholders	$ **23,619**	$ 18,952	$ 77,489	24.6%	$ **36,580**	$ 61,615	$ 226,508	(40.6)%
Non-controlling interests	$ **9,685**	$ 9,245	$ 7,143	4.8%	$ **26,874**	$ 21,943	$ 12,497	22.5%
Preferred share dividends	$ **2,852**	$ 2,391	$ 2,391	19.3%	$ **8,556**	$ 7,173	$ 7,093	19.3%
Net income attributable to common shareholders, adjusted	$ **20,767**	$ 16,561	$ 75,098	25.4%	$ **28,024**	$ 54,442	$ 219,415	(48.5)%
Earnings per common share – diluted	$ **0.20**	$ 0.16	$ 0.69	25.0%	$ **0.27**	$ 0.53	$ 2.00	(49.1)%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.

(2) The operating results of the Australian operations have been fully consolidated, and a 31.8% non-controlling interest has been recognized for the three and nine months ended December 31, 2023 [three and nine months ended December 31, 2022 – 32.7%]. The operating results of CGWM UK have been fully consolidated, and a non-controlling interest in the outstanding ordinary shares, Convertible Preferred Shares and Preference Shares of Canaccord Genuity Wealth Management Holdings (Jersey) Limited has been recognized for the three and nine months ended December 31, 2023. On an as-converted basis and subject to the liquidation preference of the Convertible Preferred Shares the non-controlling interest represents a 33.1% equity equivalent. [three and nine months ended December 31, 2022 – 33.1%].

(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 8 and the Selected Financial Information Excluding Significant Items table on page 17.

(5) Data includes the operating results of Results since August 17, 2022 and the operating results of PSW since May 31, 2022.

n.m.: not meaningful

Q3 AND YEAR-TO-DATE FISCAL 2024 SELECTED FINANCIAL INFORMATION EXCLUDING SIGNIFICANT ITEMS[1]

	Three months ended December 31			Nine months ended December 31		
(C$ thousands, except per share and % amounts)	**2023**	2022	Quarter-over-quarter change	**2023**	2022	Year-over-year change
Revenue						
Revenue per IFRS	**$ 389,143**	$ 382,116	1.8%	**$ 1,069,757**	$ 1,080,008	(0.9)%
Significant items recorded in Corporate and Other						
Fair value adjustments on certain illiquid and restricted marketable securities	**$ 360**	$ 233	54.5%	**$ 697**	$ 12,951	(94.6)%
Total revenue excluding significant items[1]	**$ 389,503**	$ 382,349	1.9%	**$ 1,070,454**	$ 1,092,959	(2.1)%
Expenses						
Expenses per IFRS	**$ 352,045**	$ 462,902	(23.9)%	**$ 1,027,051**	$ 1,119,868	(8.3)%
Significant items recorded in Canaccord Genuity Capital Markets						
Amortization of intangible assets	**$ 279**	$ 1,643	(83.0)%	**$ 945**	$ 4,442	(78.7)%
Incentive based costs related to acquisitions	**$ 532**	$ 523	1.7%	**$ 1,467**	$ 1,327	10.6%
Restructuring costs	**—**	—	—	**$ 12,673**	—	n.m.
Acquisition-related costs	**—**	—	—	**—**	$ 1,477	(100.0)%
Impairment of goodwill and intangible assets	**—**	$ 102,571	(100.0)%	**—**	$ 102,571	(100.0)%
Change in fair value of contingent consideration	**—**	—	—	**$ (18,174)**	—	n.m.
Significant items recorded in Canaccord Genuity Wealth Management						
Amortization of intangible assets	**$ 5,707**	$ 5,830	(2.1)%	**$ 17,073**	$ 16,086	6.1%
Restructuring costs	**—**	—	—	**$ 810**	—	n.m.
Acquisition-related costs	**—**	—	—	**—**	$ 5,926	(100.0)%
Incentive based costs related to acquisitions	**$ 724**	$ 649	11.6%	**$ 2,938**	$ 2,500	17.5%
Significant items recorded in Corporate and Other						
Fair value adjustment of non-controlling interests derivative liability	**—**	—	—	**$ 13,250**	—	n.m.
Restructuring costs	**—**	—	—	**$ 4,664**	—	n.m.
Development costs[2]	**—**	$ 808	(100.0)%	**$ 15,038**	$ 2,118	n.m.
Total significant items[1]	**$ 7,242**	$ 112,024	(93.5)%	**$ 50,684**	$ 136,447	(62.9)%
Total expenses excluding significant items[1]	**$ 344,803**	$ 350,878	(1.7)%	**$ 976,367**	$ 983,421	(0.7)%
Net income before taxes – adjusted[1]	**$ 44,700**	$ 31,471	42.0%	**$ 94,087**	$ 109,538	(14.1)%
Income taxes (recovery) – adjusted[1]	**$ 11,396**	$ 3,274	248.1%	**$ 30,633**	$ 25,980	17.9%
Net income – adjusted[1]	**$ 33,304**	$ 28,197	18.1%	**$ 63,454**	$ 83,558	(24.1)%
Significant items impacting net income attributable to common shareholders[1]						
Non-controlling interests – IFRS	**$ 10,807**	$ 10,710	0.9%	**$ 31,337**	$ 27,273	14.9%
Amortization of equity component of the non-controlling interests in CGWM UK and other adjustment	**$ 1,122**	$ 1,465	(23.4)%	**$ 4,463**	$ 5,330	(16.3)%
Non-controlling interests (adjusted)[1]	**$ 9,685**	$ 9,245	4.8%	**$ 26,874**	$ 21,943	22.5%
Preferred share dividends	**$ 2,852**	$ 2,391	19.3%	**$ 8,556**	$ 7,173	19.3%
Net income attributable to common shareholders excluding significant items[1]	**$ 20,767**	$ 16,561	25.4%	**$ 28,024**	$ 54,442	(48.5)%
Earnings per common share excluding significant items[1] – basic	**$ 0.24**	$ 0.20	20.0%	**$ 0.33**	$ 0.63	(47.6)%
Diluted earnings per common share excluding significant items[1] – diluted	**$ 0.20**	$ 0.16	25.0%	**$ 0.27**	$ 0.53	(49.1)%

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8.
n.m.: not meaningful
(2) Primarily professional fees and other costs related to the expired management take-over bid.

Impact of Convertible Preferred Shares on EPS

Diluted earnings per common share ("diluted EPS") and net income attributable to common shareholders are computed using the treasury stock method, giving effect to the exercise of all dilutive elements. The Convertible Preferred Shares and Preference Shares issued by Canaccord Genuity Wealth Management Holdings (Jersey) Limited are factored into these measures 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 nine months ended December 31, 2023, the effect of reflecting our proportionate share of CGWM UK's earnings is anti-dilutive under IFRS but dilutive for figures excluding significant items(1). As such, the diluted EPS and net income attributable to common shareholders under IFRS for Q3 and YTD fiscal 2024 is computed based on net income attributable to common shareholders less paid and accrued dividends on the Convertible Preferred Shares and Preference Shares issued by CGWM UK. Net income attributable to common shareholders excluding significant items(1) and diluted EPS excluding significant items(1) for the three and nine months ended December 31, 2023 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

During Q1 fiscal 2024, the Company withdrew from its operations in Dubai. For prior periods, our Dubai operations are included as part of Canaccord Genuity Capital Markets (UK & Europe). Our Asian-based operations, comprising China and Hong Kong, have been combined with our Canadian and Australian capital markets operations to reflect management by these operating units.

Goodwill

In determining whether to perform an impairment test, the Company considers factors such as its market capitalization, market conditions generally and overall economic conditions as well as market conditions in the key sectors in which the Company operates and the impact that such conditions are expected to have on the Company's operations.

Utilizing management's preliminary estimates for revenue and operating performance, growth rates and other assumptions typically required in connection with discounted cash flow models the Company determined that there was no impairment in the goodwill associated with any of its wealth management business units in the UK & Crown Dependencies and Australia or its goodwill in Canaccord Genuity Capital Markets US and Canaccord Genuity Capital Markets UK. Notwithstanding this determination as of December 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.

THIRD QUARTER AND YEAR-TO-DATE FISCAL 2024 VS. THIRD QUARTER AND YEAR-TO-DATE FISCAL 2023

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.

	For three months ended December 31			For nine months ended December 31		
	2023	2022	Quarter-over-quarter change	**2023**	2022	Year-over-year change
Commissions and fees	**$ 188,066**	$ 188,647	(0.3)%	**$ 553,964**	$ 552,340	0.3%
Investment banking	**46,488**	47,494	(2.1)%	**118,908**	109,982	8.1%
Advisory fees	**74,747**	75,667	(1.2)%	**161,525**	259,905	(37.9)%
Principal trading	**29,951**	35,123	(14.7)%	**73,196**	90,317	(19.0)%
Interest	**45,507**	32,085	41.8%	**148,487**	69,296	114.3%
Other	**4,384**	3,100	41.4%	**13,677**	(1,832)	n.m.
Canaccord Genuity Group Inc. (total)	**$ 389,143**	$ 382,116	1.8%	**$ 1,069,757**	$ 1,080,008	(0.9)%

n.m.: not meaningful

(1) See Non-IFRS Measures on page 8

REVENUE BY ACTIVITY AS A PERCENTAGE OF FIRM-WIDE REVENUE

	For three months ended December 31			For nine months ended December 31		
	2023	2022	Quarter-over-quarter change	**2023**	2022	Year-over-year change
Commissions and fees	**48.4%**	49.4%	(1.0) p.p.	**51.9%**	51.1%	0.8 p.p.
Investment banking	**11.9%**	12.4%	(0.5) p.p.	**11.1%**	10.2%	0.9 p.p.
Advisory fees	**19.2%**	19.8%	(0.6) p.p.	**15.1%**	24.1%	(9.0) p.p.
Principal trading	**7.7%**	9.2%	(1.5) p.p.	**6.8%**	8.4%	(1.6) p.p.
Interest	**11.7%**	8.4%	3.3 p.p.	**13.9%**	6.4%	7.5 p.p.
Other	**1.1%**	0.8%	0.3 p.p.	**1.2%**	(0.2)%	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 December 31, 2023 was $389.1 million, an increase of 1.8% or $7.0 million compared to the same period a year ago. Firmwide revenue for the nine months ended December 31, 2023 was $1.1 billion, a decrease of 0.9% or $10.3 million year-over-year. Interest revenue during the three and nine-month periods increased by 41.8% and 114.3% year-over-year to $45.5 million and $148.5 million respectively. On a quarterly basis, the increase in interest revenue was partially offset by a decrease in principal trading revenue of $5.2 million or 14.7%, as well as slight declines in commissions and fees, investment banking and advisory fees revenue of 0.3%, 2.1% and 1.2% compared to the same period in the prior year. On a year-to-date basis, the largest decreases were advisory revenue of $98.4 million or 37.9% and principal trading revenue of $17.1 million or 19.0% compared to the same period in the prior year, partially offset by an 8.1% increase in investment banking revenue.

Commissions and fees revenue is primarily generated from private client investment management trading activity and institutional sales and trading. For the three months ended December 31, 2023, commissions and fees revenue was $188.1 million or 48.4% of firm-wide revenue, generally in-line with the same period last year. Fiscal year-to-date commissions and fees revenue was $554.0 million, an increase of 0.3% or $1.6 million compared to the same period a year ago.

Firm-wide investment banking revenue of $46.5 million decreased by $1.0 million or 2.1% year-over-year, but improved by 31.1% sequentially, reflecting modestly higher new issue activities in our capital markets and wealth management businesses. Firm-wide investment banking revenue for the nine months ended December 31, 2023 amounted to $118.9 million, a year-over-year increase of $8.9 million or 8.1%.

Firm-wide advisory fee revenue decreased by $0.9 million or 1.2% from the same quarter a year ago, to $74.7 million for Q3/24 but increased by 62.0% compared to the previous fiscal quarter. When measured on a year-to-date basis, advisory revenue of $161.5 million represents a year-over-year decrease of $98.4 million or 37.9%, largely driven by the more challenging environment for completions notwithstanding a strong pipeline, in-line with broader industry trends. Our US capital markets operations contributed $43.4 million or 58.0% of firm-wide advisory revenue in Q3/24 and $105.9 million or 65.6% of firm-wide advisory revenue for the fiscal year-to-date.

Firm-wide principal trading revenue was $30.0 million in Q3/24, representing a decrease of $5.2 million or 14.7% compared to Q3/23. For the nine months ended December 31, 2023, firm-wide trading revenue was $73.2 million, a decrease of $17.1 million or 19.0% as a result of lower volatility and reduced market-wide trading activity when compared to the same period in the prior year.

Firm-wide interest revenue of $45.5 million for the three months ended December 31, 2023 increased by $13.4 million or 41.8% from Q3/23, largely attributable to increases in our UK and Canadian wealth management operations, which contributed interest revenue of $23.3 million and $13.2 million respectively for the three-month period. Interest revenue for the first nine months of fiscal 2024 was $148.5 million, an increase of $79.2 million or 114.3%, also mainly attributable to our UK and Canadian wealth management operations. The increase in interest revenue in both the three-month and nine-month periods is attributable to the increase in market rates compared to the same periods in fiscal 2023.

Other revenue was $4.4 million for Q3/24, an increase of $1.3 million or 41.4% from the same period a year ago. On a year-to-date basis, other revenue increased by $15.5 million, mainly due to the impact of the fair value adjustment on certain illiquid or restricted marketable securities, which resulted in a reduction in revenue of $13.0 million in the Corporate & Other segment during the comparative period of last year.

Expenses

Firm-wide expenses for the three months ended December 31, 2023 were $352.0 million, a decrease of 23.9% or $110.9 million from Q3/23. Total expenses excluding significant items[1] as a percentage of revenue decreased by 3.2 percentage points year-over-year to 88.5%.

For the nine months ended December 31, 2023, expenses were $1.0 billion compared to $1.1 billion for the same period in the prior year, a decrease of 8.3%. Total expenses excluding significant items[1] as a percentage of revenue increased by 1.2 percentage points compared to the nine months ended December 31, 2022.

	Three months ended December 31			Nine months ended December 31		
	2023	2022	Quarter-over-quarter change	**2023**	2022	Year-over-year change
Compensation expense	**$ 223,097**	$ 240,303	(7.2)%	**$ 608,686**	$ 660,806	(7.9)%
Other overhead expenses[1]	**128,948**	120,003	7.5%	**405,072**	349,043	16.1%
Acquisition-related costs	**—**	—	n.m.	**—**	7,403	(100.0)%
Restructuring costs	**—**	—	n.m.	**18,147**	—	n.m.
Fair value adjustment of non-controlling interests derivative liability	**—**	—	n.m.	**13,250**	—	n.m.
Change in fair value of contingent consideration	**—**	—	n.m.	**(18,174)**	—	n.m.
Impairment of goodwill and intangible assets	**—**	102,571	(100.0)%	**—**	102,571	(100.0)%
Share of loss of an associate	**—**	25	(100.0)%	**70**	45	55.6%
Total	**$ 352,045**	$ 462,902	(23.9)%	**$ 1,027,051**	$ 1,119,868	(8.3)%

(1) Consists of trading costs, premises and equipment, communication and technology, interest, general and administrative, amortization and development costs.
n.m.: not meaningful

EXPENSES AS A PERCENTAGE OF REVENUE

	Three months ended December 31			Nine months ended December 31		
	2023	2022	Quarter-over-quarter change	**2023**	2022	Year-over-year change
Compensation expense	**57.3%**	62.9%	(5.6) p.p.	**56.9%**	61.2%	(4.3) p.p.
Other overhead expenses[1]	**33.2%**	31.4%	1.8 p.p.	**37.9%**	32.3%	5.6 p.p.
Acquisition-related costs	**—**	—	0.0 p.p.	**—**	0.7%	(0.7) p.p.
Restructuring costs	**—**	—	0.0 p.p.	**1.7%**	—	1.7 p.p.
Fair value adjustment of non-controlling interests derivative liability	**—**	—	0.0 p.p.	**1.2%**	—	1.2 p.p.
Change in fair value of contingent consideration	**—**	—	0.0 p.p.	**(1.7)%**	—	(1.7) p.p.
Impairment of goodwill and intangible assets	**—**	26.8%	(26.8) p.p.	**—**	9.5%	(9.5) p.p.
Share of loss of an associate	**—**	—	(0.0) p.p.	**—**	—	0.0 p.p.
Total	**90.5%**	121.1%	(30.6) p.p.	**96.0%**	103.7%	(7.7) 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 Q3/24 was $223.1 million, a decrease of $17.2 million or 7.2% compared to Q3/23. Total compensation expense as a percentage of revenue decreased from 62.9% in Q3/23 to 57.3% in Q3/24, partially related to decreases in the value of certain unvested stock-based compensation awards and changes in the revenue mix.

Compensation expense for the nine months ended December 31, 2023 was $608.7 million, a decrease of $52.1 million or 7.9% compared to the same period in the prior year. Compensation expense as a percentage of revenue decreased by 4.3 percentage points to 56.9% for the nine months ended December 31, 2023 primarily as a result of decreases in the value of certain unvested stock-based compensation awards and changes in the revenue mix.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8

OTHER OVERHEAD EXPENSES

(C$ thousands, except % amounts)	Three months ended December 31 2023	2022	Quarter-over-quarter change	Nine months ended December 31 2023	2022	Year-over-year change
Trading costs	**$ 21,165**	$ 24,109	(12.2)%	**$ 62,992**	$ 72,666	(13.3)%
Premises and equipment	**4,784**	4,859	(1.5)%	**16,534**	15,082	9.6%
Communication and technology	**23,033**	22,343	3.1%	**67,481**	62,243	8.4%
Interest	**22,147**	12,281	80.3%	**68,367**	30,624	123.2%
General and administrative	**32,232**	32,825	(1.8)%	**99,489**	95,117	4.6%
Amortization(1)	**10,056**	11,533	(12.8)%	**29,893**	30,796	(2.9)%
Amortization of right of use assets	**7,859**	6,580	19.4%	**20,786**	19,783	5.1%
Development costs	**7,672**	5,473	40.2%	**39,530**	22,732	73.9%
Total other overhead expenses	**$ 128,948**	$ 120,003	7.5%	**$ 405,072**	$ 349,043	16.1%

(1) Includes amortization of intangible assets. See the Selected Financial Information Excluding Significant Items table on page 17.

Total other overhead expenses for the third fiscal quarter were $128.9 million, an increase of 7.5% compared to Q3/23 primarily reflecting increased interest costs as detailed below. As a percentage of revenue, other overhead expenses were 33.2% in Q3/24 compared to 31.4% in Q3/23, an increase of 1.8 percentage points.

Interest expense increased by $9.9 million or 80.3% compared to Q3/23, primarily as a result of higher interest costs in CGWM UK due to increased interest rates on bank loans obtained in prior periods to finance growth in this business. Amortization of right of use assets increased by $1.3 million or 19.4% as a result of adjustments related to the relocation of certain Canadian offices. Development costs increased by $2.2 million or 40.2% resulting from higher recruitment and incentive-based costs in our Canadian and UK & Crown Dependencies wealth management operations as well as higher recruitment and hiring incentive costs in our Australian wealth management operations.

