



Q3 2021 Interim Report

MANAGEMENT'S DISCUSSION AND ANALYSIS

Throughout this interim MD&A, all amounts are in U.S. dollars unless otherwise indicated.

This interim Management's Discussion and Analysis ("MD&A") provides a review of Onex Corporation's ("Onex") unaudited interim consolidated financial results for the three and nine months ended September 30, 2021 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the unaudited interim consolidated statements of earnings, unaudited interim consolidated statements of comprehensive earnings, unaudited interim consolidated balance sheets, unaudited interim consolidated statements of equity and unaudited interim consolidated statements of cash flows of Onex. As such, this interim MD&A should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto included in this report. The financial results have been prepared using accounting policies that are consistent with International Financial Reporting Standards ("IFRS") to provide information about Onex and should not be considered as providing sufficient information to make an investment or lending decision regarding any particular Onex operating business, private equity fund, credit strategy or other investments.

The following interim MD&A is the responsibility of management and is as of November 11, 2021. Preparation of the interim MD&A includes the review of the disclosures by senior management of Onex and by the Onex Disclosure Committee. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit and Corporate Governance Committee, composed exclusively of independent directors. The Audit and Corporate Governance Committee has reviewed and recommended approval of this interim MD&A by the Board of Directors. The Board of Directors has approved this disclosure.

The interim MD&A is presented in the following sections:

3	Company Overview	21	Financial Review
11	2021 Year-to-Date Activity	46	Glossary

Onex Corporation's financial filings, including the 2021 Third Quarter Interim MD&A and Financial Statements, and the 2020 Annual Report, Annual Information Form and Management Information Circular, are available on Onex' website, www.onex.com, and on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Forward-Looking/Safe Harbour Statements

This interim MD&A may contain, without limitation, statements concerning possible or assumed future operations, performance or results preceded by, followed by or that include words such as "believes", "expects", "potential", "anticipates", "estimates", "intends", "plans" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees. The reader should not place undue reliance on forward-looking statements and information because they involve significant and diverse risks and uncertainties that may cause actual operations, performance or results to be materially different from those indicated in these forward-looking statements. Except as may be required by Canadian securities law, Onex is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or other factors. These cautionary statements expressly qualify all forward-looking statements in this interim MD&A.

Non-GAAP Financial Measures

This interim MD&A contains non-GAAP financial measures which have been calculated using methodologies that are not in accordance with IFRS. The presentation of financial measures in this manner does not have a standardized meaning prescribed under IFRS and is therefore unlikely to be comparable to similar financial measures presented by other companies. Onex management believes these financial measures provide helpful information to investors. Reconciliations of the non-GAAP financial measures to information contained in the unaudited interim consolidated financial statements have been presented where practical.

The following non-GAAP financial and performance measures are presented within this interim MD&A and have not been reconciled to a comparable GAAP measure as there are no appropriate comparable GAAP measures within IFRS:

- Performance returns, including Gross IRR, Net IRR, Gross MOC and Net MOC;
- Assets under management and fee-generating assets under management;
- Investor and client capital under management and fee-generating investor and client capital under management;
- Investing capital per share; and
- Annualized principal default rate.

References

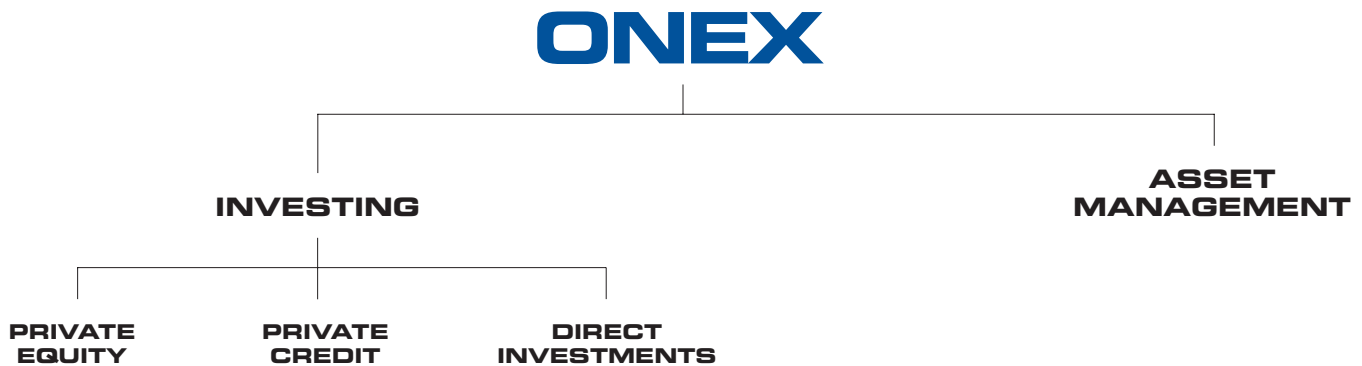
References to **Onex** or the **Company** represent Onex Corporation. References to the **Onex management team** include the management of Onex, Onex Partners, ONCAP, Onex Credit and Gluskin Sheff. References to management without the use of “team” include only the relevant group. For example, Onex management does not include management of Onex Partners, ONCAP, Onex Credit or Gluskin Sheff.

References to an **Onex Partners Group** represent Onex, the limited partners of the relevant Onex Partners Fund, the Onex management team and, where applicable, certain other limited partners as co-investors. References to an **ONCAP Group** represent Onex, the limited partners of the relevant ONCAP Fund, the Onex management team and, where applicable, certain other limited partners as co-investors. For example, references to the Onex Partners IV Group represent Onex, the limited partners of Onex Partners IV, the Onex management team and, where applicable, certain other limited partners as co-investors.

A glossary of terms commonly used within this interim MD&A is included on page 46.

COMPANY OVERVIEW

Onex is a public company, the shares of which trade on the Toronto Stock Exchange under the symbol ONEX. The Company manages and invests capital in its private equity, private credit and public strategies on behalf of shareholders, institutional investors and high net worth families from its offices in Toronto, New York, New Jersey, Boston and London.



Onex manages and invests \$7.9 billion of investing capital (\$86.95 or C\$110.79 per fully diluted share) as at September 30, 2021, which is primarily invested in or committed to its private equity and credit platforms. As at September 30, 2021, Onex also manages \$38.6 billion of invested and committed capital, including \$31.9 billion of fee-generating capital, on behalf of institutional investors and high net worth families from around the world, including public and private pension plans, sovereign wealth funds, insurance companies and family offices that have chosen to invest alongside Onex. Onex' policy is to maintain a financially strong parent company with funds available to meet capital commitments to its investing platforms and to support the growth of its asset management business.

Critical to Onex' success is the strong alignment of interests between shareholders, limited partners, clients and the Onex management team. Onex' distinctive ownership culture is evidenced by the Onex management team's \$2.3 billion investment in Onex shares, DSUs and various Onex funds.

With an experienced management team, significant financial resources and no external debt, Onex is well-positioned to continue building shareholder value through its investment activities and its asset management platform.

Private Equity

Founded in 1984, Onex is one of the oldest and most successful private equity firms. Today, the Company primarily invests in its two private equity platforms: Onex Partners for middle-market and larger transactions and ONCAP for middle-market and smaller transactions. Onex' private equity funds acquire and build high-quality businesses in partnership with talented management teams and focus on execution theses rather than macro-economic or industry trends. Onex has always been the largest limited partner in each of its private equity funds.

Onex' private equity funds typically acquire control positions, which allow the funds to drive important strategic decisions and effect change at the operating businesses. The Onex management team and Onex private equity funds do not get involved in the daily decisions of the operating businesses.

Over 37 years, Onex has built approximately 115 operating businesses, completing approximately 740 acquisitions with a total value of approximately \$101 billion. Since inception, Onex has generated a Gross MOC of 2.5 times, resulting in a 27% Gross IRR on realized, substantially realized and publicly traded investments.

Onex Credit

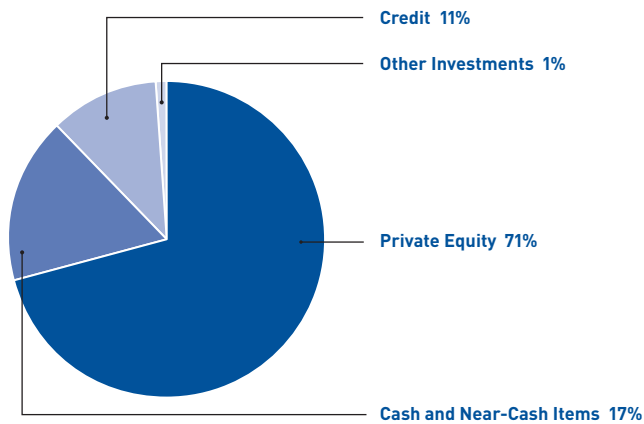
Onex Credit invests primarily in non-investment grade credit with strategies focused on CLOs, direct lending, and opportunistic and structured credit, as well as actively managed public equity and public credit funds. As at September 30, 2021, Onex Credit has fee-generating assets under management of \$21.5 billion, which includes Gluskin Sheff client capital in private credit and public strategies, reflecting the integration of the Gluskin Sheff investment team into the Onex Credit platform.

Onex Credit has a successful track record of executing a disciplined approach to credit investing with a focus on capital preservation and strong risk-adjusted returns through credit cycles. The platform's sourcing capabilities and data intelligence help to better inform its investment decisions and dynamically manage its portfolios in varying market conditions. This allows Onex Credit to meet the diverse needs of institutional and high net worth investors and tailor investing strategies accordingly. The platform practises value-oriented investing, employing a rigorous bottom-up, fundamental and structural analysis of the underlying borrowers, coupled with active portfolio management, to continually seek to optimize portfolio positioning.

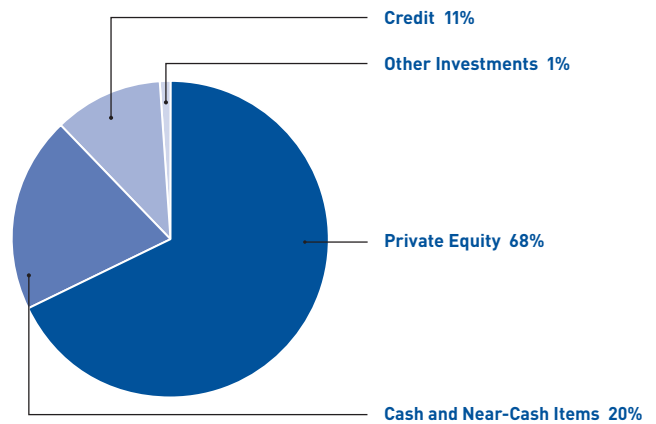
INVESTING

At September 30, 2021, substantially all of Onex' investing capital was invested in or committed to its private equity and private credit platforms.

