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

As at (in thousands of Canadian dollars)	Notes	December 31, 2022 $	March 31, 2022 $
ASSETS			
Current			
Cash and cash equivalents		$ 893,052	$ 1,788,261
Securities owned	4,5	778,289	1,051,229
Accounts receivable	5,6,18	3,184,749	3,438,655
Income taxes receivable		50,011	1,967
Total current assets		4,906,101	6,280,112
Deferred tax assets		70,950	98,224
Investments	7	18,781	22,928
Equipment and leasehold improvements		50,849	34,643
Intangible assets	10	307,350	186,993
Goodwill	10	616,712	510,279
Right-of-use assets		109,236	117,066
Total assets		6,079,979	7,250,245
LIABILITIES AND EQUITY			
Current			
Securities sold short	4,5	634,594	567,290
Accounts payable and accrued liabilities	5,6,18	3,472,708	4,845,672
Provisions	20	8,722	8,222
Income taxes payable		1,552	15,952
Subordinated debt	5,12	7,500	7,500
Current portion of bank loan	5,13	13,116	6,574
Current portion of lease liabilities		26,681	23,928
Current portion of contingent consideration	5	17,547	10,618
Total current liabilities		4,182,420	5,485,756
Deferred tax liabilities		56,368	24,875
Bank loan	5,13	294,795	145,467
Lease liabilities		95,887	101,620
Other liabilities	5, 8	99,517	75,758
Total liabilities		4,728,987	5,833,476
Equity			
Attributable to equity holders of CGGI		1,002,780	1,178,069
Attributable to non-controlling interests	9	348,212	238,700
Total equity		1,350,992	1,416,769
Total liabilities and equity		6,079,979	7,250,245

See accompanying notes

"Daniel Daviau"

DANIEL DAVIAU

Director

"Francesca Shaw"

FRANCESCA SHAW

Director

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

		For the three months ended		For the nine months ended	
(in thousands of Canadian dollars, except per share amounts)	Notes	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
REVENUE					
Commissions and fees		188,647	197,009	552,340	564,867
Investment banking		47,494	151,025	109,982	452,924
Advisory fees		75,667	153,297	259,905	370,704
Principal trading		35,123	33,980	90,317	117,018
Interest		32,085	9,639	69,296	25,764
Other		3,100	7,267	(1,832)	14,932
		382,116	552,217	1,080,008	1,546,209
EXPENSES					
Compensation expense		240,303	340,929	660,806	953,489
Trading costs		24,109	25,401	72,666	79,236
Premises and equipment		4,859	5,389	15,082	14,747
Communication and technology		22,343	18,048	62,243	53,537
Interest		12,281	6,014	30,624	16,115
General and administrative		32,825	28,658	95,117	71,997
Amortization		11,533	6,792	30,796	18,648
Amortization of right of use assets		6,580	5,464	19,783	17,197
Development costs		5,473	5,195	22,732	16,208
Acquisition related costs	8	—	6,762	7,403	8,682
Change in derivative fair value		—	8,519	—	8,519
Costs associated with redemption of convertible debentures		—	—	—	5,932
Impairment of goodwill and intangible assets	10	102,571	—	102,571	—
Share of loss of an associate	7	25	63	45	181
		462,902	457,234	1,119,868	1,264,488
Net (loss) income before income taxes		(80,786)	94,983	(39,860)	281,721
Income tax expense (recovery)					
Current		10,478	33,375	(1,290)	80,767
Deferred		(9,199)	(5,124)	19,935	(616)
	11	1,279	28,251	18,645	80,151
Net (loss) income for the period		(82,065)	66,732	(58,505)	201,570
Net (loss) income attributable to:					
CGGI shareholders		(92,775)	58,645	(85,778)	187,229
Non-controlling interests		10,710	8,087	27,273	14,341
Weighted average number of common shares outstanding (thousands)					
Basic		86,782	94,997	87,355	96,063
Diluted		100,563	108,976	101,932	109,863
Net (loss) income per common share					
Basic	15	$ (1.10)	$ 0.59	$ (1.06)	$ 1.88
Diluted	15	$ (1.10)	$ 0.52	$ (1.06)	$ 1.64
Dividend per common share	16	$ 0.085	$ 0.085	$ 0.255	$ 0.235
Dividend per Series A Preferred Share	16	$ 0.25	$ 0.25	$ 0.75	$ 0.74
Dividend per Series C Preferred Share	16	$ 0.43	$ 0.31	$ 1.29	$ 0.93

See accompanying notes

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

	For the three months ended		For the nine months ended	
(in thousands of Canadian dollars)	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Net (loss) income for the period	**(82,065)**	66,732	**(58,505)**	201,570
Other comprehensive income				
Net change in unrealized gains on translation of foreign operations	**26,035**	267	**4,819**	3,260
Comprehensive (loss) income for the period	**(56,030)**	66,999	**(53,686)**	204,830
Comprehensive (loss) income attributable to:				
CGGI shareholders	**(69,162)**	57,822	**(80,389)**	187,979
Non-controlling interests [Note 9]	**13,132**	9,177	**26,703**	16,851

See accompanying notes

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

		For the nine months ended	
(in thousands of Canadian dollars)	Notes	December 31, 2022	December 31, 2021
Preferred shares, opening and closing	14	$ 205,641	$ 205,641
Common shares, opening		576,166	662,366
Acquisition of common shares for long-term incentive plan (LTIP)		(69,416)	(60,626)
Release of vested common shares from employee benefit trusts		54,787	34,115
Shares issued through exercise of performance share options (PSOs)		492	3,352
Changes to shares committed to be purchased under normal course issuer bid		3,411	8,181
Shares purchased and cancelled under normal course issuer bid		(4,034)	(19,989)
Shares committed to be purchased under substantial issuer bid		—	(44,801)
Shares issued in connection with acquisition of Sawaya partners		2,883	—
Unvested share purchase loans		484	(438)
Common shares, closing	15	564,773	582,160
Contributed surplus, opening		64,241	62,402
Share-based payments, amortization net of vestings		(44,515)	(28,236)
Change in current and deferred taxes relating to share based payments		(4,002)	11,845
Shares purchased and cancelled under normal course issuer bid		(2,597)	(18,963)
Changes in shares committed to be purchased under normal course issuer bid		2,537	—
Shares committed to be purchased under substantial issuer bid		—	(27,486)
Unvested share purchase loans		(484)	438
Contributed surplus, closing		15,180	—
Retained earnings, opening		251,540	73,220
Net (loss) income attributable to CGGI shareholders		(85,778)	187,229
Preferred shares dividends	16	(8,096)	(7,053)
Common shares dividends	16	(23,056)	(22,729)
Shares committed to be purchased under substantial issuer bid		—	(27,713)
Retained earnings, closing		134,610	202,954
Deferred consideration, opening		11,378	—
Deferred consideration in connection with acquisition of Sawaya Partners		—	11,378
Payment during the period		(3,294)	—
Deferred consideration, closing		8,084	11,378
Accumulated other comprehensive income, opening		69,103	103,465
Reclassifcation of other comprehensive income to non-controlling interest		—	1,624
Other comprehensive income attributable to CGGI shareholders		5,389	750
Accumulated other comprehensive income, closing		74,492	105,839
Total shareholders' equity		1,002,780	1,107,972
Total non-controlling interest	9	348,212	238,499
Total equity		1,350,992	1,346,471

