FIRST QUARTER

Fiscal 2020 Report to Shareholders

Canaccord Genuity Group Inc. Reports First Quarter Fiscal 2020 Results

Excluding significant items, first quarter earnings per common share of $0.23[1]

TORONTO, August 6, 2019 – Canaccord Genuity Group Inc. (Canaccord Genuity Group, the Company, TSX: CF) today announced its financial results for the first fiscal quarter, ended June 30, 2019.

"We delivered a solid first quarter result and a positive start to our 2020 fiscal year," said Dan Daviau, President & CEO, Canaccord Genuity Group Inc. "We continued to demonstrate improving stability across businesses and geographies, as we invested into our core strengths and took steps to deliver improving returns for our shareholders."

First fiscal quarter highlights:

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

- *Quarterly revenue of $325.5 million, a first quarter record*
- *Revenue from higher-margin advisory activities reached highest level in three years*
- *Excluding significant items, 57% of diluted earnings per share contributed by global wealth management operations*
- *Total client assets of $67.6 billion in global wealth management business, increased 2.1% from a year ago*
- *Quarterly dividend increased to $0.05 per common share*
- *Subsequent to the end of the fiscal quarter, initiated a Substantial Issuer Bid pursuant to which the Company will offer to repurchase for cancellation up to $40.0 million of its common shares*

Contents

	Three months ended June 30		Year-over-year change	Three months ended March 31	Quarter-over-quarter change
	Q1/20	Q1/19		Q4/19	
Revenue	**$ 325,508**	$ 274,123	18.7%	$ 284,808	14.3%
First fiscal quarter highlights – adjusted(1)					
Expenses – excluding significant items(1)	**$ 286,978**	$ 244,774	17.2%	$ 262,587	9.3%
Earnings per common share – diluted, excluding significant items(1)	**$ 0.23**	$ 0.19	21.1%	$ 0.12	91.7%
Net Income – excluding significant items(1)	**$ 30,654**	$ 25,035	22.4%	$ 16,610	84.6%
Net Income attributable to common shareholders – excluding significant items(1)(3)	**$ 28,218**	$ 21,651	30.3%	$ 14,466	95.1%
First fiscal quarter highlights – IFRS					
Expenses	**$ 294,156**	$ 252,241	16.6%	$ 279,265	5.3%
Earnings per common share – diluted	**$ 0.18**	$ 0.14	28.6%	$ 0.00	n.m.
Net Income(2)	**$ 24,290**	$ 18,649	30.2%	$ 2,456	n.m.
Net Income attributable to common shareholders(3)	**$ 21,854**	$ 15,265	43.2%	$ 312	n.m.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS measures on page 6 of the MD&A
(2) Before non-controlling interests and preferred share dividends
(3) Net income attributable to common shareholders is calculated as the net income 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 $129.7 million for the first fiscal quarter, a year-over-year increase of 15.2%. Excluding significant items[1], the pre-tax net income contribution from this segment improved by 24.5% year-over-year to $23.3 million.

- Wealth management operations in the UK & Europe generated $71.9 million in revenue and, after intersegment allocations, and excluding significant items,[1] recorded net income of $14.0 million before taxes in Q1/20
- Canaccord Genuity Wealth Management (North America) generated $57.8 million in revenue and, after intersegment allocations and before taxes, recorded net income of $9.3 million in Q1/20

Revenue in the Company's North American wealth management business increased by 23.6% year-over-year, reflecting increased transactional activities and continued asset growth in connection with Investment Advisor recruiting activities. Notably the pre-tax profit margin in this business improved to 16.0% for the three-month period, as non-compensation expenses returned to a more normalized level. In the UK & Europe, first quarter revenue increased by 9.3% compared to the same period one year ago, primarily due to higher commissions and fees revenue, and contributions from the Thomas Miller Wealth Management Limited ("Thomas Miller") and McCarthy Taylor Ltd. ("McCarthy Taylor") acquisitions.

Total client assets in the Company's global wealth management businesses at the end of the first fiscal quarter amounted to $67.6 billion.

- Client assets in North America were $21.2 billion as at June 30, 2019, an increase of 2.7% from $20.7 billion at the end of the previous quarter and an increase of 12.2% from $18.9 billion at June 30, 2018
- Client assets in the UK & Europe were $45.6 billion (£27.4 billion) as at June 30, 2019, an increase of 3.1% from $44.2 billion (£25.4 billion) at the end of the previous quarter and a decrease of 1.9% from $46.4 billion (£26.9 billion) at June 30, 2018. New client assets of approximately $1.5 billion from the previously announced acquisition of Thomas Miller are reflected in the results for Canaccord Genuity Wealth Management in the UK & Europe.

Canaccord Genuity Capital Markets

Excluding significant items, this segment contributed pre-tax net income of $20.4 million for the quarter, an improvement of 55.2% compared to the same period in the previous fiscal year. Globally, Canaccord Genuity Capital Markets earned first fiscal quarter revenue of $190.0 million, an increase of 21.7% compared to the same period a year ago.

- Canaccord Genuity Capital Markets led or co-led 51 investment banking transactions globally, raising total proceeds of C$3.7 billion during fiscal Q1/20.
- Canaccord Genuity Capital Markets participated in 109 investment banking transactions globally, raising total proceeds of C$12.7 billion during fiscal Q1/20.

During the three-month period, revenue earned from investment banking and advisory fees increased by 21.9% and 117.0% respectively, compared to the same period last year, with the largest contributions coming from the Company's Canadian and U.S. operations. Canaccord Genuity Capital Markets was the leading equities underwriter in Canada for the first six months of calendar 2019 based on league table data provided by FP Infomart. Canaccord Genuity's U.S. capital markets business earned record quarterly revenue which included a 231% increase in

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

advisory revenue reflecting organic growth and contributions from the Petsky Prunier acquisition. The UK & Europe capital markets operation operated close to a break-even level, a result of lower overall expenses following the recent restructuring, in addition to increased activity levels, most notably in the corporate broking and advisory segments. Revenue and net income in the Company's Australian capital markets business were lower on a year-over-year basis but increased substantially when compared to Q4/19, as activity levels improved.

Summary of Corporate Developments:

On May 1, 2019, the Company announced its completion of the acquisition of Thomas Miller Wealth Management Limited and the private client investment management business of Thomas Miller Investment (Isle of Man) Limited.

On June 5, 2019 the Company's Board of Directors implemented a new dividend policy pursuant to which the Company intends to pay a quarterly dividend of at least $0.05 per share, subject to conditions described in the Management Discussions and Analysis ("MD&A"). This development reflects the increasing stability in the Company's wealth management business and its expected growth profile.

On June 10, 2019 the Company, through its Australian operations, announced an agreement to acquire Patersons Securities Limited, a premier Australian financial services business, with operations in wealth management and capital markets. This acquisition will substantially increase the Company's wealth management business in the region and establishes a significant platform for expansion in Australia. The acquisition is expected to be completed during the quarter ended December 31, 2019 which will be the third quarter of Canaccord Genuity Group's 2020 fiscal year.

On June 28, 2019 the Company announced that its board of directors of the Company has authorized the initiation of a substantial issuer bid (the "Offer") pursuant to which the Company will offer to repurchase for cancellation up to $40.0 million of its common shares (the "Common Shares").

On July 3, 2019 the Company announced the commencement and terms of its Substantial Issuer Bid. The Offer is being made by way of a "modified Dutch auction", which will allow shareholders who choose to participate in the Offer to individually select the price, within a range of not less than $5.50 per Common Share and not more than $6.30 per Common Share (in increments of $0.10 per Common Share), at which they are willing to sell their Common Shares. Details of the Offer, including instructions for tendering Common Shares, are included in the formal offer to purchase and issuer bid circular, letter of transmittal and notice of guaranteed delivery (collectively, the "Offer Documents"). The Offer will expire on August 9, 2019 unless extended or withdrawn.

Results for the first quarter of fiscal 2020 were impacted by the following significant items:

- Amortization of intangible assets acquired in connection with business combinations as well as acquisition-related costs for Thomas Miller and Petsky Prunier
- Certain incentive-based costs related to the acquisition of Hargreave Hale

Summary of results for Q1 fiscal 2020 and selected financial information excluding significant items[1]

(C$ thousands, except per share and % amounts)	Three months ended June 30 2019	2018	Year-over-year change
Total revenue per IFRS	$ 325,508	$ 274,123	18.7%
Total expenses per IFRS	$ 294,156	$ 252,241	16.6%
Revenue			
Total revenue excluding significant items	$ 325,508	$ 274,123	18.7%
Expenses			
Significant items recorded in Canaccord Genuity Capital Markets			
Amortization of intangible assets	$ 2,471	$ 579	326.8%
Restructuring costs	—	$ 1,316	-100%
Acquisition-related costs	$ 177	$ 1,173	-84.9%
Significant items recorded in Canaccord Genuity Wealth Management			
Amortization of intangible assets	$ 3,043	$ 2,856	6.5%
Acquisition-related costs	$ 335	—	n.m
Incentive-based costs related to acquisition	$ 1,152	$ 1,543	-25.3%
Total significant items	$ 7,178	$ 7,467	-3.9%
Total revenue excluding significant items	$ 325,508	$ 274,123	18.7%
Total expenses excluding significant items	$ 286,978	$ 244,774	17.2%
Net income before taxes – adjusted	$ 38,530	$ 29,349	31.3%
Income taxes – adjusted	$ 7,876	$ 4,314	82.6%
Net income – adjusted	$ 30,654	$ 25,035	22.4%
Net income attributable to common shareholders, adjusted	$ 28,218	$ 21,651	30.3%

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

Financial condition at the end of first quarter fiscal 2020 vs. fourth quarter of fiscal 2019

- Cash and cash equivalents balance of $585.5 million, a decrease of $235.2 million from $820.7 million
- Working capital of $547.2 million, a decrease of $76.0 million from $623.2 million
- Total shareholders' equity of $839.7 million, a decrease of $36.7 million from $876.4 million

Common and Preferred Share Dividends:

On August 6, 2019, the Board of Directors approved a dividend of $0.05 per common share, payable on September 10, 2019, with a record date of August 30, 2019.

On August 6, 2019, the Board approved a cash dividend of $0.24281 per Series A Preferred Share payable on September 30, 2019 to Series A Preferred shareholders of record as at September 13, 2019.

On August 6, 2019, the Board approved a cash dividend of $0.31206 per Series C Preferred Share payable on September 30, 2019 to Series C Preferred shareholders of record as at September 13, 2019.

Management's Discussion and Analysis

First quarter fiscal 2020 for the three months ended June 30, 2019 — this document is dated August 6, 2019

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-month period ended June 30, 2019 compared to the corresponding period in the preceding fiscal year. The three-month period ended June 30, 2019 is also referred to as first quarter 2020 and Q1/20. 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. "Canaccord Genuity Capital Markets" refers to the investment banking and capital markets segment of the Company. This discussion should be read in conjunction with: the unaudited interim condensed consolidated financial statements for the three month period ended June 30, 2019, beginning on page 29 of this report; our Annual Information Form (AIF) dated June 26, 2019; and the 2019 annual Management's Discussion and Analysis (MD&A) including the audited consolidated financial statements for the fiscal year ended March 31, 2019 (Audited Annual Consolidated Financial Statements) in the Company's annual report dated June 5, 2019 (the 2019 Annual Report). There has been no material change to the information contained in the annual MD&A for fiscal 2019 except as disclosed in this MD&A. The Company's financial information is expressed in Canadian dollars unless otherwise specified.

Cautionary Statement Regarding Forward-Looking Information

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, including business and economic conditions and the Company's growth, results of operations, performance, business prospects and opportunities. 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. 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 nature of the financial services industry and the risks and uncertainties discussed from time to time in the Company's unaudited interim condensed and Audited Annual Consolidated Financial Statements and in its 2019 Annual Report and AIF filed on www.sedar.com as well as the factors discussed in the section entitled "Risks" in this MD&A, which include market, liquidity, credit, operational, legal, cyber and regulatory risks. Material factors or assumptions that were used by the Company to develop the forward-looking information contained in this document include, but are not limited to, those set out in the Fiscal 2021 Outlook section in the annual MD&A and those discussed from time to time in the Company's interim condensed and Audited Annual Consolidated Financial Statements and in its 2019 Annual Report and AIF filed on www.sedar.com. The preceding list is not exhaustive of all possible risk factors that may influence actual results. Readers are cautioned that the preceding list of material factors or assumptions is also 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, and such 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-month period ended June 30, 2019 (First Quarter 2020 Financial Statements) prepared in accordance with International Financial Reporting Standards (IFRS). The First Quarter 2020 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, 2019.

NON-IFRS MEASURES

Certain non-IFRS measures are utilized by the Company as measures of financial performance. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Non-IFRS measures presented include assets under administration, assets under management, book value per diluted common share, return on common equity and figures that exclude significant items.

The Company's capital is represented by common and preferred shareholders' equity and, therefore, management uses return on common equity (ROE) as a performance measure. Also used by the Company as a performance measure is book value per diluted common share, which is calculated as total common shareholders' equity adjusted for assumed proceeds from the exercise of options and warrants, issuance of common shares in connection with deferred consideration related to acquisitions, settlement of a promissory note issued as purchase consideration in shares at the Company's option, and conversion of convertible debentures divided by the number of diluted common shares that would then be outstanding including estimated amounts in respect of share issuance commitments including options, warrants, other share-based payment plans, deferred consideration related to acquisitions, convertible debentures and a promissory note, as applicable, and adjusted for shares purchased or committed to be purchased under the normal course or substantial issuer bid and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans.

Assets under administration (AUA) and assets under management (AUM) are non-IFRS measures of client assets that are common to the wealth management business. AUA — Canada, AUM — Australia and AUM — UK & Europe are 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. AUM — Canada includes all assets managed on a discretionary basis under programs that are generally described as or known as the *Complete Canaccord Investment Counselling Program* and the *Complete Canaccord Private Investment Management Program.* Services provided include the selection of investments and the provision of investment advice. The Company's method of calculating AUA — Canada, AUM — Canada, AUM — Australia and AUM — UK & Europe may differ from the methods used by other companies and therefore may not be comparable to other companies. Management uses these measures to assess operational performance of the Canaccord Genuity Wealth Management business segment. AUM — Canada is also administered by the Company and is included in AUA — Canada.

Financial statement items that exclude significant items are non-IFRS measures. Significant items include restructuring costs, amortization of intangible assets acquired in connection with a business combination, impairment of goodwill and other assets and acquisition-related expense items, which include costs recognized in relation to both prospective and completed acquisitions, gains or losses related to business disposals including recognition of realized translation gains on the disposal of foreign operations, certain accounting charges related to the change in the Company's long-term incentive plan (LTIP) as recorded with effect on March 31, 2018, certain incentive-based costs related to the acquisition of Hargreave Hale recorded under development costs, loss related to the extinguishment of convertible debentures as recorded for accounting purposes as well as certain expense items, typically included in development costs, which are considered by management to reflect a singular charge of a non-operating nature. See the Selected Financial Information Excluding Significant Items table on page 11.

Management believes that these non-IFRS 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. 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; thus, 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.

Business Overview

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

Canaccord Genuity Group Inc. is publicly traded under the symbol CF on the TSX. Canaccord Genuity Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A. Canaccord Genuity Series C Preferred Shares are listed on the TSX under the symbol CF.PR.C. The Company's 6.25% Convertible Unsecured Senior Subordinated Debentures are listed on the TSX under the symbol CF.DA.A.

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

Operating results of Jitneytrade Inc. and Finlogik Inc. (collectively referred to as "Jitneytrade") are included as part of Canaccord Genuity Capital Markets Canada since the closing date of June 6, 2018. In addition, operating results of Petsky Prunier LLC ("Petsky Prunier") are included since the closing date of February 13, 2019 as part of Canaccord Genuity Capital Markets US. Included in the Canaccord Genuity Wealth Management segment are the operating results of Hargreave Hale Limited ("Hargreave Hale") since September 18, 2017, the operating results of McCarthy Taylor Ltd. (renamed as CG McCarthy Taylor Ltd. subsequent to June 30, 2019) ("McCarthy Taylor") since the closing date of January 29, 2019, and Thomas Miller Wealth Management Limited (renamed as CG Wealth Planning Ltd. subsequent to June 30, 2019) ("Thomas Miller") since the closing date of May 1, 2019.

Market Environment During Q1 Fiscal 2020

Economic backdrop

Trade tensions and global economic growth concerns continued to make headlines during the first quarter of our 2020 fiscal year. The Manufacturing Purchasing Managers Index (PMIs) and other forward-looking indicators worldwide weakened further during the three-month period and uncertainty remains in respect of China-US trade negotiations. Equity and bond markets delivered strong positive returns over the quarter as the Federal Reserve shifted from a pause in rate hikes, opening the door for rate cuts. The S&P 500, the S&P/TSX and emerging markets (EM) equities returned 4.3%, 2.6% and 0.3% respectively over the quarter. US bond yields declined ~40bps and the Bank of Canada is expected to remain on hold, owing to the good performance of the economy, which pushed the Canadian dollar 1.9% higher versus the US dollar.

Investment banking and advisory

Small- and mid-cap growth equities further underperformed large-cap equities during the fiscal first quarter, but we note that these companies are typically not as global as their large-cap counterparts, and therefore less vulnerable to trade tensions and growth slowdowns in foreign markets. Commodity prices declined during the three-month period (-2.2%) and shares of resource stocks remain inexpensive by historical standards. We believe M&A activities could benefit from perceived low valuations among mining and energy companies, and within the context supply conditions and forceful reflation in key import markets such as China and India remaining supportive of commodity prices. Overall, we expect that favourable market conditions will continue to support capital raising and advisory activities in our core focus areas, despite a challenging macroeconomic environment.