Amortization expense decreased by $1.5 million or 12.8% compared to Q3 fiscal 2023 in connection with lower amortization expense related to the intangible assets acquired in connection with previous acquisitions. Trading costs also decreased by $2.9 million or 12.2% mainly as a result of reduced trading activity levels, primarily in our US capital markets operations.

For the nine months ended December 31, 2023, other overhead expenses increased by $56.0 million or 16.1% to $405.1 million when compared to the same period a year ago. As a percentage of revenue, other overhead expenses increased by 5.6 percentage points compared to the nine months ended December 31, 2022. The increase can largely be attributed to higher interest costs reflecting the impact of higher interest rates, and higher communication and technology expense to support the expanded business and inflation-driven price increases from certain suppliers and increased investments in systems and technologies. Additionally, development costs of $39.5 million increased by 73.9% compared to the same period in the prior year largely driven by professional fees and other costs in our Corporate & Other segment related to the expired management take-over bid recorded in the first quarter of fiscal 2024.

During the nine months ended December 31, 2023, the Company recorded fair value adjustments of $13.3 million related to the derivative liability component of the non-controlling interests related to the Convertible Preferred Shares issued by CGWM UK and a recovery of $18.2 million recorded in the second quarter of fiscal 2024 related to a reduction in the contingent consideration liability.

Income Tax

Income tax expense for the three months ended December 31, 2023 was $9.1 million on net income before income taxes of $37.1 million, compared to tax expense of $1.3 million on a loss before income taxes of $80.8 million in Q3/23. The change in effective tax rate from (1.6%) in Q3/23 to 24.5% in Q3/24 was largely due to the non-deductibility of the impairment of goodwill and intangible assets for tax purposes which was recorded in Q3/23, as well as remeasurement of deferred tax assets related to unvested awards in connection with share-based payment plans which arose due to changes in the value of the stock-based awards.

For the nine months ended December 31, 2023, income tax expense was $20.8 million on net income before income taxes of $42.7 million compared to income tax expense of $18.6 million on loss before income taxes of $39.9 million for the same period in the prior year. As discussed above, the change in the effective tax rate from (46.8%) to 48.8% for the respective periods was mainly due to the non-deductibility of the impairment of goodwill and intangible assets for tax purposes recorded in the prior period. 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 December 31, 2022.

Net Income (Loss)

Net income for Q3/24 was $28.0 million compared to net loss of $82.1 million in the same period a year ago. Income attributable to common shareholders was $14.3 million compared to loss attributable to common shareholders of $95.2 million for the three months ended December 31, 2022. Diluted earnings per common share was $0.14 in Q3/24 compared to diluted loss per common share of $1.10 in Q3/23.

Net income for the nine months ended December 31, 2023 was $21.9 million compared to net loss of $58.5 million in the same period a year ago. Net loss attributable to common shareholders was $18.0 million for the nine months ended December 31, 2023 compared to net loss attributable to common shareholders of $93.0 million for the nine months ended December 31, 2022. Diluted loss per common share was $0.20 in the current period compared to diluted loss per common share of $1.06 in the same period in the prior year.

Excluding significant items[1] and before non-controlling interests and preferred share dividends, net income for Q3/24 was $33.3 million compared to $28.2 million in Q3/23, an increase of 18.1% compared to Q3/23. Net income attributable to common shareholders excluding significant items[1] was $20.8 million, an increase of 25.4% from $16.6 million for the same period in the prior year. Diluted earnings per common share excluding significant items[1] was $0.20 in Q3/24 compared to $0.16 in Q3/23.

Excluding significant items[1] and before non-controlling interests and preferred share dividends, fiscal year-to-date net income was $63.5 million compared to $83.6 million for the same period in fiscal 2023. Net income attributable to common shareholders excluding significant items[1] decreased by 48.5% to $28.0 million for the nine months ended December 31, 2023. Fiscal year-to-date diluted earnings per common share, excluding significant items[1], were $0.27 compared to $0.53 for the same period in the prior year.

Business Segment Results – Q3/24 and nine months ended December 31, 2023 compared with Q3/23 and nine months ended December 31, 2022

CANACCORD GENUITY CAPITAL MARKETS

Overview

Canaccord Genuity Capital Markets provides a full range of investment banking, advisory, equity research, and sales and trading services to corporate, institutional and government clients and also conducts principal trading activities. The Company has capital markets offices and employees in 20 locations in Canada, the US, the UK & Europe, Australia and Asia.

Our capital markets division has over 800 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. Primary focus sectors are Technology, Healthcare and Life Sciences (which includes Cannabis), Metals and Mining, and Consumer. Additional sectors covered include Diversified, Transportation & Industrials, Energy, Structured Products and Sustainability. Our capabilities include private placements, equity and debt underwriting, initial public offerings, follow-on offerings, at-the-market offerings, debt finance and restructuring, advisory (which includes mergers, acquisitions, and private capital/financial sponsor advisory services), principal trading, block trades, research and market making.

A disciplined mid-market focus with global alignment efforts have firmly entrenched Canaccord Genuity Capital Markets as a leading global independent investment bank specializing 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 within its core focus sectors 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 the Company's key markets. Management maintains a strong focus on capturing operating efficiencies and strengthening its global platform through further integration of our capabilities and by further enhancing cross-border coordination among all our offices.

The Company expects continued benefits from its investments in higher-margin advisory activities as it has expanded its operations with the acquisitions of Results (fiscal 2023), Sawaya Partners (fiscal 2022), and Petsky Prunier (fiscal 2019).

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 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 to lower operating costs in this division over the long term continue to be explored.

(1) See Non-IFRS Measures on page 8

FINANCIAL PERFORMANCE[(1)(2)] – CANACCORD GENUITY CAPITAL MARKETS

(C$ thousands, except number of employees and % amounts)	Three months ended December 31 2023	2022	Quarter-over-quarter change	Nine months ended December 31 2023	2022	Year-over-year change
Revenue	$ **189,843**	$ 196,879	(3.6)%	$ **480,346**	$ 566,713	(15.2)%
Expenses						
Compensation expense	**111,339**	123,099	(9.6)%	**287,481**	335,442	(14.3)%
Other overhead expenses	**58,244**	63,789	(8.7)%	**179,430**	184,387	(2.7)%
Impairment of goodwill and intangible assets	**—**	102,571	(100.0)%	**—**	102,571	(100.0)%
Acquisition-related costs	**—**	—	—	**—**	1,477	(100.0)%
Change in fair value of contingent consideration	**—**	—	—	**(18,174)**	—	n.m.
Restructuring costs	**—**	—	—	**12,673**	—	n.m.
Total expenses	**169,583**	289,459	(41.4)%	**461,410**	623,877	(26.0)%
Intersegment allocations[(3)]	**4,390**	6,239	(29.6)%	**13,138**	16,378	(19.8)%
Income (loss) before income taxes[(3)]	$ **15,870**	$ (98,819)	116.1%	$ **5,798**	$ (73,542)	107.9%
Non-controlling interest[(2)]	**1,133**	1,668	(32.1)%	**2,931**	3,264	(10.2)%
Number of employees	**820**	901	(9.0)%			
Excluding significant items[(4)]						
Total expenses	$ **168,772**	$ 184,722	(8.6)%	$ **464,499**	$ 514,060	(9.6)%
Intersegment allocations[(3)]	**4,390**	6,239	(29.6)%	**13,138**	16,378	(19.8)%
Income (loss) before income taxes[(3)]	$ **16,681**	$ 5,918	181.9%	$ **2,709**	$ 36,275	(92.5)%
Non-controlling interest[(2)]	**1,133**	1,668	(32.1)%	**2,931**	3,264	(10.2)%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.

(2) The operating results of Canaccord Genuity (Australia) Limited have been consolidated and a 31.8% non-controlling interest had been recognized and included in the Canaccord Genuity Capital Markets business segment for the three and nine months ended December 31, 2023 [three and nine months ended December 31, 2022 – 32.7%]. The non-controlling interest is the portion of the net income after income taxes of Canaccord Genuity (Australia) Limited not attributable to the Company.

(3) Income before income taxes includes intersegment allocated costs. See the Intersegment Allocated Costs section on page 30.

(4) Refer to the Selected Financial Information Excluding Significant Items table on page 17.

n.m.: not meaningful

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 warrant and 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 December 31 2023	2022	Quarter-over-quarter change	Nine months ended December 31 2023	2022	Year-over-year change
Revenue generated in:						
Canada	**20.4%**	16.0%	4.4 p.p	**21.6%**	13.8%	7.8 p.p
UK & Europe	**16.5%**	9.8%	6.7 p.p	**12.9%**	12.0%	0.9 p.p
US	**52.0%**	58.7%	(6.7) p.p	**52.9%**	65.0%	(12.1) p.p
Australia	**11.1%**	15.5%	(4.4) p.p	**12.6%**	9.2%	3.4 p.p
Canaccord Genuity Capital Markets (total)	**100%**	100%		**100%**	100%	

p.p.: percentage points

Canaccord Genuity Capital Markets generated revenue of $189.8 million for the three months ended December 31, 2023, a decrease of 3.6% or $7.0 million from the same quarter a year ago and an increase of 31.1% sequentially. Our US capital markets business was the largest contributor of revenue for the three-month period, which amounted to $98.7 million, or 52.0% of total capital markets revenue. Revenue contributed by our Canadian and UK & Europe capital markets businesses increased by $7.1 million or 22.6% and $12.1 million or 62.7% year-over-year, respectively. In our Australian capital markets business, Q3/24 revenue decreased by 30.6% year-over-year to $21.2 million.

For the nine months ended December 31, 2023, revenue for our global capital markets operations was $480.3 million, a decrease of $86.4 million or 15.2% compared to the corresponding period in the prior year.

Declines in the three- and nine-month periods were attributable to lower advisory fees revenue as a result of the more difficult environment for completions of advisory transactions, as well as a decline in principal trading revenue. Partially offsetting these decreases was an increase in investment banking and interest revenue, which increased by 17.1% and 58.4%, respectively, for the nine months ended December 31, 2023 when compared to the same period in the prior year.

Investment banking

While still below normalized levels, third quarter revenue from investment banking activity for the three- and nine-month periods increased by 5.8% and 17.1% respectively compared to the same periods of the prior fiscal year.

Investment banking revenue for the three months ended December 31, 2023 was $39.9 million, an increase of $2.2 million over year. Investment banking revenue for the nine-month period was $100.3 million, an increase of $14.6 million compared to the first nine months of fiscal 2023 (that comparative period was negatively impacted by a 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).

The Metals & Mining sector was the most active sector in the three-month period, and reflects contributions from Australia, Canada and the UK. Included in Other are transactions with companies in the energy sector and reflects transactions in Canada, the US and the UK. Technology sector revenues were contributed by our UK, US and Canadian businesses. Revenue from the Life Sciences sector was led by our US and Canadian capital markets businesses.

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 year-to-date for the nine months ended December 31, 2023				
Sectors	Global	Canada	US	UK	Australia
Life Sciences	**12%**	18%	47%	0%	1%
Technology	**16%**	18%	31%	71%	1%
Metals & Mining	**44%**	40%	1%	14%	64%
Consumer & Retail	**7%**	0%	5%	0%	13%
Other	**21%**	24%	16%	15%	21%
Total	**100.0%**	100.0%	100.0%	100.0%	100.0%

Note for reference in the tables above: transactions with companies in the cannabis sector in Canada are included under the Healthcare sector.

Advisory

Revenue from higher-margin advisory activities helps to offset the inherent volatility of our capital raising activities. Supporting the growth of this business line continues to be an important strategic priority for the Company. Our specialized expertise in key sectors of the economy and track record in equity capital markets activities positions us well to unlock opportunities for our clients as they grow. We lead a wide variety of sell-side and buy-side strategic advisory mandates both domestically and cross border. Advisory revenue in Q3/24 was $74.6 million, a slight decrease of $0.6 million or 0.8% when compared to the same period last year and an increase of 62.1% from Q2/24. Revenue in the first nine months of fiscal 2024 earned through advisory activities decreased by 37.8% or $97.8 million year-over-year to $160.9 million, reflecting the more challenging environment for completions in the first two quarter of this year notwithstanding a strong pipeline.

Our US business was the largest contributor in this segment with advisory revenue of $43.4 million for Q3/24 and $105.9 million fiscal year-to-date, primarily attributable to activity in the Consumer and Technology sectors. Advisory revenue in our Canadian business decreased by 1.9% year-over-year to $10.7 million for the third quarter and by 11.1% to $21.9 million for the fiscal year-to-date. In our UK capital markets operations, third quarter advisory revenues increased by 78.3% to $20.5 million but decreased by 22.7% to $33.1 million for the fiscal year-to-date.

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

	Fiscal year-to-date for the nine months ended December 31, 2023			
Sectors	Global	Canada	US	UK
Life Sciences	**5%**	3%	5%	7%
Technology	**39%**	45%	43%	28%
Metals & Mining	**7%**	38%	0%	5%
Consumer & Retail	**39%**	14%	51%	25%
Other	**10%**	0%	1%	35%
Total	**100.0%**	100.0%	100.0%	100.0%

Principal trading

Principal trading revenue for the three months ended December 31, 2023 was $29.8 million, a decrease of $5.1 million or 14.7% compared to Q3/23. For the nine months ended December 31, 2023, revenue earned from principal trading activity amounted to $73.2 million, a decrease of $17.1 million or 18.9% compared to the same period in the prior fiscal year, primarily a reflection of lower market volatility which decreased market activity and revenue opportunities when compared to same period in the prior year. The largest contributor in this segment was our US business, which earned $63.3 million in trading revenues for the fiscal year-to-date, largely attributable to the International Equities Group.

Commissions and Fees

Firmwide commissions and fees revenue was $37.8 million and $118.4 million for the three and nine-month periods ended December 31, 2023, a decrease of 4.9% and an increase of 5.3%, respectively. The year-to-date increase reflects higher client trading activity and a modest increase in new issue activity in Canada and the UK. While revenue in our US business was below year-ago levels, this business contributed 55.2% of total commissions and fees revenue for the three-month period.

EXPENSES – CANACCORD GENUITY CAPITAL MARKETS

Total expenses in our Canaccord Genuity Capital Markets division for the three months ended December 31, 2023 were $169.6 million, a decrease of 41.4% or $119.9 million compared to the same period a year ago. For the nine-month period ended December 31, 2023, expenses decreased by $162.5 million or 26.0% to $461.4 million. As a percentage of revenue, total expenses excluding significant items(1) decreased by 4.9 percentage points and increased by 6.0 percentage points, respectively, for the three and nine-month periods ended December 31, 2023 when compared to the same periods in the prior year.

Compensation expense

Partly reflecting the reduction in incentive-based revenue and certain adjustments in the valuation of stock-based compensation awards made in prior periods, compensation expense in our capital markets division for the three and nine months ended December 31, 2023 decreased by $11.8 million or 9.6% and $48.0 million or 14.3%, respectively, compared to the same period in the prior year. Total compensation expense as a percentage of revenue for the three months ended December 31, 2023 was 58.6%, a decrease of 3.9 percentage points compared to Q3/23. On a year-to-date basis, total compensation ratio was 59.8%, an increase of 0.7 percentage points from the same period in the prior year.

In our Canada and UK capital markets operations, total compensation as a percentage of revenue for Q3/24 decreased by 21.5 percentage points and 7.8 percentage points respectively when compared to the same period in the prior year, due to the increase in revenue relative to fixed compensation levels, the impact of changes in the valuation of stock-based compensation awards made in prior periods and changes in the revenue mix. In the US, total compensation as a percentage of revenue increased by 2.0 percentage points as a result of fixed staff costs relative to the decrease in revenue during the period. In Australia, compensation ratio decreased slightly by 1.1 percentage points compared to the third quarter of fiscal 2023.

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

	Three months ended December 31			Nine months ended December 31		
	2023	2022	Quarter-over-quarter change	**2023**	2022	Year-over-year change
Canada	**45.4%**	66.9%	(21.5) p.p	**48.6%**	65.9%	(17.3) p.p
UK & Europe	**61.2%**	69.0%	(7.8) p.p	**67.0%**	61.0%	6.0 p.p
US	**63.4%**	61.4%	2.0 p.p	**63.6%**	58.6%	5.0 p.p
Australia	**56.9%**	58.0%	(1.1) p.p	**56.3%**	51.0%	5.3 p.p
Canaccord Genuity Capital Markets (total)	**58.6%**	62.5%	(3.9) p.p	**59.8%**	59.2%	0.6 p.p

p.p.: percentage points

Other overhead expenses

Trading costs decreased by 19.5% or $3.7 million and 19.6% or $11.3 million for the three- and nine- months periods, mainly as a result of reduced trading activity in our US and Canadian operations, generally in-line with broader market trends.

Amortization expense also decreased by 40.5% or $1.3 million in Q3/24 and 34.7% or $2.9 million fiscal year-to-date when compared to same periods of the prior year due to lower amortization of intangible assets acquired in connection with previous acquisitions.

For the nine months ended December 31, 2023, interest expense increased by 26.2% or $3.3 million compared to the same period in the prior year, largely driven by stock borrowing activity in our Canadian capital markets operations and higher interest rates. Premises and equipment expense increased by $2.8 million or 48.4% compared to the nine months ended December 31, 2022 due to adjustments in connection with certain office moves.

As disclosed in the Q2 fiscal 2024 MD&A, there were restructuring costs of $12.7 million recorded in the second quarter of fiscal 2024 related to headcount reductions. In addition, the Company recorded a recovery of $18.2 million related to fair value changes in the contingent consideration liability recorded in the second quarter of fiscal 2024.

Income (loss) before income taxes

Net income before income taxes including allocated overhead expenses for the three months ended December 31, 2023 was $15.9 million for our capital markets business, compared to a net loss of $98.8 million in the same period a year ago. Excluding significant items(1) net income before taxes was $16.7 million in Q3/24 compared to net income before taxes of $5.9 million in the same period of fiscal 2023.

For the nine months ended December 31, 2023, net income before income taxes including allocated overhead expenses was $5.8 million compared to a net loss before income taxes of $73.5 million for the first nine months of fiscal 2023. Excluding significant items(1) net income before income taxes was $2.7 million compared to net income before income taxes of $36.3 million in the corresponding period in the prior year.

CANACCORD GENUITY WEALTH MANAGEMENT

Overview

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

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8

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; management of fee-based accounts, the sale of fee-based products and services; and client-related interest. Additionally, Investment Advisors (IAs) in Canada and Australia earn fees and commissions revenue from investment banking and venture capital transactions.

In the UK & Crown Dependencies, Canaccord Genuity Wealth Management had 16 offices in the UK, Guernsey, Jersey and the Isle of Man on December 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 84.7% for the three months ended December 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 257 Investment Professionals on December 31, 2023.