Onex' Investment Allocation at September 30, 2021



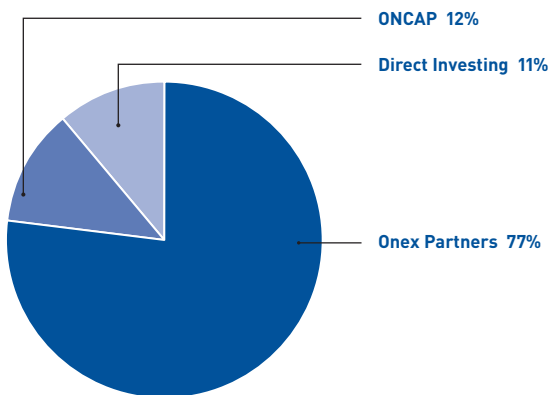
Onex' Investment Allocation at December 31, 2020



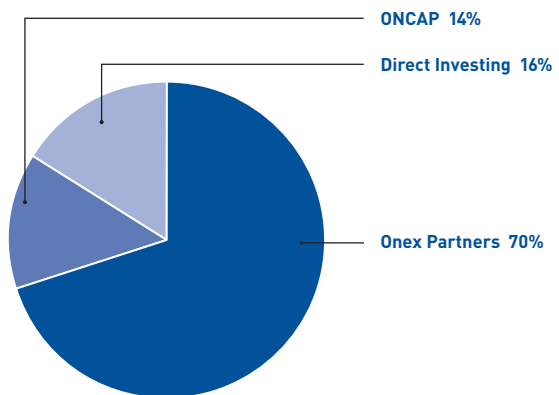
Private Equity

As at September 30, 2021, Onex' investments in private equity totalled \$5.6 billion (December 31, 2020 – \$4.6 billion).

Onex' \$5.6 billion Investment in Private Equity at September 30, 2021



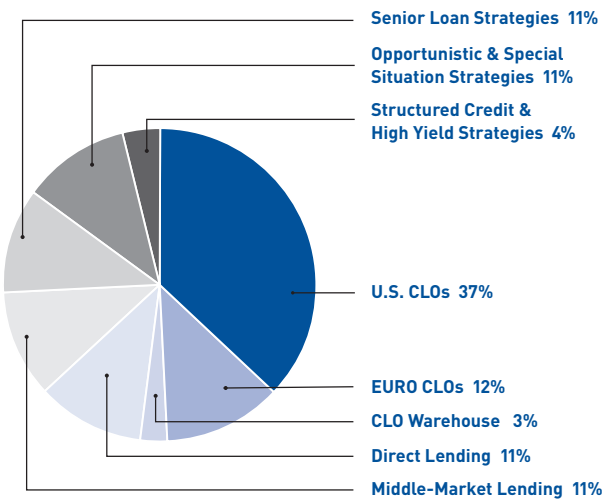
Onex' \$4.6 billion Investment in Private Equity at December 31, 2020



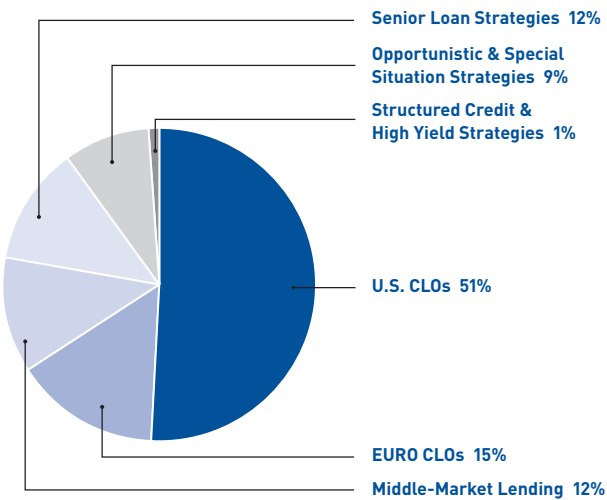
Private Credit

As at September 30, 2021, Onex’ investments in private credit strategies totalled \$890 million (December 31, 2020 – \$751 million).

Onex’ \$890 million Investment in Private Credit Strategies at September 30, 2021



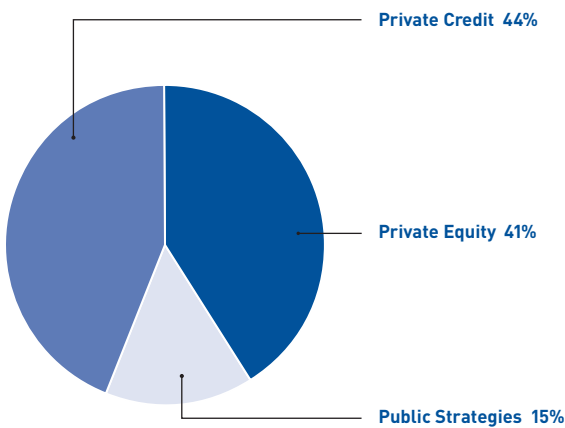
Onex’ \$751 million Investment in Private Credit Strategies at December 31, 2020



ASSET MANAGEMENT

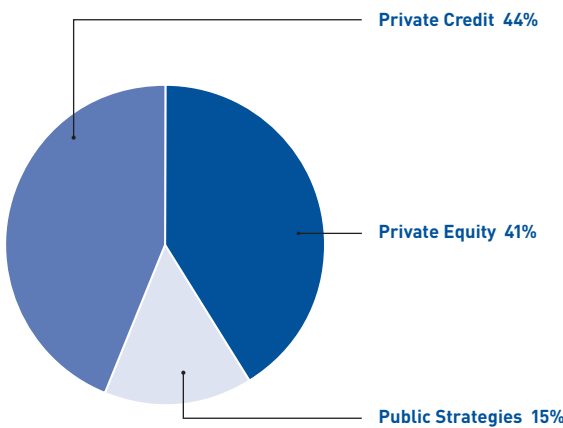
As of September 30, 2021, Onex managed \$38.6 billion (December 31, 2020 – \$36.3 billion) of invested and committed capital on behalf of institutional investors and high net worth families from around the world.

Onex’ \$38.6 billion of Assets under Management at September 30, 2021⁽¹⁾



(1) Excludes Onex capital.

Onex’ \$36.3 billion of Assets under Management at December 31, 2020⁽¹⁾



(1) Excludes Onex capital.

Onex' asset management platform provides the Company with two significant financial benefits: (i) a committed stream of management fees and (ii) the opportunity to share in investors' gains. Onex has run-rate management fees of \$269 million from fee-generating assets under management of \$31.9 billion, consisting of \$117 million from private equity and \$152 million from Onex Credit. At September 30, 2021, Onex managed \$25.3 billion of capital from which it may earn carried interest or performance fees.

Private Equity

In private equity, Onex has raised nine Onex Partners and ONCAP Funds since 1999 and is currently investing Onex Partners V, a \$7.15 billion fund, and ONCAP IV, a \$1.1 billion fund.

During the initial fee period of the Onex Partners and ONCAP Funds, Onex receives a management fee based on limited partners' committed capital. At September 30, 2021, the management fees of Onex Partners V and ONCAP IV were determined on this basis, with management fee rates of 1.7% and 2.0%, respectively.

Following the termination of the initial fee period, Onex is entitled to a management fee based on limited partners' net funded commitments. At September 30, 2021, management fees were determined on this basis for Onex Partners IV (1.0%) and ONCAP III (1.5%). As realizations occur in these funds, the management fees earned by Onex will decrease.

Onex is entitled to 40% of the carried interest realized from limited partners in the Onex Partners and ONCAP Funds, while Onex Partners and ONCAP management are entitled to the remaining 60%. Carried interest is typically calculated as 20% of the realized net gains of the limited partners in each Fund, provided the limited partners have achieved a minimum 8% net compound annual return on their investment.

<i>(Unaudited) (\$ millions)</i>	Carried Interest Received
2017	\$ 121
2018	37
2019	43
2020	–
2021 (up to September 30)	20
Total	\$ 221

Onex' share of unrealized carried interest at September 30, 2021 from private equity investments totalled \$271 million (December 31, 2020 – \$87 million). The amount of carried interest ultimately received by Onex is based on realizations, the timing of which can vary significantly from year to year.

Onex' ability to raise new private equity capital is primarily dependent on the general fundraising environment and Onex' investment track record. The following table summarizes the performance of the Onex Partners and ONCAP Funds from their inception up to September 30, 2021. Net IRR and Net MOC represent the performance for fee-paying limited partners of Onex-sponsored private equity funds.

Performance Returns ⁽¹⁾					
	Vintage	Gross IRR	Net IRR ⁽²⁾	Gross MOC	Net MOC ⁽²⁾
Onex Partners Funds – Invested					
Onex Partners I ⁽³⁾	2003	55%	38%	4.0x	3.1x
Onex Partners II	2006	17%	13%	2.2x	1.8x
Onex Partners III	2009	17%	11%	2.1x	1.8x
Onex Partners IV	2014	15%	10%	1.7x	1.5x
Total Onex Partners Funds – Invested⁽⁴⁾		26%	n/a	2.2x	n/a
ONCAP Funds – Invested					
ONCAP I ⁽³⁾⁽⁵⁾	1999	43%	33%	4.1x	3.1x
ONCAP II ⁽⁵⁾	2006	29%	21%	4.2x	2.8x
ONCAP III ⁽⁵⁾	2011	26%	19%	3.9x	2.8x
Total ONCAP Funds – Invested⁽⁴⁾⁽⁵⁾		39%	n/a	4.0x	n/a
Onex Partners and ONCAP Funds – Investing					
Onex Partners V ⁽⁶⁾	2018	28%	25%	1.3x	1.2x
ONCAP IV	2016	15%	8%	1.4x	1.2x

(1) Performance returns are non-GAAP financial measures. Onex management believes that performance returns are useful to investors since Onex' ability to raise capital in new funds may be materially impacted by the performance returns of current and prior funds.

(2) Net IRR and Net MOC are presented for limited partners in the Onex Partners and ONCAP Funds and exclude the capital contributions and distributions attributable to Onex' commitment as a limited partner in each fund.

(3) Onex Partners I is substantially realized and ONCAP I has been fully realized.

(4) Represents the aggregate performance returns for all invested Onex Partners and ONCAP Funds. Invested funds are those funds that do not have uncalled commitments that can be used for future Onex-sponsored investments. Net IRR and Net MOC are not calculable across the aggregate Onex Partners and ONCAP Funds.

(5) Performance returns are calculated in Canadian dollars, the functional currency of these ONCAP Funds.

(6) The performance returns of Onex Partners V represent a limited partner that elected to participate in the credit facility of Onex Partners V. Performance returns for a limited partner that did not participate in the credit facility of Onex Partners V are as follows: 15% Net IRR and 1.2x Net MOC.

Onex Credit

Onex Credit continues to grow the product lines and distribution channels for its private credit investing and public strategies. Building on the foundation of its senior loan strategies, Onex Credit is expanding its opportunistic and structured credit strategies with active fundraising for two new strategies. During the first nine months of 2021, Onex Credit raised approximately \$1.1 billion of third-party capital for certain of its private credit strategies, including approximately \$785 million of third-party capital raised through its CLO platform. Subsequent to September 30, 2021, Onex Credit raised approximately \$830 million of additional third-party capital for certain of its private credit strategies, including approximately \$550 million in connection with the pricing of CLO-22.

As of September 30, 2021, Onex Credit earns run-rate management fees of \$152 million on \$21.5 billion of fee-generating assets under management.

As at September 30, 2021	Fee-Generating Assets Under Management	Management Fee Basis	Management Fee %
CLOs	\$ 10,260	Collateral principal balance	up to 0.50%
Direct lending ⁽¹⁾	\$ 3,802	Invested capital	up to 1.50%
		Committed capital	up to 1.75%
Other private credit strategies ⁽²⁾	\$ 2,001	Net asset value;	up to 1.25%
		Gross invested assets;	up to 1.75%
		Funded commitments; or	up to 1.25%
		Unfunded commitments	up to 0.50%
Public credit strategies	\$ 2,074	Assets under management	up to 1.50%
Public equity strategies	\$ 3,326	Assets under management	up to 1.25%

(1) Represents the Onex Falcon Funds.