See accompanying notes

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

		For the nine months ended	
(in thousands of Canadian dollars)	Notes	December 31, 2022 $	December 31, 2021 $
OPERATING ACTIVITIES			
Net (loss) income for the period		$ (58,505)	$ 201,570
Items not affecting cash			
Amortization		30,796	18,648
Amortization of right of use assets		19,783	17,197
Deferred income tax expense (recovery)		19,935	(616)
Share-based compensation (recovery) expense	17	(4,564)	66,980
Share of loss of associate	7	45	181
Interest expense in connection with lease liabilities		5,624	4,344
Impairment of goodwill and intangible assets		102,571	—
Impairment of investments accounted for under equity method	7	4,750	—
Changes in non-cash working capital			
Decrease/(increase) in securities owned		272,941	(118,271)
Decrease in accounts receivable		253,905	836,078
Decrease in net income taxes payable		(60,293)	(59,510)
Increase/(decrease) in securities sold short		67,304	(13,294)
Decrease in accounts payable, accrued liabilities and provisions		(1,386,590)	(830,186)
Cash (used in) provided by operating activities		(732,298)	123,121
FINANCING ACTIVITIES			
Repayment of bank loan		(6,370)	(5,127)
Proceeds from bank loan obtained in connection with the acquisition of Punter Southall Wealth		159,400	—
Proceeds from bank loan obtained in connection with the acquisition of Adam & Company		—	88,465
Acquisition of common shares for long-term incentive plan		(69,416)	(60,626)
Proceeds from issuance of convertible preferred shares in UK & Crown Dependencies wealth management operations, net of acquisition related costs		102,017	224,660
Redemption of convertible debentures		—	(168,112)
Payment of dividends on convertible preferred shares issued in UK & Crown Dependencies wealth management operations		(14,245)	—
Payment of dividends to non-controlling interests in Australia		(7,683)	(4,909)
Proceeds from exercise of performance share options		492	3,352
Purchase and cancellation of common shares under normal course issuer bid		(6,631)	(38,952)
Cash dividends paid on common shares		(23,056)	(22,729)
Cash dividends paid on preferred shares		(8,096)	(7,253)
Lease payments		(23,613)	(21,781)
Cash provided by (used in) financing activities		102,799	(13,012)
INVESTING ACTIVITIES			
Purchase of equipment and leasehold improvements		(21,626)	(2,324)
Acquisition of Punter Southall Wealth, net of cash acquired		(238,591)	—
Acquisition of Results International Group LLP		(8,180)	—
Acquisition of Adam & Company, net of cash acquired		—	(93,316)
Acquisition of Sawaya Partners, net of cash acquired		—	(45,513)
Investment in associates		—	(1,490)
Payment of deferred and contingent consideration		(12,955)	(37,139)
Purchase of investments		—	(14,161)
Purchase of intangibles		(2,359)	(2,664)
Cash used in investing activities		(283,711)	(196,607)
Effect of foreign exchange on cash balances		18,001	(6,617)
Decrease in cash position		(895,209)	(93,115)
Cash position, beginning of period		1,788,261	1,883,292
Cash position, end of period		893,052	1,790,177
Supplemental cash flow information			
Interest received		$ 69,356	$ 25,838
Interest paid		$ 29,012	$ 15,102
Income taxes paid		$ 63,844	$ 137,042

See accompanying notes

Notes to Unaudited Interim Condensed Consolidated Financial Statements

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

1. Corporate Information

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

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

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

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

2. Basis of Preparation

STATEMENT OF COMPLIANCE

These 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, 2022 (March 31, 2022 consolidated financial statements) filed on SEDAR on June 2, 2022. All defined terms used herein are consistent with those terms defined in the March 31, 2022 consolidated financial statements.

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

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

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Company's Board of Directors on February 8, 2023.

USE OF JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

During the nine months ended December 31, 2022, certain institutional investors completed the purchase of a new series of Convertible Preferred Shares issued by Canaccord Genuity Wealth Group Holdings (Jersey) Limited (CGWM UK), a subsidiary of the Company. The Convertible Preferred Shares issued contain no obligation for the Company to deliver cash or other financials assets. Judgment was used to conclude that the Convertible Preferred Shares are a compound instrument comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle the instrument, if applicable, by delivering the economic equivalent of a variable number of common shares of CGWM UK.

Similar to the Convertible Preferred Shares issued by CGWM UK in the year ended March 31, 2022, the fair value of the new series of Convertible Preferred Shares at issuance was allocated to its respective equity and derivative components. The fair value of the derivative was established first and the residual amount was recorded as the equity component. The derivative components will be remeasured at the end of each reporting period using the Company’s best estimate of its value with any changes in fair value recorded through net income for the period. Significant judgment is required in respect of the estimates and assumptions to be used in the determination of the fair value of the derivative component at each reporting period.

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

3. Adoption of New and Revised Standards

There were no new accounting standards adopted for the nine months ended December 31, 2022.

4. Securities Owned and Securities Sold Short

	December 31, 2022		March 31, 2022	
	Securities owned	**Securities sold short**	**Securities owned**	**Securities sold short**
Corporate and government debt	**527,453**	**510,678**	$ 548,639	$ 456,206
Equities and convertible debentures	**250,836**	**123,916**	502,590	111,084
	778,289	**634,594**	$ 1,051,229	$ 567,290

As at December 31, 2022, corporate and government debt maturities range from 2023-2080 [March 31, 2022 – 2022 to 2080] and bear interest ranging from 0.00% to 15.34% [March 31, 2022 – 0.00% to 16.00%].

5. Financial Instruments

The categories of financial instruments, other than cash and cash equivalents, investments accounted for under the equity method and lease liabilities held by the Company at December 31, 2022 and March 31, 2022 are as follows:

	Fair value through profit and loss		Amortized cost		Total	
	December 31, 2022 $	March 31, 2022 $	December 31, 2022 $	March 31, 2022 $	December 31, 2022 $	March 31, 2022 $
Financial assets						
Securities owned	$ 778,289	$ 1,051,229	$ —	$ —	$ 778,289	$ 1,051,229
Accounts receivable from brokers and investment dealers	—	—	1,622,922	1,693,579	1,622,922	1,693,579
Accounts receivable from clients	—	—	951,678	1,020,112	951,678	1,020,112
RRSP cash balances held in trust	—	—	395,197	512,147	395,197	512,147
Other accounts receivable	—	—	214,952	212,817	214,952	212,817
Investments	11,585	10,990	—	—	11,585	10,990
Total financial assets	$ 789,874	$ 1,062,219	$ 3,184,749	$ 3,438,655	$ 3,974,623	$ 4,500,874
Financial liabilities						
Securities sold short	$ 634,594	$ 567,290	$ —	$ —	$ 634,594	$ 567,290
Accounts payable to brokers and investment dealers	—	—	1,175,814	1,334,026	1,175,814	1,334,026
Accounts payable to clients	—	—	1,746,330	2,652,558	1,746,330	2,652,558
Other accounts payable and accrued liabilities	—	—	550,564	859,088	550,564	859,088
Subordinated debt	—	—	7,500	7,500	7,500	7,500
Deferred and contingent consideration	67,879	45,286	—	—	67,879	45,286
Bank loan	—	—	307,911	152,041	307,911	152,041
Non-controlling interest – derivative	49,185	41,090	—	—	49,185	41,090
Total financial liabilities	$ 751,658	$ 653,666	$ 3,788,119	$ 5,005,213	$ 4,539,777	$ 5,658,879

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

FAIR VALUE HIERARCHY

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

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

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

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

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

As at December 31, 2022, the Company held the following classes of financial instruments measured at fair value:

		Estimated fair value December 31, 2022		
	December 31, 2022	Level 1	Level 2	Level 3
Securities owned				
Corporate debt	22,792	—	22,792	—
Government debt	504,661	225,623	279,038	—
Corporate and government debt	527,453	225,623	301,830	—
Equities	249,356	162,229	70,837	16,290
Convertible debentures	1,480	—	1,480	—
Equities and convertible debentures	250,836	162,229	72,317	16,290
	778,289	387,852	374,147	16,290
Investments	11,585	—	—	11,585
	789,874	387,852	374,147	27,875
Securities sold short				
Corporate debt	(465)	—	(465)	—
Government debt	(510,213)	(229,065)	(281,148)	—
Corporate and government debt	(510,678)	(229,065)	(281,613)	—
Equities	(123,916)	(116,111)	(7,805)	—
Equities and convertible debentures	(123,916)	(116,111)	(7,805)	—
	(634,594)	(345,176)	(289,418)	—
Deferred and contingent consideration	(67,879)	—	—	(67,879)
Non-controlling interest – derivative liability	(49,185)	—	—	(49,185)
	(751,658)	(345,176)	(289,418)	(117,064)