On December 31, 2023, Canaccord Genuity Wealth Management had 9 offices located across Canada, including Investment Advisors who are also registered in the US. Fee-related revenue as a percentage of total revenue in this business was 50.9% for the three months ended December 31, 2023. This business had 146 Advisor teams on December 31, 2023.

In Australia, Canaccord Genuity Wealth Management had 9 offices on December 31, 2023. This business had 116 Advisor teams on December 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 assets under administration and management and increasing the proportion of fee-based revenue as a percentage of total revenue. By increasing recurring revenue streams, we expect to meaningfully make our business less sensitive to 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 and other growth areas, to keep pace as investors continue to reshape their investment needs.

The Company expects to continue to pursue strategic opportunities to increase the scale of its wealth management business in the UK & Crown Dependencies.

Certain institutional investors acquired two 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. On an as converted basis and subject to the liquidation preference associated with the Convertible Preferred Shares issued to institutional investors and Preference Shares issued to management of CGWM UK, the Company holds an approximate 66.9% equity equivalent interest in Canaccord Genuity Wealth Group Holdings (Jersey) Limited.

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 and revenue from fee-based activities. 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.

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 December 31				Quarter-over-quarter change	Nine months ended December 31				Year-over-year change
		2023		2022			2023		2022	
Revenue	$	77,035	$	77,364	(0.4)%	$	220,462	$	223,754	(1.5)%
Expenses										
Compensation expense		40,007		41,413	(3.4)%		115,114		124,548	(7.6)%
Other overhead expenses		21,346		18,185	17.4%		62,927		54,507	15.4%
Restructuring costs		—		—	—		158		—	n.m.
Total expenses	$	61,353	$	59,598	2.9%	$	178,199	$	179,055	(0.5)%
Intersegment allocations[2]		5,286		5,385	(1.8)%		14,394		16,089	(10.5)%
Income before income taxes[2]	$	10,396	$	12,381	(16.0)%	$	27,869	$	28,610	(2.6)%
AUM (discretionary)[3]		10,998		8,428	30.5%					
AUA[4]		36,311		34,735	4.5%					
Number of Advisory Teams		146		148	(1.4)%					
Number of employees		532		498	6.8%					
Excluding significant items[5]										
Total expenses	$	60,925	$	59,598	2.2%	$	177,043	$	179,055	(1.1)%
Intersegment allocations[2]		5,286		5,385	(1.8)%		14,394		16,089	(10.5)%
Income before income taxes[2]	$	10,824	$	12,381	(12.6)%	$	29,025	$	28,610	1.5%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.

(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 30.

(3) AUM in Canada includes 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 8.

(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 8.

(5) Refer to Non-IFRS Measures on page 8 and the Selected Financial Information Excluding Significant Items table on page 17.

Revenue from Canaccord Genuity Wealth Management North America was $77.0 million, a slight decrease of $0.3 million or 0.4% compared to the three months ended December 31, 2022. The decrease was primarily driven by the prolonged reduction in investment banking revenue due to lower new issue activity. For the nine months ended December 31, 2023, this business earned revenue of $220.5 million, a reduction of $3.3 million or 1.5% year-over-year, primarily due to the declines in commissions and fees and investment banking revenue which were partially offset by a 22.2% increase in interest revenue driven by the higher interest rate environment.

AUA[1] in Canada increased by 4.5% to $36.3 billion at December 31, 2023, compared to $34.7 billion at December 31, 2022, reflecting positive net inflows and new client assets from our acquisition and recruiting activities, partially offset by a reduction in market values. At December 31, 2023, there were 146 Advisory Teams in Canada, a decrease of two from a year ago. Fee-related revenue in our North American operations as a percentage of total revenue increased by 5.4 percentage points compared to the three months in fiscal 2023 and accounted for 50.9% of the wealth management revenue in Canada during the third quarter of fiscal 2024.

Total expenses in this business for the three months ended December 31, 2023 were $61.4 million, an increase of $1.8 million or 2.9% compared to the same period a year ago, and for the nine months ended December 31, 2023 were $178.2 million, a reduction of $0.9 million or 0.5% compared to the previous year.

Compensation costs were down by $1.4 million or 3.4% and $9.4 million or 7.6% for Q3/24 and for the nine months ended December 31, 2023, respectively, due to the reduction in revenue. Compensation expense as a percentage of revenue was 51.9% for Q3 fiscal 2024 and 52.2% on a year-to-date basis, a decrease of 1.6 percentage points and 3.4 percentage points, respectively, and partially due to changes in the fair value of certain awards granted in prior periods in connection with share-based payment plans and changes in the revenue mix.

Other overhead costs in this business increased by $3.2 million or 17.4% compared to the three months ended December 31, 2022. Interest expense was up by $1.1 million or 192.9% for the three months ended December 31, 2023 compared to the same period in the prior year due to higher interest rates. Premises and equipment expense was up by $0.3 million or 22.9% compared to the three months ended December 31, 2022 due to an increase in allocations from the Corporate and Other segment. Development costs also increased by $0.6 million or 17.0% as a result of the amortization of incentive-based payments to new recruits. For the nine months ended December 31, 2023 other overhead costs reflected a similar profile to Q3/24 and, in aggregate, were $8.4 million or 15.4% higher than the previous year.

Income before taxes for the three months ended December 31, 2023 was $10.4 million, a decrease of $2.0 million or 16.0% on Q3/23. For the nine months ended December 31, 2023 income before income taxes was $27.9 million, a decrease of $0.7 million or 2.6% compared to the nine months ended December 31, 2022. Excluding significant items[1] net income before taxes was $10.8 million and $29.0 million for the three- and nine-month period, compared to $12.4 million and $28.6 million in the corresponding periods in the prior year.

(1) See Non-IFRS Measures on page 8

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 December 31 2023	Three months ended December 31 2022	Quarter-over-quarter change	Nine months ended December 31 2023	Nine months ended December 31 2022	Year-over-year change
Revenue	$ **101,829**	$ 85,691	18.8%	$ **306,005**	$ 239,998	27.5%
Expenses						
Compensation expense	**43,382**	40,962	5.9%	**132,518**	121,107	9.4%
Other overhead expenses	**38,256**	27,090	41.2%	**115,577**	75,706	52.7%
Restructuring costs	**—**	—	—	**652**	—	n.m.
Acquisition-related cost	**—**	—	—	**—**	5,926	(100.0)%
Total expenses	**81,638**	68,052	20.0%	**248,747**	202,739	22.7%
Intersegment allocations(2)	**566**	1,083	(47.7)%	**1,690**	1,678	0.7%
Income before income taxes(2)	**19,625**	16,556	18.5%	**55,568**	35,581	56.2%
Non-controlling interest(6)	**9,353**	8,745	7.0%	**28,022**	23,853	17.5%
AUM(3)	**56,776**	54,403	4.4%			
Number of investment professionals and fund managers	**257**	255	0.8%			
Number of employees	**741**	737	0.5%			
Excluding significant items(4)						
Total expenses	$ **75,748**	$ 61,687	22.8%	$ **229,422**	$ 178,572	28.5%
Intersegment allocations(2)	**566**	1,083	(47.7)%	**1,690**	1,678	0.7%
Income before income taxes(2)	**25,515**	22,921	11.3%	**74,893**	59,748	25.3%
Non-controlling interest(6)	**8,231**	7,280	13.1%	**23,559**	18,732	25.8%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.
(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 30.
(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 8.
(4) Refer to Non-IFRS Measures on page 8 and the Selected Financial Information Excluding Significant Items table on page 17.
(5) Includes the operating results of PSW since 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 in 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 in this business for Q3/24 was $101.8 million, an increase of $16.1 million or 18.8% from Q3/23. Measured in local currency (GBP), revenue was £60.2 million in the three months ended December 31, 2023 compared to £53.7 million for the three months ended December 31, 2022, an increase of 12.1%. Revenue for the nine months ended December 31, 2023 increased by $66.0 million or 27.5% compared to the same period in the prior year to $306.0 million partially reflecting the acquisition of PSW in May 2022 as well as higher interest income. The higher interest rate environment has positively impacted interest income in this business, which has increased to $74.4 million for the first nine months of fiscal 2024 from $12.7 million for the comparable period in the prior year.

AUM(1) in the UK & Crown Dependencies as of December 31, 2023 was $56.8 billion, an increase of 4.4% compared to $54.4 billion as of December 31, 2022, driven by increase in market values and foreign exchange movement . Measured in local currency (GBP), AUM(1) increased by 1.4% from £33.2 billion at December 31, 2022 to £33.7 billion at December 31, 2023. Fee-related revenue in our UK & Crown Dependencies wealth management operations accounted for 84.7% of total revenue in the three months ended December 31, 2023, an increase of 3.0 percentage points from the same period in the prior year.

Total compensation expense increased by $2.4 million or 5.9% in Q3/24 and $11.4 million or 9.4% for the nine months ended December 31, 2023 compared to the prior year comparatives. Total compensation expense as a percentage of revenue decreased by 5.2 percentage points from 47.8% in Q3/23 to 42.6% in Q3/24 partially due to the change in revenue mix. For the nine-month period ended December 31, 2023, total compensation expense as a percentage of revenue was 43.3%, a decrease of 7.2 percentage points from the same period in the prior year also partially due to the change in revenue mix.

Other overhead expenses in this business were $38.3 million for the three months ended December 31, 2023 compared to $27.1 million in the same period in the prior year, an increase of $11.2 million or 41.2% year-over-year. The most significant increase in overhead expenses was related to interest expense on bank debt due to higher interest rates when compared to the same period last year.

Other overhead expenses of $115.6 million for the nine months ended December 31, 2023 were up by $39.9 million or 52.7% from the prior year, with the most significant increases in communication and technology, interest expense, general and administrative and amortization expenses. The increases in communication and technology and general and administrative expense were due to additional costs to support the higher headcount and expanded business. Amortization expense increased partially as a result of the amortization of intangible assets acquired in connection with the acquisition of PSW completed on May 31, 2022.

Third quarter fiscal 2024 income before income taxes in this business was $19.6 million compared to $16.6 million for Q3/23 and net income before taxes excluding significant items(1) was $25.5 million compared to $22.9 million for Q3/23. For the nine months ended December 31, 2023, net income before income taxes was $55.6 million compared to $35.6 million in the first nine months of December 31, 2022 and net income before taxes excluding significant items[1] was $74.9 million compared to $59.7 million for the prior nine months.

FINANCIAL PERFORMANCE – CANACCORD GENUITY WEALTH MANAGEMENT AUSTRALIA[1]

(C$ thousands, except AUM (in C$ millions), number of employees, investment professionals and fund managers, and % amounts)	Three months ended December 31 2023	Three months ended December 31 2022	Quarter-over-quarter change	Nine months ended December 31 2023	Nine months ended December 31 2022	Year-over-year change
Revenue	$ 16,178	$ 16,633	(2.7)%	$ 46,826	$ 47,443	(1.3)%
Expenses						
Compensation expense	10,432	11,505	(9.3)%	31,065	33,387	(7.0)%
Other overhead expenses	4,218	4,015	5.1%	13,177	13,831	(4.7)%
Total expenses	14,650	15,520	(5.6)%	44,242	47,218	(6.3)%
Intersegment allocations[2]	140	55	154.5%	357	77	n.m.
Income before income taxes[2]	1,388	1,058	31.2%	2,227	148	n.m.
Non-controlling interest[5]	321	297	8.1%	578	156	270.5%
AUM[4]	6,120	5,250	16.6%			
Number of investment professionals and fund managers	116	116	—			
Number of employees	235	229	2.6%			
Excluding significant items[4]						
Total expenses	$ 14,537	$ 15,406	(5.6)%	$ 43,902	$ 46,873	(6.3)%
Intersegment allocations[2]	140	55	154.5%	357	77	n.m.
Income before income taxes[2]	1,501	1,172	28.1%	2,567	493	n.m.
Non-controlling interest[5]	321	297	8.1%	578	156	270.5%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.
(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 30.
(3) AUM is the market value of client assets managed and administered by the Company. See Non-IFRS Measures on page 8.
(4) Refer to Non-IFRS Measures on page 8 and the Selected Financial Information Excluding Significant Items table on page 17.
(5) The operating results have been consolidated and a 31.8% non-controlling interest has been recognized and included in the Canaccord Genuity Wealth Management Australia segment for the three and nine months ended December 31, 2023 [three and nine months ended December 31, 2022 – 32.7%]. 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 December 31, 2023, Canaccord Genuity Wealth Management Australia generated revenue of $16.2 million, a decrease of $0.5 million or 2.7% compared to the same period a year ago. On a year-to-date basis, revenue was $46.8 million, a slight reduction of $0.6 million or 1.3% compared to the first nine months of fiscal 2023. AUM[1] in our Australian wealth management operations was $6.1 billion as of December 31, 2023, an increase of 16.6% from Q3/23 largely due to an increase in net new assets. In addition, client assets[1] totalling $14.5 billion are also held on record in other less active accounts on our Australian wealth management platforms. Fee-related revenue in our Australian operations as a percentage of total revenue accounted for 39.4% of the wealth management revenue during the three months ended December 31, 2023, an increase of 6.0 percentage points from the three months ended December 31, 2022.

Total compensation expense in this business decreased by $1.1 million or 9.3% and $2.3 million or 7.0% for the three and nine months ended December 31, 2023, respectively, compared to the same periods in the prior year. Total compensation expense as a percentage of revenue for Q3/24 and fiscal year-to-date was 64.5% and 66.3%, reflecting decreases of 4.7 and 4.0 percentage points from the prior period comparatives, respectively.

Other overhead expenses of $4.2 million were $0.2 million or 5.1% higher compared to Q3/23 mainly due to an increase in development costs which was partially offset by lower general and administrative expenses. For the nine months ended December 31, 2023, other overhead expenses decreased by $0.7 million or 4.7% compared to the same period in the prior year, principally driven by decreases in general and administrative and communication and technology expenses and partially offset by higher development costs in connection with our ongoing recruitment efforts.

Third quarter fiscal 2024 income before income taxes was $1.4 million compared to net income before taxes of $1.1 million for Q3/23. For the three months ended December 31, 2023, net income before taxes excluding significant items[1] was $1.5 million compared to a net income before income taxes of $1.2 million for Q3/23. For the nine months ended December 31, 2023, income before income taxes was $2.2 million compared to income before income taxes of $0.1 million for the prior period. On a year-to-date basis net income before taxes excluding significant items[1] was $2.6 million compared to a net income before taxes of $0.5 million for the first nine months of fiscal 2023.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8.

CORPORATE AND OTHER[1]

	Three months ended December 31			Nine months ended December 31		
(C$ thousands, except number of employees and % amounts)	2023	2022	Quarter-over-quarter change	2023	2022	Year-over-year change
Revenue	$ **4,258**	$ 5,549	(23.3)%	$ **16,118**	$ 2,100	n.m.
Expenses						
Compensation expense	**17,937**	23,324	(23.1)%	**42,508**	46,322	(8.2)%
Other overhead expenses	**6,884**	6,924	(0.6)%	**33,961**	20,612	64.8%
Restructuring costs	**—**	—	—	**4,664**	—	n.m.
Fair value adjustment of non-controlling interests derivative liability	**—**	—	—	**13,250**	—	n.m.
Share of loss of an associate	**—**	25	(100.0)%	**70**	45	55.6%
Total expenses	**24,821**	30,273	(18.0)%	**94,453**	66,979	41.0%
Intersegment allocations[2]	**(10,382)**	(12,762)	18.6%	**(29,579)**	(34,222)	13.6%
Loss before income taxes[2]	**(10,181)**	(11,962)	14.9%	**(48,756)**	(30,657)	(59.0)%
Number of employees	**456**	485	(6.0)%			
Excluding significant items[3]						
Revenue	$ **4,618**	$ 5,782	(20.1)%	$ **16,815**	$ 15,051	11.7%
Total expenses	**24,821**	29,465	(15.8)%	**61,501**	64,861	(5.2)%
Intersegment allocations[2]	**(10,382)**	(12,762)	18.6%	**(29,579)**	(34,222)	13.6%
Loss before income taxes[2]	**(9,821)**	(10,921)	10.1%	**(15,107)**	(15,588)	3.1%

(1) Financial measures are in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.
(2) Loss before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 30.
(3) Refer to Non-IFRS Measures on page 8 and Selected Financial Information Excluding Significant Items table on page 17.
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 December 31, 2023 was $4.3 million compared to $5.5 million in the same quarter a year ago. For the nine months ended December 31, 2023, revenue was $16.1 million compared to $2.1 million for the same period a year ago. The increase in year-to-date revenue largely reflects the impact of a $13.0 million reduction in revenue during the corresponding period of the prior year owing to fair value adjustments recorded on certain illiquid or restricted marketable securities.

Total expenses in this segment for the three months ended December 31, 2023 decreased by $5.5 million or 18.0% to $24.8 million compared to the three months ended December 31, 2022. On a year-to-date basis, total expenses increased by $27.5 million or 41.0% compared to the nine months ended December 31, 2022 for the reasons described below.

Compensation expense decreased by $5.4 million or 23.1% compared to the three months ended December 31, 2022, and by $3.8 million or 8.2% on a year-to-date basis, partially driven by changes in the fair value of certain share-based awards granted in prior periods.

Other overhead expenses decreased slightly by 0.6% compared to Q3/23 partially due to lower premises and equipment and trading costs due to additional allocations to the Canadian capital markets and wealth management segments. Offsetting these decreases was an increase in the amortization of right of use assets of $1.2 million or 166.3% largely resulting from adjustments related to relocation of our Canadian offices. For the nine months ended December 31, 2023, other overhead expenses increased by $13.3 million or 64.8%, primarily due to professional fees incurred in relation to the expired management take-over bid incurred in the first quarter of fiscal 2024. During the second quarter of fiscal 2024, there were restructuring costs of $4.7 million related to headcount reduction and $13.3 million fair value adjustments related to the derivative liability component of the non-controlling interests related to the Convertible Preferred Shares issued by CGWM UK.

Overall, the Q3/24 loss before income taxes in this segment was $10.2 million compared to a loss of $12.0 million for the three months ended December 31, 2022. The net loss before taxes excluding significant items[1] was $9.8 million for the three months ended December 31, 2023, compared to net loss before taxes of $10.9 million for the same period in the prior year. For the nine months ended December 31, 2023, loss before income taxes was $48.8 million compared to a loss of $30.7 million for the first nine months of fiscal 2023. Excluding significant items[1], loss before income taxes was $15.1 million compared to loss before income taxes of $15.6 million on a year-to-date 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 all CG regions. Certain trading, clearing and

(1) See Non-IFRS Measures on page 8

settlement charges are included as a trading cost in the applicable business units and as a trading cost recovery in Corporate and Other. In addition, certain overhead costs are charged by Canaccord Genuity Capital Markets UK & Europe to Canaccord Genuity Wealth Management UK & Crown Dependencies and included in intersegment allocated costs for these business units.

Quarterly Financial Information – Prior seven fiscal quarters to Q3/24[1]

The following table provides selected quarterly financial information for the eight most recently completed financial quarters ended on or before December 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.