(2) Includes OCLP, senior loan strategies, opportunistic and special situation strategies, and structured credit and high yield strategies.

Onex Credit is also entitled to performance fees on \$2.2 billion of perpetual assets under management as at September 30, 2021. Performance fees range between 10% and 20% of net gains and may be subject to performance hurdles. In addition, Onex Credit is entitled to carried interest on \$12.7 billion of assets under management as at September 30, 2021. Carried interest ranges between 12.5% and 20% of net gains and are generally subject to a hurdle or minimum preferred returns to investors. The Onex Falcon management team is allocated the entire carried interest for Onex Falcon Funds acquired with Onex Falcon, with the exception of Private Credit Opportunities Fund VI ("Onex Falcon VI"), where Onex Falcon management is entitled to 80% of the carried interest. In most cases, the Onex Credit management team is allocated 50% of the carried interest or performance fees.

FIRM RESOURCES

Experienced team with significant depth

Onex is led by the firm's founder and CEO, Gerry Schwartz, and its President, Bobby Le Blanc, as well as experienced leadership teams at each of its investment platforms.

Onex' 175 investment professionals are each dedicated to a separate investment platform: Onex Partners (56), ONCAP (23) and Onex Credit (96). These teams are supported by approximately 225 professionals dedicated to Onex' corporate functions and investment platforms, including Client & Product Solutions professionals and Gluskin Sheff's Client Wealth Management team.

Substantial financial resources available for future growth

Onex seeks to maintain a financially strong parent company with funds available to meet its capital commitments to its investing platforms and to support the growth of its asset management business. Onex' financial strength comes from both its own capital as well as the capital committed by its investors. Today, Onex has substantial financial resources available to support its investing activities and grow its asset management business:

- approximately \$1.6 billion of cash and near-cash items and no external debt;
- \$1.7 billion of limited partner uncalled capital available for future Onex Partners V investments; and
- \$181 million of limited partner uncalled capital available for future ONCAP IV investments.

Strong alignment of interests

Critical to Onex' success is the strong alignment of interests between shareholders, limited partners, clients and the Onex management team. In addition to Onex being the largest limited partner in each private equity fund and having meaningful investments in its private credit platform, the Company's distinctive ownership culture requires the Onex management team to have a significant ownership in Onex shares and to invest meaningfully in each private equity investment. At September 30, 2021, the Onex management team:

- was the largest shareholder in Onex, with a combined holding of approximately 13.6 million shares, or 16% of outstanding shares, and 0.8 million DSUs; and
- had a total investment in Onex' private equity, private credit and public strategies at market value of approximately \$1.2 billion.

Onex Partners management is also required to reinvest up to 25% of all Onex Partners carried interest distributions in Onex shares and must hold these shares for at least three years.

OUR OBJECTIVE

Onex works to create long-term value for shareholders and to have that value reflected in its share price. Onex delivers this value by (i) investing Onex' capital primarily in Onex' private equity funds and private credit strategies and (ii) managing and growing fee-generating third-party capital invested in and committed to its investing platforms. Onex believes it has the investment philosophy, talent, financial resources and track record to continue to deliver on this objective.

2021 YEAR-TO-DATE ACTIVITY

PRIVATE EQUITY INVESTING

Capital Deployment

The table below presents the private equity investments made since December 31, 2020.

<i>(Unaudited)</i>				Onex' Share⁽¹⁾
Fund	Company	Transaction	Period	<i>(\$ millions)</i>
Onex Partners V	Imagine Learning	Original investment	Mar '21	\$ 279
Onex Partners V	Wealth Enhancement Group	Original investment	Sep '21	226
Onex Partners V	Newport Healthcare	Original investment	Jul '21	185
ONCAP IV	Komar Industries	Original investment	Jun '21	20
Other investments				40
Total				\$ 750

(1) Includes Onex' share of investments as a co-investor, if applicable.

To date in 2021, Onex has made the following significant private equity investments:

- \$279 million as part of the Onex Partners V Group's investment in Imagine Learning (formerly Weld North Education), a leading K-12 digital curriculum company in the United States. Onex' investment included \$100 million as a co-investor;
- \$226 million as part of the Onex Partners V Group's investment in Wealth Enhancement Group ("WEG"), an independent wealth management firm offering comprehensive and customized financial planning and investment management services in the United States. Onex' investment included \$54 million as a co-investor;
- \$185 million as part of the Onex Partners V Group's investment in Newport Healthcare, a leading provider in the United States of evidence-based healing centres for teens and young adults struggling with primary mental health issues; and
- \$20 million as part of the ONCAP IV Group's investment in Komar Industries, Inc. ("Komar"). Komar is a leading designer and manufacturer of industrial waste and recycling processing systems.

In November 2021, the Onex Partners V Group announced that it had entered into an agreement to acquire Fidelity Building Services Group ("Fidelity BSG"). Fidelity BSG is a leading provider of technical building solutions for the commercial and industrial facilities market. The transaction is expected to close in the fourth quarter of 2021, subject to customary closing conditions and regulatory approvals.

Realizations

The table below presents the private equity realizations and distributions to date in 2021.

(Unaudited)

Fund	Company	Transaction	Period	Onex' Share⁽¹⁾ (\$ millions)
Direct investment	RSG	Initial public offering and distributions	Various	\$ 500
Onex Partners IV	Clarivate Analytics	Secondary offerings	Various	224
Onex Partners III	JELD-WEN	Secondary offerings	Various	193
ONCAP III	Bradshaw	Sale of the company	Oct '21	135 ⁽²⁾
ONCAP II	Pinnacle	Sale of the company	Apr '21	43
Onex Partners V	Acacium Group	Repayment of shareholder loan	Jun '21	16
Other realizations and distributions				54
Total				\$ 1,165

(1) Includes carried interest received by Onex and is reduced for amounts paid under management incentive programs, if applicable, and includes Onex' share of proceeds as a co-investor, if applicable.

(2) Includes estimated proceeds from amounts held in escrow.

The following significant private equity realizations and distributions have occurred to date in 2021:

- Ryan Specialty Group ("RSG") completed an initial public offering of approximately 65.5 million shares of its Class A common stock (NYSE: RYAN), including the exercise of the over-allotment option. The offering was priced at \$23.50 per share. In connection with this transaction, RSG acquired all of Onex' preferred unit interests in the company and redeemed approximately 8.1 million Class A shares held by Onex. With the completion of this transaction, net proceeds received by Onex were \$492 million. Onex continues to hold approximately 12.3 million Class A shares of RSG;
- In June 2021, the Onex Partners IV Group sold approximately 10.6 million ordinary shares of Clarivate Analytics Plc ("Clarivate Analytics") at a price of \$26.00 per share. Onex' share of the net proceeds from the Onex Partners IV Group was \$101 million. In September 2021, the Onex Partners IV Group sold approximately 18.0 million ordinary shares of Clarivate Analytics at a price of \$25.25 per share. Onex' share of the net proceeds from the Onex Partners IV Group was \$123 million, net of payments under the management incentive programs;
- The Onex Partners III Group sold its remaining 32.9 million shares in JELD-WEN Holding, Inc. ("JELD-WEN"). Onex' combined share of the net proceeds from the Onex Partners III Group was \$193 million, including carried interest of \$16 million and net of payments under the management incentive programs. In total, Onex realized approximately \$708 million, including carried interest of \$61 million and net of payments under the management incentive programs, on its investment of \$245 million in JELD-WEN. The investment in JELD-WEN generated a Gross MOC of 2.9 times and a Gross IRR of 20%;
- The ONCAP III Group sold Bradshaw International, Inc. ("Bradshaw"). Onex' share of the net proceeds from ONCAP III was \$135 million, including carried interest of \$20 million and net of payments under the management incentive programs. In total, Onex realized approximately \$149 million, including carried interest of \$20 million and net of payments under the management incentive programs, on its investment of \$24 million in Bradshaw. The investment in Bradshaw generated a Gross MOC of 6.6 times and a Gross IRR of 26%;

- The ONCAP II Group sold its remaining 10.4 million shares in Pinnacle Renewable Energy Inc. ("Pinnacle") for C\$11.30, in connection with the sale of Pinnacle to Drax Group plc. Onex' share of the net proceeds from the ONCAP II Group was C\$54 million (\$43 million). In total, Onex realized approximately C\$93 million, including carried interest and after the reduction for amounts paid under management incentive programs, on its investment of C\$34 million in Pinnacle. The investment generated a Gross MOC of 2.8 times and a Gross IRR of 13%; and
- Acacium Group made a repayment of the shareholder loan held by the Onex Partners V Group. Onex' share of the repayment was £12 million (\$16 million).

Fund-Level Developments

During the nine months ended September 30, 2021, the Onex Partners and ONCAP operating businesses continued to execute their investment theses:

- completing follow-on acquisitions for total consideration of approximately \$585 million;
- collectively raising or refinancing approximately \$2.2 billion of debt;
- paying down debt totalling approximately \$495 million;
- in Onex Partners IV, PowerSchool acquired Hobsons' Naviance and Intersect solutions. Naviance is a college, career and life readiness solution used by students across U.S. schools for assessing and developing students' interests and competencies in preparation for life after high school. Intersect is an innovative admissions solution connecting Naviance students to their best-fit higher education opportunities;
- in July 2021, PowerSchool also completed an initial public offering of its Class A common stock (NYSE: PWSC). The Onex Partners IV Group did not sell any shares of PowerSchool as part of this offering. As a result of the initial public offering, Onex holds approximately 24.4 million Class A common shares of PowerSchool through its investment in Onex Partners IV; and
- in Onex Partners IV, Clarivate Analytics agreed to acquire ProQuest, a leading global software, data and analytics provider to academic, research and national institutions. The transaction is subject to customary closing conditions, including regulatory approvals.

Performance

During the three and nine months ended September 30, 2021, Onex' investing segment recognized a net gain from private equity investments of \$468 million and \$922 million, respectively. The following table presents the recent gross performance of Onex' private equity investments:

	Nine Months Ended September 30, 2021	Twelve Months Ended September 30, 2021
Gross performance of Onex' private equity investments in U.S. dollars ⁽¹⁾⁽²⁾ :		
Onex Partners	20%	35%
ONCAP	20%	38%
Direct investments	54%	85%
Total private equity investments	25%	42%

(1) Adjusted for capital deployed, realizations and distributions. Performance results are gross of management incentive programs and an allocation of management fees and carried interest on Onex' private equity capital.

(2) The gross performance of Onex' private equity investments is a non-GAAP financial measure. The Company has not disclosed the unadjusted percentage change in fair value of Onex' private equity investments as these percentages would not be meaningful in light of the impact of capital deployments, realizations and distributions, which are all included within the corporate investments balances.

Overall, the net gain from Onex' private equity investments during the nine months ended September 30, 2021 was driven by improved operating performance and expectations for further economic recovery from the impact of the COVID-19 pandemic. The operating businesses in Onex' private equity platforms operate across a broad range of countries and industry segments, providing beneficial diversification.

PRIVATE CREDIT INVESTING

During the nine months ended September 30, 2021, Onex reduced its exposure to investments in private credit strategies by \$93 million, as outlined in the following table:

	Net Realization (Investment) (\$ millions)
Nine months ended September 30, 2021	
Private Credit Strategies	
U.S. CLOs	\$ 132
EURO CLOs	28
CLO warehouse	(30)
Senior loan strategies	100
Middle-market lending	2
Opportunistic and special situation strategies	(16)
Structured credit and high yield strategies	(24)
Direct lending	(99)
Total net realizations from Private Credit Strategies	\$ 93

During the nine months ended September 30, 2021, Onex reduced its net investments in CLOs by \$160 million. This decrease was driven by the sale of a portion of its equity interest in certain U.S. and European CLOs for total proceeds of \$91 million and \$90 million of regular quarterly distributions. Onex also invested \$30 million to support the warehouse facility for its twenty-second CLO denominated in U.S. dollars ("CLO-22").