As at March 31, 2022, the Company held the following classes of financial instruments measured at fair value:

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

Movement in net Level 3 financial assets/ (liabilities)

Balance, March 31, 2022	$ **3,264**
Payment of contingent and deferred consideration in connection with acquisitions of Thomas Miller and PSW	12,955
Addition of deferred consideration in connection with PSW [Note 8]	(10,140)
Adjustment to contingent consideration in connection with Sawaya [Note 8]	(1,519)
Addition of deferred and contingent consideration in connection with Results [Note 8]	(18,847)
Movement in fair value of level 3 securities owned during the period	(62,360)
Movement in non-controlling interest derivative liability component [Note 9]	(7,970)
Foreign exchange revaluation	(4,572)
Balance, December 31, 2022	**(89,189)**

FAIR VALUE ESTIMATION

i. Level 2 financial instruments

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

ii. Level 3 financial instruments

The fair value for Level 3 investments classified as held for trading is determined by the Company using a market-based approach with information that the Company has determined to be reliable and represents the best estimate of fair value readily available. Prices for held for trading investments are determined based on the last trade price or offer price, or, if these prices are considered stale, the Company obtains information based on certain inquiries, recent trades or pending new issues. The fair value of the level 3 held for trading investments as at December 31, 2022 was $16.3 million [March 31, 2022 – $78.7 million].

As at December 31, 2022, the Company, either directly or through a wholly owned subsidiary, held investments in Capital Markets Gateway LLC, InvestX Capital Ltd. and Proactive Group Holdings Inc. which have been classified as Level 3 financial instruments given they do not have any observable inputs or market indicators [Note 7].

The Convertible Preferred Shares and Preference Shares issued to management and employees of CGWM UK [Note 9] were treated as a compound instrument comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle the instrument by delivering the economic equivalent of a variable number of common shares of CGWM UK. The derivative liability component of £30.0 million (C$49.2 million) is included in the statement of financial position as of December 31, 2022.

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

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

FOREIGN EXCHANGE FORWARD CONTRACTS

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

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

Forward contracts outstanding at December 31, 2022:

	Notional amount (millions)	Average price	Maturity	Fair value
To sell US dollars	USD$ 4.3	$ 1.35 (CAD/USD)	January 3, 2023	—
To buy US dollars	USD$ —	$ — (CAD/USD)	—	—

Forward contracts outstanding at March 31, 2022:

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

The Company's Canaccord Genuity Wealth Management segment in the UK & Crown Dependencies trades foreign exchange forward contracts on behalf of its clients and establishes matching contracts with the counterparties. The Company has no significant net exposure, assuming no counterparty default. The principal currencies of the forward contracts are: the UK pound sterling, the US dollar, or the Euro. The weighted average term to maturity is 58 days as at December 31, 2022 [March 31, 2022 – 68 days]. The table below shows the fair value of the forward contract assets and liabilities, and the notional value of these forward contracts as at December 31, 2022 and March 31, 2022, respectively. The fair value of the forward contract assets and liabilities is included in the accounts receivable and payable balances.

	December 31, 2022			March 31, 2022		
	Assets	**Liabilities**	**Notional amount**	Assets	Liabilities	Notional amount
Foreign exchange forward contracts	**$ —**	**$ 13**	**$ 15,161**	$ 82	$ 75	$ 11,760

FUTURES

The Company's Canadian operations are involved in trading bond futures contracts, which are agreements to buy or sell a standardized amount of an underlying Government of Canada bond, at a predetermined future date and price, in accordance with terms specified by a regulated futures exchange, and are subject to daily cash margining. The Company's Canadian operations trade in bond futures in an attempt to mitigate interest rate risk, yield curve risk and liquidity risk. At December 31, 2022, the notional amount of the bond futures contracts outstanding was short $1.3 million [March 31, 2022 – long $9.7 million].

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

SECURITIES LENDING AND BORROWING

	Cash		**Securities**	
	Loaned or delivered as collateral	**Borrowed or received as collateral**	**Loaned or delivered as collateral**	**Borrowed or received as collateral**
December 31, 2022	**$ 241,671**	**$ 82,572**	**$ 110,235**	**$ 234,873**
March 31, 2022	$ 282,142	$ 186,174	$ 203,465	$ 309,123

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

BANK INDEBTEDNESS

The Company enters into call loans or overdraft positions primarily to facilitate the securities settlement process for both client and Company securities transactions. The bank indebtedness is collateralized by either unpaid client securities and/or securities owned by the Company. As at December 31, 2022 the Company had $nil balance outstanding [March 31, 2022 – $nil].

BANK LOAN

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for its acquisitions of Hargreave Hale, Thomas Miller, Adam & Company and Punter Southall. The balance outstanding at December 31, 2022, net of unamortized financing fees, was $307.9 million [March 31, 2022 – $152 million] [Note 13]. The facility ends on September 30, 2024 and the then outstanding payments are immediately due for repayment.

OTHER CREDIT FACILITIES

Excluding the bank loan in connection with the acquisitions of Hargreave Hale, Thomas Miller, Adam & Company and Punter Southall as described above, subsidiaries of the Company have other credit facilities with banks in Canada and the UK for an aggregate amount of $665.7 million [March 31, 2022 – $657.0 million]. These credit facilities, consisting of call loans, letters of credit and daylight overdraft facilities, are collateralized by unpaid client securities and/or securities owned by the Company. As of December 31, 2022, there were no balances outstanding under these other credit facilities [March 31, 2022 – $nil].

A subsidiary of the Company has also entered into secured irrevocable standby letters of credit from a financial institution totaling $4.0 million (US $2.9 million) [March 31, 2022 – $3.7 million (US$2.9 million)] as rent guarantees for its leased premises in New York. As of December 31, 2022 and March 31, 2022, there were no outstanding balances under these standby letters of credit.

6. Accounts Receivable and Accounts Payable and Accrued Liabilities

ACCOUNTS RECEIVABLE

	December 31, 2022 $	March 31, 2022 $
Brokers and investment dealers	$ 1,622,922	$ 1,693,579
Clients	951,678	1,020,112
RRSP cash balances held in trust	395,197	512,147
Other	214,952	212,817
	$ 3,184,749	$ 3,438,655

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2022 $	March 31, 2022 $
Brokers and investment dealers	$ 1,175,814	$ 1,334,026
Clients	1,746,330	2,652,558
Other	550,564	859,088
	$ 3,472,708	$ 4,845,672

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

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

Amounts due from and to clients are due by the settlement date of the trade transaction. Margin loans are due on demand and are collateralized by the assets in the client's account. Interest on margin loans and on amounts due to clients is based on a floating rate [December 31, 2022 – 9.45% to 10.5% and 0.00% to 0.05%]; [March 31, 2022 – 5.70% to 6.50% and 0.00% to 0.05%].

As at December 31, 2022, the allowance for doubtful accounts was $3.3 million [March 31, 2022 – $2.9 million].

7. Investments

	December 31, 2022	March 31, 2022
Investments accounted for under the equity method	7,196	$ 11,938
Investments held as fair value through profit and loss	11,585	$ 10,990
	18,781	$ 22,928

Breakdown of investments as follow:

INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD

	December 31, 2022	March 31, 2022
Canaccord Genuity G Ventures Corp.	1,273	1,298
Katipult Technology Corp.	500	3,000
Link Investment Management Inc.	250	2,500
International Deal Gateway Blockchain Inc.	4,500	4,500
Other	673	640
	7,196	$ 11,938

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

	December 31, 2022	March 31, 2022
Capital Markets Gateway LLC	4,193	3,864
InvestX Capital Ltd	3,392	3,126
Proactive Group Holdings Inc.	4,000	4,000
	11,585	$ 10,990

On December 31, 2022, the Company, through a wholly owned subsidiary, held an investment in Class B preferred share and warrants of Canaccord Genuity G Ventures Corp. (CGGV), a special purpose acquisition corporation. The Company's equity portion of the net loss of CGGV for the period ended December 31, 2022 was $0.05 million.

