

EARNINGS RELEASE

GMP CAPITAL INC. REPORTS FIRST QUARTER 2019 RESULTS

- First quarter 2019 results affected by non-cash goodwill impairment charge
- Adjusted net income¹ from continuing operations was \$6.8 million in first quarter 2019 and adjusted diluted earnings per share from continuing operations was \$0.07
- Board of Directors approved a quarterly cash dividend of \$0.025 per common share

For further information about GMP Capital Inc., our results for first quarter 2019 and the meaning of certain references, this earnings release should be read in conjunction with our unaudited interim condensed consolidated financial statements as at and for the three months ended March 31, 2019 (First Quarter 2019 Financial Statements) and our management's discussion and analysis for the three months ended March 31, 2019 (First Quarter 2019 MD&A) and our annual information form, which can be accessed on our website at gmpcapital.com and on SEDAR at sedar.com. Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and have been taken from our First Quarter 2019 Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS).

FINANCIAL HIGHLIGHTS

Continuing Operations

First Quarter 2019 vs. First Quarter 2018

- Revenue of \$37.5 million decreased from \$47.0 million.
- Non-cash goodwill impairment charge of \$28.5 million recorded in first quarter 2019.
- Net loss of \$22.9 million decreased from net income of \$5.4 million.
- On an adjusted basis¹, net income of \$6.8 million decreased from \$8.6 million.
- Diluted loss per share of \$0.34 decreased from diluted earnings per share (EPS) of \$0.06.
- On an adjusted basis¹, EPS of \$0.07 decreased from \$0.10.
- Adjusted return on equity (ROE)¹ of 12.6% decreased from 18.3%.

Toronto, May 2, 2019 - GMP Capital Inc. (GMP) (TSX: GMP) today reported a net loss from continuing operations of \$22.9 million primarily due to a \$28.5 million non-cash goodwill impairment charge in our Capital Markets segment recorded in first quarter 2019. Revenue from continuing operations was \$37.5 million in first quarter 2019. On an adjusted basis¹, net income from continuing operations was \$6.8 million in first quarter 2019 compared with net income of \$8.6 million in first quarter 2018.

On a consolidated basis, GMP recorded a net loss of \$15.5 million in first quarter 2019 compared with net income of \$4.1 million in first quarter 2018. The decline in performance was primarily due to the non-cash goodwill impairment charge recorded in first quarter 2019. Additionally, first quarter 2019 included an \$8.3 million non-cash gain relating to reclassification of cumulative foreign currency translation adjustments in connection with the sale of discontinued operations. On an adjusted basis¹, GMP recorded net income of \$14.2 million in first quarter 2019 compared with net income of \$7.3 million in first quarter 2018.

"We delivered adjusted earnings from continuing operations of nearly \$7 million this quarter despite a challenging business environment for capital raisings in first quarter 2019, which contributed to weaker performance in our underwriting franchise. Revenue from principal transactions rebounded significantly from the immediately preceding quarter and we grew advisory revenue by 8% year-over-year, driven largely by continued momentum in the cannabis sector. In Wealth Management, our partners at Richardson GMP reported another solid quarterly performance, increasing net income by 12% this quarter compared with the first quarter last year," said Harris Fricker, President and CEO of GMP.

Commenting further, Fricker said "We also remain encouraged that our efforts on the cost side of the business continue to benefit our bottom line. In particular, the ratio of employee compensation to revenue is at its lowest level in over a decade. GMP remains on the right path with strong franchises in both Canadian capital markets and wealth management."

Discontinued Operations

In January 2019, GMP completed the sale of its U.S. fixed income business, which was conducted through its wholly owned U.S. subsidiary GMP Securities, LLC to a third party. As required under IFRS 5 - *Non-Current Assets Held for Sale and Discontinued Operations*, the operating results of the disposed U.S. fixed income business are reported as discontinued operations throughout this press release. Certain previously reported figures have been retrospectively restated to show the discontinued operations

separately from continuing operations. For further information relating to discontinued operations, please refer to Note 8 to the 2018 Annual Financial Statements and Note 5 to the First Quarter 2019 Financial Statements.

Net income from discontinued operations was \$7.5 million in first quarter 2019 compared with a net loss of \$1.3 million in first quarter 2018. The improvement reflects an \$8.3 million non-cash gain relating to reclassification of cumulative foreign currency translation adjustments in connection with the sale of discontinued operations in first quarter 2019.