In the first quarter of 2021, Onex redeemed all of its investment in the Onex Credit Partners Senior Floating Income Fund, which totalled \$98 million. The proceeds from this redemption were invested in Onex Senior Credit Fund II, which was subsequently redeemed later in the year.

Onex' net investment in the direct lending strategy consisted of an investment in a warehouse facility to support the strategy. In October 2021, Onex received \$99 million for investments in the warehouse facility as a result of third-party capital commitments to a direct lending fund.

Performance

During the three and nine months ended September 30, 2021, Onex had net gains of \$31 million and \$134 million, respectively, on its private credit investments, representing returns of 4% and 16%, respectively. This performance was primarily driven by the strengthening of the leveraged loan market, which returned 5%⁽¹⁾ in the first nine months of 2021, and the structural leverage employed in certain of the underlying strategies.

Onex primarily invests in the equity tranches of its CLOs. Market pricing for CLO equity is more volatile than that of the underlying leveraged loan market due to the leverage employed in a CLO and the relative illiquidity of CLO equity. CLO equity pricing may also be affected by changes in fixed income market sentiment and investors' general appetite for risk.

During the three and nine months ended September 30, 2021, Onex had mark-to-market net gains of \$25 million and \$101 million, respectively, on its CLO investments (2020 – net gain of \$11 million and net loss of \$78 million, respectively). All of the Onex Credit CLOs remain onside their various coverage tests and Onex remains a long-term investor in its CLOs.

INVESTING SEGMENT EARNINGS

During the three months ended September 30, 2021, Onex' investing segment generated net earnings of \$493 million (\$5.36 per fully diluted share) (2020 – \$492 million (\$5.17 per fully diluted share)), which were primarily driven by a \$468 million net gain from private equity and a \$31 million net gain from private credit strategies. Onex' investing segment net gain for the three months ended September 30, 2021 was reduced by an allocation of \$49 million to the asset management segment (2020 – \$19 million), representing management fees and carried interest that would have been earned by the asset management segment had Onex' private equity capital been subject to management fees and carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds. These allocations were made in accordance with IFRS 8, *Operating segments* ("IFRS 8"), as this presentation of segmented results is used by management, in part, to assess the performance of Onex.

During the nine months ended September 30, 2021, Onex' investing segment generated net earnings of \$1.0 billion (\$11.30 per fully diluted share) (2020 – \$164 million (\$1.67 per fully diluted share)), which were primarily driven by a \$922 million net gain from private equity and a \$134 million net gain from private credit strategies. Onex' investing segment net gain for the nine months ended September 30, 2021 was reduced by an allocation of \$136 million to the asset management segment (2020 – \$31 million), as described above.

[1] Based on the performance of the Credit Suisse Leveraged Loan Index.

ASSET MANAGEMENT

At September 30, 2021, Onex' assets under management, excluding Onex capital, totalled \$38.6 billion (December 31, 2020 – \$36.3 billion), of which \$31.9 billion was fee-generating (December 31, 2020 – \$30.6 billion).

Third-Party Assets Under Management⁽¹⁾⁽²⁾

<i>(Unaudited) (\$ millions)</i>		Fee-Generating		Change in Total	Total		Change in Total
	September 30, 2021	December 31, 2020		September 30, 2021	December 31, 2020		
Private Credit Strategies	\$ 16,063	\$ 15,114	6%	\$ 16,921	\$ 15,952	6%	
Private Equity Funds ⁽³⁾	10,402	10,238	2%	15,946	14,741	8%	
Public Strategies ⁽⁴⁾	5,400	5,296	2%	5,745	5,595	3%	
Total	\$ 31,865	\$ 30,648	4%	\$ 38,612	\$ 36,288	6%	

(1) Assets under management is a non-GAAP financial measure.

(2) Assets under management is presented as defined in the glossary, includes co-investments and capital invested by the Onex management team, as applicable, and excludes capital invested by Onex.

(3) Assets under management for ONCAP II and III is in Canadian dollars and has been converted to U.S. dollars using the exchange rates on September 30, 2021 and December 31, 2020, respectively.

(4) Assets under management for the public strategies is in Canadian dollars and has been converted to U.S. dollars using the exchange rates on September 30, 2021 and December 31, 2020, respectively.

Gluskin Sheff clients are provided access to Onex' public debt, public equity, private credit and private equity strategies. Gluskin Sheff clients have invested their capital across the following strategies:

Gluskin Sheff Client Capital

<i>(Unaudited) (\$ millions)</i>		Fee-Generating		Change in Total	Total		Change in Total
	September 30, 2021	December 31, 2020		September 30, 2021	December 31, 2020		
Public Equity Strategies	\$ 3,326	\$ 2,647	26 %	\$ 3,406	\$ 2,718	25 %	
Public Debt Strategies	2,074	2,649	(22)%	2,339	2,877	(19)%	
Private Credit Strategies	1,078	710	52 %	1,168	720	62 %	
Private Equity	84	76	11 %	86	78	10 %	
Total	\$ 6,562	\$ 6,082	8 %	\$ 6,999	\$ 6,393	9 %	

Gluskin Sheff's client capital is mostly invested in Canadian dollar-denominated strategies. As a result, the \$480 million or 8% increase in Gluskin Sheff's fee-generating client capital during the nine months ended September 30, 2021 was partially offset by a decrease of approximately \$15 million due to the translation of Canadian dollar-denominated capital into U.S. dollars. During the nine months ended September 30, 2021, Gluskin Sheff clients reallocated approximately \$310 million of capital from public debt and public equity strategies to private credit strategies.

During the three and nine months ended September 30, 2021, Onex' asset management segment generated net earnings of \$114 million (\$1.23 per fully diluted share) (2020 – \$23 million (\$0.22 per fully diluted share)) and \$317 million (\$3.44 per fully diluted share) (2020 – net loss of \$12 million (\$0.12 per fully diluted share)), respectively, as described on pages 24 and 25, respectively, of this interim MD&A.

Onex' asset management segment net earnings for the three months ended September 30, 2021 included allocations from the investing segment of \$13 million (2020 – \$14 million) of management fees and carried interest of \$36 million (2020 – \$5 million) that would have been earned by the asset management segment had Onex' private equity capital been subject to management fees and carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds. For the nine months ended September 30, 2021, the management fees and carried interest allocations from the investing segment were \$40 million (2020 – \$42 million) and \$96 million (2020 – net reversal of \$11 million), respectively. These allocations were made in accordance with IFRS 8, as this presentation of segmented results is used by management, in part, to assess the performance of Onex.

Segment management and advisory fees during the three and nine months ended September 30, 2021 totalled \$82 million (2020 – \$75 million) and \$249 million (2020 – \$224 million), respectively.

Segment Management and Advisory Fees

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Change in Total	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Change in Total
<i>(Unaudited) (\$ millions)</i>						
Private Equity Funds ⁽¹⁾	\$ 43	\$ 46	\$ (3)	\$ 135	\$ 138	\$ (3)
Private Credit Strategies	23	13	10	67	39	28
Public Strategies	16	16	–	47	47	–
Total	\$ 82	\$ 75	\$ 7	\$ 249	\$ 224	\$ 25

(1) Includes advisory fees from the Onex Partners and ONCAP operating businesses.

During the three and nine months ended September 30, 2021, management and advisory fees increased compared to the same periods in 2020 primarily as a result of the acquisition of Onex Falcon in late December 2020.

During the three and nine months ended September 30, 2021, segment carried interest of \$112 million (2020 – \$17 million) and \$300 million (2020 – net reversal of \$44 million), respectively, was earned primarily as a result of changes in fair value of certain underlying investments in Onex Partners IV and Onex Partners V. Carried interest is typically received only on the realization of underlying fund investments. During the nine months ended September 30, 2021, Onex received \$20 million of carried interest primarily from Onex Partners III. At September 30, 2021, unrealized carried interest totalled \$271 million (December 31, 2020 – \$87 million).

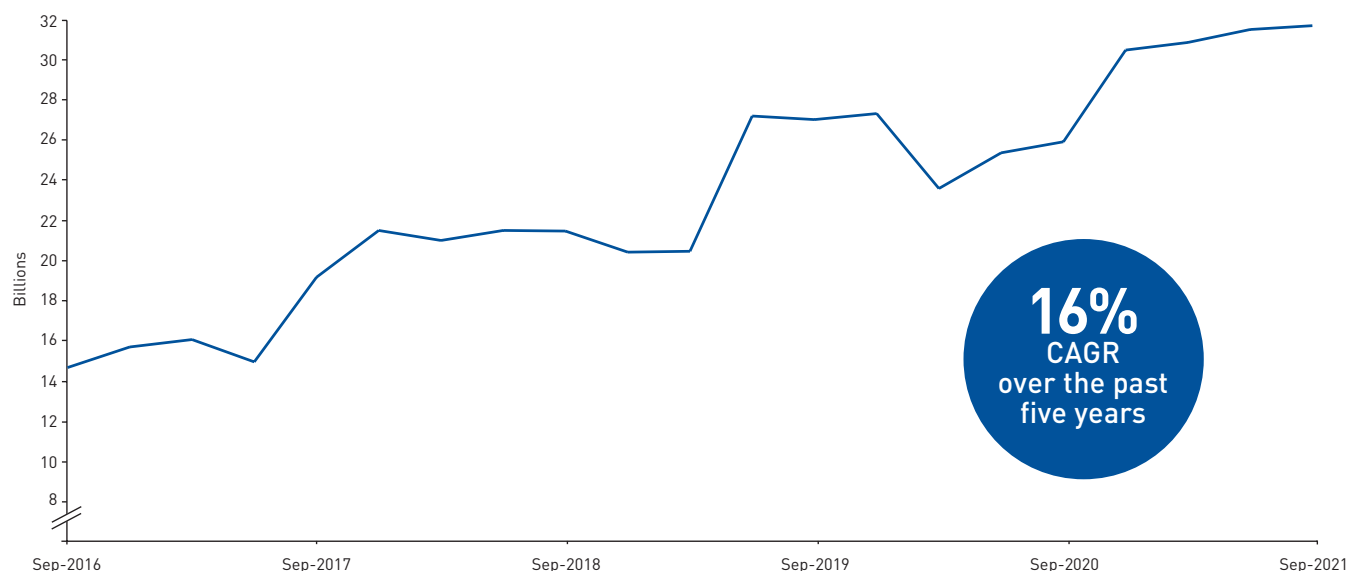
Unrealized Carried Interest⁽¹⁾

	As at December 31, 2020	Realizations and Distributions	Change in Fair Value	As at September 30, 2021
<i>(\$ millions)</i>				
Onex Partners Funds	\$ 52	\$ (16)	\$ 195	\$ 231
ONCAP Funds	35	(4)	9	40
Total	\$ 87	\$ (20)	\$ 204	\$ 271

(1) Excludes unrealized carried interest related to Onex' private equity capital. The actual amount of carried interest earned by Onex will depend on the ultimate performance of each underlying fund.