Index Value at End	Q1/19		Q2/19		Q3/19		Q4/19		Q1/20		
of Fiscal Quarter	06/29/18	(Y/Y)	09/28/18	(Y/Y)	12/31/18	(Y/Y)	03/29/19	(Y/Y)	06/28/19	(Y/Y)	(Q/Q)
S&P IFCI Global Small Cap	277.6	8.3%	259.8	-6.7%	238.4	-21.0%	262.4	-14.3%	258.7	-6.8%	-1.4%
S&P IFCI Global Large Cap	239.1	5.8%	236.3	-2.1%	218.6	-15.5%	238.3	-8.7%	239.3	0.0%	0.4%

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, and 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 or restructuring mandates. Weak economic and global financial market conditions and uncertainties with respect to Brexit and US-China trade relationships could result in a challenging business environment for small and mid-market M&A and capital raising activity but may provide opportunities for our restructuring business.

Trading

Trading volumes for small- and mid-cap equities in some of the markets where we operate softened in fiscal Q1/20 when compared to year-ago levels. Looking ahead, we expect that sector rotation activities from our clients could intensify as earnings growth decelerates worldwide and central banks increase their support to the economy. Otherwise, investors continued to shift toward passive investments and the implementation of MiFID II in some of our jurisdictions could impair trading volumes in the medium to long term.

Average Value During	Q1/19		Q2/19		Q3/19		Q4/19		Q1/20			FY19	
Fiscal Quarter/Year	29-Jun-18	(Y/Y)	28-Sep-18	(Y/Y)	31-Dec-18	(Y/Y)	29-Mar-19	(Y/Y)	28-Jun-19	(Y/Y)	(Q/Q)	28-Jun-19	(Y/Y)
Russell 2000	1608.2	15.7%	1698.4	19.9%	1496.8	-1.0%	1509.0	-2.9%	1549.0	-3.7%	2.7%	1578.1	7.5%
S&P 400 Mid Cap	1932.6	11.7%	2011.4	15.2%	1824.1	-1.6%	1845.1	-3.6%	1917.1	-0.8%	3.9%	1903.2	5.1%
FTSE 100	7544.7	2.1%	7553.0	2.3%	6991.6	-6.5%	7061.3	-4.0%	7357.4	-2.5%	4.2%	7287.4	-1.5%
MSCI EU Mid Cap	1115.8	4.5%	1123.5	4.9%	1012.0	-8.7%	1027.2	-7.0%	1076.6	-3.5%	4.8%	1069.6	-1.7%
S&P/TSX	15872.1	2.6%	16303.8	7.4%	15042.0	-5.9%	15621.7	-0.8%	16374.1	3.2%	4.8%	15707.6	0.7%

Global wealth management

Investors generally enjoyed solid returns across asset classes during the first quarter of fiscal 2020. Global equities returned 3.8%, led by the S&P 500 (+4.3%) and the S&P/TSX (+2.6%) while EM equities (+0.3%) lagged world markets. Bonds also contributed positively to balanced portfolios with US 10-year Treasuries returning 4.4% to investors over the same period. For Canadian-based investors, the strength of the Canadian dollar likely moderated the performance of USD and Euro denominated investments. In all, despite a challenging economic backdrop, balanced portfolios benefitted from a mix of higher equity prices and lower bond yields. As a result, total client assets in our wealth management businesses further improved in Fiscal 1 Q1/20.

Total Return (excl. currencies)	Q1/19 Change (Q/Q)	Q2/19 Change (Q/Q)	Q3/19 Change (Q/Q)	Q4/19 Change (Q/Q)	Q1/20 Change (Q/Q)	Fiscal 2019 Change (Y/Y)
S&P 500	3.4%	7.7%	-13.5%	13.6%	4.3%	9.5%
S&P/TSX	6.8%	-0.6%	-10.1%	13.3%	2.6%	8.1%
MSCI EMERGING MARKETS	-3.4%	0.1%	-7.3%	9.9%	0.3%	-1.6%
MSCI WORLD	0.7%	4.4%	-12.7%	12.3%	3.8%	3.2%
S&P GS COMMODITY INDEX	8.0%	1.3%	-22.9%	15.0%	-1.4%	-3.0%
US 10-YEAR T-BONDS	-0.6%	-1.5%	4.6%	3.0%	4.4%	5.5%
CAD/USD	-1.8%	1.8%	-5.4%	2.2%	1.9%	-3.4%
CAD/EUR	3.5%	2.4%	-4.2%	4.5%	0.6%	6.1%

Outlook

So far, robust employment, benign inflation, liquid credit markets and easy financial conditions have continued to support growth and the broader equity markets. In this context, and barring a severe correction in financial markets, we expect that assets in our wealth management business will continue to deliver solid growth, complementing our continuous efforts to add scale in this segment through acquisitions and recruiting. We expect that our agency business will benefit from increased market volatility, as clients shift their asset mix and sector allocations. And finally, we expect M&A in our core focus sectors to remain robust, as we expand our efforts to increase contributions from our advisory activities. History has shown that M&A activities tend to accelerate in the late-stage of economic expansion cycles, and we believe this is where we are today.

ABOUT CANACCORD GENUITY GROUP INC.'S OPERATIONS

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

Canaccord Genuity Capital Markets

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

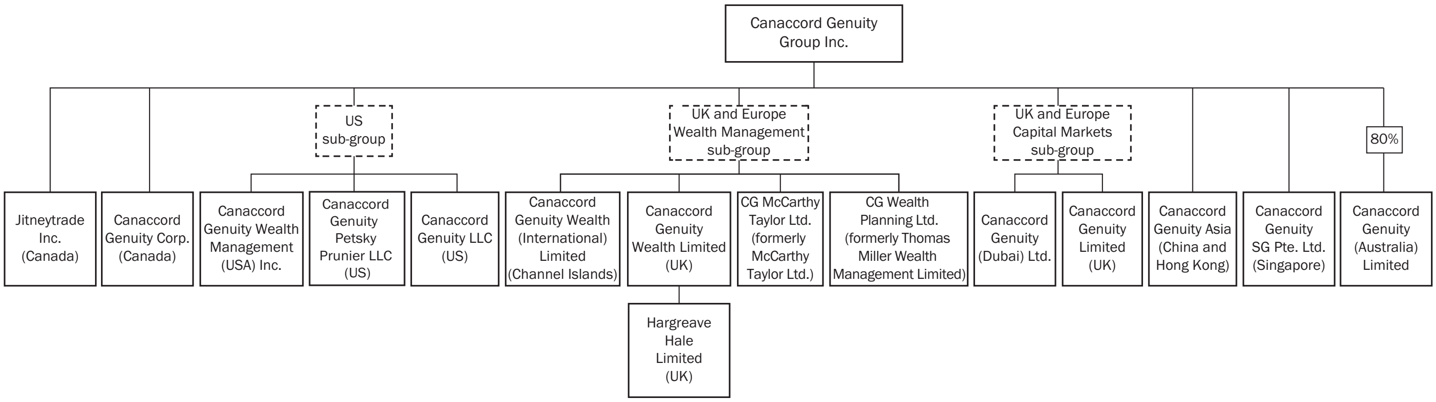
Canaccord Genuity Wealth Management

Canaccord Genuity Wealth Management operations provide comprehensive wealth management solutions and brokerage 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 now has Investment Advisors (IAs) and professionals in Canada, the UK, Jersey, Guernsey, the Isle of Man and Australia.

Corporate and Other

Canaccord Genuity Group's administrative segment, described as Corporate and Other, includes revenues and expenses associated with providing correspondent brokerage services, bank and other interest, foreign exchange gains and losses, 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.

Corporate structure



The chart shows principal operating companies of the Canaccord Genuity Group as of July 31, 2019.

The Company owns 80% of the issued shares of Canaccord Financial Group (Australia) Pty Ltd. and Canaccord Genuity (Australia) Limited [March 31, 2019 — 80%], but for accounting purposes, as of June 30, 2019, the Company is considered to have an 85% interest because of the shares held in a trust controlled by Canaccord Financial Group (Australia) Pty Ltd. [March 31, 2019 — 85%].

Consolidated Operating Results

FIRST QUARTER FISCAL 2020 SUMMARY DATA[(1)(2)(7)]

	Three months ended June 30			Q1/20 vs.
(C$ thousands, except per share and % amounts, and number of employees)	**2019**	2018	2017	Q1/19
Canaccord Genuity Group Inc. (CGGI)				
Revenue				
Commissions and fees	**$ 141,792**	$ 136,380	$ 104,955	4.0%
Investment banking	**84,801**	67,521	40,696	25.6%
Advisory fees	**53,804**	24,914	18,896	116.0%
Principal trading	**25,073**	30,908	25,887	(18.9)%
Interest	**15,185**	9,246	5,176	64.2%
Other	**4,853**	5,154	4,198	(5.8)%
Total revenue	**325,508**	274,123	199,808	18.7%
Expenses				
Compensation expense	**194,908**	166,333	128,711	17.2%
Other overhead expenses[(3)]	**98,467**	83,408	70,237	18.1%
Acquisition-related costs	**512**	1,173	2,184	(56.4)%
Restructuring costs[(4)]	**—**	1,316	448	n.m.
Share of loss of an associate	**269**	11	—	n.m.
Total expenses	**294,156**	252,241	201,580	16.6%
Income (loss) before income taxes	**31,352**	21,882	(1,772)	43.3%
Net income (loss)	**24,290**	18,649	$ (2,560)	30.2%
Net income (loss) attributable to:				
CGGI shareholders	**24,205**	17,616	$ (2,262)	37.4%
Non-controlling interests	**85**	1,033	$ (298)	(91.8)%
Earnings (loss) per common share – diluted	**$ 0.18**	$ 0.14	$ (0.05)	28.6%
Dividends per common share	**$ 0.05**	$ 0.01	$ 0.01	n.m.
Book value per diluted common share[(5)]	**$ 6.20**	$ 5.52	$ 4.91	12.3%
Total assets	**$5,358,496**	$4,221,836	$3,623,250	26.9%
Total liabilities	**$4,516,513**	$3,387,010	$2,868,892	33.3%
Non-controlling interests	**$ 2,296**	$ 15,259	$ 12,481	(85.0)%
Total shareholders' equity	**$ 839,687**	$ 819,567	$ 741,877	2.5%
Number of employees	**2,128**	2,038	1,697	4.4%
Excluding significant items[(6)]				
Total revenue	**325,508**	274,123	$ 199,808	18.7%
Total expenses	**286,978**	244,774	$ 197,044	17.2%
Income before income taxes	**38,530**	29,349	2,764	31.3%
Net income	**30,654**	25,035	1,615	22.4%
Net income attributable to:				
CGGI shareholders	**30,569**	24,002	1,913	27.4%
Non-controlling interests	**85**	1,033	(298)	(91.8)%
Earnings (loss) per common share – diluted	**$ 0.23**	$ 0.19	$ (0.01)	n.m.

(1) Data is in accordance with IFRS except for book value per diluted common share, figures excluding significant items and number of employees. See Non-IFRS Measures on page 6.
(2) The operating results of the Australian operations have been fully consolidated and a 15% non-controlling interest has been recognized for the three months ended June 30, 2019 [three months ended June 30, 2018 — 42% and three months ended June 30, 2017 — 42%.].
(3) Consists of trading costs, premises and equipment, communication and technology, interest, general and administrative, amortization of tangible, intangible and right of use assets, and development costs.
(4) Restructuring costs for the three months ended June 30, 2018 were incurred in connection with our UK capital markets operations. Restructuring costs for the three months ended June 30, 2017 were related to the closing of certain trading operations in Dublin which formed part of our UK capital markets operations.
(5) Book value per diluted common share is calculated as total common shareholders' equity adjusted for assumed proceeds from the exercise of options and warrants, issuance of common shares in connection with deferred consideration related to acquisitions, settlement of a promissory note in shares at the Company's option, and the conversion of convertible debentures, divided by the number of diluted common shares outstanding including estimated amounts in respect of share issuance commitments including options, warrants, other share-based payment plan, deferred consideration related to acquisitions, promissory notes and convertible debentures, and adjusted for shares purchased or committed to be purchased under the normal course or substantial issuer bid and not yet cancelled, and estimated forfeitures in respect of unvested share awards under share-based payment plans.
(6) Net income (loss) and earnings (loss) per common share excluding significant items reflect tax-effected adjustments related to such items. See the Selected Financial Information Excluding Significant Items table on the next page.
(7) Data includes the operating results of the operating results of Hargreave Hale since September 18, 2017, Jitneytrade since June 6, 2018, the operating results of McCarthy Taylor since January 29, 2019, the operating results of Petsky Prunier since February 13, 2019, and the operating results of Thomas Miller since May 1, 2019.

n.m.: not meaningful
p.p.: percentage points

SELECTED FINANCIAL INFORMATION EXCLUDING SIGNIFICANT ITEMS[1]

(C$ thousands, except per share and % amounts)	Three months ended June 30 2019	2018	Quarter-over-quarter change
Total revenue per IFRS	$ 325,508	$ 274,123	18.7%
Total expenses per IFRS	294,156	252,241	16.6%
Revenue			
Total revenue excluding significant items	325,508	274,123	18.7%
Expenses			
Significant items recorded in Canaccord Genuity Capital Markets			
Amortization of intangible assets	2,471	579	326.8%
Restructuring costs	—	1,316	(100)%
Acquisition-related costs	177	1,173	(84.9)%
Significant items recorded in Canaccord Genuity Wealth Management			
Amortization of intangible assets	3,043	2,856	6.5%
Acquisition-related costs	335	—	n.m
Incentive-based costs related to acquisition[2]	1,152	1,543	(25.3)%
Total significant items	7,178	7,467	(3.9)%
Total revenue excluding significant items	325,508	274,123	18.7%
Total expenses excluding significant items	286,978	244,774	17.2%
Net income before taxes – adjusted	38,530	29,349	31.3%
Income taxes – adjusted	7,876	4,314	82.6%
Net income – adjusted	$ 30,654	$ 25,035	22.4%
Net income attributable to common shareholders, adjusted	28,218	21,651	30.3%
Earnings per common share – basic, adjusted	$ 0.28	$ 0.23	21.7%
Earnings per common share – diluted, adjusted	$ 0.23	$ 0.19	21.1%

n.m.: not meaningful
(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6
(2) Incentive-based costs related to the acquisition of Hargreave Hale determined with reference to financial targets and other performance criteria.

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 UK & Europe.

Geographies

Our Dubai operation is included as part of Canaccord Genuity Capital Markets UK & Europe. For purposes of the discussion provided herein the Canaccord Genuity Capital Markets operations in the UK, Europe and Dubai are referred to as the "UK". The Other Foreign Locations geographic segment is comprised of our Asian based operations, including Singapore, China and Hong Kong.

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.

Notwithstanding this determination as of June 30, 2019, changes or uncertainty in the economic environment may cause this determination to change. If the business climate changes and the Company is unable to achieve its internal forecasts the Company may determine that there has been impairment and the Company may be required to record a goodwill impairment charge in future periods in respect of the Canaccord Genuity Wealth Management business units in the UK & Europe or in respect of the goodwill recorded in Canaccord Genuity Capital Markets Canada or Canaccord Genuity Capital Markets US. Adverse changes in the key assumptions utilized for purposes of impairment testing for goodwill and indefinite life intangible assets may result in the estimated recoverable amount of some or all of the applicable business units declining below the carrying value with the result that impairment charges may be required. The amount of any impairment charge would affect some or all of the amounts recorded for goodwill and indefinite life intangible assets. Any such impairment charges would be determined after incorporating the effect of any changes in key assumptions including any consequential effects of such changes on estimated operating income and on other factors. In addition, notwithstanding that there may be no change in the performance estimates used by the Company for purposes of determining whether there has been any impairment in its indefinite life intangible asset related to the Genuity brand name, in the event that the Company changes the way in which it uses that asset the Company may be required to record an impairment charge.

Revenue

First quarter 2020 vs. first quarter 2019

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

Revenue for the three months ended June 30, 2019 was $325.5 million, an increase of 18.7% or $51.4 million compared to the same period a year ago. The Canaccord Genuity Capital Markets segment experienced an increase of $33.9 million or 21.7% in Q1/20 compared to the same quarter in the prior year, mainly due to higher investment banking revenue recorded in our Canadian operations and higher advisory fees revenue generated in our US operations. Further contributing to the overall increase in consolidated revenue was an increase of $17.2 million of revenue generated in our global Canaccord Genuity Wealth Management segment compared to Q1/19.

Within our Canaccord Genuity Capital Markets operating segment, our US operations experienced a significant increase compared to Q1/19, with revenue increasing by $17.9 million or 23.4%, largely driven by an increase in advisory fees revenue, reflecting organic growth as well as contributions from the acquisition of Petsky Prunier in Q4/19. Our Canadian operations continued to participate in numerous transactions in the cannabis sector contributing to higher investment banking revenue recorded in Q1/20 compared to the same period last year. In the UK, revenue showed a modest increase of $0.6 million or 2.8% over Q1/19 due to increased activity levels in the corporate broking and advisory segments. Offsetting these increases was a decrease in revenue of $3.1 million or 25.3% in our Australian operations, largely due to reduced investment banking activity during the current quarter.

As a result of a growth in fee-based revenue resulting from increased client assets and contributions from our acquisitions of McCarthy Taylor and Thomas Miller, revenue in our UK & Europe wealth management operations increased by $6.1 million or 9.3% compared to Q1/19. Measured in local currency (GBP), revenue increased by £4.4 million or 11.7% compared to the same period last year. Revenue from our North America wealth management operations also increased by $11.0 million or 23.6% compared to the three months ended June 30, 2018, driven by an increase in commissions and fees revenue, interest income related to client margin accounts and higher investment banking revenue resulting from increased private client participation in new issue activity in our Canadian operations.