	Fiscal 2024			Fiscal 2023				Fiscal 2022
(C$ thousands, except number of employees and % amounts)	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue								
Canaccord Genuity Capital Markets	**189,843**	144,809	145,694	226,140	196,879	205,697	164,137	312,046
Canaccord Genuity Wealth Management:								
North America	**77,035**	70,813	72,614	78,410	77,364	73,429	72,961	76,165
UK & Crown Dependencies	**101,829**	101,004	103,172	103,730	85,691	80,970	73,337	80,316
Australia	**16,178**	15,409	15,239	14,969	16,633	14,889	15,921	17,793
Corporate and Other	**4,258**	5,255	6,605	7,140	5,549	5,537	(8,986)	13,473
Total revenue	**389,143**	337,290	343,324	430,389	382,116	380,522	317,370	499,793
Net income (loss)	**28,005**	(5,867)	(268)	3,763	(82,065)	26,564	(3,004)	68,995
Earnings (loss) per common share – basic	**$ 0.15**	$ (0.20)	$ (0.15)	$ (0.08)	$ (1.10)	$ 0.17	$ (0.14)	$ 0.62
Diluted earnings (loss) per common share	**$ 0.14**	$ (0.20)	$ (0.15)	$ (0.08)	$ (1.10)	$ 0.14	$ (0.14)	$ 0.53
Net Income excluding significant items[1]	**$ 33,304**	$ 10,717	$ 19,433	$ 17,428	$ 28,197	$ 35,426	$ 19,935	$ 66,822
Earnings per common share, excluding significant items[1] – basic	**$ 0.24**	$ —	$ 0.10	$ 0.10	$ 0.20	$ 0.30	$ 0.13	$ 0.62
Diluted earnings per common share, excluding significant items[1]	**$ 0.20**	$ —	$ 0.07	$ 0.07	$ 0.16	$ 0.25	$ 0.11	$ 0.52

(1) Data is in accordance with IFRS except for figures excluding significant items. See Non-IFRS Measures on page 8.

Quarterly financial information excluding significant items(1)(2) – Prior seven fiscal quarters to Q3/24

	Fiscal 2024			Fiscal 2023				Fiscal 2022
(C$ thousands, except per share amounts)	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total revenue per IFRS	**$ 389,143**	$ 337,290	$ 343,324	$ 430,389	$ 382,116	$ 380,522	$ 317,370	$ 499,793
Total expenses per IFRS	**352,045**	337,964	337,042	424,962	462,902	341,490	315,476	403,245
Revenue								
Significant items recorded in Corporate and Other								
Fair value adjustments on certain illiquid and restricted marketable securities	**360**	218	119	—	233	1,271	11,447	(9,000)
Total revenue excluding significant items	**$ 389,503**	$ 337,508	$ 343,443	$ 430,389	$ 382,349	$ 381,793	$ 328,817	$ 490,793
Expenses								
Significant items recorded in Canaccord Genuity Capital Markets								
Amortization of intangible assets	**279**	316	350	214	1,643	1,535	1,264	1,283
Change in fair value of contingent consideration	**—**	(18,174)	—	(14,278)	—	—	—	—
Restructuring costs	**—**	12,673	—	—	—	—	—	—
Acquisition-related costs	**—**	—	—	—	—	1,477	—	—
Impairment of goodwill and other intangible assets	**—**	—	—	—	102,571	—	—	—
Incentive based costs related to acquisitions	**532**	362	573	648	523	437	367	364
Significant items recorded in Canaccord Genuity Wealth Management								
Amortization of intangible assets	**5,707**	5,727	5,639	6,314	5,830	5,944	4,312	4,190
Restructuring costs	**—**	810	—	—	—	—	—	—
Acquisition-related costs	**—**	—	—	—	—	(1,656)	7,582	515
Incentive based costs related to acquisitions	**724**	926	1,288	1,477	649	1,265	586	625
Significant items recorded in Corporate and Other								
Restructuring costs	**—**	1,306	3,358	—	—	—	—	—
Development costs	**—**	(249)	15,287	4,903	808	1,310	—	—
Fair value adjustment of non-controlling interests derivative liability	**—**	13,250	—	11,629	—	—	—	—
Total significant items – expenses	**7,242**	16,947	26,495	10,907	112,024	10,312	14,111	6,977
Total expenses excluding significant items	**344,803**	321,017	310,547	414,055	350,878	331,178	301,365	396,268
Net income before income taxes – adjusted	**$ 44,700**	$ 16,491	$ 32,896	$ 16,334	$ 31,471	$ 50,615	$ 27,452	$ 94,525
Income tax expense (recovery) – adjusted	**11,396**	5,774	13,463	(1,094)	3,274	15,189	7,517	27,703
Net income – adjusted	**$ 33,304**	$ 10,717	$ 19,433	$ 17,428	$ 28,197	$ 35,426	$ 19,935	$ 66,822
Preferred share dividends	**$ 2,852**	$ 2,852	$ 2,852	$ 2,852	$ 2,391	$ 2,391	$ 2,391	$ 2,391
Net income attributable to common shareholders	**$ 20,767**	$ (299)	$ 7,578	$ 6,793	$ 16,561	$ 25,793	$ 11,879	$ 54,678
Earnings per common share adjusted – basic	**$ 0.24**	$ —	$ 0.10	$ 0.10	$ 0.20	$ 0.30	$ 0.13	$ 0.62
Diluted earnings per common share adjusted – diluted	**$ 0.20**	$ —	$ 0.07	$ 0.07	$ 0.16	$ 0.25	$ 0.11	$ 0.52

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8.

(2) Due to the change in the number of fully diluted shares resulting from the convertible debenture redemption in Q4 fiscal 2022 as well as the impact of the Convertible Preferred Shares issued in the third quarter of fiscal 2023 and first quarter of fiscal 2024, 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 underwriting and advisory transactions is recorded only when a transaction has been substantially completed or closed. Consequently, the timing of revenue recognition can materially affect the Company's quarterly results.

The Company recorded revenue of $389.1 million in Q3/24, which was 1.2% higher than the average for the previous seven quarters. On a consolidated basis, advisory fees revenue in the third quarter was 8.8% lower than the average of the last seven quarters and reflects the decline from near record level of $122.4 million in Q4/22 to $74.7 million in Q3/24, due to lower market-wide activity in all our geographies. Investment banking revenue of $46.5 million was 4.9% lower than the average of the last seven fiscal quarters, which included near record revenue achieved in the fourth quarter of fiscal 2022.

The higher interest rate environment supported 41.8% year-over-year increase in interest revenue to $45.5 million, which was 39.4% higher than the average of the last seven fiscal quarters. When compared to Q2/24, commissions and fees, investment banking, principal trading revenues increased by 3.8%, 31.1%, and 47.5%, respectively.

Global Capital Markets

Our global capital markets operations generated revenue of $189.8 million, a decrease of 4.8% 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 advisory and investment banking. The highest quarterly revenue earned by this division in the last seven fiscal quarters was $312.0 million and the lowest quarterly revenue was $144.8 million. Excluding significant items(1), this operation returned to profitability and generated pre-tax income of $16.7 million in Q3/24 compared to pre-tax losses of $6.3 million in the previous quarter, with pre-tax income totalling $2.7 million for the first nine months of fiscal 2024 compared to $36.3 million in the comparable period in the prior year.

While our US capital markets operation was the biggest contributor of revenue in this division, third quarter revenue of $98.7 million was 11.9% lower than the average of the last seven fiscal quarters reflecting a continuance of the challenging environment for capital-raising activities and the more challenging environment for M&A completions.

Revenue in our Canadian capital markets operation was $38.6 million in Q3/24, which was 6.1% lower than the average of the last seven fiscal quarters. The highest quarterly revenue earned by this business in the last seven fiscal quarters was $74.5 million and the lowest quarterly revenue was $14.3 million.

Third quarter revenue of $21.2 million in our Australian capital markets business was 11.1% lower than the average of the last seven fiscal quarters which includes record quarterly revenue of $61.8 million earned in the fourth quarter of fiscal 2022.

Our UK & Europe capital markets operations recorded revenue of $31.3 million for Q3/24, an increase of 40.6% compared average of the last seven fiscal quarters and the highest quarterly revenue in this period. The improvement was mainly due to higher advisory fees revenue recorded in Q3/24.

Global Wealth Management

Third quarter revenue in our global wealth management businesses amounted to $195.0 million, an increase of 8.3% compared to the average of the last seven fiscal quarters. The highest quarterly revenue earned by this division in the last seven fiscal quarters was $197.1 million and the lowest quarterly revenue was $162.2 million. Excluding significant items(1), the pre-tax net income contribution from this segment was $37.8 million in Q3/24, an increase of 18.5% when compared to the average of the last seven fiscal quarters.

Revenue in our North American wealth management operations increased by 3.4% compared to the last seven fiscal quarters. Assets under administration(1) in this business were $36.3 billion, an increase of 4.5% year-over-year and substantially in line with the average of the last seven fiscal quarters as net inflows have helped to offset the decrease in market values.

The CGWM UK operations have contributed consistently to our revenue and profitability levels. Revenue for Q3/24 was $101.8 million, 13.5% higher than the average for the past seven quarters supported by stronger interest revenue. AUM(1) for this group increased by 4.4% as of the end of Q3/24 to $56.8 billion compared to Q3/23 due to an increase in market values as well as movement in foreign exchange rates.

Revenue in our Australia wealth management operations reached $16.2 million in Q3/24, an increase of 2.2% compared to the average of the last seven fiscal quarters. AUM(1) as of December 31, 2023 were $6.1 billion, an increase of 16.6% compared to the corresponding period in fiscal 2023, reflecting our active recruitment efforts over the last fiscal year and changes in market values.

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 specific changes in selected items on the Q3/24 unaudited interim condensed consolidated statement of financial position as compared to the Audited Annual Consolidated Financial Statements.

ASSETS

Cash and cash equivalents were $662.2 million on December 31, 2023 compared to $1.0 billion on March 31, 2023. Refer to the Liquidity and Capital Resources section on page 35 for more details.

Securities owned were $566.9 million on December 31, 2023 compared to $715.1 million on March 31, 2023, mainly due to decreases in corporate and government debt as well as equities and convertible debentures owned as of December 31, 2023.

Accounts receivable were $2.4 billion at December 31, 2023 compared to $3.4 billion at March 31, 2023, mainly due to a decrease in receivables with brokers and investment dealers and clients.

Goodwill was $623.6 million and intangible assets were $292.1 million on December 31, 2023. On March 31, 2023, goodwill was $622.8 million and intangible assets were $305.9 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, Sawaya, PSW, Results and Mercer.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 8.

Right-of-use assets at December 31, 2023 were $154.4 million compared to $103.7 million at March 31, 2023, mainly due to new offices partially offset by amortization recorded during the period.

Other assets, consisting of income taxes receivable, deferred tax assets, equipment and leasehold improvements, and investments, were $181.5 million at December 31, 2023 compared to $191.2 million at March 31, 2023.

LIABILITIES AND NON-CONTROLLING INTERESTS

Securities sold short were $426.7 million at December 31, 2023 compared to $556.3 million at March 31, 2023, mostly due to a decrease in short positions in corporate and government debt and equities and convertible debentures.

Accounts payable and accrued liabilities, including provisions, were $2.5 billion at December 31, 2023, a decrease from $3.7 billion at March 31, 2023, mainly due to decreases in payables to brokers and investment dealers and clients.

Subordinated debt, income taxes payable and deferred tax liabilities were $64.5 million at December 31, 2023, a slight decrease from $65.4 million at March 31, 2023.

There were also lease liabilities of $169.1 million recorded as of December 31, 2023 compared to $119.2 million as of March 31, 2023 – $119.2 million due to addition of new offices.

Deferred and contingent consideration of $31.1 million were recorded as of December 31, 2023 [March 31, 2023 – $54.0 million] in connection with the acquisitions of Sawaya and Results. During the second quarter of fiscal 2024, the Company recorded a reduction in the fair value of the contingent consideration which resulted in a recovery of $18.2 million through the unaudited interim condensed consolidated statements of operations. Also, during the first quarter ended June 30, 2023, the Company made a payment of $1.1 million in connection with the deferred consideration related to the acquisition of Results and $3.6 million in connection with the contingent consideration related to the acquisition of Sawaya.

Certain institutional investors acquired two series of Convertible Preferred Shares issued by the Company's subsidiary, CGWM UK. Both series of the Convertible Preferred Shares and the Preference Shares issued to management and employees of CGWM UK were treated as compound instruments comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle each instrument under certain circumstances by delivering the economic equivalent of a variable number of common shares of CGWM UK. During the second quarter of fiscal 2024, a fair value adjustment of $13.3 million [nine months ended December 31, 2022 – $nil million] was recorded in the unaudited condensed consolidated statement of operations. The carrying value of the derivative liability at December 31, 2023 was $75.9 million [March 31, 2023 – $61.7 million] and is included in other liabilities in the unaudited interim condensed consolidated statements of financial position.

In connection with the issuance of the Convertible Preferred Shares, CGWM UK provided for the purchase of certain equity instruments in CGWM UK by management and employees of CGWM UK and implemented a management incentive plan which, subject to certain minimum threshold levels, will provide for certain payments if a liquidity event occurs within six years or after six years if a liquidity event has not occurred and the Convertible Preferred Shares are no longer outstanding.

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for several acquisitions in the UK and Crown Dependencies wealth management segment. The original terms of the facility required the bank loan to be repaid by September 30, 2024. During the nine months ended December 31, 2023, the facility was extended and is now repayable on September 30, 2025. The interest rate on this loan is 7.6865% per annum as of December 31, 2023 [March 31, 2023 – 7.177% per annum].

Excluding the bank loan obtained in connection with several acquisitions in the UK & Crown Dependencies as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $672.4 million [March 31, 2023 – $667.4 million]. These limited credit facilities, consisting of call loans, letters of credit and daylight overdraft facilities, are used to facilitate trade settlements and are collateralized by unpaid client securities and/or securities owned by the Company. As of December 31, 2023, there were no balances outstanding under these other credit facilities [March 31, 2023 – $nil].

Non-controlling interests were $350.3 million at December 31, 2023 compared to $344.0 million as at March 31, 2023, an increase of $6.3 million, mainly related to the equity component of the Convertible Preferred Shares issued by CGWM UK, net of dividends received and foreign exchange movement. Non-controlling interests also represent 31.8% [March 31, 2023 – 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 $3.8 million (US$2.9 million) [March 31, 2023 – $3.9 million (US$2.9 million)] as rent guarantees for its leased premises in New York. As of December 31, 2023 and March 31, 2023, 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 December 31, 2023, and March 31, 2023, 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 December 31, 2023:

(C$ thousands)	Total	Fiscal 2025	Fiscal 2026 – Fiscal 2027	Fiscal 2028 – Fiscal 2029	Thereafter
Premises and equipment	386,790	32,676	61,318	53,122	239,674
Bank loan(1)	336,072	37,671	298,401	—	—
Total obligations	**722,862**	**70,347**	**359,719**	**53,122**	**239,674**

(1) Bank loan obtained to finance a portion of the cash consideration for the acquisitions in CGWM UK. The bank loan bears interest at 7.6865% [March 31, 2022 – 7.7177%] per annum and is repayable in instalments of principal and interest. The original terms of the facility required the bank loan to be repaid by September 30, 2024. During the nine months ended December 31, 2023 the facility was extended and is now repayable on September 30, 2025.

Liquidity and Capital Resources

The Company has a capital structure comprised of preferred shares, common shares, retained earnings and accumulated other comprehensive income. On December 31, 2023, cash and cash equivalents were $662.2 million, a decrease of $346.3 million from $1.0 billion as of March 31, 2023. During the nine months ended December 31, 2023, financing activities used cash in the amount of $103.5 million, due to purchases of common shares for the long-term incentive plan (LTIP), lease payments, dividends paid on convertible preferred shares issued in UK & Crown Dependencies, payment of dividends to non-controlling interests in Australia, and cash dividends paid on common and preferred shares, partially offset by proceeds from the exercise of performance stock options. Investing activities used cash in the amount of $11.8 million for the acquisition of Mercer, purchase of equipment and leasehold improvements and intangible assets and payment of contingent and deferred consideration. Operating activities used cash in the amount of $230.4 million, which was largely due to changes in non-cash working capital. A decrease in cash of $0.6 million was attributable to the effect of foreign exchange translation on cash balances.

Compared to the nine months ended December 31, 2022, cash used by financing activities increased by $206.3 million mainly due to additional proceeds from bank loans as well as proceeds from the issuance of convertible preferred shares in CGWM UK in the prior period. Cash used in investing activities decreased by $272.0 million during the nine months ended December 31, 2023 compared to the same period last year, mainly due to the acquisitions of PSW and Results in the prior period. Changes in non-cash working capital balances as well as increase in net income led to a decrease in cash used in operating activities of $501.9 million. In addition, cash balances decreased by $18.6 million from the effects of foreign exchange translation on cash balances. Overall, cash and cash equivalents decreased by $230.9 million from $893.1 million at December 31, 2022 to $662.2 million at December 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 unaudited interim condensed 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 December 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)	**92,632,532**	87,214,961
Issued shares outstanding(2)	**102,189,077**	99,381,623
Issued shares outstanding – diluted(3)	**105,679,409**	104,955,046
Average shares outstanding – basic	**91,574,427**	87,354,727
Average shares outstanding – diluted(4)	**n/a**	n/a

(1) Excludes 9,434,190 unvested shares purchased by employee benefit trusts for the LTIP, and 122,355 outstanding shares related to share purchase loans.

(2) Includes 9,434,190 unvested shares purchased by employee benefit trusts for the LTIP, and 122,355 outstanding shares related to share purchase loans.

(3) Includes 3,610,000 shares to be issued if all the outstanding PSOs were exercised, 835,986 shares to be issued in connection with the acquisitions of Sawaya and Results, net of estimated forfeitures.

(4) During the years ended December 31, 2023 and 2022, the Company recorded a net loss attributable to common shareholders, and as such, the diluted EPS is equal to the basic EPS since 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.

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.

Terms of the Series A and C Preferred Shares are disclosed in Note 19 of the Audited Consolidated Financial Statements for the year ended March 31, 2023.

COMMON SHARES

On August 17, 2023, 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 4,985,290 of its common shares during the period from August 21, 2023 to August 20, 2024 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. There were no shares purchased under NCIB for the nine months ended December 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, 2023 and will continue for one year (to August 20, 2024) 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 84,555 common shares of the Company (which is 25% of the average daily trading volume of common shares of the Company on the TSX (ADTV) in the six calendar months from February 2023 to July 2023 (25% of the ADTV of 338,223)).

As of January 31, 2024, the Company has 102,189,077 common shares issued and outstanding.

Share-Based Payment Plans

There have been no updates to the share-based payment plans discussed in the 2023 Annual Report. Refer to Note 18 in the unaudited interim condensed consolidated financial statements for the nine months ended December 31, 2023.