Over the past five years, fee-generating capital under management has increased at a compound annual growth rate (“CAGR”) of 16%, which includes the fee-generating capital of Onex Falcon and Gluskin Sheff, which were acquired in December 2020 and June 2019, respectively. Fee-generating capital under management, excluding acquired capital, has increased at a CAGR of 8% over the same period.

Fee-Generating Capital Under Management (September 30, 2016 to September 30, 2021)



SHARE PRICE

Onex' objective is to have the value of its investing and asset management activities reflected in its share price. These efforts are supported by a long-standing quarterly dividend and an active stock buy-back program.

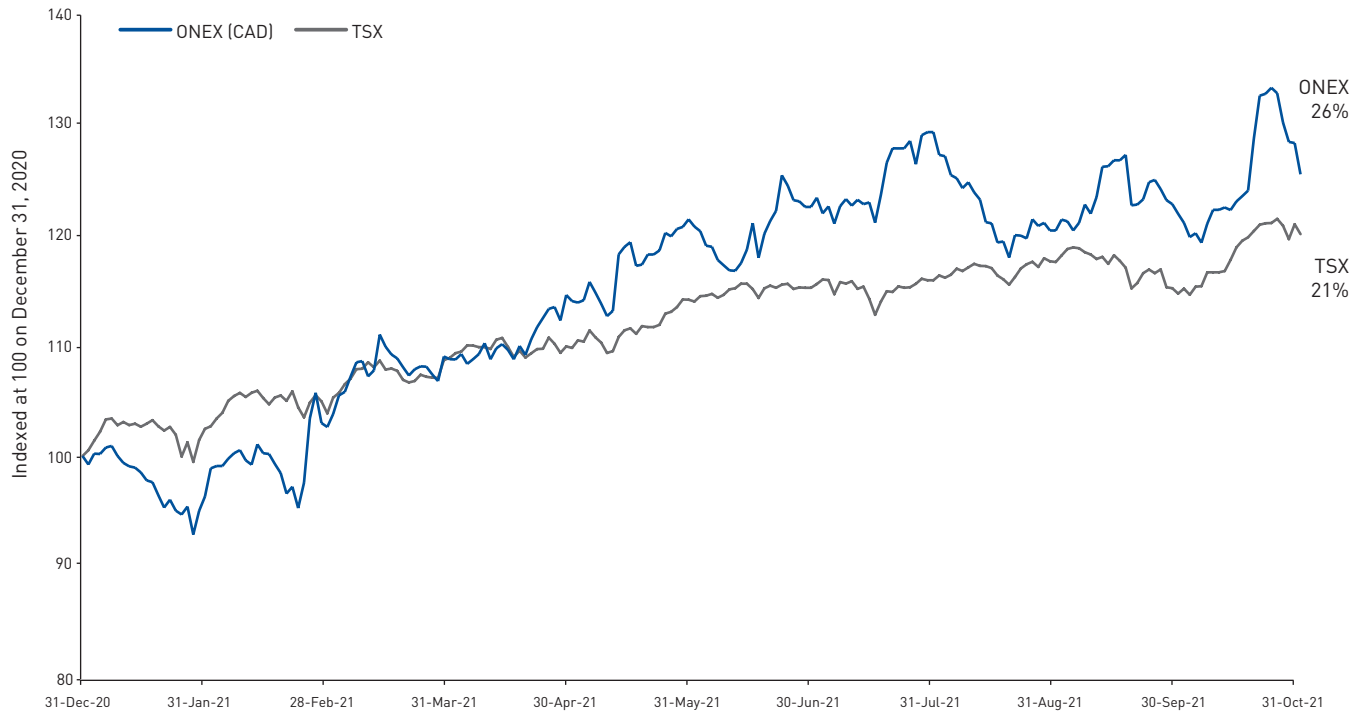
Onex has had an active share repurchase program for more than 20 years and has reduced its shares outstanding by more than half of the original share count at the time it launched the program in 1997. Year-to-date through October 31, 2021, \$28 million was returned to shareholders through dividends and Onex repurchased and cancelled 3,100,809 SVS at a total cost of \$217 million (C\$273 million), or an average purchase price of \$70.04 (C\$88.16) per share.

Through its dividends and share repurchase program, Onex has returned approximately C\$3.6 billion to shareholders since 1997.

At October 31, 2021, Onex' SVS closed at C\$92.23, a 26% increase from December 31, 2020. This compares to a 21% increase in the S&P/TSX Composite Index (“TSX”).

The following chart shows the performance of Onex' SVS in Canadian dollars during the ten months ended October 31, 2021, relative to the TSX.

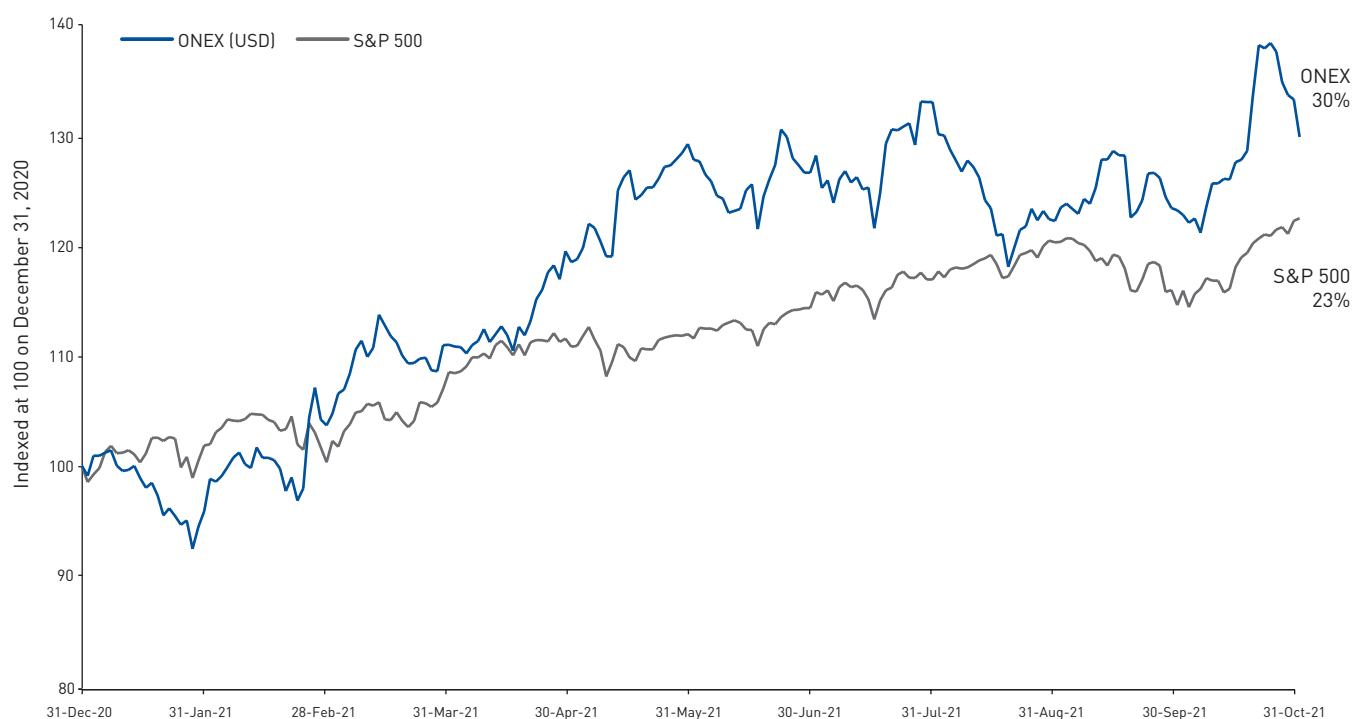
Onex Relative Performance (CAD) (December 31, 2020 to October 31, 2021)



As a substantial portion of Onex' investments and management fees are denominated in U.S. dollars, Onex' Canadian dollar share price will also be impacted by the change in the exchange rate between the U.S. dollar and Canadian dollar. During the ten months ended October 31, 2021, the value of Onex' SVS increased by 30% in U.S. dollars compared to a 23% increase in the Standard & Poor's 500 Index ("S&P 500").

The chart below shows the performance of Onex' SVS in U.S. dollars during the ten months ended October 31, 2021 relative to the S&P 500.

Onex Relative Performance (USD) (December 31, 2020 to October 31, 2021)



FINANCIAL REVIEW

This section discusses the significant changes in Onex' unaudited interim consolidated statements of earnings for the three and nine months ended September 30, 2021 compared to the same periods in 2020, the unaudited interim consolidated statement of cash flows for the nine months ended September 30, 2021 compared to the same period in 2020, and compares Onex' financial condition at September 30, 2021 to that at December 31, 2020.

In simple terms, Onex is an investor and asset manager. **Investments** and **investing activity** refer to the investment of Onex' investing capital primarily in its private equity funds, credit strategies and certain investments held outside the private equity funds and credit strategies. These investments are held directly or indirectly through wholly-owned subsidiaries of Onex, which are referred to as **Investment Holding Companies**. While there are a number of Investment Holding Companies, substantially all of these companies consist of direct or indirect subsidiaries of Onex Private Equity Holdings LLC, Onex CLO Holdings LLC or Onex Credit Holdings LLC. These three companies, which are referred to as the **Primary Investment Holding Companies**, are the holding companies for substantially all of Onex' investments, excluding intercompany loans receivable from Onex and the Asset Managers. The Primary Investment Holding Companies were formed in the United States.

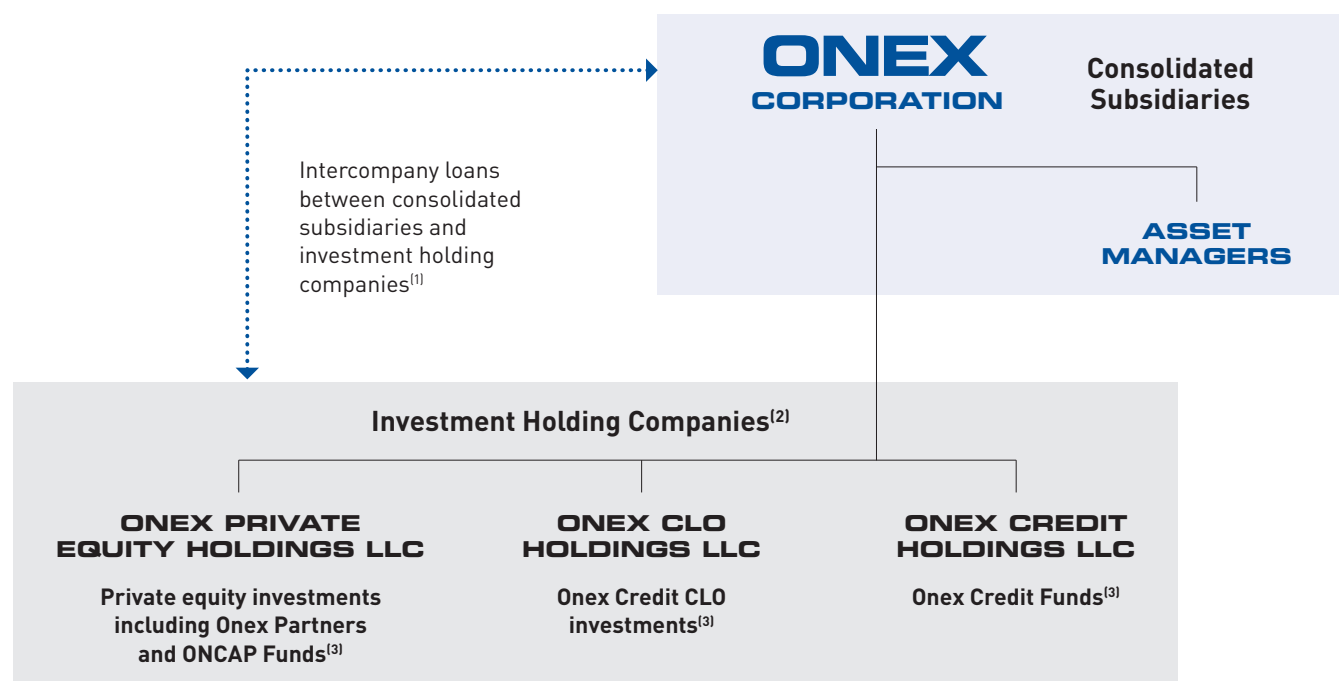
Asset management refers to the activity of managing capital in Onex' private equity funds, private credit strategies and public strategies. This activity is conducted through wholly-owned subsidiaries of Onex, which are the managers of the Onex Partners Funds, ONCAP Funds, private credit strategies and public strategies. These subsidiaries are referred to as Onex' **Asset Managers** and are consolidated by Onex.