Commissions and fees revenue is primarily generated from private client trading activity and institutional sales and trading. Revenue generated from commissions and fees increased by $5.4 million to $141.8 million, or 4.0% compared to Q1/19. As discussed above, the expansion of our wealth management operations through the recent acquisitions in UK & Europe as well as increased activity in our Canadian wealth management operations was the primary reason for the increase in commissions and fees revenue in Q1/20 compared to Q1/19. Offsetting the increase in our wealth management operations was a decrease of $4.2 million or 10.6% in commissions and fees revenue from our capital markets operations, mainly due to lower trading volumes and lower revenue earned from our institutional customers in our US and UK operations.

Investment banking revenue increased by $17.3 million to $84.8 million in Q1/20, or 25.6% compared to the same period a year ago as a result of an improved market environment which led to increased equity capital markets activities. All of our core operating regions experienced increases in investment banking revenue except for Australia, which generated $5.4 million of investment banking revenue in Q1/20, down from $8.7 million in Q1/19.

Advisory fee revenue was $53.8 million, an increase of $28.9 million or 116.0% from the same quarter a year ago. As discussed above, our US capital markets operations reported the most significant increase in advisory fees revenue partially due to contributions from our newly acquired Petsky Prunier operations in Q4/19. Our UK operations reported an increase of $3.2 million in advisory fees revenue in Q1/20 compared to Q1/19 due to the completion of certain mandates.

Principal trading revenue was $25.1 million in Q1/20, representing a $5.8 million or 18.9% decrease compared to Q1/19, mainly as a result of lower revenue generated in our US and UK operations resulting from decreased market and trading activity in our US and UK capital markets operations compared to the same period in the prior year which created little opportunities for trading gains.

Interest revenue was $15.2 million for the three months ended June 30, 2019, representing an increase of $5.9 million or 64.2% from Q1/19, mostly attributable to our Canadian operations resulting from higher margin balances in client accounts and higher stock loan revenue. Other revenue was $4.9 million for Q1/20, a slight decrease of $0.3 million from the same period a year ago.

Expenses

Expenses for the three months ended June 30, 2019 were $294.2 million, an increase of 16.6% or $41.9 million from Q1/19. With the increase in revenue during the quarter and the non-variable nature of certain components of compensation expense and other overhead costs, total expenses excluding significant items[1] as a percentage of revenue decreased by 1.1 percentage points compared to the three months ended June 30, 2018.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6

EXPENSES AS A PERCENTAGE OF REVENUE

	Three months ended June 30		
	2019	2018	Quarter-over-quarter change
Compensation expense	**59.9%**	60.7%	(0.8) p.p.
Other overhead expenses[1]	**30.2%**	30.4%	(0.2) p.p
Restructuring costs	**0.0%**	0.5%	(0.5) p.p.
Acquisition-related costs	**0.2%**	0.4%	(0.2) p.p.
Share of loss of an associate	**0.1%**	0.0%	0.1 p.p.
Total	**90.4%**	92.0%	(1.6) 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

First quarter 2020 vs. first quarter 2019

Commencing in Q1/20, expenses previously recorded as incentive compensation expense and salaries and benefits are combined under compensation costs. This reclassification reflects the way in which management reviews and monitors our compensation structure. Comparatives for prior periods have been restated accordingly.

Compensation expense in Q1/20 was $194.9 million, an increase of $28.6 million or 17.2% compared to Q1/19, consistent with the increase in revenue for the quarter. Total compensation expense as a percentage of revenue decreased slightly from 60.7% in Q1/19 to 59.9% in Q1/20.

OTHER OVERHEAD EXPENSES

	Three months ended June 30		
(C$ thousands, except % amounts)	**2019**	2018	Quarter-over-quarter change
Trading costs	**$ 20,120**	$ 18,500	8.8%
Premises and equipment	**4,784**	9,947	(51.9)%
Communication and technology	**16,358**	15,186	7.7%
Interest	**8,111**	5,594	45.0%
General and administrative	**30,367**	23,684	28.2%
Amortization[1]	**7,936**	6,638	19.6%
Amortization of right of use assets	**5,582**	—	n.m.
Development costs	**5,209**	3,859	35.0%
Total other overhead expenses	**$ 98,467**	$ 83,408	18.1%

(1) Includes amortization of intangible assets. See the Selected Financial Information Excluding Significant Items table on page 11.

First quarter 2020 vs. first quarter 2019

Other overhead expenses were $98.5 million, an increase of 18.1% in Q1/20 compared to Q1/19. As a percentage of revenue, other overhead expenses were 30.3% in Q1/20 compared to 30.4% in Q1/19, a slight decrease of 0.1%. In order to support the higher headcount, increased capital markets activity and expansion of our wealth management business with the recent acquisitions in our UK & Europe operations and growth in Canada, all our overhead expenses experienced increases compared to the three months ended June 30, 2018, with the exception of a decrease of $5.2 million in premises and equipment expense offsetting the increase in amortization of right of use assets as described below.

As a result of the adoption of the new accounting standard IFRS 16 Leases, lease payments are no longer recorded through premises & equipment expense. Instead, right of use ("ROU") assets are set up with corresponding lease liabilities on the statement of financial position. For the three months ended June 30, 2019, the Company recorded amortization expense related to the ROU assets of $5.6 million and interest expense related to the lease liabilities of $1.7 million. The comparatives for the prior periods have not been restated as part of the transition to IFRS 16. As a result of this change in accounting policy, premises and equipment expense for Q1/20 decreased by $5.2 million or 51.9% compared to Q1/19, with a corresponding charge of $5.6 million being recorded as amortization of right of use assets in the current period.

The increased headcount from our expanded operations has contributed to an increase in our communication and technology expense of $1.2 million or 7.7% compared to the same period in the prior year. In addition, amortization expense increased by $1.3 million or 19.6% compared to the same period in the prior year largely as a result of the amortization of intangible assets related to the acquisitions of Petsky Prunier and McCarthy Taylor in Q4/19. Development costs also increased by $1.4 million compared to the three months ended June 30, 2018, partially due to new hire incentive-based costs recorded by our Canadian wealth management business unit.

General and administrative expense, which includes reserves, promotion and travel expense, office expense, professional fees and donations, was up by $6.7 million or 28.2% compared to Q1/19. The largest increase was recorded in our Canadian capital markets operations, which reported an increase of $5.1 million compared to the same period in the prior year as a result of additional expenses related to conferences and other promotion and travel expenses to support the growth in this operation. There was also an increase of $2.2 million in our US operations as a result of higher promotion and travel expense. In our UK & Europe wealth management operations, general and administrative expense increased by $1.7 million for the three months ended June 30, 2019 to support the increased level of activity and headcount in this operating segment, as well as additional reserves recorded in respect of certain ongoing legal matters.

Interest expense increased by $2.5 million compared to Q1/19 partially as a result of the interest expense recorded in relation to the lease liabilities in Q1/20 as discussed above. In addition, interest expense in our Corporate & Other segment also increased as a result of the increased principal balance on the unsecured senior subordinated convertible debentures and the corresponding increases in interest expense.

Higher trading costs in our Canadian operations were the primary reason for the $1.6 million increase in trading costs in Q1/20 compared to Q1/19, in line with the increase in commission and fees revenue.

There were no restructuring costs reported in Q1/20. There were $1.3 million of restructuring costs recorded during the same period last year in connection with our UK capital markets operations.

Income tax

First quarter 2020 vs. first quarter 2019

The effective tax rate for Q1/19 was 22.5% compared to an effective tax rate of 14.8% in the same quarter last year. The change in the effective tax rate was mainly due to the non-recognition of certain deferred tax assets in our foreign operations.

Net income

First quarter 2020 vs. first quarter 2019

Net income for Q1/20 was $24.3 million compared to net income of $18.6 million in the same period a year ago. Diluted earnings per common share were $0.18 in Q1/20 compared to diluted earnings per common share of $0.14 in Q1/19.

Excluding significant items(1), which include amortization of certain intangible assets, acquisition-related costs, certain incentive-based costs related to the acquisition of Hargreave Hale, and before non-controlling interests and preferred shares dividend, net income for Q1/20 was $30.7 million compared to net income of $25.0 million in Q1/19. Diluted earnings per common share, excluding significant items(1), were $0.23 in Q1/20 compared to diluted earnings per common share excluding significant items(1) of $0.19 in Q1/19.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6

Results of Operations by Business Segment

CANACCORD GENUITY CAPITAL MARKETS[(1)(2)(6)]

(C$ thousands, except number of employees and % amounts)	Three months ended June 30 2019	Three months ended June 30 2018	Quarter-over-quarter change
Revenue	$ 190,023	$ 156,172	21.7%
Expenses			
Compensation expense	109,602	91,840	19.3%
Restructuring expense[(3)]	—	1,316	(100)%
Acquisition-related costs	177	1,173	(84.9)%
Other overhead expenses	57,922	47,442	22.1%
Total expenses	167,701	141,771	18.3%
Intersegment allocations[(4)]	4,545	4,305	5.6%
Income before income taxes[(4)]	$ 17,777	$ 10,096	76.1%
Number of employees	793	776	2.2%
Excluding significant items[(5)]			
Total expenses	$ 165,053	$ 138,703	19.0%
Intersegment allocations[(4)]	4,545	4,305	5.6%
Income before income taxes[(4)]	$ 20,425	$ 13,164	55.2%

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees.
(2) The operating results of Canaccord Genuity (Australia) Limited have been consolidated and a 15% non-controlling interest has been recognized and included in the Canaccord Genuity Capital Markets business segment for the three months ended June 30, 2019 [three months ended June 30, 2018 — 42%].
(3) Restructuring costs for the three months ended June 30, 2018 were incurred in connection with our UK capital markets operations.
(4) Income before income taxes includes intersegment allocated costs. See the Intersegment Allocated Costs section on page 21.
(5) Refer to the Selected Financial Information Excluding Significant Items table on page 11.
(6) Operating results for Jitneytrade are included beginning June 6, 2018 and Petsky Prunier since February 13, 2019.
n.m. not meaningful

Canaccord Genuity Capital Markets provides investment banking, research, and sales and trading services to corporate, institutional and government clients and it conducts principal trading activities in North America, the UK & Europe, Asia, Australia and the Middle East. Canaccord Genuity Capital Markets has offices in 21 cities in 9 countries worldwide.

Revenue from Canaccord Genuity Capital Markets is generated from commissions and advisory 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 Market's principal and international trading operations.

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

	Three months ended June 30 2019	Three months ended June 30 2018	Quarter-over-quarter change
Revenue generated in:			
Canada	33.9%	29.3%	4.6 p.p.
UK	11.8%	14.0%	(2.2) p.p.
US	49.5%	48.8%	0.7 p.p.
Australia	4.8%	7.9%	(3.1) p.p.
Other Foreign Locations	n.m.	n.m.	n.m.
	100.0%	100.0%	

p.p.: percentage points
n.m.: not meaningful

First quarter 2020 vs. first quarter 2019

Revenue
Canaccord Genuity Capital Markets generated revenue of $190.0 million in Q1/20, an increase of 21.7% or $33.9 million from the same quarter a year ago. Revenue increased in our US operations, where revenue increased by $17.9 million or 23.4% compared to Q1/19, largely due to increased advisory fees revenue, reflecting the contribution from our Petsky Prunier acquisition in Q4/19. Our Canadian capital markets operations reported an increase of $18.5 million or 40.3% in revenue compared to the three months ended June 30,2018, as the Company continued to be active in numerous transactions in the cannabis sector. Revenue in our UK capital markets operations showed a modest increase of $0.6 million or 2.8% compared to the same period last year. Partially offsetting these increases was a decrease in revenue of $3.1 million or 25.3% in our Australian operations compared to the strong performance recorded in Q1/19, largely due to reduced number of investment banking transactions during the quarter.

Expenses
Expenses for Q1/20 were $167.7 million, an increase of 18.3% or $25.9 million compared to Q1/19. Excluding significant items[(1)], total expenses as a percentage of revenue decreased by 2.0 percentage points compared to the same quarter in the prior year, primarily as a result of the increased revenue and the fixed nature of certain overhead costs and certain components of incentive compensation expense.

Compensation expense
Compensation expense for Q1/20 increased by $17.8 million or 19.3% compared to Q1/19 as a result of the increase in incentive-based revenue. Total compensation expense as a percentage of revenue was 57.7%, 1.1 percentage points lower than in Q1/19.

In Canada, total compensation as a percentage of revenue decreased by 2.7 percentage points compared to Q1/19 largely due to the increase in revenue relative to fixed staff costs. Our US operations experienced an increase of 3.2 percentage points compared to the same period last year, partially as a result of higher fixed staff costs. Total compensation as a percentage of revenue in our UK operations decreased by 15.2 percentage points due to a decrease in fixed staff costs as a result of the restructuring efforts undertaken at the end of fiscal 2019. Total compensation expense as a percentage of revenue in our Australian operations was 66.2% for Q1/20, an increase of 8.0 percentage points from Q1/19 due to the decrease in revenue in Q1/20 and the non-variable nature of certain fixed staff costs which negatively impacted the compensation ratio in Q1/20.

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

	Three months ended June 30		Quarter-over-quarter change
	2019	2018	
Canada	**49.8%**	52.5%	(2.7) p.p.
UK	**59.3%**	74.5%	(15.2) p.p.
US	**61.1%**	58.0%	3.1 p.p.
Australia	**66.2%**	58.2%	8.0 p.p.
Other Foreign Locations	**n.m.**	n.m.	n.m.
Canaccord Genuity Capital Markets (total)	**57.7%**	58.8%	(1.1) p.p.

p.p.: percentage points
n.m.: not meaningful

Other overhead expenses
Total other overhead expenses excluding significant items[(1)] for Q1/20 were $55.5 million or 29.2% as a percentage of revenue.

General and administrative expense in Q1/20 was $18.6 million, an increase of $6.5 million or 54.0% over Q1/19, partially as a result of additional professional and promotion and travel expense incurred to support the growth in business activity and higher headcount in our Canadian and US operations. In addition, interest expense increased by $1.2 million or 44.2% due to additional stock borrowing fees.

As discussed previously, as a result of the change in accounting standard for leases, premises and equipment expense decreased by $3.1 million compared to Q1/19, with a corresponding increase in amortization of ROU assets. Amortization expense in Q1/20 was also impacted by the amortization of intangible assets in connection with the acquisition of Petsky Prunier in Q4/19.

There were no restructuring costs recorded for the three months ended June 30, 2019. There were $1.3 million of restructuring costs recorded during the same period last year in connection with our UK operations.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6

Income before income taxes

Income before income taxes, including allocated overhead expenses, was $17.8 million in Q1/20 compared to net income of $10.1 million in the same quarter a year ago. Excluding significant items[1], income before income taxes, including allocated overhead expenses, was $20.4 million in Q1/20, compared to the income before income taxes of $13.2 million in Q1/19. The increase in income before income taxes was mostly attributable to higher revenue earned in our Canadian and US operations during Q1/20 combined with a reduction in overhead expenses.

CANACCORD GENUITY WEALTH MANAGEMENT

Revenue from Canaccord Genuity Wealth Management is generated through traditional commission-based brokerage services, the sale of fee-related products and services, margin interest, and commissions and fees earned from investment banking and venture capital transactions by private clients.

CANACCORD GENUITY WEALTH MANAGEMENT NORTH AMERICA[1]

(C$ thousands, except AUM and AUA (in C$ millions), number of employees, Advisory Teams and % amounts)	Three months ended June 30 2019	Three months ended June 30 2018	Quarter-over-quarter change
Revenue	$ 57,818	$ 46,789	23.6%
Expenses			
Compensation expense	33,492	26,607	25.9%
Other overhead expenses	11,354	11,981	(5.2)%
Total expenses	$ 44,846	$ 38,588	16.2%
Intersegment allocations[2]	3,712	3,043	22.0%
Income before income taxes[2]	$ 9,260	$ 5,158	79.5%
AUM – Canada (discretionary)[3]	4,346	3,721	16.8%
AUA – Canada[4]	21,223	18,921	12.2%
Number of Advisory Teams – Canada	153	148	3.4%
Number of employees	427	412	3.6%
Excluding significant items[5]			
Total expenses	$ 44,846	$ 38,588	16.2%
Intersegment allocations[2]	3,712	3,043	22.0%
Income before income taxes[2]	$ 9,260	$ 5,158	79.5%

(1) Data is in accordance with IFRS except for AUM, AUA, number of Advisory Teams and number of employees. See Non-IFRS Measures on page 6.
(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 21.
(3) AUM in Canada are assets managed on a discretionary basis under our programs generally described as or known as the *Complete Canaccord Investment Counselling Program* and the *Complete Canaccord Private Investment Management Program*.
(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.
(5) Refer to the Selected Financial Information Excluding Significant Items table on page 11.
n.m.: not meaningful

First quarter 2020 vs. first quarter 2019

Revenue from Canaccord Genuity Wealth Management North America was $57.8 million, an increase of $11.0 million or 23.6% compared to the three months ended June 30, 2018. The increase was driven by increases in commissions and fees revenue as well as higher interest on stock loan activity and margin accounts.

AUA in Canada increased by 12.2% to $21.2 billion at June 30, 2019, compared to $18.9 billion at June 30, 2018, reflecting our continued development initiatives in this segment. There were 153 Advisory Teams in Canada, an increase of five from a year ago. Fee-related revenue in our North American operations as a percentage of total revenue increased by 1.5 percentage points compared to Q1/19 and accounted for 35.0% of the wealth management revenue in Canada during the first quarter of fiscal 2020.

Total expenses for Q1/20 were $44.8 million, an increase of $6.3 million or 16.2% compared to Q1/19. Total compensation expense increased by $6.9 million, consistent with the increase in incentive-based revenue during the quarter. Total compensation expense as a percentage of revenue increased by 1.1 percentage points to 57.9% in Q1/20 compared to Q1/19.