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. There were $9.3 million forward contracts outstanding to buy US dollars at December 31, 2023 compared to $1.8 million on March 31, 2023. Forward contracts outstanding to sell US dollars had a notional amount of US $7.6 million, an increase of US $3.7 million from March 31, 2023. The fair value of these contracts was nominal. Some of the Company's operations in the US, the UK & Europe, Australia, Hong Kong and China are conducted in the local currency; however, any foreign exchange risk in respect of these transactions is generally limited as pending settlements on both sides of the transaction are typically in the local currency.

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

The Company's Canaccord Genuity Wealth Management segment in the UK & 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 December 31, 2023, the were $nil bond futures contracts outstanding [March 31, 2023 – short $1.4 million].

The fair value of all of the above futures contracts is nominal due to their short term to maturity. Realized and unrealized gains and losses related to these contracts are recognized in net income (loss) during the reporting period.

Related Party Transactions

The Company's related parties include the following persons and/or entities: (a) entities that are controlled or significantly influenced by the Company, and (b) key management personnel, who are comprised of the directors of the Company, as well as executives involved in strategic decision-making for the Company. A list of the Company's principal trading subsidiaries and principal intermediate holding companies is disclosed in Note 23 of Audited Annual Consolidated Financial Statements.

Security trades executed for employees, officers and directors of the Company 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 the Company.

The Company offers various share-based payment plans to its key management personnel, including common share purchase loans, a long-term incentive plan, performance share units, deferred share units plan (DSUs) for senior executives and a performance stock option plan. Directors have the right to acquire DSUs. Certain equity instruments in CGWM UK were purchased by management and employees of CGWM UK in connection with the issuance of the Convertible Preferred Shares to HPS.

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

(C$ thousands)	**December 31, 2023 $**	March 31, 2023 $
Accounts receivable	**33,094**	18,115
Accounts payable and accrued liabilities	**676**	600

Critical Accounting Policies and Estimates

The unaudited interim condensed consolidated financial statements for the quarter ended December 31, 2023 have been prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" (IAS 34), as issued by the International Accounting Standards Board (IASB).

The preparation of the unaudited interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities, accompanying note disclosures, and the disclosure of contingent liabilities at the reporting date. Therefore, actual results may differ from those estimates and assumptions. The significant judgments, estimates and assumptions include consolidation, revenue recognition, share-based payments, income taxes, valuation of deferred tax assets, impairment of goodwill, intangible assets and other long-lived assets, valuation of non-controlling interests. derivative liability, valuation of contingent consideration, 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.

In particular, the assessment for impairment of goodwill and identifiable indefinite life intangible assets requires management's best estimates in order to determine fair values using discounted cash flow projections that employ the following key assumptions: future cash flows, growth projections and discount rates. Goodwill and intangible assets with indefinite lives are tested for impairment annually at March 31, and when circumstances indicate the carrying value may potentially be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the cash generating units (CGU) to which goodwill and indefinite life intangible assets are allocated. Where the carrying amount of a CGU exceeds its recoverable amount, an impairment loss is recognized and recorded in the consolidated statements of operations. Any impairment loss first reduces the carrying amount of any goodwill allocated to the CGUs and then if any impairment loss remains, the other assets of the unit are reduced on a pro rata basis. Impairment losses relating to goodwill cannot be reversed in future periods. The Company considers the relationship between its market capitalization and the book value of its equity, among other factors, when reviewing for indicators of impairment. The Company has goodwill and indefinite life intangible assets recorded in Canaccord Genuity Capital Markets US and UK and Europe, as well as Canaccord Genuity Wealth Management UK & Crown Dependencies and Australia.

The Convertible Preferred Shares issued to HPS contain no obligation for the Company to deliver cash or other financials assets to HPS. 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 under certain circumstances by delivering a variable number of common shares of Canaccord Genuity Wealth Group Holdings (Jersey) Limited.

The fair value of the Convertible Preferred Shares at issuance was allocated to its respective equity and derivative components. The fair value of the derivative was established first and the residual amount was recorded to the equity component. The derivative components will be remeasured at the end of each reporting period using the Company's best estimate of its values with any changes in fair value recorded through the net income (loss) for the period. Significant judgment is required in respect of the estimates and the assumptions to be used in the determination of the fair value of the derivative component at each reporting period.

Significant accounting policies used and policies requiring management's judgment and estimates have not changed during the first nine months of fiscal 2024 and are discussed under "Critical Accounting Policies and Estimates" in our 2023 Annual Report.

Changes in Accounting Policies

The accounting policies applied in the preparation of the Q3/24 unaudited interim condensed consolidated financial statements are consistent with those discussed in Note 5 of the 2023 Audited Annual Consolidated Financial Statements.

Adoption of New and Revised Standards

There were no new accounting standards adopted for the quarter ended December 31, 2023 except as noted below.

Pillar Two

In May 2023, the IASB issued International Tax Reform-Pillar Two Model Rules, which amended IAS 12, "Income Taxes". The amendments introduce a temporary exception to the accounting for deferred taxes related to Pillar Two income taxes and disclosure requirements for affected entities. The mandatory temporary exception applies immediately and should be applied retrospectively, while the remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023. The Company applied the temporary exception during its first nine months of fiscal 2024 retrospectively and is currently assessing the impact of the remaining disclosure requirements on its annual consolidated financial statements for the year ending March 31, 2024.

Deferred Tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

The amendments to IAS 12 "Income Taxes" narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's unaudited interim condensed consolidated financial statements for the nine months ended December 31, 2023.

Future Changes in Accounting Polices and Estimates

There have been no updates to the "Future Changes in Accounting Policies and Estimates" disclosed in our 2023 Annual Report, during the nine months ended December 31, 2023.

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 December 31, 2023.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Disclosure controls and procedures

As of December 31, 2023, an evaluation was carried out, under the supervision of and with the participation of management, including the President & CEO and the Executive Vice President & Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as defined under *National Instrument 52-109*. Based on that evaluation, the President & CEO and the Executive Vice President & Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2023.

Changes in internal control over financial reporting

There were no changes made in our internal control over financial reporting that occurred during the quarter ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Dividend Policy

Although dividends are expected to be declared and paid quarterly, the Board of Directors, in its sole discretion, will determine the amount and timing of any dividends. All dividend payments will depend on general business conditions, the Company's financial condition, results of operations, capital requirements and such other factors as the Board determines to be relevant.

Dividend Declaration

On February 7, 2024, the Board of Directors approved a dividend of $0.085 per common share, payable on March 15, 2024, with a record date of March 1, 2024.

On February 7, 2024, the Board of Directors approved the following cash dividends: $0.25175 per Series A Preferred Share payable on April 1, 2024 with a record date of March 15, 2024; and $0.42731 per Series C Preferred Share payable on April 1, 2024 with a record date of March 15, 2024.

Risks

The Company's ability to maintain and successfully execute its business strategy depends upon the personal reputation, judgment, business generation capabilities and project execution skills of its senior professionals. Any management disruption could result in a loss of clients and customers, or revenues from clients and customers, and could significantly affect the Company's business and results of operations.

The securities industry and the Company's activities are by their very nature subject to a number of inherent risks. Economic conditions, competition and market factors such as volatility in the Canadian and international markets, interest rates, commodity prices, market prices, trading volumes and liquidity will have an impact on the Company's profitability. An investment in the common or preferred shares of the Company involves a number of risks, including market, liquidity, credit, operational, legal, cyber and regulatory risks, which could be substantial and are inherent in the Company's business. The Company is also directly exposed to market price risk, liquidity risk and volatility risk as a result of its trading activities in equity securities and to interest rate risk and credit spread risk as a result of its trading in fixed income securities. Globally, Canaccord

Genuity Wealth Management revenue is dependent on both trading volumes and asset values and, as such, is dependent on the level of market activity, investor confidence and the level of market prices in the Company's Canadian and Australian wealth management businesses, revenue is also influenced by the level of financing activity by small-cap corporate issuers. Canaccord Genuity Capital Markets' revenue is dependent on financing activity by corporate issuers, participation in advisory engagements, the success of its market making and principal trading, as well as the willingness of institutional clients to actively trade and participate in capital markets transactions. There may also be a lag between market fluctuations, changes in business conditions and the level of the Company's market activity and the impact that these factors have on the Company's operating results and financial position.

The financial services business is subject to extensive regulation in all of the regions where Canaccord Genuity operates. Compliance with many of the regulations applicable to the Company involves a number of risks, particularly in areas where applicable regulations may be subject to interpretation and change. Changing regulations and interpretations could have a significant impact on the Company's business and profitability. The Company has a disciplined capital management framework to maintain the level of capital that will meet the Company's regulated subsidiaries' target ratios as set out by the respective regulators, to fund current and future operations, to ensure that the firm is able to meet its financial obligations as they come due, and to support the creation of shareholder value. The regulatory bodies that govern the Company's subsidiaries' use of regulatory capital are listed in Note 25 of the Company's 2023 Audited Annual Consolidated Financial Statements.

The Company and its affiliates provide financial advisory, underwriting and other services to, and trade the securities of issuers that are involved with new and emerging industries, including the US cannabis industry. Activities within such industries, including the US cannabis industry, typically have not had the benefit of a history of successful operating results. In addition to the economic uncertainties associated with new industries, new activities and new issuers, the laws applicable to such industries or activities, particularly the US cannabis industry and the activities of issuers in that industry, and the effect or enforcement of such laws are undetermined, conflicting and uncertain. With respect to the US cannabis industry, cannabis continues to be a controlled substance under the United States Controlled Substances Act and as such, there is a risk that certain issuers, while in compliance with applicable state law, may be prosecuted under federal law. Accordingly, the Company has adopted policies and procedures reasonably designed to ensure compliance with the United States Currency and Foreign Transactions Reporting Act of 1970 (the "Bank Secrecy Act") and the guidance issued by the United States Department of the Treasury Financial Crimes Enforcement Network, FIN-2014-G001 (the "FinCEN Guidance") relating to providing financial services to marijuana related businesses in the United States (as that term is used in the FinCEN Guidance). While the Company takes steps to identify the risks associated with emerging industries, including the US cannabis industry, and only provides services to those issuers where it determines that there is no material risk to the Company or where any risk is unlikely to result in a material adverse consequence to the Company, there is a risk that the Company could be the subject of legal 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.

Risks associated with industries such as the cannabis, e-cigarette and vaping industries also include the risk of the insolvency of issuers and the consequent inability of such issuers to satisfy their indemnification obligations to the Company. Accordingly, in the event of a loss to the Company, the ability of the Company to recover amounts in respect of any indemnity claims also cannot be predicted with certainty.

Understanding the added pressures that a prolonged remote work environment placed on our employees and their families, we expanded our support system to include resources to keep employees engaged and healthy while working remotely, and we have also implemented increased health and safety measures at all office locations to protect the health and well being of our employees and clients.

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 with 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 as it relates to cybersecurity.

The Company devotes considerable effort and resources to defend against and mitigate cybersecurity risk, including increasing awareness throughout the organization by implementing a firm-wide cybersecurity training program for all employees. The Company's management of cybersecurity risk, as well as any reported incidents, is regularly presented to both senior management via the Cybersecurity Committee and the Audit & Risk Committee of the Board of Directors.

For a more complete discussion of the risks affecting the Company, reference should be made to the Company's AIF.

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.sedarplus.ca.

To access additional corporate disclosures including TSX-required Disclosures and the Company's Environmental, Social and Governance (ESG) report and related policies, please visit https://www.canaccordgenuity.com/investor-relations/investor-resources/corporate-governance/.

French copies of this report and related disclosure documents for fiscal 2024 can be obtained at:
www.canaccordgenuity.com/fr/relations-investisseurs/relations-investisseurs/rapports-financiers

Des exemplaires en français du présent rapport et des documents d'information connexes pour l'exercice 2024 peuvent être obtenus à l'adresse :
www.canaccordgenuity.com/fr/relations-investisseurs/relations-investisseurs/rapports-financiers

Canaccord Genuity Group Inc.
Unaudited Interim Condensed Consolidated Statements of Financial Position

As at (in thousands of Canadian dollars)	Notes	December 31, 2023 $	March 31, 2023 $
ASSETS			
Current			
Cash and cash equivalents		$ 662,174	$ 1,008,432
Securities owned	4,5	566,927	715,078
Accounts receivable	5,6,19	2,403,960	3,355,203
Income taxes receivable		40,361	34,209
Total current assets		3,673,422	5,112,922
Deferred tax assets		66,182	90,733
Investments	7	15,673	18,101
Equipment and leasehold improvements		59,308	48,180
Intangible assets	11	292,149	305,915
Goodwill	11	623,599	622,820
Right-of-use assets		154,416	103,729
Total assets		4,884,749	6,302,400
LIABILITIES AND EQUITY			
Current			
Securities sold short	4,5	426,731	556,303
Accounts payable and accrued liabilities	5,6,19	2,448,716	3,720,332
Provisions	21	20,361	19,660
Income taxes payable		1,847	2,177
Subordinated debt	5,13	7,500	7,500
Current portion of bank loan	5,14	13,498	13,342
Current portion of lease liabilities		25,520	26,712
Current portion of deferred and contingent consideration	5	9,321	17,325
Total current liabilities		2,953,494	4,363,351
Deferred tax liabilities		55,123	55,728
Bank loan	5,14	290,416	293,780
Lease liabilities		143,558	92,526
Other liabilities	5	97,707	98,378
Total liabilities		3,540,298	4,903,763
Equity			
Attributable to equity holders of CGGI		994,188	1,054,639
Attributable to non-controlling interests	10	350,263	343,998
Total equity		1,344,451	1,398,637
Total liabilities and equity		4,884,749	6,302,400

See accompanying notes

On behalf of the Board:

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

DANIEL DAVIAU TERRENCE A. LYONS

Canaccord Genuity Group Inc.
Unaudited Interim Condensed Consolidated Statements of Operations

(in thousands of Canadian dollars, except per share amounts)	Notes	For the three months ended December 31, 2023	For the three months ended December 31, 2022	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022
REVENUE					
Commissions and fees		**188,066**	188,647	**553,964**	552,340
Investment banking		**46,488**	47,494	**118,908**	109,982
Advisory fees		**74,747**	75,667	**161,525**	259,905
Principal trading		**29,951**	35,123	**73,196**	90,317
Interest		**45,507**	32,085	**148,487**	69,296
Other		**4,384**	3,100	**13,677**	(1,832)
		389,143	382,116	**1,069,757**	1,080,008
EXPENSES					
Compensation expense		**223,097**	240,303	**608,686**	660,806
Trading costs		**21,165**	24,109	**62,992**	72,666
Premises and equipment		**4,784**	4,859	**16,534**	15,082
Communication and technology		**23,033**	22,343	**67,481**	62,243
Interest		**22,147**	12,281	**68,367**	30,624
General and administrative		**32,232**	32,825	**99,489**	95,117
Amortization		**10,056**	11,533	**29,893**	30,796
Amortization of right of use assets		**7,859**	6,580	**20,786**	19,783
Development costs		**7,672**	5,473	**39,530**	22,732
Acquisition related costs		**—**	—	**—**	7,403
Restructuring costs	21	**—**	—	**18,147**	—
Change in fair value of contingent consideration	5	**—**	—	**(18,174)**	—
Fair value adjustment of non-controlling interest derivative liability	5,10	**—**	—	**13,250**	—
Impairment of goodwill and intangible assets		**—**	102,571	**—**	102,571
Share of loss of an associate	7	**—**	25	**70**	45
		352,045	462,902	**1,027,051**	1,119,868
Net income (loss) before income taxes		**37,098**	(80,786)	**42,706**	(39,860)
Income tax expense (recovery)					
Current		**8,114**	10,478	**338**	(1,290)
Deferred		**979**	(9,199)	**20,498**	19,935
	12	**9,093**	1,279	**20,836**	18,645
Net income (loss) for the period		**28,005**	(82,065)	**21,870**	(58,505)
Net income (loss) attributable to:					
CGGI shareholders		**17,198**	(92,775)	**(9,467)**	(85,778)
Non-controlling interests		**10,807**	10,710	**31,337**	27,273
Weighted average number of common shares outstanding (thousands)					
Basic		**92,960**	86,782	**91,574**	87,355
Diluted		**104,519**	n/a	**n/a**	n/a
Net income (loss) per common share					
Basic	16	**$ 0.15**	$ (1.10)	**$ (0.20)**	$ (1.06)
Diluted	16	**$ 0.14**	$ (1.10)	**$ (0.20)**	$ (1.06)
Dividend per common share	17	**$ 0.085**	$ 0.085	**$ 0.255**	$ 0.255
Dividend per Series A Preferred Share	17	**$ 0.25**	$ 0.25	**$ 0.75**	$ 0.75
Dividend per Series C Preferred Share	17	**$ 0.43**	$ 0.43	**$ 1.29**	$ 1.29

See accompanying notes

Canaccord Genuity Group Inc.
Unaudited Interim Condensed Consolidated Statements of Comprehensive Loss

(in thousands of Canadian dollars)	For the three months ended December 31, 2023	For the three months ended December 31, 2022	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022
Net income (loss) for the period	**28,005**	(82,065)	**21,870**	(58,505)
Other comprehensive income (loss)				
Net change in unrealized income (loss) on translation of foreign operations	**12,431**	26,035	**(9,905)**	4,819
Comprehensive income (loss) for the period	**40,436**	(56,030)	**11,965**	(53,686)
Comprehensive income (loss) attributable to:				
CGGI shareholders	**29,815**	(69,162)	**(22,386)**	(80,389)
Non-controlling interests [Note 10]	**10,621**	13,132	**34,351**	26,703

See accompanying notes

Canaccord Genuity Group Inc.
Unaudited Interim Condensed Consolidated Statements of Changes in Equity

		For the nine months ended	
(in thousands of Canadian dollars)	Notes	December 31, 2023	December 31, 2022
Preferred shares, opening and closing	15	$ 205,641	$ 205,641
Common shares, opening		566,345	576,166
Acquisition of common shares for long-term incentive plan (LTIP)		(24,426)	(69,416)
Release of vested common shares from employee benefit trusts		59,288	54,787
Shares issued through exercise of performance share options (PSOs)		17,187	492
Changes to shares committed to be purchased under normal course issuer bid		—	3,411
Shares purchased and cancelled under normal course issuer bid		—	(4,034)
Shares issued in connection with acquisition of Sawaya partners		2,883	2,883
Unvested share purchase loans		410	484
Common shares, closing	16	621,687	564,773
Contributed surplus, opening		49,400	64,241
Share-based payments, amortization net of vestings		(49,400)	(44,515)
Change in current and deferred taxes relating to share based payments		—	(4,002)
Shares purchased and cancelled under normal course issuer bid		—	(2,597)
Changes in shares committed to be purchased under normal course issuer bid		—	2,537
Unvested share purchase loans		—	(484)
Contributed surplus, closing		—	15,180
Retained earnings, opening		119,552	251,540
Net loss attributable to CGGI shareholders		(9,467)	(85,778)
Share-based payments, amortization net of vestings		(747)	—
Change in current and deferred taxes relating to share based payments		(1,611)	—
Shares issued through exercise of performance share options (PSOs)		(4,625)	—
Unvested share purchase loans		(410)	—
Common shares dividends	17	(24,763)	(23,056)
Preferred shares dividends	17	(8,557)	(8,096)
Retained earnings, closing		69,372	134,610
Deferred consideration, opening		8,495	11,378
Payment during the period		(3,294)	(3,294)
Deferred consideration, closing		5,201	8,084
Accumulated other comprehensive income, opening		105,206	69,103
Other comprehensive (loss) income attributable to CGGI shareholders		(12,919)	5,389
Accumulated other comprehensive income, closing		92,287	74,492
Total shareholders' equity		994,188	1,002,780
Total non-controlling interest	10	350,263	348,212
Total equity		1,344,451	1,350,992