The Company, through a wholly owned subsidiary, held an investment in Capital Markets Gateway LLC (CMG) for US$3.1 million ($4.2 million) [March 31, 2022 – US$3.1 million ($3.9 million)]. The Company is not considered to exert significant influence over the operations of CMG. Accordingly, the investment in CMG 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 December 31, 2022. In addition, the Company also invested US $2.5 million ($3.4 million) in Series A preferred shares of InvestX Capital Ltd (InvestX), as well as an investment of $4.0 million in the preferred shares of Proactive Group Holdings Inc. (Proactive). The Company does not exert significant influence over the operations of InvestX or Proactive. Accordingly, the investments in InvestX and Proactive are accounted for as financial assets measured at FVTPL and included as investments on the consolidated statement of financial position as at December 31, 2022.

The Company also held an investment in convertible unsecured subordinated debentures of Katipult Technology Corp (Katipult). During the period ended December 31, 2022, the Company recorded an impairment of $2.5 million in its investment held in Katipult.

The Company also held investments of $0.25 million in Series A units of Link Investment Management Inc. (Link) and $4.5 million in Series A units of International Deal Gateway Blockchain Inc. (IDG) as of December 31, 2022. During the nine months ended December 31, 2022, the Company recorded an impairment of $2.25 million in its investment held in Link.

The Company is considered to exert significant influence over the operations of Link and IDG factoring in potential voting rights, even though the Company does not currently have any entitlement to a share of the net assets of these companies. Accordingly, these investments are treated as equity investments and included as investments in the consolidated statement of financial position as at December 31, 2022.

8. Business Combinations

RESULTS INTERNATIONAL GROUP LLP

On August 17, 2022, the Company, through its UK & Europe capital markets business, completed its acquisition of Results International Group LLP (Results). The initial cash consideration net of liabilities assumed was £5.3 milion ($8.2 million), with additional contingent consideration of up to £14.0 million ($21.8 million) payable over a period of four years following completion, subject to achievement of performance targets related to revenue. The contingent consideration was recorded at its fair value of £10.1 million ($15.7 million) as of the acquisition date. There was also deferred consideration of £2.0 million ($3.1 million), payable over a period of three years following completion, in cash or the Company's shares based on the Company's option.

The fair value of the contingent consideration is classified as Level 3 in the fair value hierarchy and was determined using on a Monte Carlo simulation using various assumptions including EBITDA forecast, risk-free rate of 2.0% and a volatility factor of 8.0%. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's contingent consideration.

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

CONSIDERATION

Cash net of liabilities assumed	$	8,180
Deferred consideration		3,112
Contingent consideration		15,735
	$	27,027

NET ASSETS ACQUIRED

Accounts receivable		1,329
Equipment and leasehold improvements		38
Right of use assets		3,663
Accounts payable and accrued liabilities		(5,109)
Lease liabilities		(4,189)
Identifiable intangible assets		2,728
Deferred tax liability related to identifiable intangible assets		(679)
Goodwill		29,246
	$	27,027

Identifiable intangible assets of $2.7 million were recognized and relate to the contract book, brand name and customer relationships. The goodwill of $29.2 million represents the value of expected synergies arising from the acquisition.

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

Amendments may be made to these amounts as well as the identification of intangible assets and the allocation of identifiable intangible assets between indefinite life and finite lives. Values based on estimates are subject to changes during the period ending 12 months after the acquisition date.

The aggregate acquisition-related expenses incurred by the Company during the nine months ended December 31, 2022 in connection with the acquisition of Results were $1.5 million which comprised mainly of professional fees.

Revenue and net loss generated by Results including acquisition-related costs, were $1.6 million and $1.0 million, respectively, since the acquisition date.

Had Results been consolidated from April 1, 2022, as part of the consolidated statement of operations, the consolidated revenue and net loss would have been approximately $1.1 billion and $59.5 million, respectively, for the nine months ended December 31, 2022. These figures represent historical results and are not necessarily indicative of future performance.

PUNTER SOUTHALL WEALTH LIMITED

On May 31, 2022, the Company, through CGWM UK completed its acquisition of the private client investment management business of Punter Southall Wealth Limited (PSW) for cash payment of £164.0 million ($261.4 million) and issuance of shares from CGWM UK of £4.0 million ($6.4 million). In addition, during the second quarter of the year ending March 31, 2023, there was a revision to the deferred consideration as disclosed in the unaudited interim consolidated financial statements for the first quarter of the year ending March 31, 2023 from £0.8 million (C$1.2 million) to £6.4 million (C$10.1 million) related to the purchase of excess regulatory capital. The deferred consideration was paid in October 2022.

In connection with the completion of the acquisition, a subsidiary of the Company modified its existing banking arrangements and increased its bank loan by an additional £100 million (C$159.4 million as of acquisition date of May 31, 2022). In addition, certain institutional investors have made an additional investment in CGWM UK through the purchase of a new series of Convertible Preferred Shares in the amount of £65.3 million ($104.1 million as of the acquisition date of May 31, 2022). [Note 9]

Also, in connection with the acquisition, the Company adopted a share-based payment plan for certain awards to be made to certain employees of PSW. [Note 17]

The preliminary purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, are disclosed below. There was a revision to the valuation of the identifiable intangible assets as previously disclosed in the unaudited interim consolidated financial statements for the period ended September 30, 2022 due to a change in management assumptions.

CONSIDERATION

Cash	$	261,416
Issuance of CGWM UK ordinary shares [Note 9]		6,376
Deferred consideration		10,140
		277,932

NET ASSETS ACQUIRED

Cash	$	22,825
Accounts receivable		7,963
Equipment and leasehold improvements		453
Right of use assets		3,073
Accounts payable and accrued liabilities		(11,022)
Lease liabilities		(3,479)
Identifiable intangible assets		136,022
Deferred tax liability related to identifiable intangible assets		(33,547)
Goodwill		155,644
		277,932

Identifiable intangible assets of $136.0 million were recognized and relate to customer relationships and brand name. The goodwill of $155.6 million represents the value of expected synergies arising from the acquisition. Goodwill is not deductible for tax purposes.

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

The aggregate acquisition-related expenses incurred by the Company during the period ended December 31, 2022 in connection with the acquisition of PSW were $5.9 million which comprised mainly of professional fees.

Revenue and net income generated by PSW including acquisition-related costs, were $19.9 million and $4.2 million, respectively, since the acquisition date.

Had PSW been consolidated from April 1, 2022, as part of the consolidated statement of operations, the consolidated revenue and net loss would have been approximately $1.1 billion and $57.3 million, respectively, for the nine months ended December 31, 2022. These figures represent historical results and are not necessarily indicative of future performance.

ADAM & COMPANY

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

SAWAYA PARTNERS

On December 31, 2021, the Company completed its acquisition of Sawaya Partners (Sawaya), a leading independent M&A advisory firm to the consumer sector based in the US. During the nine months ended December 31, 2022, the Company finalized its purchase price accounting. There was a remeasurement of the contingent consideration which resulted in an increase of $1.5 million in both goodwill and contingent consideration as of and for the nine months ended December 31, 2022.