Other overhead costs decreased by $0.6 million compared to the three months ended June 30, 2018, largely driven by a reduction in general and administrative expense. As a result of the increase in revenue and the non-variable nature of certain overhead expenses, total expenses as a percentage of revenue decreased by 4.9 percentage points compared to Q1/19.

Premises and equipment expense decreased by $0.8 million compared to Q1/19 as a result of the change to the lease accounting standard as discussed above, with a corresponding expense of $0.5 million for the amortization of right of use assets recorded in Q1/20. Offsetting the decreases in general and administrative and premises and equipment expense were $0.9 million increase in trading costs, in line with the increase in commission and fees revenue, as well as $0.5 million in development costs resulting from our recruitment efforts in this segment.

Income before income taxes was $9.3 million in Q1/20 compared to income before taxes of $5.2 million in Q1/19 primarily due to the net increase in revenue after variable costs.

CANACCORD GENUITY WEALTH MANAGEMENT UK & EUROPE(1)(5)

(C$ thousands, except AUM (in C$ millions), number of employees, investment professionals and fund managers, and % amounts)	Three months ended June 30 2019	2018	Quarter-over-quarter change
Revenue	$ 71,923	$ 65,787	9.3%
Expenses			
Compensation expense	39,211	37,942	3.3%
Other overhead expenses	22,577	18,393	22.7%
Acquisition related costs	335	—	n.m.
Total expenses	62,123	56,335	10.3%
Intersegment allocations(2)	301	304	(1.0)%
Income before income taxes(2)	9,499	9,148	3.8%
AUM – UK & Europe(3)	45,574	46,434	(1.9)%
Number of investment professionals and fund managers – UK & Europe	218	190	14.7%
Number of employees	593	559	6.1%
Excluding significant items(4)			
Total expenses	$ 57,593	$ 51,936	10.9%
Intersegment allocations(2)	301	304	(1.0)%
Income before income taxes(2)	14,029	13,547	3.6%

(1) Data is in accordance with IFRS except for AUM, number of investment professionals and fund managers and number of employees. See Non-IFRS Measures on page 6.
(2) Income before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 21.
(3) AUM in the UK & Europe 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.
(4) Refer to the Selected Financial Information Excluding Significant Items table on page 11.
(5) Includes the operating results of McCarthy Taylor which was acquired on January 29, 2019 and the operating results of Thomas Miller since the acquisition date of May 1, 2019.

First quarter 2020 vs. first quarter 2019

Operating results of McCarthy Taylor are included for Q1/20 since the closing date of January 29, 2019 and the operating results of Thomas Miller after the closing date of May 1, 2019, are also included in Q1/20.

Revenue generated by our Canaccord Genuity Wealth Management UK & Europe operation is largely generated through fee-related accounts and portfolio management activities and, as such, is less sensitive to changes in levels of trading activity. Revenue for Q1/20 was $71.9 million, an increase of 9.3% compared to Q1/19. Measured in local currency (GBP), revenue was £41.9 million in Q1/20 compared to £37.5 million in Q1/19, an increase of 11.7% compared to the same quarter last year, reflecting the continued growth in this sector and expansion from the recent acquisitions of McCarthy Taylor and Thomas Miller.

AUM in the UK & Europe as of June 30, 2019 was $45.6 billion, a decrease of 1.9% compared to $46.4 billion as of June 30, 2018. Measured in local currency (GBP), AUM increased by 2.1% from £26.9 billion at June 30, 2018 to £27.4 billion at June 30, 2019. Fee-related revenue in our UK & European wealth management operations accounted for 73.3% of total revenue in Q1/20, an increase of 3.1 percentage points.

Driven by the increase in revenue, total compensation expense increased by $1.3 million or 3.3% in Q1/20 compared to the three months ended June 30, 2018. Total compensation expense as a percentage of revenue decreased by 3.2 percentage points from 57.7% in Q1/19 to 54.5% in Q1/20 mainly due to the increase in revenue relative to fixed staff costs.

Other overhead expenses for the three months ended June 30, 2019 were $22.6 million for Q1/20 compared to $18.4 million in Q1/19, an increase of 22.7% quarter over quarter. General and administrative expense increased by $1.7 million or 42.9% compared to the three months ended June 30, 2018 partially due to additional reserves recorded in respect of certain ongoing legal matters. Premises and equipment expenses decreased by $1.0 million that was offset by an increase in amortization expense related to right of use assets recorded during the quarter due to the change in accounting standard for leases. The increase in development costs of $0.7 million over Q1/19 resulted from expansion of this sector.

Income before income taxes was $9.5 million compared to $9.1 million in Q1/19. Excluding significant items(1), which includes acquisition-related costs, amortization of certain intangible assets acquired in business combination as well as certain incentive-based costs related to the acquisition of Hargreave Hale, net income before income taxes was $14.0 million, representing a $0.5 million increase from the same period in the prior year, reflecting the synergies and positive net contribution of our expansion in this business unit.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6

CORPORATE AND OTHER[(1)]

(C$ thousands, except number of employees and % amounts)	Three months ended June 30 2019	2018	Quarter-over-quarter change
Revenue	$ 5,744	$ 5,375	6.9%
Expenses			
Compensation expense	12,603	9,944	26.7%
Other overhead expenses	6,614	5,592	18.3%
Share of loss of an associate	269	11	n.m.
Total expenses	19,486	15,547	25.3%
Intersegment allocations[(2)]	(8,558)	(7,652)	11.8%
Loss before income taxes[(2)]	(5,184)	(2,520)	105.7%
Number of employees	315	291	8.2%
Excluding significant items[(3)]			
Total expenses	$ 19,486	$ 15,547	25.3%
Intersegment allocations[(2)]	(8,558)	(7,652)	11.8%
Loss before income taxes[(2)]	(5,184)	(2,520)	105.7%

(1) Data is in accordance with IFRS except for figures excluding significant items and number of employees. See Non-IFRS Measures on page 6.
(2) Loss before income taxes includes intersegment allocations. See the Intersegment Allocated Costs section on page 21.
(3) Refer to the Selected Financial Information Excluding Significant Items table on page 11.

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 operations and support services, which are responsible for front- and back-office information technology systems, compliance and risk management, operations, finance, and all administrative functions.

First quarter 2020 vs. first quarter 2019

Revenue in the Corporate and Other segment for the three months ended June 30, 2019 was $5.7 million, a slight increase of $0.4 million from the same quarter a year ago.

Expenses for Q1/20 increased by $3.9 million or 25.3%, to $19.5 million compared to the three months ended June 30, 2018. Compensation expense increased by $2.7 million or 26.7% compared to the three months ended June 30, 2018, driven by increased profitability of the Company as well as higher headcount to support the growth in our capital markets and wealth management business in Canada.

The increase in other overhead expenses of $1.0 million over Q1/19 was mainly related to higher interest expense in connection with the unsecured subordinated convertible debentures issued in Q2/19.

Overall, the loss before income taxes was $5.2 million in Q1/20 compared to a loss of $2.5 million in Q1/19.

Quarterly Results

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 year to year due to factors beyond the Company's control. The business is affected by the overall condition of the global capital markets. The Company's revenue from an underwriting transaction is recorded only when the transaction has been substantially completed. Consequently, the timing of revenue recognition can materially affect Canaccord Genuity Group Inc.'s quarterly results.

The following table provides selected quarterly financial information for the eight most recently completed financial quarters ended on or before June 30, 2019. This information is unaudited but reflects all adjustments of a recurring nature, which are, in the opinion of management, necessary to present a fair statement of the results of operations for the periods presented. Quarter-to-quarter comparisons of financial results are not necessarily meaningful and should not be relied upon as indications of future performance.

(C$ thousands, except per share amounts)	Fiscal 2020	Fiscal 2019				Fiscal 2018		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue								
Canaccord Genuity Capital Markets	**190,023**	160,047	$ 209,373	178,734	156,172	$ 200,687	$ 196,203	$ 118,880
Canaccord Genuity Wealth Management:								
North America	**57,818**	53,636	54,202	52,199	46,789	51,455	48,428	32,081
UK & Europe	**71,923**	63,494	61,777	63,927	65,787	64,923	60,945	37,482
Corporate and Other	**5,744**	7,631	6,248	5,176	5,375	5,015	3,866	3,104
Total revenue	**325,508**	284,808	331,600	300,036	274,123	322,080	309,442	191,547
Net income (loss)	**24,290**	2,456	$ 32,458	18,019	18,649	(9,703)	$ 36,598	$ (7,258)
Earnings (loss) per common share – basic	**$ 0.22**	$ 0.00	$ 0.31	$ 0.11	$ 0.16	$ (0.15)	$ 0.35	$ (0.11)
Earnings (loss) per common share – diluted	**$ 0.18**	$ 0.00	$ 0.25	$ 0.09	$ 0.14	$ (0.15)	$ 0.29	$ (0.11)
Net Income excluding significant items(1)	**$ 30,654**	$ 16,610	$ 36,843	$ 28,867	$ 25,035	$ 37,312	$ 39,182	$ 3,548
Earnings per common share, excluding significant items(1) – basic	**$ 0.28**	$ 0.15	$ 0.35	$ 0.27	$ 0.23	$ 0.36	$ 0.38	$ 0.01
Earnings per common share, excluding significant items(1) – diluted	**$ 0.23**	$ 0.12	$ 0.28	$ 0.23	$ 0.19	$ 0.28	$ 0.31	$ 0.01

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6.

With the increase in capital raising and advisory activity in our core focus areas over the recent quarters and with a higher contribution from our global wealth management operations, the Company has continued to post strong revenue and net income performances. Revenue for Q1/20 was $325.5 million, an increase of 18.7% compared to Q1/19, and just a slight decrease of 1.8% compared to our record quarter in Q3/19 of $331.6 million. All our core operations were profitable in Q1/20, with the exception of our UK capital markets operations which generated a small loss of $0.2 million.

The Canaccord Genuity Capital Markets division, which had been positively impacted by the increased market activity during the recent quarters, experienced an increase in revenue of 21.7% compared to Q1/19, largely due to higher investment banking and advisory fees revenue recorded in our Canadian and US operations. Revenue in our Canadian capital markets operations have benefitted in recent quarters from our participation in numerous transactions in the cannabis sector, particularly in the latter part of fiscal 2019 and continued into Q1/20. The increase in investment banking revenue also reflected gains in our warrant and inventory positions earned from transactions in the current and prior periods.

Revenue in our US capital markets operations was $94.1 million, an increase of 23.4% compared to Q1/19 and 28.1% compared to Q4/19, and the highest revenue in this operating segment over the past eight quarters. This increase in revenue was driven by increased advisory activity partially due to the acquisition of Petsky Prunier in Q4/19, offset by a reduction in principal trading revenue. Profitability in our US operations has strengthened over recent quarters, reaching $9.5 million in Q1/20 on an excluding significant items basis[1], again the highest in the past 8 quarters.

In our UK capital markets operations, a prolonged period of political and market uncertainty in the UK has impacted capital raising, advisory and related activities, resulting in a decline in revenue and profitability. As a result of restructuring efforts at the end of fiscal 2019, our UK operation operated close to a break-even level in Q1/20, marking a significant improvement over the larger losses reported in recent quarters.

Revenue generated in our Australian operations in Q1/20 was $5.9 million or 180.5% higher than Q4/19 at $9.2 million, but 25.3% lower compared to our record quarter in Q1/19. Our Australian operations have been negatively impacted by slower financing activity in the latter part of fiscal 2019. Contributing to revenue in this region, particularly in Q4/18 and Q3/18, were profits and gains recorded in certain inventory and warrant positions earned in respect of investment banking activity in the current and prior periods. As market prices decreased in Q4/19 and Q1/20 unrealized losses on these positions reduced gains recorded in prior quarters.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6.

Our Canaccord Genuity Wealth Management North America operations have grown as we continue to invest in that division, with an increase in revenue of $11.0 million or 23.6% in Q1/20 compared to the same period a year ago, also marking the highest quarterly revenue in the past 8 completed quarters. In addition to an increase in commissions and fees revenue, revenue attributable to investment banking activity in this segment also increased significantly over the past three quarters, reflecting the increased private client participation in new issue activity in our Canadian operations because of the increased activity in companies in new and developing industry sectors such as cannabis. Pre-tax income for Q1/20 was $9.3 million, reflecting a pre-tax profit margin of 16.0%, marking the best performing quarter for this sector. Assets under administration, including assets under management, increased by 12.2% compared to Q1/19 and 2.7% compared to the prior quarter.

The Canaccord Genuity Wealth Management UK & Europe operations were expanded over the past two years with the acquisitions of Hargreave Hale, McCarthy Taylor and Thomas Miller. Revenue generated in this region increased by 9.3% compared to Q1/19, and 13.3% compared to the prior quarter. Although this region incurred higher operating expenses resulting from our expanded operations and increased headcount, profit margins continued to be strong at 19.5% for Q1/20 on an excluding significant items basis(1). At the end of Q1/20, fee-related revenue was at 73.3%, an increase of 3.1 percentage points from Q1/19. Assets under management for this group decreased by 1.9%, reaching $45.6 billion as of the end of Q1/20, compared to $46.4 billion at the end of Q1/19.

The movement in revenue in the Corporate and Other division was mainly due to interest revenue, foreign exchange gains or losses resulting from fluctuations in the Canadian dollar.

Intersegment Allocated Costs

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

Financial Condition

Below are specific changes in selected items on the Q1/20 unaudited interim condensed consolidated statement of financial position as compared to the Audited Annual Consolidated Financial Statements.

ASSETS

Cash and cash equivalents were $585.5 million on June 30, 2019 compared to $820.7 million on March 31, 2019. Refer to the Liquidity and Capital Resources section on page 22 for more details.

Securities owned were $1.4 billion on June 30, 2019 compared to $690.5 million on March 31, 2019 mainly due to an increase in equities and convertible debentures owned as of June 30, 2019 from bought deal commitments.

Accounts receivable were $2.6 billion at June 30, 2019 compared to $2.7 billion at March 31, 2019, mainly due to decreases in receivables with brokers and investment dealers and clients.

Goodwill was $379.7 million and intangible assets were $171.6 million at June 30, 2019. At March 31, 2019, goodwill was $370.2 million and intangible assets were $154.5 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 and Thomas Miller.

As a result of the adoption of the IFRS 16 accounting standard for leases, right of use lease assets of $110.1 million was recorded as at June 30, 2019.

Other assets, consisting of income taxes receivable, deferred tax assets, equipment and leasehold improvements, and investments, were $58.2 million at June 30, 2019 compared to $56.6 million at March 31, 2019.

LIABILITIES

Bank overdrafts and call loan facilities utilized by the Company may vary significantly on a day-to-day basis and depend on securities trading activity. At June 30, 2019, the Company had available credit facilities with banks in Canada and the UK in the aggregate amount of $638.5 million [March 31, 2019 — $743.6 million]. These credit facilities, consisting of call loans, subordinated debt, letters of credit and daylight overdraft facilities, are collateralized by either unpaid client securities and/or securities owned by the Company. As of June 30, 2019, there was no bank indebtedness outstanding.

Securities sold short were $540.7 million at June 30, 2019 compared to $373.4 million at March 31, 2019, mostly due to an increase in short positions in corporate and government debt.

(1) Figures excluding significant items are non-IFRS measures. See Non-IFRS Measures on page 6.
(2) See Non-IFRS Measures on page 6.

Accounts payable and accrued liabilities, including provisions, were $3.5 billion at June 30, 2019, an increase from $3.1 billion at March 31, 2019, mainly due to increases in payables to brokers and investment dealers.

Other liabilities, including subordinated debt, income taxes payable, other long-term liability, and deferred tax liabilities, were $25.7 million at June 30, 2019, an increase from $22.6 million at March 31, 2019. The increase was mostly due to the increase in deferred tax liabilities.

There were also lease liabilities of $120.0 million recorded as of June 30, 2019 due to the adoption of IFRS 16.

A subsidiary of the Company entered into a £40.0 million (C$69.2 million as of June 30, 2019) senior credit facility to finance a portion of the cash consideration for its acquisition of Hargreave Hale. During the three months ended June 30, 2019, the Company obtained an additional loan of £17.0 million ($28.3 million) in connection with the acquisition of Thomas Miller. The balance outstanding as of June 30, 2019 net of unamortized financing fees was £50.8 million ($84.4 million) [March 31, 2019 — £34.3 million ($59.7 million)]. The loan is repayable in instalments of principal and interest over a period of 4 years. The interest rate on this loan is 2.8829% per annum as at June 30, 2019 [March 31, 2019 — 2.9646% per annum].

There were deferred and contingent considerations of $9.7 million and $112.9 million, respectively, recorded at June 30, 2019 [March 31, 2019 — $22.2 million and $108.3 million, respectively] in connection with the acquisitions of Hargreave Hale, Jitneytrade, McCarthy Taylor, Petsky Prunier, as well as Thomas Miller. There was also a promissory note of $5.5 million related to the purchase of an additional 30% interest in Canaccord Genuity (Australia) Limited.

Non-controlling interests were $2.3 million at June 30, 2019 compared to $2.0 million as at March 31, 2019, which represents 15% [March 31, 2019 — 15%] of the net assets of our operations in Australia.

Off-Balance Sheet Arrangements

As of June 30, 2018, a subsidiary of the Company had an irrevocable secured standby letter of credit from a financial institution totalling $2.8 million (US$2.1 million) [March 31, 2019 – $2.8 million (US$2.1 million)] as a rent guarantee for its leased premises in Boston and New York.

Bank Indebtedness and Other Credit Facilities

The Company enters into call loans or overdraft positions primarily to facilitate the securities settlement process for both client and Company securities transactions. The bank indebtedness is collateralized by unpaid client securities and/or securities owned by the Company. As of June 30, 2019, and March 31, 2019, the Company had $nil bank indebtedness outstanding.