1. Considered to be a non-GAAP financial measure. This measure does not have any standardized meaning prescribed by generally accepted accounting principles (GAAP) under IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. This data should be read in conjunction with the "Non-GAAP Measures" section at the end of this press release and the "Presentation of Financial Information and Non-GAAP Measures" section in the First Quarter 2019 MD&A.

FIRST QUARTER 2019 BUSINESS SEGMENT HIGHLIGHTS FROM CONTINUING OPERATIONS

Capital Markets

First quarter 2019 vs First quarter 2018

Revenue

Revenue of \$34.1 million decreased 21%, primarily due to lower investment banking fees and lower commission revenue. Partly offsetting these decreases were higher returns on principal inventories and higher interest revenue.

- Investment banking revenue of \$10.9 million decreased 63% led by a broad-based decrease in underwriting revenue.
- Underwriting revenue decreased 83% to \$4.0 million largely due to weaker client activity in cannabis, blockchain and energy sectors. The dollar value of industry-wide common equity underwriting transactions was down 62% over the same period.
- Advisory fees increased 8% to \$7.0 million largely due to higher revenue generation in the cannabis sector.
- Commission revenue of \$5.3 million decreased 27% on lower client trading activity.
- Principal transactions generated net gains of \$12.5 million, representing an increase of 387% compared with first quarter 2018 primarily due to higher returns on principal inventories acquired in connection with investment banking mandates and lower losses in connection with client trade facilitation.
- Interest revenue increased 24% to \$4.0 million in connection with increased stock borrowing and lending activity.

Expenses

Expenses of \$53.9 million increased 71% in first quarter 2019 compared with first quarter 2018 led largely by the \$28.5 million non-cash goodwill impairment charge recorded in first quarter 2019 and higher interest expense. Partly offsetting these increases was lower employee compensation and benefits expense and lower selling, general and administrative expense.

Interest expense increased 84% in first quarter 2019 compared with first quarter 2018 in connection with increased stock borrowing and lending activity this quarter.

Employee compensation and benefits expense decreased 29% compared with the same period a year ago, led largely by lower variable compensation and lower fixed salaries and benefits expense.

- Variable compensation expense decreased 32% in first quarter 2019 compared with first quarter 2018 commensurate with lower revenue generation.
- Fixed salaries and benefits expenses decreased 22% compared with first quarter 2018 reflecting lower headcount following staff departures in connection with prior year rationalization initiatives.
- The ratio of total employee compensation and benefits to revenues decreased to 49.3% in first quarter 2019 compared with 54.7% in first quarter 2018, representing the lowest level in the past 10 years.

Selling, general and administrative costs decreased 15% in first quarter 2019 compared with first quarter 2018 largely due to lower deal-related costs commensurate with the decreases in investment banking and client trading activity.

Income (loss) before income taxes

- Loss before income taxes was \$19.8 million in first quarter 2019 compared with net income before income taxes of \$11.7 million in first quarter 2018. On an adjusted basis¹, income before income taxes was \$9.0 million compared with \$11.9 million in first quarter 2018.

Wealth Management

First quarter 2019 vs First quarter 2018

- Wealth Management reported income before income taxes of \$1.5 million in first quarter 2019 compared with \$1.4 million in first quarter 2018. The increase largely reflects GMP's share of Richardson GMP's net income, which was \$0.9 million and \$0.8 million in first quarter 2019 and first quarter 2018, respectively.

Richardson GMP Highlights

The following information sets forth an overview of the consolidated financial results of Richardson GMP, on a 100% basis; noting, however, that GMP owns an approximate 33% non-controlling interest of Richardson GMP as at March 31, 2019.

- Revenue decreased 10% to \$68.0 million, primarily due to lower commission revenue and lower investment management fees on lower AUA.
- Total expenses decreased 12% in first quarter 2019 compared with first quarter 2018, largely reflecting lower variable compensation expense and lower selling, general and administrative expense.
- Adjusted EBITDA² of \$11.3 million, increased 1% compared with the same period a year ago.
- AUA was \$28.7 billion as at March 31, 2019.

2. Considered to be a non-GAAP financial measure. This data should be read in conjunction with the "Supplemental Information" section at the end of this press release and in the First Quarter 2019 MD&A.