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

Consideration		
Cash	$	45,513
Deferred consideration		11,378
Contingent consideration		44,626
	$	101,517
Net assets acquired		
Accounts receivable		78
Equipment and leasehold improvements		1,122
Right of use assets		4,070
Accounts payable and accrued liabilities		(77)
Lease liabilities		(4,070)
Identifiable intangible assets		5,155
Goodwill		95,239
	$	101,517

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

9. Non-Controlling Interests

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

	Australia		UK & Crown Dependencies		Total	
As at and for the period ended December 31	**2022** **$**	2021 $	**2022** **$**	2021 $	**2022** **$**	2021 $
Balance, opening	**23,301**	8,190	**215,400**	—	**238,701**	8,190
Comprehensive income attributable to non-controlling interests	**2,850**	5,011	**23,853**	11,840	**26,703**	16,851
Foreign exchange on non-controlling interests	**(209)**	660	**4,522**	—	**4,313**	660
Dividends paid to non-controlling interest	**(7,683)**	(4,909)	**—**	—	**(7,683)**	(4,909)
Issuance of convertible preferred shares, net of discount	**—**	—	**102,017**	212,449	**102,017**	212,449
Issuance of equity instrument to management	**—**	—	**—**	42,658	**—**	42,658
Acquisition-related costs, net of deferred tax	**—**	—	**—**	(2,834)	**—**	(2,834)
Share-based payment			**—**	1,740	**—**	1,740
Issuance of equity instruments in connection with acquisition of PSW [note 8]	**—**	—	**6,376**	—	**6,376**	—
Payment of dividends on convertible preferred shares	**—**	—	**(14,245)**	—	**(14,245)**	—
Reclassification to derivative liability on issuance date	**—**	—	**(7,970)**	(34,682)	**(7,970)**	(34,682)
Reclassification of other comprehensive income on issuance date	**—**	—	**—**	(1,624)	**—**	(1,624)
Balance, ending	**18,259**	8,952	**329,953**	229,547	**348,212**	238,499

	For the three months ended		For the nine months ended	
Comprehensive income (loss) attributable to non-controlling interests	**December 31, 2022 $**	December 31, 2021 $	**December 31, 2022 $**	December 31, 2021 $
Australia	**4,387**	2,076	**2,850**	5,011
UK & Crown Dependencies	**8,745**	7,101	**23,853**	11,840
Total	**13,132**	9,177	**26,703**	16,851

UK & Crown Dependencies Wealth Management

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

On May 31, 2022, certain institutional investors purchased a new series of Convertible Preferred Shares (B Convertible Preferred Shares) issued by CGWM UK for £65.3 million ($104.1 million as of the acquisition date of May 31, 2022). The proceeds were used in connection with the acquisition of PSW [note 8]. The B Convertible Preferred Shares bear the same terms as the A Convertible Preferred Shares issued during the year ended March 31, 2022 except for differences in conversion ratios. The two series of the Convertible Preferred Shares are collectively described as Convertible Preferred Shares in discussions below.

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

In connection with the issuance of the A Convertible Preferred Shares, CGWM UK provided for the purchase of certain equity instruments in CGWM UK by management and employees of CGWM UK. £24.6 million (CAD$38.6 million) of such equity instruments in CGWM UK have been purchased in connection with this equity program. Included in these equity instruments of CGWM UK were preferred shares with the same economic attributes as the A Convertible Preferred Shares (the “Preference Shares”). Preference Shares in the amounts of £7.5 million (CAD$12.3 million) were outstanding as of December 31, 2022. The other equity interests purchased by management and employees of CGWM UK are ordinary shares of CGWM UK with certain restrictions on transfer and limited governance rights. A management incentive plan has been implemented which, subject to certain minimum threshold levels, will provide for certain payments if a liquidity event occurs within six years or after six years if a liquidity event has not occurred and the A Convertible Preferred Shares are no longer outstanding.

In connection with the acquisition of PSW [Note 8], the Company also issued £4.0 million ($6.4 million as of the acquisition date of May 31, 2022) of ordinary shares of CGWM UK as part of the purchase consideration. In addition, a management incentive plan has been implemented. As of December 31, 2022, a total of £0.1 million (CAD $0.2 million) of CGWM UK ordinary shares have been issued and a further £2.4 million (CAD $3.7 million) of CGWM UK ordinary shares are expected to be issued after December 31, 2022 in connection with this plan.

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

The Convertible Preferred Shares and Preference Shares do not give rise to any obligation for the Company to deliver cash or other financial assets to the holders thereof. The Convertible Preferred Shares and Preference Shares were treated as a compound instrument comprised of an equity component, representing discretionary dividends and a liquidation preference, and a liability component that reflects a derivative to settle the instrument, if applicable, by delivering the economic equivalent of a variable number of common shares of CGWM UK. The equity component of the Convertible Preferred Shares and Preference Shares are included in equity and the derivative liability component is included in other liabilities in the statement of financial position as of December 31, 2022.

The fair value of the Convertible Preferred Shares and Preference Shares at issuance was allocated to the respective equity and derivative liability components. The fair value of the non-controlling interests derivative liability was established first and the residual amount was recorded to the equity component. The derivative components will be remeasured at the end of each reporting period using the Company’s best estimate of its value. During the nine months ended December 31, 2022, the Company recorded a derivative liability in connection with the issuance of the B Convertible Preferred Shares of £5.0 million ($8.0 million as of May 31, 2022). The carrying value of the derivative liability at December 31, 2022 for both A and B Convertible Preferred Shares was $49.2 million and included in other liabilities in the interim condensed consolidated statements of financial position.

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

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

Australia

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

10. Goodwill and Other Intangible Assets

	Goodwill $	Brand names (indefinite life) $	Brand names $	Customer relationships $	Technology $	Trading licenses $	Fund management $	Contract book $	Favourable lease $	Client Books $	Total $
Gross amount											
Balance, March 31, 2022	832,911	44,930	1,884	207,501	40,285	617	36,834	10,378	523	1,931	344,883
Additions	184,890	—	274	137,795	2,359	—	—	682	—	—	141,110
Foreign exchange	21,672	—	107	3,492	(87)	(5)	(91)	894	45	(24)	4,331
Adjustments	1,600	—	—	—	—	—	—	—	—	—	—
Balance, December 31, 2022	1,041,073	44,930	2,265	348,788	42,557	612	36,743	11,954	568	1,907	490,324
Accumulated amortization and impairment											
Balance, March 31, 2022	(322,632)	—	(693)	(104,081)	(28,906)	(617)	(15,636)	(7,226)	(523)	(208)	(157,890)
Amortization	—	—	(690)	(13,885)	(2,303)	—	(2,501)	(3,484)	—	(137)	(23,000)
Impairment	(101,729)	—	—	(842)	—	—	—	—	—	—	(842)
Foreign exchange	—	—	(75)	(348)	(15)	5	(58)	(705)	(45)	(1)	(1,242)
Balance, December 31, 2022	(424,361)	—	(1,458)	(119,156)	(31,224)	(612)	(18,195)	(11,415)	(568)	(346)	(182,974)
Net book value											
March 31, 2022	510,279	44,930	1,191	103,420	11,379	—	21,198	3,152	—	1,723	186,993
December 31, 2022	**616,712**	**44,930**	**807**	**229,632**	**11,333**	**—**	**18,548**	**539**	**—**	**1,561**	**307,350**

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

IMPAIRMENT TESTING OF GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSETS

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

	Intangible assets with indefinite lives		Goodwill		Total	
	December 31, 2022 **$**	March 31, 2022 $	December 31, 2022 $	March 31, 2022 $	December 31, 2022 $	March 31, 2022 $
Canaccord Genuity Capital Markets CGUs						
Canada	**$44,930**	$44,930	**—**	$101,732	**44,930**	$146,662
US	**—**	—	**207,444**	189,608	**207,444**	189,608
UK & Europe	**—**	—	**30,813**	—	**30,813**	—
Canaccord Genuity Wealth Management CGUs						
UK & Crown Dependencies (Channel Islands)	**—**	—	**88,423**	88,644	**88,423**	88,644
UK & Crown Dependencies (UK wealth)	**—**	—	**287,203**	127,434	**287,203**	127,434
Australia	**—**	—	**2,829**	2,861	**2,829**	2,861
	$44,930	$44,930	**616,712**	$510,279	**661,642**	$555,209

Goodwill acquired in connection with PSW [Note 8] is included in the Canaccord Genuity Wealth Management (UK Wealth) CGU and goodwill acquired in connection with Results is included in the Canaccord Genuity Capital Markets UK & Europe for the purpose of goodwill impairment testing.