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

The following table summarizes the Company's long-term contractual obligations on June 30, 2019:

		Contractual obligations payments due by period			
(C$ thousands)	Total	Fiscal 2021	Fiscal 2022 – Fiscal 2023	Fiscal 2024 – Fiscal 2025	Thereafter
Premises and equipment operating leases	111,081	20,276	44,235	30,459	16,111
Bank loan(1)	88,924	8,972	31,961	47,991	—
Convertible debentures(2)	165,906	8,295	16,591	141,020	—
Total contractual obligations	**365,911**	**37,543**	**92,787**	**219,470**	**16,111**

(1) Bank loan consists of £40,000,000 credit facility obtained to finance a portion of the cash consideration for the acquisition of Hargreave Hale and £15,000,000 for the acquisition of Thomas Mille. The bank loan bears interest at 2.8829% [March 31, 2019 — 2.9646%] per annum and is repayable in instalments of principal and interest over 4 years and matures in September 2023. The current balance outstanding is £50.8 million.

(2) Convertible debentures consist of the unsecured senior subordinated convertible debentures (the "Debentures") issued in Q2/19. The Debentures bear interest at a rate of 6.25% per annum and mature on December 31, 2023. The Company, under certain circumstances, may redeem the Debentures on or after December 31, 2021.

Liquidity and Capital Resources

The Company has a capital structure comprised of preferred shares, common shares, warrants, convertible debentures, contributed surplus, retained earnings (deficit) and accumulated other comprehensive income. On June 30, 2019, cash and cash equivalents were $585.5 million, a decrease of $235.2 million from $820.7 million as of March 31, 2019. During the three months ended June 30, 2019, financing activities used cash in the amount of $18.2 million, mainly due to purchases of common shares for the long-term incentive plan (LTIP) and cash dividends paid on common and preferred shares, partially offset by proceeds from a bank loan. Investing activities used cash in the amount of $32.8 million mainly for the acquisition of Thomas Miller and investment in an associate. Operating activities used cash in the amount of $165.3 million, which was largely due to changes in non-cash working capital. A decrease in cash of $19.0 million was attributable to the effect of foreign exchange translation on cash balances.

Compared to the three months ended June 30, 2018, cash used in financing activities increased by $0.1 million. Cash used in investing activities increased by $24.9 million during the three months ended June 30, 2019 compared to the same period last year, mainly due to the acquisition of Thomas Miller. Changes in non-cash working capital balances led to a decrease in cash used by operating activities of $74.1 million. In addition, cash balances decreased by $12.7 million from the effects of foreign exchange translation on cash balances in Q1/20 compared to Q1/19. Overall, cash and cash equivalents decreased by $153.8 million from $739.3 million at June 30, 2018 to $585.5 million at June 30, 2019.

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

Convertible Debentures

On August 22, 2018, the Company completed its bought deal offering of convertible unsecured senior subordinated debentures for gross proceeds of $59,225,000 (the Offered Debentures). The Company had also closed the concurrent non-brokered private placement with a large Canadian asset manager for gross proceeds of $73,500,000, which together with the gross proceeds from the Offered Debentures, represent an aggregate principal amount of $132,725,000 (together with the Offered Debentures, the "Convertible Debentures"). The proceeds of the non-brokered private placement were used to repay the convertible debentures issued in October 2016 in the principal amount of $60,000,000 and a premium of $13,500,000 for a total of $73,500,000.

The Convertible Debentures bear interest at a rate of 6.25% per annum, payable semi-annually on the last day of December and June each year commencing December 31, 2018. The Convertible Debentures are convertible at the holder's option into common shares of the Company, at a conversion price of $10.00 per common share. The Convertible Debentures mature on December 31, 2023 and may be redeemed by the Company in certain circumstances, on or after December 31, 2021.

Outstanding Share Data

	Outstanding shares as of June 30	
	2019	2018
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)	**106,540,215**	96,502,248
Issued shares outstanding(2)	**115,747,558**	113,548,507
Issued shares outstanding – diluted(3)	**132,759,400**	124,645,638
Average shares outstanding – basic	**100,084,773**	94,363,223
Average shares outstanding – diluted(4)	**129,909,773**	117,540,585

(1) Excludes 9,207,343 unvested shares purchased by employee benefit trusts for the LTIP
(2) Includes 9,207,343 unvested shares purchased by employee benefit trusts for the LTIP
(3) Includes 17,011,842 share issuance commitments net of forfeitures.
(4) This is the diluted share number used to calculate diluted EPS.

On August 10, 2018, the Company filed a notice to renew the normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 5,677,589 of its common shares during the period from August 15, 2018 to August 14, 2019 through the facilities of the TSX and on alternative trading systems in accordance with the requirements of the TSX. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares for cancellation. The maximum number of shares that may be purchased under the current NCIB represents 5.0% of the Company's outstanding common shares at the time of the notice. During the three months ended June 30, 2019, there were no shares purchased and cancelled under the NCIB.

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 15, 2018 and will continue for one year (to August 14, 2019) 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 60,212 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 2018 to July 2018 [25% of the ADTV of 240,851]).

As of July 31, 2019, the Company has 115,750,177 common shares issued and outstanding.

Share-Based Payment Plans

There have been no updates to the share-based payment plans discussed in the 2019 Annual Report.

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. On June 30, 2019, forward contracts outstanding to sell US dollars had a notional amount of US$6.1 million, a decrease of US $32.6 million compared to June 30, 2018. Forward contracts outstanding to buy US dollars had a notional amount of US $6.0 million, an increase of US $4.6 million from June 30, 2018. The fair value of these contracts was nominal. Some of the Company's operations in the US, the UK & Europe, Australia, Hong Kong and China are conducted in the local currency; however, any foreign exchange risk in respect of these transactions is generally limited as pending settlements on both sides of the transaction are typically in the local currency.

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

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

FUTURES

The Company's Canadian operations are involved in trading various futures contracts, in an attempt to mitigate market risk, interest rate risk, yield curve risk and liquidity risk. Futures contracts are agreements to buy or sell a standardized amount of an underlying asset, at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and are subject to daily cash margining. The Company's Canadian operations have traditionally engaged in the trading of Canadian & 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 June 30, 2019, the notional amount of the Canadian bond futures contracts outstanding was short $1.0 million [March 31, 2019 – long $0.1 million]. The Company's Canadian operations are also involved in trading US Treasury futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. As at June 30, 2019, the notional amount of the US bond futures contracts outstanding was long $0.4 million (US$0.3 million) [March 31, 2019 – nil].

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 22 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, and a performance stock options plan. Directors have the right to acquire deferred share units (DSUs).

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

(C$ thousands)	June 30, 2019	March 31, 2019
Accounts receivable	$ 1,699	$ 837
Accounts payable and accrued liabilities	1,041	942

Critical Accounting Policies and Estimates

The unaudited interim condensed consolidated financial statements for the quarter ended June 30, 2019 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, allowance for credit losses, fair value of financial instruments, capitalization of intangible assets related to software costs and provisions. Amendments may be made to estimates relating to net assets acquired in an acquisition as well as the allocation of identifiable intangible assets between indefinite life and finite lives. Judgments, estimates and assumptions were also utilized in connection with the preliminary purchase price allocation including the valuation of goodwill and intangible assets acquired in connection with the acquisitions of Petsky Prunier, McCarthy Taylor. and Thomas Miller.

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 CGU to which goodwill and indefinite life intangible assets are allocated. Where the carrying amount of a CGU exceeds its recoverable amount, an impairment loss is recognized. Any impairment loss first reduces the carrying amount of any goodwill allocated to the CGUs and then if any impairment loss remains, the other assets of the unit are reduced on a pro rata basis. Impairment losses relating to goodwill cannot be reversed in future periods. 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.

Significant accounting policies used and policies requiring management's judgment and estimates have not changed during the first quarter of fiscal 2020 and are discussed under "Critical Accounting Policies and Estimates" in our 2019 Annual Report.

Changes in Accounting Policies

The accounting policies applied in the preparation of the Q1/20 unaudited interim condensed consolidated financial statements are consistent with those discussed in Note 5 of the Audited Annual Consolidated Financial Statements except for the following new accounting standards adopted as of April 1, 2019:

IFRS 16, Leases

In January 2016, the IASB issued IFRS 16, Leases (IFRS 16), which replaces IAS 17, Leases (IAS 17), with the key change being that lessee accounting will eliminate the IAS 17 distinction between operating leases and finance leases, treating most leases in the same manner as finance leases under IAS 17. The new standard requires lessees to recognize assets and liabilities for most leases, other than leases eligible for low-value (less than USD $5,000) or short-term (12 months or less) exemption.

Where an arrangement meets the IFRS 16 definition of a lease, at the commencement a loan obligation for future lease payables will be recognized together with a non-current asset representing the right to use the underlying asset during the lease term. In place of the lease rental expense in the consolidated statement of operations, lease costs will be recognized in the form of depreciation of the right-of-use asset and interest on the lease liability. IFRS 16 also has the effect of skewing expenses towards the earlier years of a lease (when the outstanding lease liability, and thus interest expense, is higher), although both the total expense and cash flows during the life of a lease are identical under IFRS 16 and IAS 17.

The Company has implemented IFRS 16 for its fiscal year ending March 31, 2020 and has elected to adopt IFRS 16 using the modified retrospective method with no restatement of prior year comparatives. The Company has also elected to take advantage of the option not to recognize a right of use asset and associated lease liability for low-value (less than USD $5,000) or short-term (12 months or less) assets. In addition, the Company has taken advantage of the following transitional options to;

- treat all leases that have less than 12 months remaining at the date of transition as short-term leases.
- apply a single discount rate to all leases
- rely on existing assessments on whether leases are onerous in accordance with IAS 37 Provisions, *Contingent Liabilities and Contingent Assets*
- exclude initial direct costs from the measurement of right of use assets at the date of initial application
- use hindsight in the assessment of determining lease terms in those situations where leases contain an option to extend or terminate the lease

Accordingly, upon adoption of IFRS 16 on April 1, 2019, the Company has recognized both a right of use (ROU) asset and a corresponding lease liability for each lease (subject to the low-value and short-term exemptions noted above). Lease liabilities were calculated at the present value of expected lease payments with right of use assets reflecting the same values after adjustment for prepaid rental payments and onerous lease provisions as applicable.

As at April 1, 2019, the Company has recognized in its consolidated statement of financial position the right of use assets and corresponding lease liabilities of $117.4 million and $126.2 million, respectively. For the three months ended June 30, 2019, the Company recorded amortization expense related to the ROU assets of $5.6 million and interest expense related to the lease liabilities of $1.7 million.

IFRIC 23 Interpretation 23 Uncertainty Over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

– Whether an entity considers uncertain tax treatments separately

– The assumptions an entity makes about the examination of tax treatments by taxation authorities

– How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

– How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution needs to be followed.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation as of April 1, 2019, the Company considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiary tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the interim condensed consolidated financial statements for the three months ended June 30, 2019.

Amendments to IAS 12 Income Taxes

The amendments to IAS 12 Income Taxes clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognized those past transactions or events.

The Company adopted the amendments to IAS 12 commencing on April 1, 2019. Since the Company's current practice is in line with these amendments, they had no impact on the interim condensed consolidated financial statements for the three months ended June 30, 2019.

Future Changes in Accounting Policies and Estimates

There have been no updates to the "Future Changes in Accounting Policies and Estimates" disclosed in our 2019 Annual Report, during the three months ended June 30, 2019.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

DISCLOSURE CONTROLS AND PROCEDURES

As of June 30, 2019, 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 at June 30, 2019.

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 June 30, 2019, 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 August 6, 2019, the Board of Directors approved a dividend of $0.05 per common share, payable on September 10, 2019, with a record date of August 30, 2019.

On August 6, 2019, the Board of Directors approved a cash dividend of $0.24281 per Series A Preferred Share payable on September 30, 2019 to Series A Preferred shareholders of record as at September 13, 2019.

On August 6, 2019, the Board of Directors approved a cash dividend of $0.31206 per Series C Preferred Share payable on September 30, 2019 to Series C Preferred shareholders of record as at September 13, 2019.

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 a significant 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 principal trading activities in equity securities and to interest rate risk and credit spread risk as a result of its principal trading in fixed income securities. In addition, the Company's operations in the UK are exposed to market risk and volatility risk associated with the UK's decision to depart from the EU, referred to as "Brexit". 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. 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 Canada, the US, the UK & Europe, Hong Kong, Australia and elsewhere. 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 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 24 of the Company's 2019 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 third party proceedings which may have a material adverse effect on the Company business, revenues, operating results and financial condition as well as the Company's reputation, even if such proceedings were concluded successfully in favour of the Company. The Company has determined that any such proceedings are unlikely and, accordingly, has not recorded a provision in respect of such matters.

Further discussion regarding risks can be found in our Annual Information Form.

Additional Information

A comprehensive discussion of the Company's business, strategies, objectives and risks is available in our Annual Information Form and in the Management's Discussion and Analysis and Audited Annual Consolidated Financial Statements included in our 2019 Annual Report, which are available on our website at *www.canaccordgenuitygroup.com/EN/IR/FinReports/Pages/default.aspx and on SEDAR at www.sedar.com*.

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at (in thousands of Canadian dollars)	Notes	June 30, 2019	March 31, 2019
ASSETS			
Current			
Cash and cash equivalents		$ 585,502	$ 820,739
Securities owned	4	1,416,525	690,499
Accounts receivable	6,18	2,636,928	2,656,664
Income taxes receivable	3	7,473	2,502
Total current assets		4,646,428	4,170,404
Deferred tax assets		17,838	22,117
Investments	7	8,170	6,224
Equipment and leasehold improvements		24,685	25,792
Intangible assets	9	171,610	154,521
Goodwill	9	379,678	370,236
Right of use assets	3	110,087	—
		$ 5,358,496	$ 4,749,294
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Bank Indebtedness	5	$ —	$ 9,639
Securities sold short	4	540,668	373,419
Accounts payable and accrued liabilities	6,18	3,481,370	3,123,765
Provisions	20	8,834	18,212
Income taxes payable		5,492	5,415
Subordinated debt	5,11	7,500	7,500
Current portion of bank loan	12	3,324	9,294
Current portion of lease liabilities	5	22,326	—
Current portion of contingent consideration	5,8	29,729	—
Total current liabilities		4,099,243	3,547,244
Deferred tax liabilities		11,063	7,978
Convertible debentures	13	127,492	127,225
Deferred consideration	5,8	9,653	22,225
Contingent consideration	5,8	83,139	108,319
Promissory note	5	5,516	5,832
Other long-term liability	5	1,662	1,741
Lease liabilities	5	97,675	—
Bank loan	12	81,070	50,370
		4,516,513	3,870,934
Shareholders' equity			
Preferred shares	14	205,641	205,641
Common shares	15	691,135	672,896
Equity portion of convertible debentures	13	5,156	5,156
Warrants	15	—	1,975
Deferred consideration		13,091	—
Contributed surplus		64,653	124,710
Retained deficit		(235,033)	(237,770)
Accumulated other comprehensive income		95,044	103,755
Total shareholders' equity		839,687	876,363
Non-controlling interests		2,296	1,997
Total equity		841,983	878,360
		$ 5,358,496	$ 4,749,294

See accompanying notes

On behalf of the Board:

"*Daniel Daviau*"

DANIEL DAVIAU
Director

"*Terrence A. Lyons*"

TERRENCE A. LYONS
Director

Unaudited Interim Condensed Consolidated Statements of Operations

(in thousands of Canadian dollars, except per share amounts)	Notes	For the three months ended June 30, 2019	June 30, 2018
REVENUE			
Commissions and fees		$ 141,792	$ 136,380
Investment banking		84,801	67,521
Advisory fees		53,804	24,914
Principal trading		25,073	30,908
Interest		15,185	9,246
Other		4,853	5,154
		325,508	274,123
EXPENSES			
Compensation expense		194,908	166,333
Trading costs		20,120	18,500
Premises and equipment		4,784	9,947
Communication and technology		16,358	15,186
Interest		8,111	5,594
General and administrative		30,367	23,684
Amortization		7,936	6,638
Amortization of right of use assets		5,582	—
Development costs		5,209	3,859
Restructuring costs		—	1,316
Acquisition-related costs		512	1,173
Share of loss of an associate	7	269	11
		294,156	$ 252,241
Net income before income taxes		31,352	21,882
Income taxes			
Current		2,751	2,484
Deferred		4,311	749
	10	7,062	3,233
Net income for the period		$ 24,290	$ 18,649
Net income attributable to:			
CGGI shareholders		$ 24,205	$ 17,616
Non-controlling interests		$ 85	$ 1,033
Weighted average number of common shares outstanding (thousands)			
Basic		100,085	94,363
Diluted		129,910	117,541
Net income per common share			
Basic	15	$ 0.22	$ 0.16
Diluted	15	$ 0.18	$ 0.14
Dividend per common share	16	$ 0.05	$ 0.01
Dividend per Series A Preferred Share	16	$ 0.24	$ 0.24
Dividend per Series C Preferred Share	16	$ 0.31	$ 0.31

See accompanying notes

Unaudited Interim Condensed Consolidated Statements of Comprehensive Income

	For the three months ended			
		June 30, 2019		June 30, 2018
Net income for the period	$	**24,290**	$	18,649
Other comprehensive income				
Net change in unrealized losses on translation of foreign operations		(7,963)		(12,892)
Comprehensive income for the period	$	**16,327**	$	5,757
Comprehensive income attributable to:				
CGGI shareholders	$	**15,494**	$	3,769
Non-controlling interests	$	**833**	$	1,988