See accompanying notes

Canaccord Genuity Group Inc.
Unaudited Interim Condensed Consolidated Statements of Cash Flows

		For the nine months ended	
(in thousands of Canadian dollars)	Notes	**December 31, 2023 $**	December 31, 2022 $
OPERATING ACTIVITIES			
Net income (loss) for the period		**$ 21,870**	$ (58,505)
Items not affecting cash			
Amortization		**29,893**	30,796
Amortization of right of use assets		**20,786**	19,783
Deferred income tax expense		**20,498**	19,935
Share-based compensation recovery	18	**(13,356)**	(4,564)
Share of loss of associate	7	**70**	45
Interest expense in connection with lease liabilities		**5,241**	5,624
Change in fair value of contingent consideration	5	**(18,174)**	—
Fair value adjustment of non-controlling interest derivative liability	5	**13,250**	—
Impairment of goodwill and intangible assets		**—**	102,571
Impairment of investments accounted for under equity method	7	**2,227**	4,750
Changes in non-cash working capital			
Decrease in securities owned		**148,151**	272,941
Decrease in accounts receivable		**951,243**	253,905
Decrease in net income taxes payable		**(4,871)**	(60,293)
(Decrease) increase in securities sold short		**(129,572)**	67,304
Decrease in accounts payable, accrued liabilities and provisions		**(1,277,633)**	(1,386,590)
Cash used in operating activities		**(230,377)**	(732,298)
FINANCING ACTIVITIES			
Repayment of bank loan		**(6,625)**	(6,370)
Proceeds from bank loan obtained in connection with the acquisition of Punter Southall Wealth		**—**	159,400
Acquisition of common shares for long-term incentive plan		**(24,426)**	(69,416)
Proceeds from issuance of convertible preferred shares in UK & Crown Dependencies wealth management operations, net of acquisition related costs		**—**	102,017
Payment of dividends on convertible preferred shares issued in UK & Crown Dependencies wealth management operations	10	**(18,797)**	(14,245)
Payment of dividends to non-controlling interests in Australia	10	**(6,414)**	(7,683)
Proceeds from exercise of performance share options		**12,486**	492
Purchase and cancellation of common shares under normal course issuer bid		**—**	(6,631)
Cash dividends paid on common shares		**(24,763)**	(23,056)
Cash dividends paid on preferred shares		**(8,557)**	(8,096)
Lease payments		**(26,419)**	(23,613)
Cash (used in) provided by financing activities		**(103,515)**	102,799
INVESTING ACTIVITIES			
Purchase of equipment and leasehold improvements		**(3,270)**	(21,626)
Acquisition of Punter Southall Wealth, net of cash acquired		**—**	(238,591)
Acquisition of Results International Goup LLP		**—**	(8,180)
Acquisition of Mercer Global Investments Canada Limited’s private wealth business		**(2,410)**	—
Payment of deferred and contingent consideration		**(4,705)**	(12,955)
Purchase of intangibles		**(1,371)**	(2,359)
Cash used in investing activities		**(11,756)**	(283,711)
Effect of foreign exchange on cash balances		**(610)**	18,001
Decrease in cash position		**(346,258)**	(895,209)
Cash position, beginning of period		**1,008,432**	1,788,261
Cash position, end of period		**662,174**	893,052
Supplemental cash flow information			
Interest received		**$ 148,559**	$ 69,356
Interest paid		**$ 68,226**	$ 29,012
Income taxes paid		**$ 29,974**	$ 63,844

See accompanying notes

Notes to Unaudited Interim Condensed Consolidated Financial Statements

(in thousands of Canadian dollars, except per share amounts)

1. Corporate Information

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

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

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

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

2. Basis of Preparation

STATEMENT OF COMPLIANCE

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*" (IAS 34), as issued by the International Accounting Standards Board (IASB).

These unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the year ended March 31, 2023 (March 31, 2023 consolidated financial statements) filed on SEDAR+ on June 16, 2023. All defined terms used herein are consistent with those terms defined in the March 31, 2023 consolidated financial statements.

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis except for investments, securities owned and securities sold short, deferred and contingent consideration, and non-controlling interest derivative liability. All of these have been measured at fair value as set out in the relevant accounting policies except for certain investments which have been accounted for under the equity method.

These unaudited interim condensed consolidated financial statements are presented in thousands of Canadian dollars, except when otherwise indicated.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on February 7, 2024.

USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying note disclosures, and the disclosure of contingent liabilities at the reporting date. Therefore, actual results may differ from those estimates and assumptions.

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

The significant judgments, estimates and assumptions include consolidation, revenue recognition, share-based payments, income taxes and valuation of deferred tax assets, impairment of goodwill, intangible assets and other long-lived assets, allowance for credit losses, fair values of levels 2 and 3 financial instruments, provisions and the valuation of the non-controlling interests derivative liability. Amendments may be made to estimates relating to net assets acquired in an acquisition as well as the allocation of identifiable intangible assets between indefinite life and finite lives. Judgments, estimates and assumptions were also utilized in connection with the preliminary purchase price allocation, including the valuation of intangible assets acquired in connection with the acquisition of the Canadian private wealth management business of Mercer Global Investments Canada Limited, as well as the valuation of the contingent consideration related to the acquisitions of Results International Group LLP ("Results") and Sawaya Partners LLC. For year ended March 31, 2023, estimates and assumptions were utilized in connection with the valuation of goodwill and intangible assets acquired in connection with the acquisitions of Adam & Company, Results and Punter Southall Wealth Limited.

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

Certain institutional investors completed the purchase of Convertible Preferred Shares issued by Canaccord Genuity Wealth Group Holdings (Jersey) Limited (CGWM UK), a subsidiary of the Company. The Convertible Preferred Shares issued contain no obligation for the Company to deliver cash or other financials assets. Judgment was used to conclude that the Convertible Preferred Shares are a compound instrument comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle the instrument, under certain circumstances, by delivering the economic equivalent of a variable number of common shares of CGWM UK.

The fair value of the Convertible Preferred Shares issued by CGWM UK was allocated to its respective equity and derivative components. The fair value of the derivative was established first and the residual amount was recorded as the equity component. The derivative components will be remeasured at the end of each reporting period using the Company's best estimate of its value with any changes in fair value recorded through net income for the period. Significant judgment is required in respect of the estimates and assumptions to be used in the determination of the fair value of the derivative component at each reporting period.

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

3. Adoption of New and Revised Standards

There were no new accounting standards adopted for the nine months ended December 31, 2023 except as noted below.

Pillar Two

In May 2023, the IASB issued International Tax Reform-Pillar Two Model Rules, which amended IAS 12, "Income Taxes". The amendments introduce a temporary exception to the accounting for deferred taxes related to Pillar Two income taxes and disclosure requirements for affected entities. The mandatory temporary exception applies immediately and should be applied retrospectively, while the remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023. The Company applied the temporary exception during the nine months ended December 31, 2023 retrospectively and is currently assessing the impact of the remaining disclosure requirements on its annual consolidated financial statements for the year ending March 31, 2024.

Deferred Tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12

The amendments to IAS 12 "Income Taxes" narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's unaudited interim condensed consolidated financial statements for the nine months ended December 31, 2023.

4. Securities Owned and Securities Sold short

	December 31, 2023		March 31, 2023	
	Securities owned	Securities sold short	Securities owned	Securities sold short
Corporate and government debt	**$ 360,739**	**$ 279,809**	$ 428,119	$ 394,284
Equities and convertible debentures	**206,188**	**146,922**	286,959	162,019
	$ 566,927	**$ 426,731**	$ 715,078	$ 556,303

As at December 31, 2023, corporate and government debt maturities range from 2024 – 2082 [March 31, 2023 – 2023 to 2080] and bear interest ranging from 0.00% to 31.5% [March 31, 2023 – 0.00% to 20.00%].

5. Financial Instruments

The categories of financial instruments, other than cash and cash equivalents, investments accounted for under the equity method and lease liabilities held by the Company at December 31, 2023 and March 31, 2023 are as follows:

	Fair value through profit and loss		Amortized cost		Total	
	December 31, 2023 $	March 31, 2023 $	**December 31, 2023 $**	March 31, 2023 $	**December 31, 2023 $**	March 31, 2023 $
Financial assets						
Securities owned	**$ 566,927**	$ 715,078	**$ —**	$ —	**$ 566,927**	$ 715,078
Accounts receivable from brokers and investment dealers	**—**	—	**1,251,044**	1,939,685	**1,251,044**	1,939,685
Accounts receivable from clients	**—**	—	**664,103**	869,883	**664,103**	869,883
RRSP cash balances held in trust	**—**	—	**268,140**	332,055	**268,140**	332,055
Other accounts receivable	**—**	—	**220,673**	213,580	**220,673**	213,580
Investments at FVTPL	**11,408**	11,569	**—**	—	**11,408**	11,569
Total financial assets	**$ 578,335**	$ 726,647	**$ 2,403,960**	$ 3,355,203	**$ 2,982,295**	$ 4,081,850
Financial liabilities						
Securities sold short	**$ 426,731**	$ 556,303	**$ —**	$ —	**$ 426,731**	$ 556,303
Accounts payable to brokers and investment dealers	**—**	—	**745,006**	1,361,601	**745,006**	1,361,601
Accounts payable to clients	**—**	—	**1,288,207**	1,738,806	**1,288,207**	1,738,806
Other accounts payable and accrued liabilities	**—**	—	**415,503**	619,925	**415,503**	619,925
Subordinated debt	**—**	—	**7,500**	7,500	**7,500**	7,500
Deferred and contingent consideration	**31,104**	53,998	**—**	—	**31,104**	53,998
Bank loan	**—**	—	**303,914**	307,122	**303,914**	307,122
Non-controlling interest – derivative	**75,924**	61,705	**—**	—	**75,924**	61,705
Total financial liabilities	**$ 533,759**	$ 672,006	**$ 2,760,130**	$ 4,034,954	**$ 3,293,889**	$ 4,706,960

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

FAIR VALUE HIERARCHY

All financial instruments for which fair value is recognized or disclosed are categorized within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at December 31, 2023, the Company held the following classes of financial instruments measured at fair value:

		Estimated fair value		
		December 31, 2023		
	December 31, 2023	Level 1	Level 2	Level 3
Securities owned				
Corporate debt	6,562	—	6,420	142
Government debt	354,177	199,526	154,651	—
Corporate and government debt	360,739	199,526	161,071	142
Equities	204,948	138,470	55,513	10,965
Convertible debentures	1,240	—	1,240	—
Equities and convertible debentures	206,188	138,470	56,753	10,965
	566,927	337,996	217,824	11,107
Investments	11,408	—	—	11,408
	578,335	337,996	217,824	22,515
Securities sold short				
Corporate debt	(1,826)	—	(1,826)	—
Government debt	(277,983)	(107,531)	(170,452)	
Corporate and government debt	(279,809)	(107,531)	(172,278)	—
Equities	(146,922)	(130,796)	(16,126)	—
	(426,731)	(238,327)	(188,404)	—
Deferred and contingent consideration	(31,104)	—	—	(31,104)
Non-controlling interest – derivative liability	(75,924)	—	—	(75,924)
	(533,759)	(238,327)	(188,404)	(107,028)

As at March 31, 2023, the Company held the following classes of financial instruments measured at fair value:

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

Movement in net Level 3 financial liabilities

Balance, March 31, 2023	$ **(87,481)**
Movement in fair value of level 3 securities owned during the period	(5,545)
Payment of contingent consideration in connection with the acquisition of Sawaya	3,601
Change in fair value of contingent consideration in connection with Sawaya	18,174
Movement in fair value of non-controlling interest derivative liability during the period [Note 10]	(13,250)
Payment of deferred consideration in connection with the acquisition of Results	1,104
Foreign exchange revaluation	(1,116)
Balance, December 31, 2023	**(84,513)**

FAIR VALUE ESTIMATION

i. Level 2 financial instruments

Level 2 financial instruments include the Company's investment in certain corporate and government debt, convertible debt, and over-the-counter equities. The fair values of corporate and government debt, and convertible debt classified as Level 2 are determined using the quoted market prices of identical assets or liabilities in markets that do not have transactions which take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company regularly reviews the transaction frequency and volume of trading in these instruments to determine the accuracy of pricing information.

ii. Level 3 financial instruments

The fair value for Level 3 investments classified as held for trading is determined by the Company using a market-based approach with information that the Company has determined to be reliable and represents the best estimate of fair value readily available. Prices for held for trading investments are determined based on the last trade price or offer price, or, if these prices are considered stale, the Company obtains information based on certain inquiries, recent trades or pending new issues. The fair value of the level 3 held for trading investments as at December 31, 2023 was $11.0 million [March 31, 2023 – $16.7 million].

As at December 31, 2023, the Company, either directly or through a wholly owned subsidiary, held investments in Capital Markets Gateway LLC, InvestX Capital Ltd. and Proactive Group Holdings Inc. which have been classified as Level 3 financial instruments given they do not have any observable inputs or market indicators [Note 7].

The Convertible Preferred Shares and Preference Shares issued to investors, management and employees of CGWM UK [Note 10] 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 nine months ended December 31, 2023, a fair value adjustment of $13.3 million [nine months ended December 31, 2022 – $nil million] was recorded in the unaudited interim condensed consolidated statements of operations. The carrying value of the derivative liability at December 31, 2023 for both A and B Convertible Preferred Shares was $75.9 million [March 31, 2023 – $61.7 million] and included in other liabilities in the unaudited interim condensed consolidated statements of financial position.

Deferred and contingent consideration of $31.1 million were recorded as of December 31, 2023 [March 31, 2023 – $54.0 million] in connection with the acquisitions of Sawaya and Results. During the nine months ended December 31, 2023, the Company recorded a reduction in the fair value of the contingent consideration in connection with the acquisition of Sawaya of $18.2 million through the unaudited interim condensed consolidated statements of operations. Also, during the nine months ended December 31, 2023, the Company made a payment of $1.1 million in connection with the deferred consideration related to the acquisition of Results and $3.6 million in connection with the contingent consideration related to the acquisition of Sawaya.

The fair value of the contingent consideration is classified as Level 3 in the fair value hierarchy and was determined using on a Monte Carlo simulation using various assumptions including EBITDA forecast, risk free rates and volatility factors. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's contingent consideration. The long-term portion of the contingent consideration and the non-controlling interests derivative liability are included as other liabilities in the unaudited interim condensed consolidated statement of financial position as at December 31, 2023.

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

FOREIGN EXCHANGE FORWARD CONTRACTS

The Company uses derivative financial instruments to manage foreign exchange risk on pending security settlements in foreign currencies. The fair value of these contracts is nominal due to their short term to maturity.

Realized and unrealized gains and losses related to these contracts are recognized in the consolidated statements of operations during the reporting period.

Forward contracts outstanding at December 31, 2023:

	Notional amount (millions)		Average price	Maturity	Fair value
To sell US dollars	**USD$**	**7.6**	**$ 1.32 (CAD/USD)**	**January 2, 2024**	**—**
To buy US dollars	**USD$**	**9.3**	**$ 1.31 (CAD/USD)**	**January 2, 2024**	**—**

Forward contracts outstanding at March 31, 2023:

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

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. The principal currencies of the forward contracts are: the UK pound sterling, the US dollar, or the Euro. The weighted average term to maturity is 72 days as at December 31, 2023 [March 31, 2023 – 63 days]. The table below shows the fair value of the forward contract assets and liabilities, and the notional value of these forward contracts as at December 31, 2023 and March 31, 2023, respectively. The fair value of the forward contract assets and liabilities is included in the accounts receivable and payable balances.

	December 31, 2023			March 31, 2023		
	Assets	**Liabilities**	**Notional amount**	Assets	Liabilities	Notional amount
Foreign exchange forward contracts	**$ 94**	**$ 87**	**$ 10,052**	$ 108	$ 98	$ 13,812

FUTURES

The Company's Canadian operations are involved in trading bond futures contracts, which are agreements to buy or sell a standardized amount of an underlying Government of Canada bond, at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and are subject to daily cash margining. The Company's Canadian operations trade in bond futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. At December 31, 2023, there were no bond futures contracts outstanding [March 31, 2023 – short $1.4 million].

The fair value of all of the above futures contracts is nominal due to their short term to maturity and is included in accounts receivable and accounts payable and accrued liabilities. Realized and unrealized gains and losses related to these contracts are recognized in the statement of operations during the reporting period.

SECURITIES LENDING AND BORROWING

	Cash		**Securities**	
	Loaned or delivered as collateral	**Borrowed or received as collateral**	**Loaned or delivered as collateral**	**Borrowed or received as collateral**
December 31, 2023	**$ 282,853**	**$ 33,343**	**$ 51,773**	**$ 282,869**
March 31, 2023	$ 205,794	$ 130,651	$ 157,222	$ 206,328

Securities lending and borrowing are included in the accounts receivable and accounts payable and accrued liabilities balances on the unaudited interim condensed consolidated statements of financial position.

BANK INDEBTEDNESS

The Company enters into call loans or overdraft positions primarily to facilitate the securities settlement process for both client and Company securities transactions. The bank indebtedness is collateralized by either unpaid client securities and/or securities owned by the Company. As at December 31, 2023 the Company had $nil balance outstanding [March 31, 2023 – $nil].

BANK LOAN

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for several acquisitions in the UK and Crown Dependencies wealth management segment. The original terms of the facility required the bank loan to be repaid by September 30, 2024. During the nine months ended December 31, 2023 the facility was extended and is now repayable on September 30, 2025. The interest rate on this loan is 7.6865% per annum as of December 31, 2023 [March 31, 2023 – 7.177% per annum]. [Note 14]

OTHER CREDIT FACILITIES

Excluding the bank loan in connection with several acquisitions in the UK & Crown Dependencies as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $672.4 million [March 31, 2023 – $667.4 million].

These credit facilities, consisting of call loans, letters of credit and daylight overdraft facilities, are collateralized by unpaid client securities and/or securities owned by the Company. As of December 31, 2023, there were no balances outstanding under these other credit facilities [March 31, 2023 – $nil].