DIVIDENDS

On May 1, 2019, the board of directors of GMP (the Board) approved a quarterly cash dividend of \$0.025 per common share, payable on July 2, 2019 to common shareholders of record on June 14, 2019.

On May 1, 2019, the Board also approved a quarterly cash dividend of \$0.2257 per Cumulative 5-Year Rate Reset Preferred Share, Series B, and \$0.2850 per Cumulative Floating Rate Preferred Shares, Series C, payable on July 2, 2019 to preferred shareholders of record on June 14, 2019.

CONFERENCE CALL

A conference call and live audio webcast to discuss GMP's first quarter 2019 results will be held this morning at 9:00 a.m. (EST). Interested parties are invited to access the quarterly conference call on a listen-only basis by dialing 647-794-4605 or 1-888-254-3590 (toll free) and entering confirmation code 4541716, or via live audio webcast at <http://gmppcapital.com/Investor-Relations/Quarterly-Information>. A recording of the conference call will be available until Sunday, June 2, 2019, by dialing 905-694-9451 or 1-800-408-3053 (toll free) and entering access code 6698903#. The webcast will be archived at <http://gmppcapital.com/Investor-Relations/Quarterly-Information>.

NON-GAAP MEASURES

We use certain measures to assess our financial performance that are not GAAP measures under IFRS. These measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. Non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of GMP's performance, liquidity, cash flows and profitability. For further information, refer to the "Presentation of Financial Information and Non-GAAP Measures" section in the First Quarter 2019 MD&A.

The following table provides a reconciliation of GMP's reported results to its adjusted measures including the composition of the adjusted measures for the periods presented.

(\$000, except as otherwise noted)	Three months ended March 31,	
	2019	2018
Reported Results		
(Loss) income before income taxes from continuing operations	(21,351)	8,286
Net (loss) income from continuing operations	(22,935)	5,374
Net (loss) income	(15,480)	4,090
Net (loss) income attributable to common shareholders from continuing operations	(24,033)	4,329
Net (loss) income attributable to common shareholders	(16,578)	3,045
Reported Measures		
Net (loss) income per Common Share from continuing operations (dollars):		
Basic	(0.34)	0.06
Diluted	(0.34)	0.06
Net (loss) income per Common Share (dollars):		
Basic	(0.24)	0.04
Diluted	(0.24)	0.04
ROE ¹ continuing operations	(58.5)%	10.6%
Pre-Tax Impact of Adjusting Items:		
Goodwill impairment charge	28,541	—
Transaction Shares	988	3,100
Amortization of intangible asset	217	217
Impact of adjusting items on (loss) income before taxes	29,746	3,317
After-Tax Impact of Adjusting Items:		
Goodwill impairment charge	28,541	—
Transaction Shares	988	3,100
Amortization of intangible asset	159	159
Impact of adjusting items on net (loss) income	29,688	3,259
Adjusted Results ¹		
Income before income taxes from continuing operations	8,395	11,603
Net income from continuing operations	6,753	8,633
Net income	14,208	7,349
Net income attributable to common shareholders from continuing operations	5,655	7,588
Net income attributable to common shareholders	13,110	6,304
Adjusted Measures ¹		
Net income per Common Share from continuing operations (dollars):		
Basic	0.08	0.11
Diluted	0.07	0.10
Net income per Common Share (dollars):		
Basic	0.19	0.09
Diluted	0.17	0.08
ROE continuing operations	12.6 %	18.3%

1. Considered to be non-GAAP financial measures. These measures do not have any standardized meaning prescribed by GAAP under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers.

SUPPLEMENTAL INFORMATION - RICHARDSON GMP

The following supplemental information reflects how management of Richardson GMP assesses the financial performance of Richardson GMP.

Richardson GMP's management assesses performance on both a reported and an adjusted basis and considers both bases to be useful in assessing underlying, ongoing business performance. Presenting results on both bases also permits readers to assess the impact of specified items on financial results. Richardson GMP's management uses certain measures to assess the financial performance of Richardson GMP that are not GAAP measures under IFRS. EBITDA and adjusted EBITDA do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. These Non-GAAP measures should not be considered as alternatives to net income or comparable metrics determined in accordance with IFRS as indicators of Richardson GMP's performance, liquidity, cash flows and profitability. Richardson GMP's management believes adjusting results by excluding the impact of the specified items is more reflective of ongoing financial performance and cash generating capabilities and provides readers with an enhanced understanding of how management views Richardson GMP's core performance. For further information, refer to the "Supplemental Information" section in the First Quarter 2019 MD&A.