Users of the unaudited interim consolidated financial statements may note detailed line-item disclosures relating to **intercompany loans**. IFRS requires specific disclosures and presentation of intercompany loans between Onex and the Asset Managers, and the Investment Holding Companies. Specifically, IFRS requires that:

- intercompany loans payable by Onex and the Asset Managers to the Investment Holding Companies are recognized as liabilities in Onex' unaudited interim consolidated balance sheets. A corresponding and offsetting amount is recognized within corporate investments in Onex' unaudited interim consolidated balance sheets, representing the related loans receivable from Onex and the Asset Managers; and
- intercompany loans payable by Investment Holding Companies to Onex and the Asset Managers are part of the fair value measurement of Onex' corporate investments in the unaudited interim consolidated balance sheets, which reduces the fair value of Onex' corporate investments. Onex classifies the corresponding loans receivable from Investment Holding Companies within corporate investments in its unaudited interim consolidated balance sheets, which increases the value of Onex' corporate investments by the same amount as the related loans payable.

There is no impact to net assets or net earnings (loss) from these intercompany loans in Onex' unaudited interim consolidated financial statements.

The simplified diagram below illustrates the types of subsidiaries included within Onex' corporate structure and the basis on which they are accounted for.



(1) Onex Corporation and the consolidated asset management subsidiaries enter into intercompany loans that, in aggregate, have no net effect on Onex' financial position. Intercompany loans payable by Onex and the consolidated subsidiaries to the Investment Holding Companies are recognized as liabilities in the unaudited interim consolidated balance sheets, with the corresponding loans receivable classified as assets within corporate investments in the unaudited interim consolidated balance sheets.

(2) Onex' investments in the Investment Holding Companies are recorded as corporate investments at fair value through net earnings (loss).

(3) Onex' investments in private equity, CLOs and Onex Credit Funds are typically held directly or indirectly through wholly-owned investment holding companies, which are subsidiaries of the Primary Investment Holding Companies identified above.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with Onex' unaudited interim consolidated statements of earnings for the three and nine months ended September 30, 2021 and September 30, 2020, the corresponding notes thereto and the December 31, 2020 audited annual consolidated financial statements.

Impact of COVID-19 on significant estimates

The Company continues to exercise significant judgement when evaluating the impact of the 2019 novel coronavirus disease ("COVID-19") on the fair value of its corporate investments, as outlined in note 1 of the 2020 audited annual financial statements.

VARIABILITY OF RESULTS

Onex' consolidated operating results may vary substantially from quarter to quarter and year to year for a number of reasons. Those reasons may be significant with respect to (i) Onex' asset management activities and the fees and carried interest associated therewith; (ii) the aggregate fair value of its investments in and related to the private equity funds, including the underlying private equity operating businesses, and credit strategies as the result of not only changes in specific underlying values but also new investments or realizations by those funds; or (iii) Onex' cash position or the amount and value of its treasury investments. More broadly, Onex' results may be materially affected by such factors as changes in the economic or political environment, pandemics or outbreaks of new infectious diseases or viruses (including the COVID-19 pandemic), foreign exchange and interest rates, the value of stock-based compensation, and tax and trade legislation or its application, for example. Given the diversity of Onex' asset management businesses and of the Onex Partners and ONCAP Funds' operating businesses and private credit investments, the exposures, risks and contingencies that could impact Onex' investments may be many, varied and material. Certain of those matters are discussed under the heading "Risk Factors" in Onex' 2020 Annual Information Form.

In addition, the fair values of Onex' underlying investments in private credit strategies are impacted by the CLO market, leveraged loan market and credit risk (both own and counterparty), which may vary substantially from quarter to quarter and year to year.

REVIEW OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The discussion that follows identifies those material factors that affected Onex' unaudited interim consolidated financial results for the three and nine months ended September 30, 2021.

Consolidated net earnings

Onex recorded consolidated net earnings of \$602 million and net earnings per diluted share of \$6.76 during the three months ended September 30, 2021 compared to net earnings of \$501 million and net earnings per diluted share of \$5.29 during the three months ended September 30, 2020.

Onex recorded consolidated net earnings of \$1.2 billion and net earnings per diluted share of \$13.27 during the nine months ended September 30, 2021 compared to net earnings of \$133 million and net earnings per diluted share of \$1.36 during the nine months ended September 30, 2020.

Tables 1 and 2 present the segmented results for the three and nine months ended September 30, 2021 and 2020. Onex' segmented results include allocations of management fees and carried interest that would have been recognized on Onex' capital in the Onex Partners and ONCAP Funds had Onex' capital been subject to the same terms as third-party limited partners. These allocations are made as this presentation of segmented results is used by Onex management, in part, to assess Onex' performance. During the three and nine months ended September 30, 2021 and 2020, these allocations, on a net basis, decreased Onex' investing segment income and increased Onex' asset management segment income, with no net impact to total segment net earnings.

Onex' segmented results exclude revenues and expenses associated with recoverable expenses from the Onex Partners Funds, ONCAP Funds, private credit strategies and the operating businesses of Onex Partners and ONCAP. Onex management excludes these amounts when assessing Onex' performance given the nature of these expenses, which are recoverable at cost.

TABLE 1	(Unaudited) (\$ millions)		Three Months Ended September 30, 2021	Three Months Ended September 30, 2020		
	Investing	Asset Management ^(a)	Total	Investing	Asset Management ^(a)	Total
Net gain on corporate investments (including an increase in carried interest)	\$ 493 ^{(b)(c)}	\$ 112 ^(b)	\$ 605 ^{(b)(c)}	\$ 490 ^{(b)(c)}	\$ 17 ^(b)	\$ 507 ^{(b)(c)}
Management and advisory fees	–	82 ^(c)	82 ^(c)	–	75 ^(c)	75 ^(c)
Interest and net treasury investment income	–	–	–	2	–	2
Other income	–	1	1	–	1	1
Total segment income	493	195	688	492	93	585
Compensation	–	(66)	(66)	–	(52)	(52)
Amortization of right-of-use assets	–	(3)	(3)	–	(3)	(3)
Other expense	–	(12)	(12)	–	(15)	(15)
Segment net earnings	\$ 493	\$ 114	\$ 607	\$ 492	\$ 23	\$ 515
Stock-based compensation recovery			7			3
Amortization of property, equipment and other intangible assets, excluding right-of-use assets			(10)			(12)
Integration expense			(1)			(5)
Earnings before income taxes			\$ 603			\$ 501
Provision for income taxes			(1)			–
Net earnings			\$ 602			\$ 501
Segment net earnings per share ^(d)			\$ 6.59			\$ 5.39
Net earnings per share – diluted			\$ 6.76			\$ 5.29

(a) The asset management segment includes the costs of Onex' corporate functions.

(b) The asset management segment includes an allocation of \$36 million (2020 – \$5 million) from the investing segment, representing carried interest that would have been earned by the asset management segment had Onex' private equity capital been subject to carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

(c) The asset management segment includes an allocation of \$13 million (2020 – \$14 million) from the investing segment, representing management fees that would have been earned by the asset management segment had Onex' private equity capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

(d) Calculated on a fully diluted basis. Segment net earnings per share is a non-GAAP financial measure. A reconciliation of segment net earnings to net earnings is provided in the table above.

TABLE 2	(Unaudited) (\$ millions)		Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020		
	Investing	Asset Management ^(a)	Total	Investing	Asset Management ^(a)	Total		
Net gain (loss) on corporate investments (including an increase (decrease) in carried interest)	\$ 1,041 ^{(b)(c)}	\$ 300 ^(b)	\$ 1,341 ^{(b)(c)}	\$ 148 ^{(b)(c)}	\$ (44) ^(b)	\$ 104 ^{(b)(c)}		
Management and advisory fees	–	249 ^(c)	249 ^(c)	–	224 ^(c)	224 ^(c)		
Interest and net treasury investment income	1	–	1	16	–	16		
Other income	–	2	2	–	2	2		
Total segment income	1,042	551	1,593	164	182	346		
Compensation	–	(184)	(184)	–	(146)	(146)		
Amortization of right-of-use assets	–	(9)	(9)	–	(8)	(8)		
Other expense	–	(41)	(41)	–	(40)	(40)		
Segment net earnings (loss)	\$ 1,042	\$ 317	\$ 1,359	\$ 164	\$ (12)	\$ 152		
Stock-based compensation recovery (expense)			(127)					108
Amortization of property, equipment and other intangible assets, excluding right-of-use assets			(36)					(35)
Integration expense			(5)					(7)
Impairment of goodwill			–					(85)
Earnings before income taxes			\$ 1,191					\$ 133
Net earnings			\$ 1,191					\$ 133
Segment net earnings per share ^(d)			\$ 14.74					\$ 1.55
Net earnings per share – diluted			\$ 13.27					\$ 1.36

(a) The asset management segment includes the costs of Onex' corporate functions.

(b) The asset management segment includes an allocation of \$96 million (2020 – net reversal of \$11 million) from the investing segment, representing carried interest that would have been earned by the asset management segment had Onex' private equity capital been subject to carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

(c) The asset management segment includes an allocation of \$40 million (2020 – \$42 million) from the investing segment, representing management fees that would have been earned by the asset management segment had Onex' capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

(d) Calculated on a fully diluted basis. Segmented net earnings per share is a non-GAAP financial measure. A reconciliation of segmented net earnings to net earnings is provided in the table above.

Consolidated income for the three and nine months ended September 30, 2021 and 2020

Consolidated income for the three and nine months ended September 30, 2021 and 2020 primarily consisted of: (i) a net gain on corporate investments, which primarily consisted

of Onex' share of the net gain in the Onex Partners Funds and ONCAP Funds; and (ii) management and advisory fees, which Onex earns primarily from managing client and limited partner capital through its private equity funds, private credit strategies and public strategies.