See accompanying notes

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

For the three months ended (in thousands of Canadian dollars)	Notes	June 30, 2019	June 30, 2018
Preferred shares, opening and closing	14	$ 205,641	$ 205,641
Common shares, opening		672,896	649,846
Shares issued in connection with share-based payments		30	233
Acquisition of common shares for long-term incentive plan (LTIP)		(7,403)	(17,160)
Release of vested common shares from employee benefit trusts		63,116	30,475
Shares issued through exercise of private placements warrants		550	—
Shares committed to purchase under substantial issuer bid		(40,000)	—
Unvested share purchase loans		1,946	271
Common shares, closing	15	691,135	663,665
Warrants, opening	15	1,975	1,975
Reclassification to liability		(1,975)	—
Warrants, closing		—	1,975
Convertible debentures – equity, opening and closing		5,156	2,604
Contributed surplus, opening		124,710	145,426
Share-based payments, amortization net of vestings		(57,968)	(23,879)
Change in deferred tax asset relating to share based payments		(143)	73
Unvested share purchase loans		(1,946)	(97)
Contributed surplus, closing		64,653	121,523
Retained deficit, opening		(237,770)	(277,472)
Net income attributable to CGGI shareholders		24,205	17,616
Preferred share dividends	16	(2,351)	(2,351)
Common share dividends	16	(19,117)	(13,119)
Retained deficit, closing		(235,033)	(275,326)
Deferred consideration, opening		—	—
Reclassification of the deferred consideration in connection with the acquisition of Petsky Prunier LLC from liability to equity		13,091	—
Deferred consideration, closing		13,091	—
Accumulated other comprehensive income, opening		103,755	113,332
Other comprehensive loss attributable to CGGI shareholders		(8,711)	(13,847)
Accumulated other comprehensive income, closing		95,044	99,485
Total shareholders' equity		839,687	819,567
Non-controlling interests, opening		1,997	13,571
Foreign exchange on non-controlling interests		(534)	(300)
Comprehensive income attributable to non-controlling interests		833	1,988
Non-controlling interests, closing		2,296	15,259
Total equity		$ 841,983	$ 834,826

See accompanying notes

Unaudited Interim Condensed Consolidated Statements of Cash Flows

For the three months ended (in thousands of Canadian dollars)	Notes	June 30, 2019	June 30, 2018
OPERATING ACTIVITIES			
Net income for the period		$ 24,290	$ 18,649
Items not affecting cash			
Amortization		7,936	6,638
Amortization of right of use assets		5,582	—
Deferred income tax expense		4,311	749
Share-based compensation expense	17	7,293	7,890
Share of loss of associate	7	269	11
Interest expense in connection with lease liabilities		1,741	—
Changes in non-cash working capital			
Increase in securities owned		(724,394)	(156,582)
Decrease (increase) in accounts receivable		135,114	(178,950)
Increase in net income taxes receivable		(4,516)	(7,591)
Increase in securities sold short		167,249	117,075
Increase in accounts payable, accrued liabilities and provisions		209,865	100,986
Cash used in operating activities		(165,260)	(91,125)
FINANCING ACTIVITIES			
Bank indebtedness		(9,639)	14,526
Acquisition of common shares for long-term incentive plan		(7,403)	(17,160)
Proceeds from bank loan		26,318	—
Cash dividends paid on common shares		(19,117)	(13,119)
Cash dividends paid on preferred shares		(2,351)	(2,351)
Lease payments		(5,985)	—
Cash used in financing activities		(18,177)	(18,104)
INVESTING ACTIVITIES			
Purchase of equipment and leasehold improvements		(628)	(362)
Acquisition of Thomas Miller, net of cash acquired		(27,634)	—
Acquisition of Jitneytrade Inc. and Finlogik Inc., net of cash acquired		—	(7,547)
Purchase of investment		(498)	—
Investment in associate		(4,000)	—
Cash used in investing activities		(32,760)	(7,909)
Effect of foreign exchange on cash balances		(19,040)	(6,389)
Decrease in cash position		(235,237)	(123,527)
Cash position, beginning of period		820,739	862,838
Cash position, end of period		$ 585,502	$ 739,311
Supplemental cash flow information			
Interest received		$ 15,258	$ 10,711
Interest paid		$ 5,811	$ 5,120
Income taxes paid		$ 8,018	$ 10,515

See accompanying notes

Notes to Unaudited Interim Condensed Consolidated Financial Statements

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

NOTE 01 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 Canada, the United Kingdom (UK) & Europe, the United States of America (US), Australia, China and Dubai. The Company also has wealth management operations in Canada, the UK & Europe, and Australia. The Company has operations in each of the two principal segments of the securities industry: capital markets and wealth management. Together, these operations offer a wide range of complementary investment products, brokerage services and investment banking services to the Company's private, institutional and corporate clients.

Canaccord Genuity Group Inc. was incorporated on February 14, 1997 by the filing of a memorandum and articles with the Registrar of Companies for British Columbia under the *Company Act* (British Columbia) and continues in existence under the *Business Corporations Act* (British Columbia). The Company's head office is located at Suite 2200 – 609 Granville Street, Vancouver, British Columbia, V7Y 1H2. The Company's registered office is located at Suite 400 – 725 Granville Street, Vancouver, British Columbia, V7Y 1G5.

The Company's common shares are publicly traded under the symbol CF on the Toronto Stock Exchange (TSX). The Company's Series A Preferred Shares are listed on the TSX under the symbol CF.PR.A. The Company's Series C Preferred Shares are listed on the TSX under the symbol CF.PR.C. The Company's 6.25% Convertible Unsecured Senior Subordinated Debentures are listed on the TSX under the symbol CF.DA.A.

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

NOTE 02 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, 2019 (March 31, 2019 consolidated financial statements) filed on SEDAR on June 5, 2019. All defined terms used herein are consistent with those terms defined in the March 31, 2019 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 which have been measured at fair value as set out in the relevant accounting policies.

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 August 6, 2019.

USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying note disclosures, and the disclosure of contingent liabilities at the reporting date. Therefore, actual results may differ from those estimates and assumptions. The significant judgments, estimates and assumptions include consolidation, revenue recognition, share-based payments, income taxes and valuation of deferred tax assets, impairment of goodwill, intangible assets and other long-lived assets, allowance for credit losses, fair value of financial instruments, capitalization of intangible assets related to software costs, and provisions. Amendments may be made to estimates relating to net assets acquired in an acquisition as well as the allocation of identifiable intangible assets between indefinite life and finite lives. Judgments, estimates and assumptions were also utilized in connection with the preliminary purchase price allocation including the valuation of goodwill and intangible assets acquired in connection with the acquisitions of Petsky Prunier LLC, McCarthy Taylor Ltd. and Thomas Miller Wealth Management Limited.

In the discussions below, unless otherwise noted, Hargreave Hale Limited is referred to as "Hargreave Hale", Petsky Prunier LLC is referred to as "Petsky Prunier", McCarthy Taylor Ltd. is referred to as "McCarthy Taylor", and Thomas Miller Wealth Management Limited is referred to as "Thomas Miller".

NOTE 03 Adoption of New and Revised Standards

The accounting policies applied in the preparation of these unaudited interim condensed consolidated financial statements are consistent with those discussed in Note 5 of the March 31, 2019 consolidated financial statements except the Company adopted the following new accounting standards as of April 1, 2019:

IFRS 16, Leases

In January 2016, the IASB issued IFRS 16, *Leases* (IFRS 16), which replaces IAS 17, *Leases* (IAS 17), with the key change being that lessee accounting will eliminate the IAS 17 distinction between operating leases and finance leases, treating most leases in the same manner as finance leases under IAS 17. The new standard requires lessees to recognize assets and liabilities for most leases, other than leases eligible for low-value (less than USD $5,000) or short-term (12 months or less) exemption.

Where an arrangement meets the IFRS 16 definition of a lease, at the commencement a loan obligation for future lease payables will be recognized together with a non-current asset representing the right to use the underlying asset during the lease term. In place of the lease rental expense in the consolidated statement of operations, lease costs will be recognized in the form of amortization of the right-of-use asset and interest on the lease liability. IFRS 16 also has the effect of skewing expenses towards the earlier years of a lease (when the outstanding lease liability, and thus interest expense, is higher), although both the total expense and cash flows during the life of a lease are identical under IFRS 16 and IAS 17.

The Company has implemented IFRS 16 for its fiscal year ending March 31, 2020 and has elected to adopt IFRS 16 using the modified retrospective method with no restatement of prior year comparatives. The Company has also elected to take advantage of the option not to recognize a right of use asset and associated lease liability for low-value (less than USD $5,000) or short-term (12 months or less) assets. In addition, the Company has taken advantage of the following transitional options to;

- treat all leases that have less than 12 months remaining at the date of transition as short-term leases.
- apply a single discount rate to all leases
- rely on existing assessments on whether leases are onerous in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*
- exclude initial direct costs from the measurement of right of use assets at the date of initial application
- use hindsight in the assessment of determining lease terms in those situations where leases contain an option to extend or terminate the lease

Accordingly, upon adoption of IFRS 16 on April 1, 2019, the Company has recognized both a right of use (ROU) asset and a corresponding lease liability for each lease (subject to the low-value and short-term exemptions noted above). Lease liabilities were calculated at the present value of expected lease payments with right of use assets reflecting the same values after adjustment for prepaid rental payments and onerous lease provisions as applicable.

As at April 1, 2019, the Company has recognized in its consolidated statement of financial position the right of use assets and corresponding lease liabilities of $117.4 million and $126.2 million, respectively.

For the three months ended June 30, 2019, the Company recorded amortization expense related to the ROU assets of $5.6 million and interest expense related to the lease liabilities of $1.7 million.

IFRIC 23 Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

– Whether an entity considers uncertain tax treatments separately

– The assumptions an entity makes about the examination of tax treatments by taxation authorities

– How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

– How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution needs to be followed.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation as of April 1, 2019, the Company considered whether it has any uncertain tax positions, and determined, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The interpretation did not have an impact on the interim condensed consolidated financial statements for the three months ended June 30, 2019.

Amendments to IAS 12 Income Taxes

The amendments to IAS 12 Income Taxes clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognized those past transactions or events.

The Company adopted the amendments to IAS 12 commencing on April 1, 2019. Since the Company's current practice is in line with these amendments, they had no impact on the interim condensed consolidated financial statements for the three months ended June 30, 2019.

NOTE 04 Securities Owned and Securities Sold Short

	June 30, 2019		March 31, 2019	
	Securities owned	**Securities sold short**	Securities owned	Securities sold short
Corporate and government debt	**$ 579,848**	**$ 481,103**	$ 364,546	$ 262,720
Equities and convertible debentures	**836,677**	**59,565**	325,953	110,699
	$ 1,416,525	**$ 540,668**	$ 690,499	$ 373,419

As at June 30, 2019, corporate and government debt maturities range from 2019 to 2098 [March 31, 2019 – 2019 to 2098] and bear interest ranging from 0.00% to 14.00% [March 31, 2019 – 0.00% to 14.00%].

NOTE 05 Financial Instruments

The categories of financial instruments, other than cash and cash equivalents and bank indebtedness, as well as investment accounted for under the equity method, held by the Company at June 30, 2019 and March 31, 2019 are as follows:

	Fair value through profit and loss		Fair value through other comprehensive income		Amortized cost		Total	
	June 30, 2019	March 31, 2019	June 30, 2019	March 31, 2019	June 30, 2019	March 31, 2019	June 30, 2019	March 31, 2019
Financial assets								
Securities owned	**$ 1,409,987**	$ 683,920	**$ 6,538**	$ 6,579	**$ —**	$ —	**$ 1,416,525**	$ 690,499
Accounts receivable from brokers and investment dealers	**—**	—	**—**	—	**1,432,632**	1,498,516	**1,432,632**	1,498,516
Accounts receivable from clients	**—**	—	**—**	—	**619,532**	530,933	**619,532**	530,933
RRSP cash balances held in trust	**—**	—	**—**	—	**305,558**	328,528	**305,558**	328,528
Other accounts receivable	**—**	—	**—**	—	**279,206**	298,687	**279,206**	298,687
Investments	**4,412**	3,993	**—**	—	**—**	—	**4,412**	3,993
Total financial assets	**$ 1,414,399**	$ 687,913	**$ 6,538**	$ 6,579	**$ 2,636,928**	$ 2,656,664	**$ 4,057,865**	$ 3,351,156
Financial liabilities								
Securities sold short	**$ 540,668**	$ 373,419	**$ —**	$ —	**$ —**	$ —	**$ 540,668**	$ 373,419
Accounts payable to brokers and investment dealers	**—**	—	**—**	—	**1,796,555**	1,166,550	**1,796,555**	1,166,550
Accounts payable to clients	**—**	—	**—**	—	**1,438,024**	1,499,390	**1,438,024**	1,499,390
Other accounts payable and accrued liabilities	**—**	—	**—**	—	**246,791**	457,825	**246,791**	457,825
Subordinated debt	**—**	—	**—**	—	**7,500**	7,500	**7,500**	7,500
Convertible debentures	**—**	—	**—**	—	**127,492**	127,225	**127,492**	127,225
Deferred consideration	**9,653**	22,225	**—**	—	**—**	—	**9,653**	22,225
Contingent consideration	**112,868**	108,319	**—**	—	**—**	—	**112,868**	108,319
Promissory note	**—**	—	**—**	—	**5,516**	5,832	**5,516**	5,832
Other long-term liability	**—**	—	—	—	**1,662**	1,741	**1,662**	1,741
Bank loan	**—**	—	—	—	**84,394**	59,664	**84,394**	59,664
Total financial liabilities	**$ 663,189**	$ 503,963	**$ —**	$ —	**$ 3,707,934**	$ 3,325,727	**$ 4,371,123**	$ 3,829,690

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 June 30, 2019, the Company held the following classes of financial instruments measured at fair value:

		Estimated fair value June 30, 2019		
	June 30, 2019	**Level 1**	**Level 2**	**Level 3**
Securities owned				
Corporate debt	67,525	—	67,525	—
Government debt	512,323	158,877	353,446	—
Corporate and government debt	579,848	158,877	420,971	—
Equities	835,246	766,153	61,886	7,207
Convertible debentures	1,431	—	1,431	—
Equities and convertible debentures	836,677	766,153	63,317	7,207
	1,416,525	925,030	484,288	7,207
Investments	4,412	—	—	4,412
	1,420,937	925,030	484,288	11,619
Securities sold short				
Corporate debt	(4,539)	—	(4,539)	—
Government debt	(476,564)	(175,976)	(300,588)	—
Corporate and government debt	(481,103)	(175,976)	(305,127)	—
Equities	(59,565)	(47,204)	(12,361)	—
Convertible debentures	—	—	—	—
Equities and convertible debentures	(59,565)	(47,204)	(12,361)	—
	(540,668)	(223,180)	(317,488)	—
Deferred consideration(1)	(9,653)	—	—	(9,653)
Contingent consideration(1)	(112,868)	—	—	(112,868)
	(663,189)	(223,180)	(317,488)	(122,521)

(1) Contingent and deferred considerations are settled in cash and the promissory note may be partially or completely settled in shares at the Company's option. They are classified as financial liabilities with any subsequent gains or losses recognized in earnings.

As at March 31, 2019, the Company held the following classes of financial instruments measured at fair value:

			Estimated fair value	
			March 31, 2019	
	March 31, 2019	Level 1	Level 2	Level 3
Securities owned				
Corporate debt	$ 79,642	$ —	$ 79,642	$ —
Government debt	284,904	49,946	234,958	—
Corporate and government debt	364,546	49,946	314,600	—
Equities	325,683	262,641	62,991	51
Convertible debentures	270	—	270	—
Equities and convertible debentures	325,953	262,641	63,261	51
	690,499	312,587	377,861	51
Investments	3,993	—	—	3,993
	$ 694,492	$ 312,587	$ 377,861	$ 4,044
Securities sold short				
Corporate debt	$ (6,613)	$ —	$ (6,613)	$ —
Government debt	(256,107)	(54,852)	(201,255)	—
Corporate and government debt	(262,720)	(54,852)	(207,868)	—
Equities	(110,699)	(94,797)	(15,902)	—
Convertible debentures	—	—	—	—
Equities and convertible debentures	(110,699)	(94,797)	(15,902)	—
	(373,419)	(149,649)	(223,770)	—
Deferred considerations	(22,225)	—	—	(22,225)
Contingent consideration	(108,319)	—	—	(108,319)
	$ (503,963)	$ (149,649)	$ (223,770)	$ (130,544)

Movement in net Level 3 financial liabilities

Balance, March 31, 2019	$ (126,500)
Addition of contingent consideration in connection with the acquisition of Thomas Miller [Note 8]	(14,769)
Addition of deferred consideration in connection with the acquisition of Thomas Miller [Note 8]	(1,211)
Purchase of investments	498
Payment of deferred consideration in connection with acquisition of Hargreave Hale	6,549
Reclassification of deferred consideration in connection with acquisition of Petsky Prunier to equity	13,091
Reclassification of inventory positions to level 3	7,167
Foreign exchange revaluation of deferred and contingent consideration	4,273
Balance, June 30, 2019	$ (110,902)

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.

Level 2 financial instruments also include the Company's investment in Euroclear, which has an estimated fair value of $6.5 million (€4.4 million) as at June 30, 2019 [March 31, 2019 – $6.6 million (€4.4 million)]. The current fair value is determined using a market-based approach. This investment is classified as a financial asset measured at fair value through other comprehensive income.

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 held for trading investments as at June 30, 2019 was $7.2 million [March 31, 2019 – $0.1 million].

As at June 30, 2019, the Company held investments of $3.9 million in Family Office Network and Capital Markets Gateway, which have been classified as Level 3 financial instruments given the investments do not have any observable inputs or market indicators. During the three months ended June 30, 2019, the Company also made an investment of $0.5 million in Castle Ridge Asset Management Ltd which has also been classified as Level 3 financial instruments. [Note 7].

Level 3 financial liabilities also include the deferred and contingent considerations included as part of the total purchase consideration for the acquisitions of Hargreave Hale, Jitneytrade, McCarthy Taylor, Petsky Prunier and Thomas Miller. The fair value for these financial liabilities approximate their carrying value as of June 30, 2019.