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 December 31, 2022.

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

	Discount rate		Compound annual Growth rate		Terminal growth rate	
	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022	December 31, 2022	March 31, 2022
Canaccord Genuity Capital Markets CGUs						
Canada	**14.0%**	12.5%	**10.9%**	5.0%	**2.5%**	2.5%
US	**14.0%**	12.5%	**1.4%**	0.0%	**2.5%**	2.5%
UK & Europe	**14.0%**	—	**7.5%**	—	**2.5%**	—
Canaccord Genuity Wealth Management CGUs						
UK & Crown Dependencies (Channel Islands)	**12.5%**	12.5%	**5.0%**	5.0%	**2.5%**	2.5%
UK & Crown Dependencies (UK wealth)	**12.5%**	12.5%	**7.5%**	5.0%	**2.5%**	2.5%
Australia	**14.0%**	12.5%	**5.0%**	5.0%	**2.5%**	2.5%

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

Sensitivity testing was conducted as part of the impairment test of goodwill and indefinite life intangible assets for the Canaccord Genuity Capital Markets – UK & Europe CGU. The sensitivity testing includes assessing the impact that reasonably possible declines in revenue estimates for the 12-month period ending on December 31, 2023 and declines in growth rates after that period and increases in the discount rates would have on the recoverable amounts of the CGUs, with other assumptions being held constant. An increase of the discount rate of 0.4 percentage points, a decrease in the estimated revenue for the 12-month period ending December 31, 2023 of $2.1 million, a decrease in the five year compound annual growth of 1.0 percentage points or a decrease in the terminal growth rate of 0.6% may result in the estimate of the recoverable amount declining below the carrying value with the result that an impairment charge may be required. Any such impairment charge would be determined after incorporating the effect of any changes in key assumptions including any consequential effects of such changes on estimated operating income and on other factors.

11. Income Taxes

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

	For the three months ended		For the nine months ended	
	December 31, 2022 $	December 31, 2021 $	**December 31, 2022 $**	December 31, 2021 $
Net (loss) income before income taxes	**(80,786)**	94,983	**(39,860)**	281,721
Income taxes at the statutory rate of 27.0% (F2022: 27.0%)	**(21,800)**	25,639	**(10,755)**	76,061
Difference in tax rates in foreign jurisdictions	**(665)**	(108)	**(3,307)**	(281)
Permanent items	**28,560**	4,305	**28,724**	4,844
Share based payments	**(4,325)**	(52)	**6,606**	(2,810)
Change in accounting and tax base estimate	**590**	(5)	**(679)**	93
Impact of change in tax rates	**(645)**	—	**(915)**	3,171
Other	**(436)**	(1,528)	**(1,029)**	(927)
Income tax expense – current and deferred	**1,279**	28,251	**18,645**	80,151

12. Subordinated Debt

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

The loan payable is subject to a subordination agreement and may only be repaid with the prior approval of the Investment Industry Regulatory Organization of Canada (IIROC). As at December 31, 2022 and March 31, 2022, the interest rates for the subordinated debt were 10.45% and 6.7%, respectively. The carrying value of subordinated debt approximates its fair value due to the short-term nature of this liability.

13. Bank Loan

	December 31, 2022 $	March 31, 2022 $
Loan	**311,505**	154,498
Less: Unamortized financing fees	**(3,594)**	(2,457)
	307,911	152,041
Current portion	**13,116**	6,574
Long term portion	**294,795**	145,467

A subsidiary of the Company entered into a senior credit facility to finance a portion of the cash consideration for its acquisitions of Hargreave Hale, Thomas Miller, Adam & Company and PSW. During the nine months ended December 31, 2022, the Company obtained an additional bank loan of £100.0 million (C$164.0 million as of December 31, 2022). The loan is repayable in instalments of principal and interest and matures in September 2024. The interest rate on this loan is 6.927% per annum as at December 31, 2022 [March 31, 2022 – 3.375% per annum].

14. Preferred Shares

	December 31, 2022		March 31, 2022	
	Amount $	**Number of shares**	Amount $	Number of shares
Series A Preferred Shares issued and outstanding	**110,818**	**4,540,000**	110,818	4,540,000
Series C Preferred Shares issued and outstanding	**97,450**	**4,000,000**	97,450	4,000,000
Series C Preferred Shares held in treasury	**(2,627)**	**(106,794)**	(2,627)	(106,794)
	94,823	**3,893,206**	94,823	3,893,206
	205,641	**8,433,206**	205,641	8,433,206

On June 1, 2022, the Company announced the reset of the dividend rate on its Cumulative 5-year Rate Reset First Preferred Shares, Series C (the "Series C Preferred Shares"). Quarterly cumulative cash dividends, as declared, were paid at an annual rate of 4.993% for the five years ended June 30, 2022. Commencing July 1, 2022 and ending on and including June 30, 2027, quarterly cumulative dividends, if declared, will be paid at an annual rate of 6.837%. The dividend rate will be reset every five years at a rate equal to the five-year Government of Canada bond yield plus 4.03%.

Holders of Series C Preferred Shares had the option to convert any or all of their shares into an equal number of Cumulative Floating Rate First Preferred Shares, Series D (Series D Preferred Series), subject to certain conditions, on June 30, 2022 and have the option on June 30 every five years thereafter. The number of shares tendered for conversion by the conversion deadline of June 15, 2022 was below the minimum required to proceed with the conversion and, accordingly, no Series D Preferred Shares were issued. Series D Preferred Shares would entitle any holders thereof to receive floating rate, cumulative, preferential dividends payable quarterly, if declared, at a rate equal to the three-month Government of Canada Treasury Bill yield plus 4.03%.

The Company had the option to redeem the Series C Preferred Shares on June 30, 2022 and has the option to redeem on June 30 every five years thereafter, in whole or in part, at $25.00 per share together with all declared and unpaid dividends. No shares were redeemed on June 30, 2022.

Terms of the Series A and C Preferred Shares are disclosed in Note 20 of the March 31, 2022 consolidated financial statements.

15. Common Shares

	December 31, 2022		March 31, 2022	
	Amount $	Number of shares	Amount $	Number of shares
Issued and fully paid	684,613	99,381,623	685,270	99,697,799
Shares committed to repurchase under the normal course issuer bid	—	—	(3,411)	(495,100)
Held for share-based payment plans	(1,023)	(122,355)	(1,505)	(122,355)
Held for the LTIP	(118,817)	(12,044,307)	(104,188)	(11,023,169)
	564,773	87,214,961	576,166	88,057,175

[I] AUTHORIZED

Unlimited common shares without par value

[II] ISSUED AND FULLY PAID

	Number of shares	Amount $
Balance, March 31, 2022	99,697,799	685,270
Shares issued in connection with acquisition of Sawaya	195,993	2,883
Shares issued in connection with exercise of PSO [note 17]	73,131	494
Shares repurchasd and cancelled in connection with normal course issuer bid	(585,300)	(4,034)
Balance, December 31, 2022	99,381,623	684,613

On August 18, 2022, the Company filed a notice to renew the normal course issuer bid (NCIB) to provide the Company with the choice to purchase up to a maximum of 4,959,281 of its common shares during the period from August 21, 2022 to August 20, 2023 through the facilities of the TSX and on alternative trading systems in accordance with the requirements of the TSX. The purpose of the purchase of common shares under the NCIB is to enable the Company to acquire shares for cancellation. The maximum number of shares that may be purchased under the current NCIB represents 5.0% of the Company's outstanding common shares at the time of the notice. During the nine months ended December 31, 2022, there were 502,000 shares purchased under the NCIB. There were also 83,300 shares purchased under the NCIB during the year ended March 31, 2022 and cancelled during the nine months ended December 31, 2022.