During the three and nine months ended September 30, 2021, Onex' investing segment recognized a net gain on corporate investments of \$493 million and \$1.0 billion, respectively (2020 – \$490 million and \$148 million, respectively), which was primarily attributable to the following private equity investments and private credit strategies:

TABLE 3 | (Unaudited) (\$ millions)

	Net Gain (Loss) on Private Equity Investments			
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Onex Partners Funds^(a)				
Onex Partners II	\$ –	\$ (3)	\$ (43)	\$ (26)
Onex Partners III	18	43	74	(153)
Onex Partners IV	262	370	453	420
Onex Partners V	93	28	229	(32)
Management incentive programs	(27)	(41)	(72)	(56)
Total net gain from Onex Partners Funds	346	397	641	153
ONCAP Funds^(a)				
ONCAP II	3	10	31	(21)
ONCAP III	3	18	81	30
ONCAP IV	4	33	11	30
Management incentive programs	(1)	(13)	(22)	(10)
Total net gain from ONCAP Funds	9	48	101	29
Net gain from other private equity investments	162	31	316	97
Management fees on Onex' private equity capital^(b)	(13)	(14)	(40)	(42)
Carried interest on Onex' private equity capital^(c)	(36)	(5)	(96)	11
Total net gain from private equity	\$ 468	\$ 457	\$ 922	\$ 248

(a) Onex' investments in the Onex Partners and ONCAP Funds include co-investments, where applicable.

(b) Represents management fees that would have been incurred had Onex' private equity capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds. These management fees reduce Onex' investing segment income and increase Onex' asset management segment income.

(c) Represents carried interest that would have been recognized had Onex' private equity capital been subject to carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds. The carried interest allocations increase (decrease) Onex' investing segment income, with a corresponding decrease (increase) in Onex' asset management segment income.

During the three months ended September 30, 2021, the net gain from private equity investments was primarily driven by net gains from other private equity investments and Onex Partners IV. The increase in fair value of other private equity investments was primarily due to RSG. The net gain from

Onex Partners IV was primarily due to the underlying fair value increases of ASM Global, Parkdean Resorts, PowerSchool, SCP Health and WireCo WorldGroup, partially offset by the underlying fair value decrease of Clarivate Analytics.

During the nine months ended September 30, 2021, the net gain from private equity investments was primarily driven by net gains from other private equity investments, Onex Partners IV and Onex Partners V. The increase in fair value of other private equity investments was primarily due to RSG. The net gain from Onex Partners IV was primarily due to the underlying fair value increases of ASM Global, Parkdean Resorts, PowerSchool, SCP Health and WireCo WorldGroup, partially offset by the underlying fair value decrease of Clarivate Analytics. The net gain from Onex Partners V was primarily due to the underlying fair value increases of Acacium Group, Convex, Imagine Learning and WestJet.

During the three months ended September 30, 2020, the net gain from private equity investments was primarily driven by net gains from Onex Partners III and Onex Partners IV. Net gains from Onex Partners III were primarily due to the underlying fair value increase of JELD-WEN while net gains from Onex Partners IV were primarily due to the underlying fair value increases of Clarivate Analytics, Parkdean Resorts, PowerSchool and SIG.

During the nine months ended September 30, 2020, the net gain from private equity investments reflected the overall resiliency and diversification of the operating businesses that Onex has invested in directly or through the Onex Partners and ONCAP Funds, despite certain operating businesses having individually declined in fair value as a result of being more directly impacted by the market volatility and economic disruption resulting from the COVID-19 pandemic. The net gain from private equity investments was partially offset by the strengthening of the U.S. dollar against the Canadian dollar and pound sterling during the nine months ended September 30, 2020, which decreased the fair value of certain underlying investments.

In the Onex Partners Funds, the increase in fair value of Onex Partners IV was primarily due to Clarivate Analytics and SIG, partially offset by underlying fair value decreases of ASM Global and Parkdean Resorts. The decrease in fair value of Onex Partners III was primarily due to the underlying fair value decrease of Emerald. The increase in fair value of other private equity investments during the nine months ended September 30, 2020 was primarily due to RSG, partially offset by the fair value decrease of Celestica.

TABLE 4 | (Unaudited) (\$ millions)

Net Gain (Loss) on Investments in Private Credit Strategies

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Private Credit Strategies				
U.S. CLOs	\$ 20	\$ 13	\$ 80	\$ (57)
EURO CLOs	5	(2)	21	(26)
CLO warehouses	–	–	–	5
Middle-market lending	1	11	10	(4)
Senior loan strategies	1	9	8	(3)
Opportunistic and special situation strategies	3	2	10	4
Structured credit and high yield strategies	1	1	5	1
Total net gain (loss) from Private Credit Strategies	\$ 31	\$ 34	\$ 134	\$ (80)

The net gain on investments in private credit strategies recognized during the three and nine months ended September 30, 2021 was primarily driven by a net gain on U.S. and EURO CLOs.

The net gain on investments in private credit strategies recognized during the three months ended September 30, 2020 was primarily driven by gains from the Onex Credit CLOs and middle-market lending due to a partial recovery in the leveraged loan market following the disruption resulting from COVID-19.

During the nine months ended September 30, 2020, the Onex Credit CLOs represented a significant portion of the net loss in private credit strategies. The net loss was driven by the weakening of the leveraged loan market as a result of the market volatility and economic disruption resulting from the COVID-19 pandemic, and the impact of the financial leverage in the underlying strategies.

Management and advisory fees for the three and nine months ended September 30, 2021 and 2020 were generated from the following sources:

TABLE 5	(Unaudited) (\$ millions)	Management and Advisory Fees			
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Change in Total		
Source of management and advisory fees					
Private Equity Funds ^(a)	\$ 30	\$ 32	\$ (2)	(6)%	
Private Credit Strategies	23	13	10	77 %	
Public Strategies	16	16	–	–	
Total management and advisory fees earned	69	61	8	13 %	
Management fees on Onex' private equity capital ^(b)	13	14	(1)	(7)%	
Total segment management and advisory fees	\$ 82	\$ 75	\$ 7	9 %	

(a) Includes advisory fees earned from the Onex Partners and ONCAP operating businesses.

(b) Represents management fees that would have been earned had Onex' private equity capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds. These management fees reduce Onex' investing segment income in the period and increase Onex' asset management segment income.

Segmented management and advisory fees for the three months ended September 30, 2021 were \$82 million compared to \$75 million in the same period in 2020. The increase was primarily due to increased management fees earned by private credit in connection with the acquisition of Onex Falcon in December 2020.

TABLE 6 | (Unaudited) (\$ millions)

Management and Advisory Fees				
	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020	Change in Total	
Source of management and advisory fees				
Private Equity Funds ^(a)	\$ 95	\$ 96	\$ (1)	(1)%
Private Credit Strategies	67	39	28	72 %
Public Strategies	47	47	-	-
Total management and advisory fees earned	209	182	27	15 %
Management fees on Onex' private equity capital ^(b)	40	42	(2)	(5)%
Total segment management and advisory fees	\$ 249	\$ 224	\$ 25	11 %

(a) Includes advisory fees earned from the Onex Partners and ONCAP operating businesses.

(b) Represents management fees that would have been earned had Onex' private equity capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds. These management fees reduce Onex' investing segment income in the period and increase Onex' asset management segment income.

Segmented management and advisory fees for the nine months ended September 30, 2021 were \$249 million compared to \$224 million in the same period in 2020. The increase was primarily due to increased management fees earned by private credit in connection with the acquisition of Onex Falcon in December 2020.

Certain deal investigation, research and other costs incurred by the Asset Managers are recoverable from the Onex private equity funds, private credit strategies and the operating businesses of Onex Partners and ONCAP. These cost reimbursements are recognized as revenue in accordance with IFRS 15, *Revenue from contracts with customers* ("IFRS 15"). During the three and nine months ended September 30, 2021, Onex recognized \$14 million and \$32 million, respectively, in revenues and expenses associated with these reimbursements (2020 – \$1 million and \$8 million, respectively).

Compensation

Compensation expense for the three and nine months ended September 30, 2021 was \$66 million and \$184 million, respectively, compared to \$52 million and \$146 million, respectively, during the same period in 2020. The increase was primarily due to increased compensation expense at Onex Credit in connection with the acquisition of Onex Falcon in December 2020 and in support of growth for the business.

Stock-based compensation recovery (expense)

During the three months ended September 30, 2021, Onex recorded a consolidated stock-based compensation recovery of \$7 million compared to \$3 million during the same period in 2020. The stock-based compensation recovery recorded during the three months ended September 30, 2021 was primarily due to a 1% decrease in the market value of Onex' shares to C\$89.54 at September 30, 2021 from C\$90.01 at June 30, 2021 and a weakening of the Canadian dollar against the U.S. dollar during the same period.

During the nine months ended September 30, 2021, Onex recorded a consolidated stock-based compensation expense of \$127 million compared to a recovery of \$108 million during the same period in 2020. The stock-based compensation expense recorded during the nine months ended September 30, 2021 was primarily due to a 23% increase in the market value of Onex' shares to C\$89.54 at September 30, 2021 from C\$73.06 at December 31, 2020.

Table 7 details the change in stock-based compensation recovery (expense).

Stock-Based Compensation Recovery (Expense)

TABLE 7	(Unaudited) (\$ millions)	Three Months Ended September 30			Nine Months Ended September 30		
		2021	2020	Change	2021	2020	Change
Stock Option Plan		\$ 7	\$ 3	\$ 4	\$ (122)	\$ 106	\$ (228)
Director DSU Plan		-	-	-	(1)	2	(3)
Other		-	-	-	(4)	-	(4)
Total stock-based compensation recovery (expense)		\$ 7	\$ 3	\$ 4	\$ (127)	\$ 108	\$ (235)

Amortization of property, equipment and intangible assets

Amortization of property, equipment and intangible assets for the three and nine months ended September 30, 2021 was \$13 million and \$45 million, respectively (2020 – \$15 million and \$43 million, respectively) and consisted primarily of amortization expense of client relationship intangible assets, and right-of-use assets and leasehold improvements related to Onex' leased premises.

Other comprehensive earnings (loss)

Other comprehensive loss of \$6 million for the three months ended September 30, 2021 (2020 – other comprehensive earnings of \$5 million) was due to unfavourable currency translation adjustments associated with the consolidation of Gluskin Sheff's net assets (2020 – favourable).

Other comprehensive earnings for the nine months ended September 30, 2021 were nil (2020 – other comprehensive loss of \$12 million). The other comprehensive loss for the nine months ended September 30, 2020 was due to unfavourable currency translation adjustments associated with the consolidation of Gluskin Sheff's net assets.

SUMMARY OF QUARTERLY INFORMATION

Table 8 summarizes Onex' key consolidated financial information for the last eight quarters.

Consolidated Quarterly Financial Information

TABLE 8	(Unaudited) (\$ millions except per share amounts)										
	2021			2020				2019			
	September	June	March	December	September	June	March	December	September	June	March
Total segment income (loss)	\$ 688	\$ 355	\$ 550	\$ 781	\$ 585	\$ 754	\$ (993)	\$ 276	\$ 585	\$ 754	\$ (993)
Total segment expenses	(81)	(75)	(78)	(73)	(70)	(65)	(59)	(65)	(70)	(65)	(59)
Segment net earnings (loss)	607	280	472	708	515	689	(1,052)	211	515	689	(1,052)
Other non-segment items	(5)	(106)	(57)	(111)	(14)	(60)	55	(24)	(14)	(60)	55
Net earnings (loss)	\$ 602	\$ 174	\$ 415	\$ 597	\$ 501	\$ 629	\$ (997)	\$ 187	\$ 501	\$ 629	\$ (997)
Segment net earnings (loss) per share ⁽ⁱ⁾	\$ 6.59	\$ 3.04	\$ 5.12	\$ 7.72	\$ 5.39	\$ 7.02	\$ (10.34)	\$ 2.04	\$ 5.39	\$ 7.02	\$ (10.34)
Net earnings (loss) per share – basic	\$ 6.77	\$ 1.95	\$ 4.60	\$ 6.62	\$ 5.30	\$ 6.44	\$ (9.97)	\$ 1.86	\$ 5.30	\$ 6.44	\$ (9.97)
Net earnings (loss) per share – diluted	\$ 6.76	\$ 1.95	\$ 4.59	\$ 6.61	\$ 5.29	\$ 6.43	\$ (9.97)	\$ 1.86	\$ 5.29	\$ 6.43	\$ (9.97)

(i) Calculated on a fully diluted basis.