The fair value measurements determined as described above may not be indicative of net realizable value or reflective of future values, although 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.

Forward contracts outstanding at June 30, 2019:

		Notional amount (millions)	Average price	Maturity		Fair value
To sell US dollars	USD$	6.1	$ 1.31 (CAD/USD)	July 2, 2019	$	3
To buy US dollars	USD$	6.0	$ 1.38 (CAD/USD)	July 2, 2019	$	(298)

Forward contracts outstanding at March 31, 2019:

		Notional amount (millions)	Average price	Maturity		Fair value
To sell US dollars	USD$	0.2	$ 1.34 (CAD/USD)	April 1, 2019	$	0
To buy US dollars	USD$	5.7	$ 1.34 (CAD/USD)	April 1, 2019	$	(9)

The Company's Canaccord Genuity Wealth Management segment in the UK & Europe trades foreign exchange forward contracts on behalf of its clients and establishes matching contracts with the counterparties. The Company has no significant net exposure, assuming no counterparty default. The principal currencies of the forward contracts are: the UK pound sterling, the US dollar, or the Euro. The weighted average term to maturity is 49 days as at June 30, 2019 [March 31, 2019 – 77 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 June 30, 2019 and March 31, 2019, respectively. The fair value of the forward contract assets and liabilities is included in the accounts receivable and payable balances.

	June 30, 2019			March 31, 2019		
	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Foreign exchange forward contracts	$ 1,749	$ 1,578	$ 177,320	$ 1,124	$ 1,011	$ 102,052

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 June 30, 2019, the notional amount of the bond futures contracts outstanding was long $1.0 million [March 31, 2019 – long $0.1 million].

The Company's Canadian operations are also involved in trading US Treasury futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. As at June 30, 2019, the notional amount of the US bond futures contracts outstanding was long $0.4 million (US$0.3 million) [March 31, 2019 – nil].

The fair value of all of the above futures contracts is nominal due to their short term to maturity and are 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
June 30, 2019	**$ 280,741**	**$ 82,312**	**$ 109,979**	**$ 323,905**
March 31, 2019	$ 314,448	$ 45,328	$ 66,239	$ 407,561

Securities lending and borrowing are included in the accounts receivable and accounts payable and accrued liabilities balances on the 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 June 30, 2019 the Company had a balance of $nil outstanding [March 31, 2019 – $9.6 million [(£5.5 million)].

BANK LOAN

A subsidiary of the Company entered into a £40.0 million (C$69.2 million as of June 30, 2019) senior credit facility to finance a portion of the cash consideration for its acquisition of Hargreave Hale. During the three months ended June 30, 2019, the Company obtained an additional loan of £17.0 million ($28.3 million) in connection with the acquisition of Thomas Miller. The balance outstanding as of June 30, 2019 net of unamortized financing fees was £50.8 million ($84.4 million) [March 31, 2019 – £34.3 million ($59.7 million)]. The loan is repayable in instalments of principal and interest over a period of 4 years and matures in September 2023. The interest rate on this loan is 2.8829% per annum as at June 30, 2019 [March 31, 2019 – 2.9646% per annum].

OTHER CREDIT FACILITIES

Excluding the bank loan in connection with the acquisitions of Hargreave Hale and Thomas Miller as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $638.5 million [March 31, 2019 – $743.6 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 June 30, 2019, there were no balances outstanding under these other credit facilities [March 31, 2019 – $nil].

A subsidiary of the Company has also entered into secured irrevocable standby letters of credit from a financial institution totaling $2.8 million (US$2.1 million) [March 31, 2019 – $2.8 million (US$2.1 million)] as rent guarantees for its leased premises in New York. As of June 30, 2019 and March 31, 2019, there were no outstanding balances under these standby letters of credit.

NOTE 06 Accounts Receivable and Accounts Payable and Accrued Liabilities

ACCOUNTS RECEIVABLE

	June 30, 2019	March 31, 2019
Brokers and investment dealers	$ 1,432,632	$ 1,498,516
Clients	619,532	530,933
RRSP cash balances held in trust	305,558	328,528
Other	279,206	298,687
	$ 2,636,928	$ 2,656,664

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2019	$ March 31, 2019
Brokers and investment dealers	$ 1,796,555	$ 1,166,550
Clients	1,438,024	1,499,390
Other	246,791	457,825
	$ 3,481,370	$ 3,123,765

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 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 [June 30, 2019 – 6.95% to 8.5% and 0.00% to 0.15%, respectively; March 31, 2019 – 6.95% to 8.50% and 0.00% to 0.95%, respectively].

As at June 30, 2019, the allowance for doubtful accounts was $4.5 million [March 31, 2019 – $4.2 million].

NOTE 07 Investments

	June 30, 2019	March 31, 2019
Investments accounted for under the equity method	$ 3,758	$ 2,231
Investments held as fair value through profit and loss	4,412	3,993
	$ 8,170	$ 6,224

During the year ended March 31, 2019, the Company, through a wholly-owned subsidiary, invested $2.5 million for 833,333 Class B Units, at $3.00 per unit, in Canaccord Genuity Growth Corp. (“CGGC”). CGGC was a special purpose acquisition corporation formed to effect an acquisition of one or more businesses. On April 26, 2019, the CGGC announced that it has completed its qualifying transaction with Columbia Care LLC and CGGC was renamed “Columbia Care Inc.” The Company is no longer considered to exert significant influence over the operations of Columbia Care. Accordingly, the investment in Columbia Care is accounted for as financial assets measured at FVTPL and included as securities owned on the unaudited interim condensed consolidated statement of financial position as at June 30, 2019.

During the three months ended June 30, 2019, the Company, through a wholly owned subsidiary, invested $4.0 million for 1,334,001 Class B Units, at $3.00 per unit, in Canaccord Genuity Growth II Corp (“CGGIIC”). CGGIIC is a special purpose acquisition corporation formed to effect an acquisition of one or more busineses. Each Class B Unit consists of one Class B Share and one warrant.

The Company holds a 23.5% interest in CGGIIC and is considered to exert significant influence over the operations of CGGIIC. Accordingly, the investment in CGGIIC is accounted for using the equity method. The Company’s equity portion of the net loss of CGGIIC for the three months ended June 30, 2019 was $0.3 million.

As of June 30, 2019, the Company, through a wholly owned subsidiary, held investment of 8,889 Series A Preferred Shares, at $112.50 per unit, in Family Office Networks (“FON”) for US$1.0 million ($1.3 million) [March 31, 2019 – US$1.0 milion ($1.3 million)]. In addition, the Company, through a wholly owned subsidiary, held investment of 579,206 Series A Preferred Series, at $3.453 per Unit, in Capital Markets Gateway Inc. (“CMG”) for US$2.0 million ($2.6 million) [March 31, 2019 – US$2.0 million ($2.7 million)]. The Company is not considered to exert significant influence over the operations of FON or CMG. Accordingly, the investments in FON and CMG are accounted for as financial assets measured at FVTPL and included as investments on the unaudited interim condensed consolidated statement of financial position as at June 30, 2019.

During the three months ended June 30, 2019, the Company invested $0.5 million for 37 Class C Preferred shares in Castle Ridge Asset Management Limited (“CRAML”). The Company is not considered to exert significant influence over the operations of CRAML. Accordingly, the investment in CRAML is accounted for as financial assets measured at FVTPL and included as investments on the unaudited interim condensed consolidated statement of financial position as at June 30, 2019.

NOTE 08 Business Combination

i) Thomas Miller Wealth Management Limited and Thomas Miller Investment (Isle of Man) Limited

On May 1, 2019, the Company completed its acquisition of Thomas Miller Wealth Management Limited and the private client investment management business of Thomas Miller Investment (Isle of Man) Limited (collectively referred to as “Thomas Miller”). Thomas Miller provides financial planning and investment management services to private clients, trusts, charities and corporations in the UK. There was initial cash consideration of £18.5 million (C$32.5 million), with additional contingent consideration of up to £9.5 million (C$16.7 million) payable over a period of three years following completion, subject to achievement of performance targets related to revenue and client assets. There was also a deferred consideration of £0.7 million (C$1.2 million) that was paid subsequent to June 30, 2019. In connection with the acquisition, an additional £17.0 million (C$28.3 million as of June 30, 2019) has been added to the Company’s existing bank loan facility.

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

CONSIDERATION PAID

Cash	$	32,458
Deferred consideration		1,211
Contingent consideration		14,769
	$	48,438

NET ASSETS ACQUIRED

Cash	$	4,824
Accounts receivable		2,764
Other tangible assets		1,052
Liabilities		(4,877)
Identifiable intangible assets		29,033
Deferred tax liability related to identifiable intangible assets		(4,089)
Goodwill		19,731
	$	48,438

Identifiable intangible assets of $29.0 million were recognized and relate to customer relationships. The goodwill of $19.7 million represents the value of expected synergies arising from the acquisition. Goodwill is not deductible for tax purposes.

Management has estimated the fair value of the contingent consideration related to this acquisition to be up to £8.4 million (C$14.8 million) as of the acquisition date and will be payable over a period of up to three years. The contingent consideration must be settled in cash and meets the definition of a financial liability, and subsequent changes to the fair value of the contingent consideration will be recognized in the statement of operations. The determination of the fair value is based upon discounted cash flows, and the key assumption affecting the fair value is the probability that the performance measures will be met.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired from Thomas Miller are estimates, which were made by management at the time of the preparation of these interim unaudited consolidated financial statements based on available information. Amendments may be made to these amounts as well as the identification of intangible assets and the allocation of identifiable intangible assets between indefinite life and finite lives. Values based on estimates are subject to changes during the period ending 12 months after the acquisition date.

The aggregate acquisition-related expenses incurred by the Company in connection with the acquisition of Thomas Miller are $0.3 million. These expenses are mainly comprised of professional and employment costs.

Revenue and net loss generated by Thomas Miller including acquisition-related costs, were $1.9 million and $0.1 million, respectively, since the acquisition date.

Had Thomas Miller been consolidated from April 1, 2019, as part of the consolidated statement of operations, the consolidated revenue and net income would have been approximately $327.4 million and $24.2 million, respectively, for the three months ended June 30, 2019. These figures represent historical results and are not necessarily indicative of future performance.

ii) Jitneytrade Inc. and Finlogik Inc.

On June 6, 2018 the Company completed its acquisition of Jitneytrade Inc. and Finlogik Inc. directly and indirectly through the purchase of Finlogik Capital Inc. (collectively referred to as “Jitneytrade”). The preliminary purchase price allocation was disclosed in the audited consolidated financial statements for the year ended March 31, 2019. The Company completed its final analysis during the three months ended June 30, 2019 and concluded that there were no changes to the purchase price allocation.

NOTE 09 Goodwill and Other Intangible Assets

	Goodwill	Brand names	Customer relationships	Technology	Non-competition	Trading licenses	Fund management	Contract book	Favourable lease	Total
Gross amount										
Balance, March 31, 2019	**$ 692,868**	**$ 45,508**	**$ 125,303**	**$ 35,298**	**$ 14,153**	**$ 196**	**$ 38,985**	**$ 6,252**	**$ 561**	**$ 266,256**
Additions	19,731	—	29,033	—	—	—	—	—	—	29,033
Foreign exchange	(10,289)	(11)	(5,524)	(1,417)	—	—	(1,395)	(123)	(10)	(8,480)
Balance, June 30, 2019	702,310	45,497	148,812	33,881	14,153	196	37,590	6,129	551	286,809
Accumulated amortization and impairment										
Balance, March 31, 2019	(322,632)	—	(72,587)	(20,688)	(14,153)	(196)	(4,111)	—	—	(111,735)
Amortization	—	(48)	(4,539)	(549)	—	—	(580)	(1,734)	(56)	(7,506)
Foreign exchange	—	1	2,534	1,265	—	—	204	37	1	4,042
Balance, June 30, 2019	(322,632)	(47)	(74,592)	(19,972)	(14,153)	(196)	(4,487)	(1,697)	(55)	(115,199)
Net book value										
March 31, 2019	370,236	45,508	52,716	14,610	—	—	34,874	6,252	561	154,521
June 30, 2019	**$ 379,678**	**$ 45,450**	**$ 74,220**	**$ 13,909**	**— $**	**— $**	**$ 33,103**	**$ 4,432**	**$ 496**	**$ 171,610**

Identifiable intangible assets purchased through the acquisitions of Genuity Capital Markets (Genuity), the 80% interest in Canaccord Genuity (Australia) Limited (Canaccord Genuity Australia), Collins Stewart Hawkpoint plc (CSHP), Eden Financial Ltd., Hargreave Hale, Jitneytrade, Petsky Prunier, McCarthy Taylor and Thomas Miller are customer relationships, non-competition agreements, trading licenses, fund management contract, technology and brand name acquired through the acquisition of Petsky Prunier, 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.

As a result of the acquisition of Thomas Miller, the Company recognized goodwill of $19.7 million and identifiable intangible assets of $29.0 million relating to customer relationships as of the acquisition date, which is being amortized over 14.6 years [Note 8].

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	
	June 30, 2019	March 31, 2019	**June 30, 2019**	March 31, 2019	**June 30, 2019**	March 31, 2019
Canaccord Genuity Capital Markets CGUs						
Canada	**$ 44,930**	$ 44,930	**$ 101,732**	$ 101,732	**$ 146,662**	$ 146,662
US (Petsky Prunier)	**—**	—	**103,767**	105,682	**103,767**	105,682
Canaccord Genuity Wealth Management CGUs						
UK & Europe (Channel Islands)	—	—	**89,642**	93,870	**89,642**	93,870
UK & Europe (UK wealth)	—	—	**84,537**	68,952	**84,537**	68,952
	$ 44,930	$ 44,930	**$ 379,678**	$ 370,236	**$ 424,608**	$ 415,166

Goodwill that was previously allocated to the Canaccord Genuity Wealth Management UK & Europe (Eden Financial Ltd.) CGU, UK & Europe (Hargreave Hale) CGU, UK & Europe (McCarthy Taylor) CGU are now combined with the goodwill in connection with the acquisition of Thomas Miller [Note 8] to form the Canaccord Genuity Wealth Management UK & Europe (UK Wealth) CGU. This change in CGUs reflects changes in the way management monitors and reviews its UK wealth management businesses and the synergies of the various business activities which now comprise the entire UK wealth management group. Given the Company manages its UK wealth management business as one operating unit, it is appropriate to allocate the goodwill acquired in connection with the acquisitions of Eden Financial Ltd., Hargreave Hale, McCarthy Taylor and Thomas Miller to one CGU for the purpose of goodwill impairment testing.

In addition, goodwill that was previously allocated to Canaccord Genuity Capital Markets (Genuity) and (Jitneytrade) are combined into one single CGU to reflect the integration of the two businesses.

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 CGU to which goodwill and indefinite life intangible assets are allocated. Where the carrying amount of a CGU exceeds its recoverable amount, an impairment loss is recognized. Any impairment loss first reduces the carrying amount of any goodwill allocated to the CGUs and then if any impairment loss remains, the other assets of the unit are reduced on a pro rata basis. Impairment losses relating to goodwill cannot be reversed in future periods. 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 June 30, 2019.

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

The FVLCS calculations are based on assumptions, as described above, made in connection with future cash flows, relief of royalties with respect to the brand name indefinite life intangible asset, terminal growth rates and discount rates. In order to estimate the FVLCS for each CGU, cash flows are forecast over a five-year period, a terminal growth rate is applied and then such cash flows are discounted to their present value. The discount rate is based on the specific circumstances of each CGU and is derived from the estimated weighted average cost of capital of the Company. The CGUs which record goodwill in their carrying value as of June 30, 2019 were Canaccord Genuity Capital Markets, Canada, Canaccord Genuity Capital Markets US (Petsky Prunier), and Canaccord Genuity Wealth Management UK & Europe (Channel Islands) and Canaccord Genuity Wealth Management UK & Europe (UK). The discount rate utilized for each of these CGUs for the purposes of these calculations was 12.5% [March 31, 2019 – 12.5%]. Cash flow estimates for each of these CGUs were based on management assumptions as described above and utilized a compound annual revenue growth rate of 5.0% over the forecast period [March 31, 2019 – 5.0%] as well as estimates in respect of operating margins. The terminal growth rate used for each of Canaccord Genuity Capital Markets, Canada, Canaccord Genuity Capital Markets US (Petsky Prunier) and Canaccord Genuity Wealth Management UK & Europe (Channel Islands), and Canaccord Genuity Wealth Management UK & Europe (UK) was 2.5% [March 31, 2019 – 2.5%].

NOTE 10 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	
	June 30, 2019	June 30, 2018
Income taxes at the statutory rate of 27.0% (F2019: 27.0%)	**$ 8,452**	$ 5,908
Difference in tax rates in foreign jurisdictions	**(711)**	(419)
Non-deductible items affecting the determination of taxable income	**1,245**	522
Share based payments	**(132)**	(877)
Other	**1,114**	(665)
Utilization of tax losses and other temporary differences not recognized	**(2,906)**	(1,236)
Income tax expense – current and deferred	**7,062**	3,233

NOTE 11 Subordinated Debt

	June 30, 2019	March 31, 2019
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 IIROC. As at June 30, 2019 and March 31, 2019, the interest rates for the subordinated debt were 7.95% and 7.95%, respectively. The carrying value of subordinated debt approximates its fair value due to the short-term nature of this liability.

NOTE 12 Bank Loan

	June 30, 2019	March 31, 2019
Loan	$ 85,864	$ 60,326
Less: Unamortized financing fees	(1,470)	(662)
	84,394	59,664
Current portion	3,324	9,294
Long term portion	81,070	50,370

A subsidiary of the Company entered into a £40.0 million (C$69.2 million as of June 30, 2019) senior credit facility to finance a portion of the cash consideration for its acquisition of Hargreave Hale. During the three months ended June 30, 2019, the Company obtained an additional loan of £17.0 million ($28.3 million) in connection with the acquisition of Thomas Miller. The balance outstanding as of June 30, 2019 net of unamortized financing fees was £50.8 million ($84.4 million) [March 31, 2019 – £34.3 million ($59.7 million)]. The loan is repayable in instalments of principal and interest over a period of 4 years and matures in September 2023. The interest rate on this loan is 2.8829% per annum as at June 30, 2019 [March 31, 2019 – 2.9646% per annum].