[III] EARNINGS PER COMMON SHARE

	For the three months ended		For the nine months ended	
	December 31, 2022 $	December 31, 2021 $	December 31, 2022 $	December 31, 2021 $
Basic (loss) earnings per common share				
Net (loss) income attributable to CGGI shareholders	$ (92,775)	$ 58,645	$ (85,778)	$ 187,229
Preferred shares dividends	(2,391)	(2,391)	(7,173)	(7,093)
Net (loss) income available to common shareholders	(95,166)	56,254	(92,951)	180,136
Weighted average number of common shares (number)	86,781,853	94,996,557	87,354,727	96,062,581
Basic (loss) earnings per share	$ (1.10)	$ 0.59	$ (1.06)	$ 1.88
Diluted (loss) earnings per common share				
Net (loss) income available to common shareholders	(95,166)	56,254	(92,951)	180,136
Weighted average number of common shares (number)	86,781,853	94,996,557	87,354,727	96,062,581
Dilutive effect in connection with LTIP (number)	12,295,473	10,899,558	12,373,482	10,882,606
Dilutive effect in connection with performance stock options (number)	506,648	3,080,033	1,224,828	2,918,153
Shares payable in connection with Results deferred consideration (number)	390,822	—	390,822	—
Shares payable in connection with Sawaya commitment (number)	587,979	—	587,979	—
Adjusted weighted average number of common shares (number)	100,562,775	108,976,148	101,931,838	109,863,340
Diluted (loss) earnings per common share	$ (1.10)	$ 0.52	$ (1.06)	$ 1.64

16. Dividends

COMMON SHARE DIVIDENDS

The Company declared the following common share dividend during the nine months ended December 31, 2022:

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

On February 8, 2023, the Board of Directors approved a dividend of $0.085 per common share, payable on March 10, 2023, with a record date of February 24, 2023 [Note 21].

PREFERRED SHARE DIVIDENDS

The Company declared the following preferred share dividends during the nine months ended December 31, 2022:

Record date	Payment date		Cash dividend per Series A Preferred Share		Cash dividend per Series C Preferred Share		Total preferred dividend amount
June 17, 2022	June 30, 2022	$	0.251750	$	0.312060	$	2,391
September 16, 2022	September 30, 2022	$	0.251750	$	0.427310	$	2,852
December 23, 2022	January 3, 2023	$	0.251750	$	0.427310	$	2,852

On February 8, 2023, the Board of Directors approved the following cash dividends: $0.25175 per Series A Preferred Share payable on March 31, 2023 with a record date of March 17, 2023; and $0.42731 per Series C Preferred Share payable on March 31, 2023 with a record date of March 17, 2023 [Note 21].

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

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

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

There were 7,696,756 RSUs granted in lieu of cash compensation to employees during the nine-month period ended December 31, 2022 [December 31, 2021 – 4,798,225 RSUs]. The Trusts purchased 6,951,114 common shares during the nine-month period ended December 31, 2022 [December 30, 2021 – 4,516,556 common shares].

The fair value of the RSUs at the measurement date is based on the fair value on the grant date. The weighted average fair value of RSUs granted during the nine-month period ended December 31, 2022 was $10.3151 [December 31, 2021 – $13.45].

	Number
Awards outstanding, March 31, 2022	11,180,535
Grants	7,696,756
Vested	(5,929,976)
Forfeited	(115,399)
Awards outstanding, December 31, 2022	**12,831,916**

	Number
Common shares held by the Trusts, March 31, 2022	11,023,169
Acquired	6,951,114
Released on vesting	(5,929,976)
Common shares held by the Trusts, December 31, 2022	**12,044,307**

I. PERFORMANCE SHARE UNITS

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

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

The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to PSUs at December 31, 2022 was $74.9 million [March 31, 2022 – $140.2 million].

II. PERFORMANCE STOCK OPTIONS

The Company adopted a performance share option (PSO) plan for certain senior executives. The PSOs have a term of five years and will time-vest ratably over four years (with one-third vesting on each of the second, third and fourth anniversaries of the date of the grant). The PSOs will also be subject to market (stock price) performance vesting conditions, and have a four times exercise price cap on payout value (i.e., the gain on the exercise of the options is limited to three times the exercise price). A total of 5,444,621 options outstanding (net of options already exercised) had met both stock price performance and time-based vesting conditions and are therefore fully vested and outstanding as at December 31, 2022. A total of 4,811,288 PSOs will expire on June 14, 2023. In addition, 600,000 PSOs will expire on August 16, 2023.

During the nine months ended December 31, 2022, the Company granted 300,000 PSOs with an exercise price of $8.7749.

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

	Number of PSOs		Weighted average exercise price ($)
Balance, March 31, 2022	5,627,955	$	6.79
Granted	300,000	$	8.77
Exercised	(116,667)	$	6.73
Balance, December 31, 2022	5,811,288	$	6.90

III. EXECUTIVE EMPLOYEE DEFERRED SHARE UNITS

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

The carrying amount of the liability recognized in accounts payable and accrued liabilities relating to DSUs at December 31, 2022 was $6.4 million [March 31, 2022 – $ 5.4 million].

IV. PSW CONDITIONAL SHARE PLAN

In connection with the acquisition of PSW [Note 8], the Company adopted a share-based payment plan in the amount of £2.5 million (CAD $3.9 million) in respect of CGWM UK ordinary shares for certain key employees of PSW. The plan is subject to various vesting conditions and accordingly, the Company recognizes the cost of such awards as an expense over the applicable vesting period.

V. SHARE-BASED COMPENSATION (RECOVERY) EXPENSE

	For the three months ended		For the nine months ended	
	December 31, 2022 $	December 31, 2021 $	**December 31, 2022 $**	December 31, 2021 $
Long-term incentive plan	**5,887**	2,522	**12,413**	7,344
Deferred share units (cash-settled)	**990**	604	**(2,162)**	1,812
Deferred share units (cash-settled) – senior executives	**1,935**	1,638	**861**	4,935
PSU (cash-settled)	**5,670**	17,648	**(16,889)**	50,000
PSO	**58**	218	**466**	1,149
Other share-based payment plan	**(580)**	—	**747**	1,740
Total share-based compensation (recovery) expense	**13,960**	22,630	**(4,564)**	66,980

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:

	December 31, 2022	March 31, 2022
Accounts receivable	17,096	12,009
Accounts payable and accrued liabilities	483	1,271

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, the UK & Crown Dependencies and Australia.

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

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

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

	For the three months ended							
	December 31, 2022				December 31, 2021			
	Canaccord Genuity Capital Markets $	Canaccord Genuity Wealth Management $	Corporate and Other $	Total $	Canaccord Genuity Capital Markets $	Canaccord Genuity Wealth Management $	Corporate and Other $	Total $
Commissions and fees	39,800	148,645	202	188,647	44,192	152,814	3	197,009
Investment banking	37,694	9,800	—	47,494	127,383	23,642	—	151,025
Advisory fees	75,219	448	—	75,667	152,034	1,263	—	153,297
Principal trading	34,969	154	—	35,123	33,737	243	—	33,980
Interest	7,899	20,010	4,176	32,085	2,522	5,901	1,216	9,639
Other	1,298	631	1,171	3,100	2,025	1,038	4,204	7,267
Expenses, excluding undernoted	173,060	122,950	28,429	324,439	256,749	130,460	31,216	418,425
Amortization	3,123	7,739	671	11,533	1,126	5,488	178	6,792
Amortization of right of use assets	4,404	1,449	727	6,580	3,413	1,340	711	5,464
Development costs	1,030	4,727	(284)	5,473	285	4,876	34	5,195
Interest expense	5,271	6,305	705	12,281	2,620	2,913	481	6,014
Acquisition related costs	—	—	—	—	537	6,225	—	6,762
Non-controlling interest derivative liability fair value adjustment	—	—	—	—	—	—	8,519	8,519
Impairment of goodwill and intangible assets	102,571	—	—	102,571	—	—	—	—
Share of loss of an associate	—	—	25	25	—	—	63	63
(Loss) income before intersegment allocations and income taxes	(92,580)	36,518	(24,724)	(80,786)	97,163	33,599	(35,779)	94,983
Intersegment allocations	6,239	6,523	(12,762)	—	4,037	4,922	(8,959)	—
(Loss) income before income taxes	(98,819)	29,995	(11,962)	(80,786)	93,126	28,677	(26,820)	94,983

