

CI Financial Announces pre-IPO Minority Investment in its U.S. Wealth Management Business from Leading Global Institutional Investors

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- Investment in U.S. business at a \$6.7 billion equity value, ~3x CI's current market cap
- \$7.1 billion U.S. business enterprise value, 25.6x CI US Q1'23 annualized Adjusted EBITDA
- Proceeds of \$1.34 billion to be used to reduce net leverage to 2.7x
- CI concurrently announces offer to tender three tranches of bonds totaling \$1 billion, in addition to fully paying down and reducing the size of its Revolving Credit Facility by 25%

Financial amounts in Canadian dollars unless stated otherwise.

TORONTO & MIAMI--(BUSINESS WIRE)-- **CI Financial Corp.** ("CI") (TSX: CIX) announced today that it has agreed to sell a 20% minority investment in its U.S. wealth management business ("CI US") to a diversified group of leading institutional investors, including a wholly owned subsidiary of the Abu Dhabi Investment Authority (ADIA), Bain Capital, Flexpoint Ford, Ares Management funds, the State of Wisconsin, and others (collectively, the "Investors").

The approximately \$1.34 billion (US\$1.0 billion) investment is being made at a \$7.1 billion enterprise value for CI US, representing 25.6x Q1'23 annualized Adjusted EBITDA of CI US1. The deal enterprise value exceeds all of CI's total enterprise value and the deal equity value is ~3x CI's current equity market capitalization (as at May 10, 2023). At the closing of the investment, CI will hold 80% of CI US with the Investors holding the remaining 20%.

The proceeds from this investment together with the proceeds from another recent asset sale total \$1.5 billion, and will be used to deleverage and reduce CI's net leverage ratio² from 4.0x to 2.7x when accounting for the earnings reduction associated with the minority investment.

“This investment from several leading global financial institutions validates our differentiated U.S. wealth management strategy and the considerable success we have achieved in just over three years building and executing on the growth of the business,” said Kurt MacAlpine, Chief Executive Officer of CI.

“We initiated an IPO process for our U.S. wealth management business in late 2022 because we believed our share price did not reflect the value we had created for our shareholders across both our Canadian and U.S. businesses. Following the announcement of the submission of our IPO registration statement with respect to the U.S. business, we received significant inbound interest from leading institutional investors.

“We capitalized on an opportunity to accomplish in the private markets the objectives we sought in the IPO – value creation for our shareholders, an infusion of capital to materially deleverage, and the opportunity to build relationships with leading long-term investors,” Mr. MacAlpine said. “The \$1.34 billion investment in CI US accomplishes all of these objectives, allowing us to continue to execute on our vision for our U.S. wealth management business while preserving flexibility to proceed with an IPO in the future.”

William Holland, Chairman of the CI Board of Directors, said: “The CI Board is thrilled by the outcome of this transaction, which creates substantial value for our shareholders and represents an attractive alternative to an IPO of CI US. We have retained majority ownership of CI US while partnering with world-class investors and adding new directors at CI US.”

Upon closing of the transaction, expected in late May 2023, a six-person board of directors will be formed to oversee CI US, comprising five members nominated by CI and one member nominated by the Investors.

RBC Capital Markets LLC served as exclusive financial advisor, Skadden, Arps, Slate, Meagher & Flom LLP served as US legal advisor, and Stikeman Elliott LLP served as Canadian legal advisor to CI in this transaction.

About the Transaction

At the closing of the investment, CI will hold 80% of CI US with the Investors holding the remaining 20% of CI US in the form of convertible preferred equity. The holders of the preferred equity are entitled to a number of votes equal to the number of shares of CI US common equity into which the shares of preferred equity are convertible. The holders of the preferred equity are only entitled to dividends if declared by the board of directors of CI US. CI US has no current intention of paying any such dividends on the preferred equity. Each share of preferred equity is convertible at the option of the holder into one share of CI US common equity, subject to customary anti-dilution adjustments. The outstanding shares of preferred equity automatically convert into CI US common equity upon the closing of a qualified initial public offering of CI US. In the event of an acquisition by a third party or liquidation of CI

US, and certain other events, each holder of preferred equity is entitled to receive a liquidation preference. The preferred equity contains customary minority consent, exit and other rights for a security of this nature.

Additional information regarding the investment is available under CI's profile on SEDAR at www.sedar.com.

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements concerning anticipated future events, results, circumstances, performance or expectations with respect to CI and its products and services, including its business operations, strategy and financial performance and condition, the closing of the transaction to sell a minority investment in CI US, creating additional value at, and executing for its vision for, CI US and the U.S. wealth management business, and deleveraging at CI, including the completion of tender offers for certain of CI's bonds. Forward-looking statements are typically identified by words such as "believe", "expect", "foresee", "forecast", "anticipate", "intend", "estimate", "goal", "plan" and "project" and similar references to future periods, or conditional verbs such as "will", "may", "should", "could" or "would". These statements are not historical facts but instead represent management beliefs regarding future events, many of which by their nature are inherently uncertain and beyond management's control. Although management believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, such statements involve risks and uncertainties. The material factors and assumptions applied in reaching the conclusions contained in these forward-looking statements include that the conditions of closing of the transaction to sell a minority investment in CI US are satisfied on a timely basis or at all. The foregoing list is not exhaustive and the reader is cautioned to consider these and other factors carefully and not to place undue reliance on forward-looking statements. Other than as specifically required by applicable law, CI undertakes no obligation to update or alter any forward-looking statement after the date on which it is made, whether to reflect new information, future events or otherwise.

About CI Financial

CI Financial Corp. is a diversified global asset and wealth management company operating primarily in Canada, the United States and Australia. Founded in 1965, CI has developed world-class portfolio management talent, extensive capabilities in all aspects of wealth planning, and a comprehensive product suite. CI manages and advises on approximately \$391.1 billion (US\$289.4 billion) in client assets (as at March 31, 2023).

CI operates in three segments:

- Asset Management, which includes CI Global Asset Management, which operates in Canada, and GSFM Pty Ltd., which operates in Australia.
- Canadian Wealth Management, which includes the operations of CI Assante Wealth Management, Aligned

Capital Partners, CI Private Wealth (Canada), Northwood Family Office, CI Direct Investing and CI Investment Services.

- U.S. Wealth Management, which includes CI Private Wealth (U.S.), an integrated wealth management firm providing comprehensive solutions to ultra-high-net-worth and high-net-worth clients across the United States.

CI is headquartered in Toronto and listed on the Toronto Stock Exchange (TSX: CIX). To learn more, visit CI's **website** or **LinkedIn page**.

CI Global Asset Management is a registered business name of CI Investments Inc., a wholly owned subsidiary of CI Financial Corp.

1 Adjusted EBITDA of CI US is not a standardized earnings measure prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. For further information, see "Non-IFRS Measures" on pages 8-13 of CI's management's discussion and analysis for the three months ended March 31, 2023 ("Q1 23 MD&A"), which are incorporated by reference and available under CI's profile on SEDAR at **www.sedar.com**.

2 Net Leverage is calculated as net debt/Adjusted EBITDA annualized, which is a not a standardized financial measure prescribed by IFRS and might not be comparable to similar financial measures disclosed by other issuers. Net Leverage and Adjusted EBITDA annualized are non-IFRS financial measures. See "Non-IFRS Financial Measures" on pages 8-13 of the Q1 23 MD&A, which are incorporated by reference and available under CI's profile on SEDAR at **www.sedar.com**.

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