A subsidiary of the Company has also entered into secured irrevocable standby letters of credit from a financial institution totaling $3.8 million (US $2.9 million) [March 31, 2023 – $3.9 million (US$2.9 million)] as rent guarantees for its leased premises in New York. As of December 31, 2023 and March 31, 2023, there were no outstanding balances under these standby letters of credit.

6. Accounts Receivable and Accounts Payable and Accrued Liabilities

ACCOUNTS RECEIVABLE

	December 31, 2023 $	March 31, 2023 $
Brokers and investment dealers	$ 1,251,044	$ 1,939,685
Clients	664,103	869,883
RRSP cash balances held in trust	268,140	332,055
Other	220,673	213,580
	$ 2,403,960	$ 3,355,203

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023 $	March 31, 2023 $
Brokers and investment dealers	$ 745,006	$ 1,361,601
Clients	1,288,207	1,738,806
Other	415,503	619,925
	$ 2,448,716	$ 3,720,332

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

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

Amounts due from and to clients are due by the settlement date of the trade transaction. Margin loans are due on demand and are collateralized by the assets in the client's account. Interest on margin loans and on amounts due to clients is based on a floating rate [December 31, 2023 – 10.2% to 11.5% and 0.00% to 0.05%]; [March 31, 2023 – 9.70% to 11.00% and 0.00% to 0.05%].

As at December 31, 2023, the allowance for doubtful accounts was $5.5 million [March 31, 2023 – $3.1 million].

7. Investments

	December 31, 2023	March 31, 2023
Investments accounted for under the equity method	4,265	6,532
Investments held as fair value through profit and loss	11,408	11,569
	15,673	18,101

Breakdown of investments as follow:

INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

	December 31, 2023	March 31, 2023
Canaccord Genuity G Ventures Corp.	—	1,243
Katipult Technology Corp.	500	500
Link Investment Management Inc.	250	250
International Deal Gateway Blockchain Inc.	3,500	4,500
Other	15	39
	4,265	6,532

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

	December 31, 2023	March 31, 2023
Capital Markets Gateway LLC	**4,095**	4,177
InvestX Capital Ltd	**3,313**	3,392
Proactive Group Holdings Inc.	**4,000**	4,000
	11,408	11,569

<u>Investments accounted for under equity method</u>

The Company held an investment in the Class B shares of Canaccord Genuity G Ventures Corp. (CGGV). On September 25, 2023, CGGV announced that it will be wound up as it was not able to complete a qualifying transaction within the permitted timeline. There were no distributions from the escrow account with respect to the Class B shares held by the Company, and as such, the Company recorded a write-down of its equity investment of $1.2 million during the nine months ended December 31, 2023.

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

During the nine months ended December 31, 2023, the Company recorded a write-down of $1.0 million in its investment in International Deal Gateway Blockchain Inc.

<u>Investments held as FVTPL</u>

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

8. Business Combinations

MERCER GLOBAL INVESTMENTS CANADA LIMITED'S CANADIAN PRIVATE WEALTH BUSINESS

On May 29, 2023, the Company, through its Canadian wealth management business, completed its previously announced acquisition of Mercer Global Investments Canada Limited's Canadian private wealth business ("Mercer") for cash consideration of $2.4 million.

NET ASSETS ACQUIRED

Identifiable intangible assets	2,410

Identifiable intangible assets of $2.4 million were recognized and relate to customer relationships.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired from Mercer are estimates, which were made by management at the time of the preparation of these unaudited interim condensed consolidated financial statements based on available information.

Amendments may be made to these amounts as well as the identification of intangible assets and the allocation of identifiable intangible assets between indefinite life and finite lives. Values based on estimates are subject to changes during the period ending twelve months after the acquisition date.

PUNTER SOUTHALL WEALTH LIMITED

As disclosed in the unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2023, the Company finalized its purchase price accounting in connection with the acquisition of PSW. There were no changes to the purchase price and fair value of net assets acquired on the date of the acquisiton as disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2023.

RESULTS INTERNATIONAL GROUP LLP

As disclosed in the unaudited interim condensed consolidated financial statements for the quarter ended September 30, 2023, the Company finalized its purchase price accounting in connection with the acquisition of Results. There were no changes to the purchase price and fair value of net assets acquired on the date of the acquisiton as disclosed in the Company's audited consolidated financial statements for the year ended March 31, 2023.

9. Business Disposal

On May 24, 2023, the Company sold 100% of the ordinary shares of Canaccord Genuity (Dubai) Ltd.

The Company recognized a loss of $0.3 million on the disposal, as well as realized translation gain of $0.3 million which was previously included in accumulated other comprehensive income.

10. Non-Controlling Interests

The non-controlling interests as of December 31, 2023 comprised of the following:

	Australia		UK & Crown Dependencies		Total	
As at and for the nine-month period ended December 31	**2023 $**	2022 $	**2023 $**	2022 $	**2023 $**	2022 $
Balance, opening	**20,476**	23,301	**323,522**	215,400	**343,998**	238,701
Comprehensive income (loss) attributable to non-controlling interests	**6,329**	2,850	**28,022**	23,853	**34,351**	26,703
Foreign exchange on non-controlling interests	**(16)**	(209)	**(2,859)**	4,522	**(2,875)**	4,313
Dividends paid to non-controlling interest	**(6,414)**	(7,683)	**—**	—	**(6,414)**	(7,683)
Issuance of convertible preferred shares, net of discount	**—**	—	**—**	102,017	**—**	102,017
Issuance of equity instruments in connection with acquisition of PSW	**—**	—	**—**	6,376	**—**	6,376
Payment of dividends on convertible preferred shares	**—**	—	**(18,797)**	(14,245)	**(18,797)**	(14,245)
Reclassification to derivative liability on issuance date	**—**	—	**—**	(7,970)	**—**	(7,970)
Balance, ending	**20,375**	18,259	**329,888**	329,953	**350,263**	348,212

	For the three months ended		For the nine months ended	
Comprehensive income (loss) attributable to non-controlling interests	**December 31, 2023 $**	December 31, 2022 $	**December 31, 2023 $**	December 31, 2022 $
Australia	**1,268**	4,387	**6,329**	2,850
UK & Crown Dependencies	**9,353**	8,745	**28,022**	23,853
Total	**10,621**	13,132	**34,351**	26,703

UK & Crown Dependencies Wealth Management

Certain institutional investors acquired Series A Convertible Preferred Shares (“A Convertible Preferred Shares”) in the amount of £125.0 million (C$218.0 million), as well as Series B Convertible Preferred Shares (“B Convertible Preferred Shares”) in the amount of £65.3 million ($104.1 million). The two series of the Convertible Preferred Shares are collectively described as Convertible Preferred Shares below.

The terms of the Convertible Preferred Shares are described in Note 8 of the audited consolidated financial statements for the year ended March 31, 2023.

In connection with the issuance of the A Convertible Preferred Shares, CGWM UK provided for the purchase of certain equity instruments in CGWM UK by management and employees of CGWM UK. Included in these equity instruments of CGWM UK were preferred shares with the same economic attributes as the A Convertible Preferred Shares (the “Preference Shares”). The other equity interests purchased by management and employees of CGWM UK are ordinary shares of CGWM UK with certain restrictions on transfer and limited governance rights. A management incentive plan has been implemented which, subject to certain minimum threshold levels, will provide for certain payments if a liquidity event occurs within six years or after six years if a liquidity event has not occurred and the A Convertible Preferred Shares are no longer outstanding.

On an as converted basis and subject to the liquidation preference, the Company holds an approximate 66.9% equity equivalent interest in CGWM UK as of December 31, 2023 [March 31, 2023 – 66.9%]. Together, the equity instruments purchased by management and employees of CGWM UK in connection with the issuance of the A Convertible Preferred Shares and with the equity instruments issued in connection with the acquisition of PSW, such instruments represent an approximate 5.1% equity equivalent interest in CGWM UK on an as converted basis.

The Convertible Preferred Shares and Preference Shares do not give rise to any obligation for the Company to deliver cash or other financial assets to the holders thereof. The Convertible Preferred Shares and Preference Shares were treated as a compound instrument comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle the instrument, if applicable, by delivering the economic equivalent of a variable number of common shares of CGWM UK. The equity component of the Convertible Preferred Shares and Preference Shares are included in equity and the derivative liability component is included in other liabilities in the unaudited interim condensed consolidated in the statement of financial position as of December 31, 2023.

The fair value of the Convertible Preferred Shares and Preference Shares at issuance was allocated to the respective equity and derivative liability components. The fair value of the non-controlling interests derivative liability was established first and the residual amount was recorded to the equity component. The derivative components will be remeasured at the end of each reporting period using the Company’s best estimate of its value. During the nine months ended December 31, 2023, a fair value adjustment of $13.3 million [nine months ended December 31, 2022 – $nil million] was recorded in the unaudited interim condensed statement of operations. The carrying value of the derivative liability at December 31, 2023 was $75.9 million [March 31, 2023 – $61.7 million] and included in other liabilities in the unaudited interim condensed consolidated statements of financial position.

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

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

Australia

The Company owns 65% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd., and through that ownership a 65% indirect interest in Canaccord Genuity (Australia) Limited and Canaccord Genuity Financial Limited as of December 31, 2023 [March 31, 2023 – 65%]. Because of an increase in shares held in an employee trust controlled by CFGA, the Company's ownership increased from 67% to 68% for accounting purposes during the nine months ended December 31, 2023.

11. Goodwill and Other Intangible Assets

	Goodwill $	Brand names (indefinite life) $	Brand names $	Customer relationships $	Technology $	Trading licenses $	Fund management $	Contract book $	Favourable lease $	Client Books $	Total $
Gross amount											
Balance, March 31, 2023	1,047,181	44,930	2,278	353,895	44,761	603	37,369	11,919	565	1,865	498,185
Additions	—	—	—	2,410	1,371	—	—	—	—	—	3,781
Foreign exchange	779	—	(11)	3,624	433	(1)	433	(206)	(11)	(2)	4,259
Balance, December 31, 2023	**1,047,960**	**44,930**	**2,267**	**359,929**	**46,565**	**602**	**37,802**	**11,713**	**554**	**1,863**	**506,225**
Accumulated amortization and impairment											
Balance, March 31, 2023	(424,361)	—	(1,574)	(125,750)	(32,512)	(603)	(19,389)	(11,493)	(565)	(384)	(192,270)
Amortization	—	—	(135)	(14,533)	(2,647)	—	(2,678)	(372)	—	(135)	(20,500)
Foreign exchange	—	—	14	(998)	(323)	1	(222)	213	11	(2)	(1,306)
Balance, December 31, 2023	**(424,361)**	**—**	**(1,695)**	**(141,281)**	**(35,482)**	**(602)**	**(22,289)**	**(11,652)**	**(554)**	**(521)**	**(214,076)**
Net book value											
March 31, 2023	622,820	44,930	704	228,145	12,249	—	17,980	426	—	1,481	305,915
December 31, 2023	**623,599**	**44,930**	**572**	**218,648**	**11,083**	**—**	**15,513**	**61**	**—**	**1,342**	**292,149**

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

IMPAIRMENT TESTING OF GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSETS

The carrying amounts of goodwill and indefinite life intangible assets acquired through business combinations have been allocated to the cash-generating units (CGUs) as follows:

	Intangible assets with indefinite lives		Goodwill		Total	
	December 31, 2023 $	March 31, 2023 $	**December 31, 2023 $**	March 31, 2023 $	**December 31, 2023 $**	March 31, 2023 $
Canaccord Genuity Capital Markets CGUs						
Canada	**44,930**	44,930	**—**	—	**44,930**	44,930
US	**—**	—	**202,613**	206,664	**202,613**	206,664
UK & Europe	**—**	—	**31,670**	31,304	**31,670**	31,304
Canaccord Genuity Wealth Management CGUs						
UK & Crown Dependencies (Channel Islands)	**—**	—	**90,996**	89,944	**90,996**	89,944
UK & Crown Dependencies (UK wealth)	**—**	—	**295,560**	292,145	**295,560**	292,145
Australia	**—**	—	**2,760**	2,763	**2,760**	2,763
	44,930	44,930	**623,599**	622,820	**668,529**	667,750

The Genuity brand name is considered to have an indefinite life as the Company has no plans to cease its use in the future.

Goodwill and intangible assets with indefinite lives are tested for impairment annually at March 31, and whenever circumstances indicate the carrying value may potentially be impaired. If any indication of impairment exists, the Company estimates the recoverable amount of the CGU to which goodwill and indefinite life intangible assets are allocated. Where the carrying amount of a CGU exceeds its recoverable amount, an impairment loss is recognized. Any impairment loss first reduces the carrying amount of any goodwill allocated to the CGUs; then, if any impairment loss remains, the other assets of the unit are reduced on a pro rata basis. Impairment losses relating to goodwill cannot be reversed in future periods. The Company considers the relationship between its market capitalization and the book value of its equity, among other factors, when reviewing for indicators of impairment. Consequently, interim goodwill and other assets impairment testing was carried out for all applicable CGUs at December 31, 2023.

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

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

The discount rate is based on the specific circumstances of each CGU and is derived from the estimated weighted average cost of capital of the Company. Cash flow estimates for each of these CGUs were based on management assumptions as described above and utilized a compounded annual growth rate and a terminal growth rate. The discount rates, compound annual growth rates and terminal growth rates for each CGU are summarized in the table below.

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

Sensitivity testing was conducted as part of the impairment test of goodwill and indefinite life intangible assets for the Canaccord Genuity Capital Markets – US and Canaccord Genuity Capital Markets – UK & Europe CGUs. The sensitivity testing included assessing the impact that reasonably possible declines in revenue estimates for the twelve-month period ending on December 31, 2024, declines in growth rates after that period and increases in the discount rates would have on the recoverable amounts of the CGUs, with other assumptions being held constant. The table below summarizes the changes in the various variables that may result in the estimate of the recoverable amount declining below the carrying value with the result that an impairment charge may be required. Any such impairment charge would be determined after incorporating the effect of any changes in key assumptions including any consequential effects of such changes on estimated operating income and on other factors.

	Canaccord Genuity Capital Markets US CGU	Canaccord Genuity Capital Markets UK CGU
Increase in discount rate	**0.5%**	0.5%
Decrease in five year compound annual growth rate	**0.4%**	0.4%
Decrease in terminal growth rate	**0.8%**	0.8%

12. Income Taxes

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

	For the three months ended		For the nine months ended	
	December 31, 2023 $	December 31, 2022 $	**December 31, 2023 $**	December 31, 2022 $
Net income (loss) before income taxes	**$ 37,098**	(80,786)	**$ 42,706**	(39,860)
Income taxes at the statutory rate of 27.0% (F2022: 27.0%)	**10,014**	(21,800)	**11,529**	(10,755)
Difference in tax rates in foreign jurisdictions	**(1,252)**	(665)	**(3,271)**	(3,307)
Permanent items	**529**	28,560	**6,044**	28,724
Share based payments	**303**	(4,325)	**7,891**	6,606
Other	**(501)**	(491)	**(1,357)**	(2,623)
Income tax expense – current and deferred	**$ 9,093**	1,279	**$ 20,836**	18,645

13. Subordinated Debt

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

The loan payable is subject to a subordination agreement and may only be repaid with the prior approval of the CIRO. As at December 31, 2023 and March 31, 2023, the interest rates for the subordinated debt were 11.2% and 10.7%, respectively. The carrying value of subordinated debt approximates its fair value due to the short-term nature of this liability.

14. Bank Loan

	December 31, 2023 $	March 31, 2023 $
Loan	**307,070**	310,192
Less: Unamortized financing fees	**(3,156)**	(3,070)
	303,914	307,122
Current	**13,498**	13,342
Long-term	**290,416**	293,780

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for several acquisitions in the UK and Crown Dependencies wealth management segment. The original terms of the facility required the bank loan to be repaid by September 30, 2024 . During the nine months ended December 31, 2023 the facility was extended and is now repayable on September 30, 2025. The interest rate on this loan is 7.6865% per annum as of December 31, 2023 [March 31, 2023 – 7.177% per annum].

15. Preferred Shares

	December 31, 2023		March 31, 2023	
	Amount $	Number of shares	Amount $	Number of shares
Series A Preferred Shares issued and outstanding	**110,818**	**4,540,000**	110,818	4,540,000
Series C Preferred Shares issued and outstanding	**97,450**	**4,000,000**	97,450	4,000,000
Series C Preferred Shares held in treasury	**(2,627)**	**(106,794)**	(2,627)	(106,794)
	94,823	**3,893,206**	94,823	3,893,206
	205,641	**8,433,206**	205,641	8,433,206

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

16. Common Shares

	December 31, 2023		March 31, 2023	
	Amount $	Number of shares	Amount $	Number of shares
Issued and fully paid	**706,113**	**102,189,077**	686,043	99,594,391
Held for share-based payment plans	**(924)**	**(122,355)**	(1,334)	(122,355)
Held for the LTIP	**(83,502)**	**(9,434,190)**	(118,364)	(11,994,885)
	621,687	**92,632,532**	566,345	87,477,151

[I] AUTHORIZED

Unlimited common shares without par value

[II] ISSUED AND FULLY PAID

	Number of shares	Amount $
Balance, March 31, 2023	**99,594,391**	686,043
Shares issued in connection with exercise of PSO [note 18]	**2,398,693**	17,187
Shares issued in connection with acquisiton of Sawaya	**195,993**	2,883
Balance, December 31, 2023	**102,189,077**	706,113

On August 17, 2023, 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 4,985,290 of its common shares during the period from August 21, 2023 to August 20, 2024 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. There were no shares purchased under NCIB for the nine months ended December 31, 2023.

[III] EARNINGS (LOSS) PER COMMON SHARE

	For the three months ended		For the nine months ended	
	December 31, 2023 $	December 31, 2022 $	**December 31, 2023 $**	December 31, 2022 $
Basic earnings (loss) per common share				
Net income (loss) attributable to CGGI shareholders	**$ 17,198**	$ (92,775)	**$ (9,467)**	$ (85,778)
Preferred shares dividends	**(2,852)**	(2,391)	**(8,556)**	(7,173)
Net income (loss) available to common shareholders	**14,346**	(95,166)	**(18,023)**	(92,951)
Weighted average number of common shares (number)	**92,959,986**	86,781,853	**91,574,427**	87,354,727
Basic earnings (loss) per share	**$ 0.15**	$ (1.10)	**$ (0.20)**	$ (1.06)
Diluted earnings (loss) per common share				
Net income (loss) available to common shareholders	**14,346**	(95,166)	**(18,023)**	(92,951)
Weighted average number of common shares (number)	**92,959,986**	n/a	**n/a**	n/a
Dilutive effect in connection with LTIP (number)	**10,723,519**	n/a	**n/a**	n/a
Dilutive effect in connection with performance stock options (number)	**—**	n/a	**n/a**	n/a
Dilutive effect in connection with acquisition of Sawaya Partners (number)	**391,986**	n/a	**n/a**	n/a
Dilutive effect in connection with acquisition of Results (number)	**444,000**	n/a	**n/a**	n/a
Adjusted weighted average number of common shares (number)	**104,519,491**	n/a	**n/a**	n/a
Diluted earnings (loss) per common share	**$ 0.14**	$ (1.10)	**$ (0.20)**	$ (1.06)

For the nine months ended December 31, 2023 and 2022, the instruments involving potential common shares were excluded from the calculation of diluted loss per share as they were anti-dilutive.