The following table sets forth an overview of the consolidated financial results of Richardson GMP for the periods indicated, on a 100% basis; noting, however, that GMP owns an approximate 33% non-controlling interest of Richardson GMP as at March 31, 2019.

(\$000, except as otherwise noted)	Three months ended March 31,		% increase/ (decrease)
	2019	2018	
Revenue	67,985	75,299	(10)
Expenses	62,132	70,319	(12)
Employee compensation and benefits	44,007	50,586	(13)
Non-compensation expenses	18,125	19,733	(8)
Income before income tax	5,853	4,980	18
Net income - reported	4,030	3,602	12
Pre-tax impact of adjusting items			
Interest	1,644	1,862	(12)
Income tax	1,823	1,378	32
Depreciation and amortization	1,265	1,313	(4)
Transition assistance loan amortization	2,051	2,753	(25)
EBITDA ¹	10,813	10,908	(1)
Share-based compensation	461	274	68
Adjusted EBITDA¹	11,274	11,182	1
Number of advisory teams	160	176	(9)
AUA at period-end (\$ millions)	28,707	29,869	(4)

1. Considered to be a non-GAAP financial measure. This measure does not have any standardized meaning prescribed by GAAP under IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers.

FORWARD-LOOKING INFORMATION

This press release contains “forward-looking information” as defined under applicable Canadian securities laws. This information includes, but is not limited to, statements concerning our objectives, our strategies to achieve those objectives, as well as statements made with respect to management's beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking information generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “should”, “plans” or “continue”, or similar expressions suggesting future outcomes or events. Such forward-looking information reflects management's current beliefs and is based on information currently available to management.

Forward-looking information is not a guarantee of future performance and is subject to numerous risks and uncertainties, including those described in this press release. GMP's primary business activities are both competitive and subject to various risks. These risks include market, credit, liquidity, operational, cyber and legal and regulatory risks and other risk factors including, without limitation: variation in the market value of securities, volatility and liquidity of equity and fixed income trading markets, volume of new financings and mergers and acquisitions, dependence on key personnel and sustainability of fees. Other factors, such as general economic conditions, including interest rate and exchange rate fluctuations, may also have an effect on GMP's results of operations. Many of these risks and uncertainties can affect GMP's actual results and could cause its actual results to materially differ from those expressed or implied in any forward-looking information disclosed by management or on its behalf. For a description of additional risks that could cause our actual results to materially differ from our current expectations, see “Risk Management” and “Risk Factors” in the First Quarter 2019 MD&A and “Risk Factors” in GMP's annual information form. These risks and uncertainties are not the only ones facing GMP together with its consolidated operations controlled by it and its predecessors (GMP Group). Additional risks and uncertainties not currently known to us or that we currently consider immaterial may also impair the operations of the GMP Group. Material assumptions or factors underlying the forward-looking information contained in this press release include, but are not limited to, “First Quarter 2019 Financial Highlights”, “Segment Results” and “Liquidity and Capital Resources” sections of the First Quarter 2019 MD&A. Although forward-looking information contained in this press release is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with this forward-looking information. Certain statements included in this press release may be considered a “financial outlook” for purposes of applicable Canadian securities laws, and as such the financial outlook may not be appropriate for purposes other than this press release. The forward-looking information contained in this press release is made as of the date of this press release, and should not be relied upon as representing GMP's views as of any date subsequent to the date of this press release. Except as required by applicable law, management and GMP's Board of Directors undertake no obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

ABOUT GMP CAPITAL INC.

GMP is a leading independent diversified financial services firm headquartered in Toronto, Canada, providing a wide range of financial products and services to a global client base that includes corporate clients, institutional investors and high-net-worth individuals in two integrated reporting segments. The Capital Markets segment provides investment banking, including advisory and underwriting services, institutional sales and trading and research through offices in Canada, the United Kingdom and the Bahamas. Wealth Management consists of GMP's non-controlling ownership interest in Richardson GMP Limited. Richardson GMP Limited, Canada's largest independent wealth management firm, is focused on providing exclusive and comprehensive wealth management and investment services delivered by an experienced team of investment professionals. GMP is listed on the Toronto Stock Exchange under the symbol “GMP”. For further information, please visit our corporate website at gmppcapital.com.

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