NOTE 13 Convertible Debentures

	June 30, 2019		March 31, 2019	
	Liability	Equity	Liability	Equity
Convertible debentures	$ 127,492	$ 5,156	$ 127,225	$ 5,156

Terms of the convertible debentures as disclosed in Note 17 of the March 31, 2019 consolidated financial statements.

NOTE 14 Preferred Shares

	June 30, 2019		March 31, 2019	
	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 18 of the March 31, 2019 consolidated financial statements.

NOTE 15 Common Shares and Warrants

	June 30, 2019		March 31, 2019	
Common Shares	Amount	Number of shares	Amount	Number of shares
Issued and fully paid	$ 787,676	115,747,558	$ 787,096	115,616,744
Held for share purchase loans	(1,701)	—	(3,647)	(346)
Held for the LTIP	(54,840)	(9,207,343)	(110,553)	(18,036,064)
Shares committed to purchase under substantial issuer bid	(40,000)	—	—	—
	$ 691,135	$106,540,215	$ 672,896	$ 97,580,334

As a result of the substantial issuer bid (“the Offer”) announced on June 28, 2019 to repurchase for cancellation up to $40.0 million of its common shares, the Company accrued a liability of $40.0 million at June 30, 2019 with a corresponding reduction in share capital.

	June 30, 2019		March 31, 2019	
Warrants	**Amount**	**Number of warrants**	Amount	Number of warrants
Warrants issued in connection with private placement	**$ —**	**2,853,655**	$ 1,975	3,438,412

The terms of the warrants are disclosed in the March 31, 2019 consolidated financial statements.

Upon vesting of the warrants on June 17, 2019, the terms of the warrants were modified resulting in a reclassification of the warrants from shareholders’ equity to liability measured at fair value on the modification date of the warrants. The liability was remeasured to fair value at June 30, 2019, with changes in fair value recognized through the consolidated statements of operations. The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to warrants at June 30, 2019 was $2.0 million.

[i] AUTHORIZED

Unlimited common shares without par value

[ii] ISSUED AND FULLY PAID

	Number of shares	Amount
Balance, March 31, 2019	115,616,744	$ 787,096
Shares issued in connection with share-based payment plans	3,282	30
Shares issued in connection with exercise of private placement warrants	127,532	550
Balance, June 30, 2019	**115,747,558**	**$ 787,676**

[iii] EARNINGS PER COMMON SHARE

	For the three months ended	
	June 30, 2019	June 30, 2018
Basic earnings per common share		
Net income attributable to CGGI shareholders	**$ 24,205**	$ 17,616
Preferred share dividends	**(2,351)**	(2,351)
Net income available to common shareholders	**21,854**	15,265
Weighted average number of common shares (number)	**100,084,773**	94,363,223
Basic earnings per share	**$ 0.22**	$ 0.16
Diluted earnings per common share		
Net income available to common shareholders	**21,854**	15,265
Interest on convertible debentures, net of tax	**1,708**	844
Adjusted net earnings available to common shareholders	**23,562**	16,109
Weighted average number of common shares (number)	**100,084,773**	94,363,223
Dilutive effect in connection with LTIP (number)	**13,097,925**	13,116,029
Dilutive effect in connection with warrants (number)	**269,310**	802,255
Dilutive effect in connection with performance stock options (number)	**n/a**	n/a
Dilutive effect in connection with a promissory note (number)	**974,715**	n/a
Dilutive effect in connection with other share-based payment plans (number)	**—**	28,309
Dilutive effect in connection with convertible debentures (number)	**13,272,500**	9,230,769
Dilutive effect in connection with acquisition of Petsky Prunier (number)	**2,210,550**	n/a
Adjusted weighted average number of common shares (number)	**129,909,773**	117,540,585
Diluted earnings per common share	**$ 0.18**	$ 0.14

NOTE 16 Dividends

COMMON SHARE DIVIDENDS

The Company declared the following common share dividend during the three months ended June 30, 2019:

Record date	Payment date	Cash dividend per common share	Total common dividend amount
June 5, 2019	July 2, 2019	$ 0.17	$ 19,677,085

On August 6, 2019, the Board of Directors approved a dividend of $0.05 per common share, payable on September 10, 2019, with a record date of August 30, 2019 [Note 21].

PREFERRED SHARE DIVIDENDS

The Company declared the following preferred share dividends during the three months ended June 30, 2019:

Record date	Payment date	Cash dividend per Series A Preferred Share	Cash dividend per Series C Preferred Share	Total preferred dividend amount
June 5, 2019	July 2, 2019	$ 0.24281	$ 0.312060	$ 2,351

On August 6, 2019, the Board approved a cash dividend of $0.24281 per Series A Preferred Share payable on September 30, 2019 to Series A Preferred shareholders of record as at September 13, 2019 [Note 21].

On August 6, 2019, the Board approved a cash dividend of $0.31206 per Series C Preferred Share payable on September 30, 2019 to Series C Preferred shareholders of record as at September 13, 2019 [Note 21].

NOTE 17 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 vested over three years. All awards under the Plan 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 the fiscal period in which the awards are either made or the immediately preceding fiscal year for those awards made after the end of such fiscal year but were determined and earned in respect of that fiscal year.

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

There were 5,256,836 RSUs granted in lieu of cash compensation to employees during the period ended June 30, 2019 [June 30, 2018 – 4,068,843 RSUs]. The Trusts purchased 1,236,135 common shares during the three months ended June 30, 2019 [June 30, 2018 – 2,175,707 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 three-month period ended June 30, 2019 was $5.50 [June 30, 2018 – $7.10].

	Number
Awards outstanding, March 31, 2019	18,364,934
Grants	5,256,836
Vested	(10,154,171)
Forfeited	—
Awards outstanding, June 30, 2019	**13,467,599**

	Number
Common shares held by the Trusts, March 31, 2019	18,036,064
Acquired	1,236,135
Released on vesting	(10,064,856)
Common shares held by the Trusts, June 30, 2019	**9,207,343**

ii. PERFORMANCE SHARE UNITS

The Company adopted a performance share unit ("PSU") plan for certain senior executives during the year ended March 31, 2019. On June 12, 2018 the Company granted 877,485 units under the PSU plan. The Company also granted an additional 1,844,497 PSUs on June 6, 2019. The PSUs are a notional equity-based instrument linked to the value of the Company's common shares. At the end of a 3-year vesting period, the number of PSUs which vest is determined 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 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 grant date. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognized through the statements of operations. The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to PSUs at June 30, 2019 was $16.0 million [March 31, 2019 – $5.7 million].

iii. PERFORMANCE STOCK OPTIONS

On June 1, 2018, the Company created a performance share option ("PSO") plan that was approved at the Company's Annual General Meeting held on August 2, 2018. On June 14, 2018, the Company granted 5,620,000 options under the PSO plan. The options have an exercise price of $6.73 per share. In addition, the Company granted 600,000 options on August 16, 2018 with an exercise price of $7.067. On June 12, 2019, the Company granted 100,000 options on the same terms as the June 14, 2018 grant (including a five-year term from June 14, 2018). For accounting purposes under IFRS 2, the grant date of the PSOs is August 2, 2018, being the date the PSO plan was approved at the Annual General Meeting. The PSOs have a term of five years and will time-vest ratably over four years (with one third vesting on each of the second, third and fourth anniversaries of the date of the grant). The PSOs will also be subject to market (stock price) performance vesting conditions, as well as 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).

The following is a summary of the Company's PSOs as at June 30, 2019:

	Number of PSOs	Weighted average exercise price
Balance, March 31, 2019	6,220,000	$ 6.76
Granted	100,000	6.73
Exercised	—	—
Balance, June 30, 2019	6,320,000	$ 6.76

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

Dividend yield	2.16%
Expected volatility	40.92%
Risk-free interest rate	2.24%
Expected life	4 years

The weighted average fair value of the PSOs awarded is $1.93 per option. Compensation expense of $0.7 million was recognized for the three months ended June 30, 2019.

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective assumptions can materially affect the fair value estimate and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's PSOs.

iv. OTHER SHARE-BASED PAYMENT PLAN

During the year ended March 31, 2019, the Company granted a share-based award to a senior executive. The award vests on March 31, 2021, or at the holder's option, can be extended to March 31, 2022. Compensation expense of $0.2 million was recorded for the three-month period ended June 30, 2019 [March 31, 2019 – $0.1 million].

v. SHARE-BASED COMPENSATION EXPENSE

	For the three months ended	
	June 30, 2019	June 30, 2018
Long-term incentive plan	$ 6,357	$ 8,173
Forgivable common share purchase loans	—	35
Deferred share units (cash-settled)	(37)	(318)
Other share-based payment plan	236	—
PSO	737	—
Total share-based compensation expense	$ 7,293	$ 7,890

NOTE 18 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:

	June 30, 2019	March 31, 2019
Accounts receivable	1,699	837
Accounts payable and accrued liabilities	1,041	942

NOTE 19 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 and Dubai, Australia and the US. Operations located in Other Foreign Locations under Canaccord Genuity Asia are also included in Canaccord Genuity Capital Markets.

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

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 segment, as it relates to the acquisitions of Genuity, Jitneytrade, the initial 50% interest in Canaccord Genuity Australia and Petsky Prunier. Amortization of the identifiable intangible assets acquired through the purchase of Collins Stewart Hawkpoint plc (CSHP) is allocated to Canaccord Genuity Capital Markets and Canaccord Genuity Wealth Management segments in the UK & Europe (Channel Islands). Amortization of identifiable intangible assets acquired through the acquisitions of Eden Financial Ltd., Hargreave Hale, McCarthy Taylor, and Thomas Miller is allocated to Canaccord Genuity Wealth Management (UK) segment. Amortization of identifiable intangible assets acquired through the acquisition of Petsky Prunier is allocated to the Canaccord Genuity Capital Markets US segment. 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							
	June 30, 2019				June 30, 2018			
	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	**$ 35,858**	**$ 105,934**	**$ —**	**$ 141,792**	$ 40,107	$ 96,273	$ —	$ 136,380
Investment banking	**69,484**	**15,317**	**—**	**84,801**	56,992	10,529	—	67,521
Advisory fees	**53,462**	**342**	**—**	**53,804**	24,641	273	—	24,914
Principal trading	**25,076**	**(3)**	**—**	**25,073**	30,894	14	—	30,908
Interest	**4,935**	**7,149**	**3,101**	**15,185**	2,201	4,688	2,357	9,246
Other	**1,208**	**1,002**	**2,643**	**4,853**	1,337	799	3,018	5,154
Expenses, excluding undernoted	**156,673**	**94,461**	**15,403**	**266,537**	134,461	85,409	13,780	233,650
Amortization	**3,435**	**4,384**	**117**	**7,936**	2,063	4,252	323	6,638
Amortization of right of use assets	**3,359**	**1,380**	**843**	**5,582**	—	—	—	—
Development costs	**159**	**4,967**	**83**	**5,209**	54	3,768	37	3,859
Interest expense	**3,898**	**1,442**	**2,771**	**8,111**	2,704	1,494	1,396	5,594
Restructuring costs	**—**	**—**	**—**	**—**	1,316	—	—	1,316
Acquisition-related costs	**177**	**335**	**—**	**512**	1,173	—	—	1,173
Share of loss of an associate	**—**	**—**	**269**	**269**	—	—	11	11
Income (loss) before intersegment allocations and income taxes	**22,322**	**22,772**	**(13,742)**	**31,352**	14,401	17,653	(10,172)	21,882
Intersegment allocations	**4,545**	**4,013**	**(8,558)**	**—**	4,305	3,347	(7,652)	—
Income (loss) before income taxes	**$ 17,777**	**$ 18,759**	**$ (5,184)**	**$ 31,352**	$ 10,096	$ 14,306	$ (2,520)	$ 21,882

For geographic reporting purposes, the Company's business operations are grouped into Canada, the US, the UK & Europe (including Dubai), Australia and Other Foreign Locations which is comprised of our Asian 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	
	June 30, 2019	June 30, 2018
Canada	**$ 127,335**	$ 97,388
UK & Europe (including Dubai)	**94,329**	87,578
United States	**94,646**	76,848
Australia	**9,217**	12,331
Other Foreign Locations	**(19)**	(22)
	$ 325,508	274,123

NOTE 20 Provisions and Contingencies

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 three months ended June 30, 2019:

	Legal provisions	Restructuring provisions	Total provisions
Balance, March 31, 2019	**$ 5,671**	**$ 12,541**	**$ 18,212**
Additions	**1,014**	**—**	**1,014**
Utilized	**(1,300)**	**(9,092)**	**(10,392)**
Balance, June 30, 2019	$ **5,385**	$ **3,449**	$ **8,834**

COMMITMENTS, LITIGATION PROCEEDINGS AND CONTINGENT LIABILITIES

In the normal course of business, the Company is involved in litigation, and as of June 30, 2019, 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 June 30, 2019, 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 Notes 26 and 27 of the March 31, 2019 audited consolidated financial statements except as noted below.

A final finding of liability has been made in an action against Collins Stewart (C.I.) Limited, now called Canaccord Genuity Wealth (International) Limited (CGWIL), arising out of a non-compete agreement with one of its clients entered into before CGWIL became a subsidiary of the Company in 2012. Proceedings to determine the quantum of damages are continuing and the Company intends to vigorously defend itself. As at the date of these unaudited interim condensed consolidated financial statements the probable outcome of the current proceedings in respect of this matter cannot be determined and the amount of any damages award cannot be reasonably estimated.

Certain claims have been made against the Company in respect of the sale by a predecessor of certain conventional wealth management tax advantaged film partnership products in the UK which could be material if such claims are successful, additional claims are made or the Company's assumptions used to evaluate the matter as neither probable nor estimable change in future periods.

Although the Company intends to vigorously defend itself in respect of claims that are made and in respect of any further claims that may be advanced, and believes that all such claims are, and would be, without merit, the Company may be required to record a provision for an adverse outcome which could have a material adverse effect on the Company's financial position. The aggregate investment by the Company's clients who have standstill agreements in place in respect of these products, and for whom such information is available, is estimated to be $10.0 million (£6.0 million). The aggregate initial tax deferral amount realized by the Company's clients who have standstill agreements, in respect of these products when they were purchased by those clients during the period from 2006 to 2009, is estimated to be $14.8 million (£8.9 million).

Enforcement in accordance with announcements from HMRC, the outcome of certain litigation proceedings in respect of the taxation of other similar products sold by other financial advisors and certain settlements reached with HMRC by some investors may result in tax liabilities to the purchasers of those products in excess of the initial tax deferral amount. As at the date of these unaudited interim condensed consolidated financial statements two pre-action protocols have been issued by certain clients, which have been rebutted by the Company. Subsequent to June 30, 2019 civil claim proceedings have commenced in respect of one such pre-action protocol. The potential tax liability for those clients engaged in the outstanding pre-action protocol and the civil claims proceedings that have been commenced, which is in excess of the initial tax deferral amount, is estimated to be approximately $17.8 million (£10.7 million) plus other potential costs (such as interest). For those clients not currently engaged in pre-action protocols where we believe that the limitation period for bringing a claim has been preserved, the potential tax liability which is in excess of the initial tax deferral amount is estimated to be a further $5.0 million (£3.0 million).

The probable outcome of the enforcement actions by the HMRC in respect of this matter and the likelihood of a loss or the amount of any such loss to the Company in connection with any such claims made or asserted against the Company, or which may be further asserted against the Company, are not determinable at the date of these unaudited interim condensed consolidated financial statements.

NOTE 21 Subsequent Events

i. DIVIDENDS

On August 6, 2019, the Board of Directors approved a dividend of $0.05 per common share, payable on September 10, 2019, with a record date of August 30, 2019 [Note 16].

On August 6, 2019, the Board of Directors approved the following cash dividends: $0.24281 per Series A Preferred Share payable on September 30, with a record date of September 13, 2019; and $0.31206 per Series C Preferred Share payable on September 30, 2019 with a record date of September 13, 2019 [Note 16].

ii. SUBSTANTIAL ISSUER BID

On July 3, 2019, the Company announced the terms of its previously announced substantial issuer bid (the "Offer") to repurchase for cancellation up to $40.0 million of its common shares. The Offer commenced on July 3, 2019 and will expire on August 9, 2019, unless extended or withdrawn. The Offer is being made by way of a "modified Dutch auction", which will allow shareholders who choose to participate in the Offer to individually select the price, within a range of not less than $5.50 per Common Share and not more than $6.30 per Common Share (in increments of $0.10 per Common Share), at which they are willing to sell their Common Shares.

Shareholder Information

Corporate Headquarters

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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.

Convertible Unsecured Senior Subordinated Debentures
TSX: CF.DA.A

Corporate Website

www.canaccordgenuity.com

General Shareholder Inquiries and Information

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The Canaccord Genuity Group Inc. 2019 Annual Report is available on our website at www.canaccordgenuitygroup.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
Q2/20	November 6, 2019	December 20, 2019	December 31, 2019	November 29, 2019	December 10, 2019
Q3/20	February 5, 2020	March 20, 2020	March 31, 2020	February 28, 2020	March 10, 2020
Q4/20	June 3, 2020	June 19, 2020	June 30, 2020	June 19, 2020	July 30, 2020
Q1/21	August 5, 2020	September 18, 2020	September 30, 2020	August 28, 2020	September 10, 2020

(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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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.canaccordgenuitygroup.com

Auditor

Ernst & Young LLP
Chartered Professional Accountants
Vancouver, BC