17. Dividends

COMMON SHARE DIVIDENDS

The Company declared the following common share dividend during the nine months ended December 31, 2023:

Record date	Payment date	Cash dividend per common share	Total common dividend amount
June 23, 2023	July 4, 2023	$ 0.085	$ 8,468
September 1, 2023	September 15, 2023	$ 0.085	$ 8,669
December 1, 2023	December 15, 2023	$ 0.085	$ 8,669

On February 7, 2024, the Board of Directors approved a dividend of $0.085 per common share, payable on March 15, 2024, with a record date of March 1, 2024 [Note 22].

PREFERRED SHARE DIVIDENDS

The Company declared the following preferred share dividends during the nine months ended December 31, 2023:

Record date	Payment date	Cash dividend per Series A Preferred Share	Cash dividend per Series C Preferred Share	Total preferred dividend amount
June 23, 2023	June 30, 2023	$ 0.25175	$ 0.42731	$ 2,852
September 15, 2023	October 2, 2023	$ 0.25175	$ 0.42731	$ 2,852
December 22, 2023	January 2, 2024	$ 0.25175	$ 0.42731	$ 2,852

On February 7, 2024, the Board of Directors approved the following cash dividends: $0.25175 per Series A Preferred Share payable on April 1, 2024 with a record date of March 15, 2024; and $0.42731 per Series C Preferred Share payable on April 1, 2024 with a record date of March 15, 2024 [Note 22].

18. Share-Based Payment Plans

[I] LONG-TERM INCENTIVE PLAN

Under the long-term incentive plan (LTIP or the Plan), eligible participants are awarded restricted share units (RSUs), which generally vest over three years. All awards under the LTIP are settled by transfer of shares from employee benefit trusts (Trusts) which are funded by the Company, or certain of its subsidiaries, as the case may be, with cash which is used by the trustees to purchase common shares on the open market that will be held in the Trusts until the RSUs vest. No further shares may be issued from treasury under the LTIP.

For RSUs granted as part of the normal course incentive compensation payment cycle, vesting will continue after termination of employment so long as the employee does not violate certain post-termination restrictions and is not engaged in certain competitive or soliciting activities as provided in the Plan. These RSUs are expensed in the period in which those awards are deemed to be earned with, a corresponding increase in contributed surplus, which is generally either the fiscal period in which the awards are made or the immediately preceding fiscal year for those awards made after the end of such fiscal year but determined and earned in respect of that fiscal year.

For certain awards, typically new hire awards or retention awards, vesting is subject to continued employment, and therefore these awards are subject to a continuing service requirement. Accordingly, the Company recognizes the cost of such awards as an expense on a graded basis over the applicable vesting period, with a corresponding increase in contributed surplus.

There were 4,189,987 RSUs granted in lieu of cash compensation to employees during the nine-month period ended December 31, 2023 [December 31, 2022 – 7,696,756 RSUs]. The Trusts purchased 3,234,191 common shares during the nine-month period ended December 31, 2023 [December 31, 2022 – 6,951,114 common shares].

The fair value of the RSUs at the measurement date is based on the fair value on the grant date. The weighted average fair value of RSUs granted during the nine-month period ended December 31, 2023 was $7.83 [December 31, 2022 – $10.3151].

	Number
Awards outstanding, March 31, 2023	13,284,415
Grants	4,189,987
Vested	(5,794,886)
Awards outstanding, December 31, 2023	**11,679,516**

	Number
Common shares held by the Trusts, March 31, 2023	11,994,885
Acquired	3,234,191
Released on vesting	(5,794,886)
Common shares held by the Trusts, December 31, 2023	**9,434,190**

II. PERFORMANCE SHARE UNITS

The Company adopted a performance share unit (PSU) plan for certain senior executives. The PSUs are a notional equity-based instrument linked to the value of the Company's common shares. At the end of a three-year vesting period, the number of PSUs which vest is a multiple of the number of PSUs originally granted ranging from 0x to 2x based upon performance against certain metrics pre-determined for each annual grant. The PSUs cliff-vest on the third anniversary of the date of the grant. The number of PSUs that vest is also adjusted for dividends paid during the vesting period. The PSUs are settled in cash, based on the market price of the Company's shares at the time of vesting.

The PSUs were measured at fair value on the grant date. Changes in value of the PSUs at each reporting period are amortized over the remaining vesting period and recorded as a compensation expense in the statement of operations. The PSU plan includes certain employment-related conditions to the vesting of the awards resulting in the periodic expense recorded during the vesting period.

The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to PSUs at December 31, 2023 was $31.3 million [March 31, 2023 – $106.9 million].

III. PERFORMANCE STOCK OPTIONS

The Company adopted a performance share option (PSO) plan for certain senior executives. The PSOs have a term of five years and will time-vest rateably over four years (with one-third vesting on each of the second, third and fourth anniversaries of the date of the grant). The PSOs will also be subject to market (stock price) performance vesting conditions, and have a four times exercise price cap on payout value (i.e., the gain on the exercise of the options is limited to three times the exercise price).

During the nine months ended December 31, 2023, 3,210,000 PSOs were granted with an exercise price of $8.65.

In addition, there were 4,822,335 PSOs exercised during the nine months ended December 31, 2023 with an exercise price of $6.73. There were 1,855,360 PSOs exercised for cash with total cash proceeds received by the Company of $12.5 million. The remaining PSOs were exercised on a cashless basis. A total of 2,398,693 shares were issued in connection with the exercise of PSOs during the nine-month period [Note 16].

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

	Number of PSOs	Weighted average exercise price ($)
Balance, March 31, 2023	5,222,335	6.92
Granted	3,210,000	8.65
Exercised	(4,822,335)	6.73
Balance, December 31, 2023	3,610,000	8.65

IV. EXECUTIVE EMPLOYEE DEFERRED SHARE UNITS

On June 1, 2021, the Company adopted a deferred share unit (DSUs) plan for certain key senior executives. All DSU awards will be cash settled on the retirement of the employee, a "good leaver" departure after three years from the date of grant, or death. The DSUs are settled in cash one year after the participants' departure from the Company under certain conditions of the plan.

The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to DSUs at December 31, 2023 was $9.1 million [March 31, 2023 – $9.6 million].

V. PSW CONDITIONAL SHARE PLAN

In connection with the acquisition of PSW, the Company adopted a share-based payment 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.

VI. SHARE-BASED COMPENSATION EXPENSE (RECOVERY)

	For the three months ended		For the nine months ended	
	December 31, 2023 $	December 31, 2022 $	**December 31, 2023 $**	December 31, 2022 $
Long-term incentive plan	**4,518**	5,887	**8,292**	12,413
Deferred share units (cash-settled)	**(303)**	990	**(2,149)**	(2,162)
Deferred share units (cash-settled) – senior executives	**400**	1,935	**(397)**	861
PSU (cash-settled)	**(2,977)**	5,670	**(21,273)**	(16,889)
PSO	**764**	58	**1,338**	466
Other share-based payment plan	**17**	(580)	**833**	747
Total share-based compensation expense (recovery)	**2,419**	13,960	**(13,356)**	(4,564)

19. Related Party Transactions

Security trades executed by the Company for officers and directors are transacted in accordance with the terms and conditions applicable to all clients. Commission income on such transactions in the aggregate is not material in relation to the overall operations of the Company.

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

	December 31, 2023	March 31, 2023
Accounts receivable	**33,094**	18,115
Accounts payable and accrued liabilities	**696**	600

20. Segmented Information

The Company operates in two industry segments as follows:

Canaccord Genuity Capital Markets – includes investment banking, advisory, research and trading activities on behalf of corporate, institutional and government clients as well as principal trading activities in Canada, the UK & Europe (including Dubai before the cessation of the business during the three months ended June 30, 2023), Australia and the US.

Canaccord Genuity Wealth Management – provides brokerage services and investment advice to retail or institutional clients in Canada, the US, Australia and the UK & Crown Dependencies.

Corporate and Other includes correspondent brokerage services, interest and foreign exchange revenue and expenses not specifically allocable to Canaccord Genuity Capital Markets or Canaccord Genuity Wealth Management.

The Company's industry segments are managed separately because each business offers different services and requires different personnel and marketing strategies. The Company evaluates the performance of each business based on operating results, without regard to non-controlling interests.

The Company does not allocate total assets, liabilities or equipment and leasehold improvements to the segments. Amortization of tangible assets is allocated to the segments based on the square footage occupied. Amortization of identifiable intangible assets is allocated to the Canaccord Genuity Capital Markets Canada segment, as it relates to the acquisitions of Genuity and Jitneytrade. Amortization of the identifiable intangible assets acquired through the purchase of Collins Stewart Hawkpoint plc (CSHP) is allocated to the Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management segments in the UK & Crown Dependencies (Channel Islands). Amortization of identifiable intangible assets acquired through the acquisitions of Eden Financial Ltd., Hargreave Hale, McCarthy Taylor, Thomas Miller, Adam & Company and PSW is allocated to the Canaccord Genuity Wealth Management UK & Europe (UK Wealth) segment. Amortization of identifiable intangible assets acquired through the acquisitions of Petsky Prunier and Sawaya is allocated to the Canaccord Genuity Capital Markets US segment. Amortization of identifiable intangible assets acquired through the acquisition of Results is allocated to Canaccord Genuity Capital Markets UK and Europe segment. Amortization of identifiable intangible assets acquired through the acquisition of Patersons is allocated to Canaccord Genuity Wealth Management Australia. There are no significant intersegment revenues. Income taxes are managed on a Company basis and are not allocated to operating segments. All revenue and operating profit is derived from external customers. The Company also does not allocate cash flows by reportable segments.

	For the three months ended							
	December 31, 2023				December 31, 2022			
	Canaccord Genuity Capital Markets $	**Canaccord Genuity Wealth Management $**	**Corporate and Other $**	**Total $**	Canaccord Genuity Capital Markets $	Canaccord Genuity Wealth Management $	Corporate and Other $	Total $
Commissions and fees	**37,849**	**150,419**	**(202)**	**188,066**	39,800	148,645	202	188,647
Investment banking	**39,895**	**6,593**	**—**	**46,488**	37,694	9,800	—	47,494
Advisory fees	**74,599**	**148**	**—**	**74,747**	75,219	448	—	75,667
Principal trading	**29,832**	**119**	**—**	**29,951**	34,969	154	—	35,123
Interest	**6,616**	**36,672**	**2,219**	**45,507**	7,899	20,010	4,176	32,085
Other	**1,052**	**1,091**	**2,241**	**4,384**	1,298	631	1,171	3,100
Expenses, excluding undernoted	**157,760**	**124,323**	**22,228**	**304,311**	173,060	122,950	28,429	324,439
Amortization	**1,858**	**7,866**	**332**	**10,056**	3,123	7,739	671	11,533
Amortization of right of use assets	**4,190**	**1,733**	**1,936**	**7,859**	4,404	1,449	727	6,580
Development costs	**785**	**6,565**	**322**	**7,672**	1,030	4,727	(284)	5,473
Interest expense	**4,990**	**17,154**	**3**	**22,147**	5,271	6,305	705	12,281
Restructuring costs	**—**	**—**	**—**	**—**	—	—	—	—
Change in fair value of contingent consideration	**—**	**—**	**—**	**—**	—	—	—	—
Fair value adjustment of non-controlling interest derivative liability	**—**	**—**	**—**	**—**	—	—	—	—
Acquisition related costs	**—**	**—**	**—**	**—**	—	—	—	—
Impairment of goodwill and intangible assets	**—**	**—**	**—**	**—**	102,571	—	—	102,571
Share of loss of an associate	**—**	**—**	**—**	**—**	—	—	25	25
Income (loss) before intersegment allocations and income taxes	**20,260**	**37,401**	**(20,563)**	**37,098**	(92,580)	36,518	(24,724)	(80,786)
Intersegment allocations	**4,390**	**5,992**	**(10,382)**	**—**	6,239	6,523	(12,762)	—
Income (loss) before income taxes	**15,870**	**31,409**	**(10,181)**	**37,098**	(98,819)	29,995	(11,962)	(80,786)

	For the nine months ended							
	December 31, 2023				December 31, 2022			
	Canaccord Genuity Capital Markets $	**Canaccord Genuity Wealth Management $**	**Corporate and Other $**	**Total $**	Canaccord Genuity Capital Markets $	Canaccord Genuity Wealth Management $	Corporate and Other $	Total $
Commissions and fees	**118,351**	**435,574**	**39**	**553,964**	112,380	438,410	1,550	552,340
Investment banking	**100,288**	**18,620**	**—**	**118,908**	85,662	24,320	—	109,982
Advisory fees	**160,903**	**622**	**—**	**161,525**	258,749	1,156	—	259,905
Principal trading	**73,162**	**34**	**—**	**73,196**	90,252	65	—	90,317
Interest	**23,756**	**114,550**	**10,181**	**148,487**	14,995	45,065	9,236	69,296
Other	**3,886**	**3,893**	**5,898**	**13,677**	4,675	2,179	(8,686)	(1,832)
Expenses, excluding undernoted	**430,959**	**370,462**	**53,761**	**855,182**	483,128	364,045	58,741	905,914
Amortization	**5,452**	**23,330**	**1,111**	**29,893**	8,344	21,257	1,195	30,796
Amortization of right of use assets	**12,215**	**5,160**	**3,411**	**20,786**	12,939	4,143	2,701	19,783
Development costs	**2,205**	**20,296**	**17,029**	**39,530**	2,680	18,041	2,011	22,732
Interest expense	**16,080**	**51,130**	**1,157**	**68,367**	12,738	15,600	2,286	30,624
Restructuring costs	**12,673**	**810**	**4,664**	**18,147**	—	—	—	—
Change in fair value of contingent consideration	**(18,174)**	**—**	**—**	**(18,174)**	—	—	—	—
Fair value adjustment of non-controlling interest derivative liability	**—**	**—**	**13,250**	**13,250**	—	—	—	—
Acquisition related costs	**—**	**—**	**—**	**—**	1,477	5,926	—	7,403
Impairment of goodwill and intangible assets	**—**	**—**	**—**	**—**	102,571	—	—	102,571
Share of loss of an associate	**—**	**—**	**70**	**70**	—	—	45	45
Income (loss) before intersegment allocations and income taxes	**18,936**	**102,105**	**(78,335)**	**42,706**	(57,164)	82,183	(64,879)	(39,860)
Intersegment allocations	**13,138**	**16,441**	**(29,579)**	**—**	16,378	17,844	(34,222)	—
Income (loss) before income taxes	**5,798**	**85,664**	**(48,756)**	**42,706**	(73,542)	64,339	(30,657)	(39,860)

For geographic reporting purposes, the Company's business operations are grouped into Canada, the US, the UK, Europe & Crown Dependencies (including Dubai), Australia and Other Foreign Locations (OFL), which is comprised of our Asian operations. The OFL geography is allocated to our Canadian and Australian capital markets operations. The following table presents the revenue of the Company by geographic location (revenue is attributed to geographic areas on the basis of location of the underlying corporate operating results):

	For the three months ended		For the nine months ended	
	December 31, 2023 $	December 31, 2022 $	**December 31, 2023 $**	December 31, 2022 $
Canada	**118,217**	113,135	**336,169**	300,530
UK, Europe & Crown Dependencies	**133,157**	104,942	**367,800**	308,105
United States	**100,432**	116,936	**258,489**	371,997
Australia	**37,337**	47,103	**107,299**	99,376
	389,143	382,116	**1,069,757**	1,080,008

21. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. At each reporting date, the Company assesses the adequacy of its pre-existing provisions and adjusts the amounts as necessary. The following is a summary of the changes during the nine months ended December 31, 2023:

	Legal provisions	Restructuring provisions	Total provisions
Balance, March 31, 2023	**18,136**	**1,524**	**19,660**
Additions	2,780	18,147	20,927
Utilized	(3,361)	(16,865)	(20,226)
Balance, December 31, 2023	**17,555**	**2,806**	**20,361**

During the nine months ended December 31, 2023, the Company incurred restructuring charges of $18.1 million related to headcount reductions mainly in our Canadian and US operations.

COMMITMENTS, LITIGATION PROCEEDINGS AND CONTINGENT LIABILITIES

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

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

There were no additional changes to the Company’s commitments or contingencies from those described in Note 27 of the March 31, 2023 audited consolidated financial statements.

22. Subsequent Events

DIVIDENDS

On February 7, 2024, the Board of Directors approved a dividend of $0.085 per common share, payable on March 15, 2024, with a record date of March 1, 2024 [Note 17].

On February 7, 2024, the Board of Directors approved the following cash dividends: $0.25175 per Series A Preferred Share payable on April 1, 2024 with a record date of March 15, 2024; and $0.42731 per Series C Preferred Share payable on April 1, 2024 with a record date of March 15, 2024 [Note 17].

Shareholder Information

Corporate Headquarters

STREET ADDRESS

Canaccord Genuity Group Inc.
609 Granville Street, Suite 2200
Vancouver, BC, Canada

MAILING ADDRESS

Pacific Centre
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Stock Exchange Listing

Common shares:
TSX: CF

Preferred shares:
Series A (TSX): CF.PR.A.
Series C (TSX): CF.PR.C.

Corporate Website

www.canaccordgenuity.com

General Shareholder Inquiries and Information

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The Canaccord Genuity Group Inc. Annual Report for the year ended March 31, 2023 is available on our website at www.cgf.com. For a printed copy, please contact the Investor Relations department.

Expected Dividend(1) and Earnings Release Dates for the next four quarters

	Expected earnings release date	Preferred dividend record date	Preferred dividend payment date	Common dividend record date	Common dividend payment date
Q4/24	June 5, 2024	June 21, 2024	July 2, 2024	June 21, 2024	July 2, 2024
Q1/25	August 8, 2024	September 13, 2024	September 30, 2024	August 30, 2024	September 10, 2024
Q2/25	November 7, 2024	December 20, 2024	December 31, 2024	November 29, 2024	December 10, 2024
Q3/25	February 5, 2025	March 14, 2025	March 31, 2025	February 28, 2025	March 13, 2025

(1) Dividends are subject to Board of Directors approval. All dividend payments will depend on general business conditions and the Company's financial conditions, results of operations, capital requirements and such other factors as the Board determines to be relevant.

Shareholder Administration

For information about stock transfers, address changes, dividends, lost stock certificates, tax forms and estate transfers, contact:

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Toll free fax (North America) or International fax: 416.263.9524
Email: service@computershare.com
Website: www.computershare.com

Offers enrolment for self-service account management for registered shareholders through the Investor Centre.

Financial Information

For present and archived financial information, please visit www.canaccordgenuity.com

Auditor

Ernst & Young LLP
Chartered Professional Accountants
Vancouver, BC