	For the nine months ended							
	December 31, 2022				December 31, 2021			
	Canaccord Genuity Capital Markets $	Canaccord Genuity Wealth Management $	Corporate and Other $	Total $	Canaccord Genuity Capital Markets $	Canaccord Genuity Wealth Management $	Corporate and Other $	Total $
Commissions and fees	**112,380**	**438,410**	**1,550**	**552,340**	126,018	438,841	8	564,867
Investment banking	**85,662**	**24,320**	**—**	**109,982**	368,056	84,868	—	452,924
Advisory fees	**258,749**	**1,156**	**—**	**259,905**	367,018	3,686	—	370,704
Principal trading	**90,252**	**65**	**—**	**90,317**	116,488	530	—	117,018
Interest	**14,995**	**45,065**	**9,236**	**69,296**	6,560	14,988	4,216	25,764
Other	**4,675**	**2,179**	**(8,686)**	**(1,832)**	6,888	3,220	4,824	14,932
Expenses, excluding undernoted	**483,128**	**364,045**	**58,741**	**905,914**	704,098	385,853	83,055	1,173,006
Amortization	**8,344**	**21,257**	**1,195**	**30,796**	3,666	14,495	487	18,648
Amortization of right of use assets	**12,939**	**4,143**	**2,701**	**19,783**	10,583	4,382	2,232	17,197
Development costs	**2,680**	**18,041**	**2,011**	**22,732**	715	15,378	115	16,208
Interest expense	**12,738**	**15,600**	**2,286**	**30,624**	9,051	5,855	1,209	16,115
Acquisition related costs	**1,477**	**5,926**	**—**	**7,403**	537	8,145	—	8,682
Costs associated with redemption of convertible debentures	**—**	**—**	**—**	**—**	—	—	5,932	5,932
Non-controlling interest derivative liability fair value adjustment	**—**	**—**	**—**	**—**	—	—	8,519	8,519
Impairment of goodwill and intangible assets	**102,571**	**—**	**—**	**102,571**	—	—	—	—
Share of loss of an associate	**—**	**—**	**45**	**45**	—	—	181	181
(Loss) income before intersegment allocations and income taxes	**(57,164)**	**82,183**	**(64,879)**	**(39,860)**	262,378	112,025	(92,682)	281,721
Intersegment allocations	**16,378**	**17,844**	**(34,222)**	**—**	12,290	14,935	(27,225)	—
(Loss) income before income taxes	**(73,542)**	**64,339**	**(30,657)**	**(39,860)**	250,088	97,090	(65,457)	281,721

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

	For the three months ended		For the nine months ended	
	December 31, 2022 $	December 31, 2021 $	**December 31, 2022 $**	December 31, 2021 $
Canada	**113,135**	179,826	**300,530**	529,847
UK, Europe & Crown Dependencies	**104,942**	110,769	**308,105**	321,297
United States	**116,936**	191,152	**371,997**	525,931
Australia	**47,103**	70,470	**99,376**	169,134
	382,116	552,217	**1,080,008**	1,546,209

20. Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. At each reporting date, the Company assesses the adequacy of its pre-existing provisions and adjusts the amounts as necessary. The following is a summary of the changes during the nine months ended December 31, 2022:

	Legal provisions	Restructuring provisions	Total provisions
Balance, March 31, 2022	**$ 6,647**	**$ 1,575**	**$ 8,222**
Additions	2,413	—	2,413
Utilized	(1,874)	(39)	(1,913)
Balance, December 31, 2022	**7,186**	**1,536**	**8,722**

COMMITMENTS, LITIGATION PROCEEDINGS AND CONTINGENT LIABILITIES

In the normal course of business, the Company is involved in litigation, and as of December 31, 2022, it was a defendant in various legal actions. The Company has established provisions for matters where payments are probable and can be reasonably estimated. While the outcome of these actions is subject to future resolution, management's evaluation and analysis of these actions indicate that, individually and in the aggregate, the probable ultimate resolution of these actions will not have a material effect on the financial position of the Company.

The Company is also subject to asserted and unasserted claims arising in the normal course of business which, as of December 31, 2022, have not resulted in the commencement of legal actions. The Company cannot determine the effect of all asserted and unasserted claims on its financial position; however, where losses arising from asserted and unasserted claims are considered probable and where such losses can be reasonably estimated, the Company has recorded a provision.

There were no additional changes to the Company's commitments or contingencies from those described in Note 28 of the March 31, 2022 audited consolidated financial statements.

21. Subsequent Events

I. PROPOSED TAKEOVER BID

On January 9, 2023, a management-led group (the "Offeror") announced that it intends to commence a take-over bid (the "Proposed Offer") to acquire all of the issued and outstanding common shares of the Company (other than certain common shares beneficially owned by the Offeror) at a price of $11.25 per common share.

In connection with the Proposed Offer, the Offeror has entered into support agreements with certain non – management holders of common shares ("Shareholders"), including the Company's largest Shareholder.

The Offeror has received a financing commitment from HPS Investment Partners, LLC (on behalf of certain funds or accounts managed, advised or controlled by HPS Investment Partners, LLC) for an interest-bearing senior secured first lien term loan facility in an aggregate principal amount up to C$825 million, subject to the satisfaction and/or waiver of certain conditions, to complete the Proposed Offer and any subsequent compulsory acquisition or subsequent acquisition transaction, as applicable.

Other than in certain circumstances, the Offeror intend to formally commence the Proposed Offer by way of filing and mailing a takeover bid circular. The Proposed Offer will constitute an "insider bid" under applicable Canadian securities laws. The Proposed Offer will be subject to a number of conditions.

II. ACQUISITION

On February 1, 2023, the Company announced that it has entered into a definitive agreement with Mercer Global Investments Canada Limited ("Mercer") to acquire Mercer's Canadian private wealth business. The acquisition is expected to add approximately $1.5 billion to total client assets. The transaction is expected to close within three months from the date of the agreement and is subject to a number of closing conditions, including regulatory approval.

III. DIVIDENDS

On February 8, 2023, the Board of Directors approved a dividend of $0.085 per common share, payable on March 10, 2023, with a record date of February 24, 2023 [Note 16].

On February 8, 2023, the Board of Directors approved the following cash dividends: $0.25175 per Series A Preferred Share payable on March 31, 2023 with a record date of March 17, 2023; and $0.42731 per Series C Preferred Share payable on March 31, 2023 with a record date of March 17, 2023 [Note 16].

Shareholder Information

Corporate Headquarters

STREET ADDRESS

Canaccord Genuity Group Inc.
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Vancouver, BC, Canada

MAILING ADDRESS

Pacific Centre
609 Granville Street, Suite 2200
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Vancouver, BC V7Y 1H2, Canada

Stock Exchange Listing

Common shares:
TSX: CF

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

Corporate Website

www.canaccordgenuity.com

General Shareholder Inquiries and Information

INVESTOR RELATIONS

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The Canaccord Genuity Group Inc. 2022 Annual Report is available on our website at www.cgf.com. For a printed copy, please contact the Investor Relations department.

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

	Expected earnings release date	Preferred dividend record date	Preferred dividend payment date	Common dividend record date	Common dividend payment date
Q4/23	June 8, 2023	June 23, 2023	July 4, 2023	June 23, 2023	July 4, 2023
Q1/24	August 2, 2023	September 15, 2023	October 2, 2023	September 1, 2023	September 15, 2023
Q2/24	November 8, 2023	December 22, 2023	January 2, 2024	December 1, 2023	December 15, 2023
Q3/24	February 7, 2024	March 15, 2024	April 1, 2024	March 1, 2024	March 15, 2024

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

Shareholder Administration

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

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

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

Financial Information

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

Auditor

Ernst & Young LLP
Chartered Professional Accountants
Vancouver, BC