CASH AND NEAR-CASH

Table 9 provides a breakdown of cash and near-cash at Onex as at September 30, 2021 and December 31, 2020.

Cash and Near-Cash

TABLE 9	(Unaudited) (\$ millions)	September 30, 2021	December 31, 2020
Cash and cash equivalents ^(a)		\$ 447	\$ 505
Cash and cash equivalents within Investment Holding Companies ^(b)		133	111
Treasury investments ^(c)		79	234
Treasury investments within Investment Holding Companies ^(c)		310	307
Management fees receivable ^(d)		157	122
Subscription financing receivable ^(e)		142	–
Receivable from WEG co-investors ^(f)		107	–
OCP Senior Floating Income Fund ^(g)		–	98
Cash and near-cash ^(a)		\$ 1,375	\$ 1,377

(a) Excludes cash and cash equivalents allocated to the asset management segment related to accrued incentive compensation and contingent consideration related to the acquisition of Onex Falcon. Cash and cash equivalents at December 31, 2020 were also reduced for the liability relating to the retirement of the Onex Credit chief executive officer.

(b) Includes restricted cash and cash equivalents of \$21 million (December 31, 2020 – \$22 million) for which the Company can readily remove the external restriction. Excludes cash and cash equivalents reserved for payments under the management incentive programs.

(c) Includes net working capital managed by a third-party investment manager.

(d) Includes management fees receivable from the Onex Partners and ONCAP Funds.

(e) Subscription financing receivable from the Onex Capital Solutions Fund attributable to third-party investors.

(f) In September 2021, Onex provided \$107 million of funding to the Onex Partners V Group in connection with a co-investment in WEG. The full amount was repaid to Onex in November 2021 by third-party limited partners.

(g) During the first quarter of 2021, Onex redeemed all of its investment in the Onex Credit Partners Senior Floating Income Fund. The proceeds from this redemption were invested in Onex Senior Credit Fund II, which was subsequently redeemed later in the year.

Table 10 provides a reconciliation of the change in cash and near-cash at Onex from December 31, 2020 to September 30, 2021.

Change in Cash and Near-Cash

TABLE 10	(Unaudited) (\$ millions)	Amount
Cash and near-cash at December 31, 2020^(a)		\$ 1,377
Private equity realizations:		
<i>Onex Partners</i>		
Clarivate Analytics secondary offerings	224	
JELD-WEN secondary offerings	193	
Acacium Group shareholder loan repayment	16	
Other	14	
<i>ONCAP</i>		
Sale of Pinnacle	43	
Other	35	
<i>Direct investments</i>		
RSG initial public offering and distributions	500	
Incline Aviation Fund I and Fund II	5	1,030
Private equity investments:		
<i>Onex Partners</i>		
Imagine Learning investment	(279)	
Wealth Enhancement Group investment	(226)	
Newport Healthcare investment	(185)	
Other	(6)	
<i>ONCAP</i>		
Komar investment	(20)	
Other	(1)	
<i>Direct investments</i>		
Incline Aviation Fund I and Fund II	(33)	(750)
Net private credit strategies investment activity		(5)
Onex share repurchases, options exercised and dividends		(227)
Net other, including capital expenditures, management fees, operating costs, treasury income and changes in working capital		(50)
Cash and near-cash at September 30, 2021^(a)		\$ 1,375

(a) Refer to reconciliation in table 9.

In October 2021, Onex received net proceeds of \$135 million in connection with the sale of Bradshaw, as described on page 12 of this interim MD&A.

In October 2021, Onex received \$99 million for investments that supported a warehouse facility for the direct lending strategy, as described on page 14 of this interim MD&A.

CONSOLIDATED FINANCIAL POSITION

Consolidated assets

Consolidated assets totalled \$12.6 billion at September 30, 2021 compared to \$11.9 billion at December 31, 2020. The increase in consolidated assets was primarily driven by an increase in the fair value of the Company's corporate investments, as described on page 35 of this interim MD&A, partially offset by a decrease in cash and treasury investments, as described on page 33 of this interim MD&A, and a net decrease in intercompany loans receivable from Onex and the Asset Managers, which are included within corporate investments.

Table 11 presents consolidated assets by reportable segment as at September 30, 2021 and December 31, 2020.

Consolidated Assets by Reportable Segment

TABLE 11	(Unaudited) (\$ millions)			As at September 30, 2021			As at December 31, 2020		
	Investing	Asset Management	Total	Investing	Asset Management	Total	Investing	Asset Management	Total
Cash and cash equivalents	\$ 447	\$ 144 ^(a)	\$ 591	\$ 505	\$ 201 ^(a)	\$ 706	\$ 505	\$ 201 ^(a)	\$ 706
Treasury investments	79	–	79	234	–	234	234	–	234
Management and advisory fees, recoverable fund expenses and other receivables	157 ^(b)	163	320	122 ^(b)	139	261	122 ^(b)	139	261
Corporate investments	7,207	–	7,207	5,926	–	5,926	5,926	–	5,926
Other assets	–	122	122	–	98	98	–	98	98
Property and equipment	–	149	149	–	169	169	–	169	169
Intangible assets	–	146	146	–	167	167	–	167	167
Goodwill	–	264	264	–	264	264	–	264	264
Total segment assets	\$ 7,890	\$ 988	\$ 8,878	\$ 6,787	\$ 1,038	\$ 7,825	\$ 6,787	\$ 1,038	\$ 7,825
Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies			3,763			4,043			4,043
Total assets			\$ 12,641			\$ 11,868			\$ 11,868
Investing capital per share (U.S. dollars) ^(c)	\$ 86.95			\$ 73.61			\$ 73.61		
Investing capital per share (Canadian dollars) ^(c)	\$ 110.79			\$ 93.73			\$ 93.73		

(a) Cash and cash equivalents allocated to the asset management segment relate to accrued employee incentive compensation and contingent consideration related to the acquisition of Falcon. At December 31, 2020, cash and cash equivalents allocated to the asset management segment also included a liability relating to the retirement of the Onex Credit chief executive officer.

(b) Represents management fees receivable that Onex has elected to defer cash receipt from the Onex Partners and ONCAP Funds.

(c) Calculated on a fully diluted basis. Investing capital per share is a non-GAAP financial measure used by Onex management to, in part, assess Onex' performance.

Corporate investments

The Company's interests in Investment Holding Companies are recorded at fair value through net earnings (loss). The Investment Holding Companies directly or indirectly invest the Company's capital in the Onex Partners Funds, ONCAP Funds, private credit strategies and other investments. The Company's corporate investments include the following amounts:

		December 31, 2020	Capital Deployed	Realizations and Distributions	Change in Fair Value	September 30, 2021
TABLE 12	(Unaudited) (\$ millions)					
Onex Partners Funds	\$ 3,169	\$ 696	\$ (431)	\$ 641	\$ 4,075	
ONCAP Funds	606	21	(74)	101	654	
Other private equity	743	33	(505)	316	587	
Carried interest	87	n/a	(20)	204	271	
Total private equity investments	4,605	750	(1,030)	1,262	5,587	
Private credit strategies	849	579	(672)	134	890	
Real estate	62	–	(7)	3	58	
Other net assets ^[a]	410	(1,436)	1,716	(18)	672	
Total corporate investments excluding intercompany loans	5,926	(107)	7	1,381	7,207	
Intercompany loans receivable from Onex and the Asset Managers	4,043	173	(453)	–	3,763	
Intercompany loans payable to Onex and the Asset Managers	(425)	(24)	1	–	(448)	
Intercompany loans receivable from Investment Holding Companies	425	24	(1)	–	448	
Total corporate investments	\$ 9,969	\$ 66	\$ (446)	\$ 1,381	\$ 10,970	

(a) Other net assets consist of the assets (primarily cash and near-cash items) and liabilities of the Investment Holding Companies, excluding investments in private equity, private credit strategies, real estate and intercompany loans receivable from and payable to Onex and the Asset Managers. Capital deployed and realizations and distributions of other net assets represent the cash flows of the Investment Holding Companies associated with investments in private equity, private credit strategies, real estate and intercompany loans receivable from and payable to Onex and the Asset Managers.

At September 30, 2021, Onex' corporate investments, which are more fully described in note 4 to the unaudited interim consolidated financial statements, totalled \$11.0 billion (December 31, 2020 – \$10.0 billion).

During the nine months ended September 30, 2021, Onex' investment of capital primarily consisted of the investment made in Onex Partners V and ONCAP IV, as described on page 11 of this interim MD&A, and investments made in private credit strategies, as described on page 14.

During the nine months ended September 30, 2021, realizations and distributions to Onex primarily consisted of the private equity and private credit activities described on pages 12 and 14 of this interim MD&A.

During the nine months ended September 30, 2021, the change in fair value of Onex' corporate investments totalled an increase of \$1.4 billion, which was primarily driven by changes in fair value of Onex' investments in private equity, which are more fully described on page 27 of this interim MD&A.

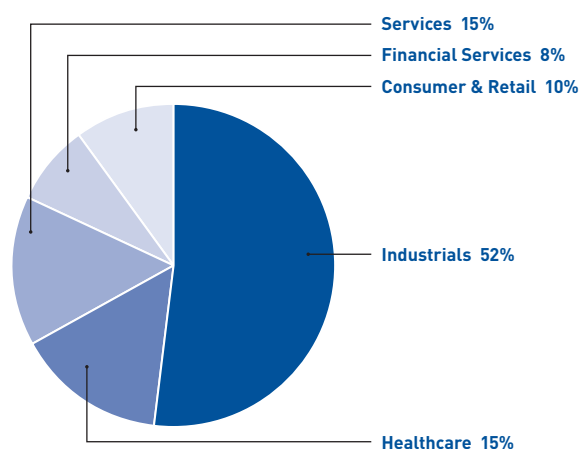
The valuation of public investments held directly by Onex or through the Onex Partners Funds and ONCAP Funds is based on their publicly traded closing prices at September 30, 2021. For certain public investments, a discount was applied to the closing price in relation to restrictions that were in place at September 30, 2021 relating to the securities held by Onex, the Onex Partners Funds or the ONCAP Funds. At September 30, 2021, these discounts resulted in a reduction of \$79 million in the fair value of corporate investments (December 31, 2020 – \$63 million).

Onex' private equity investments include direct and indirect investments in 39 operating businesses, which operate in a variety of industries and countries. Details of these operating businesses' revenues, assets and debt are as follows:

TABLE 13	(Unaudited) (\$ millions) Nine months ended September 30, 2021	Operating Business Revenues ^(a)
Industrials	\$ 9,537	52%
Services	2,754	15%
Healthcare	2,725	15%
Consumer & Retail	1,740	10%
Financial Services	1,442	8%
Total	\$ 18,198	100%

(a) Includes revenues during the period that Onex controls, jointly controls or has significant influence over the operating businesses.

Operating Business Revenues by Industry Vertical –
Nine Months Ended September 30, 2021^(a)

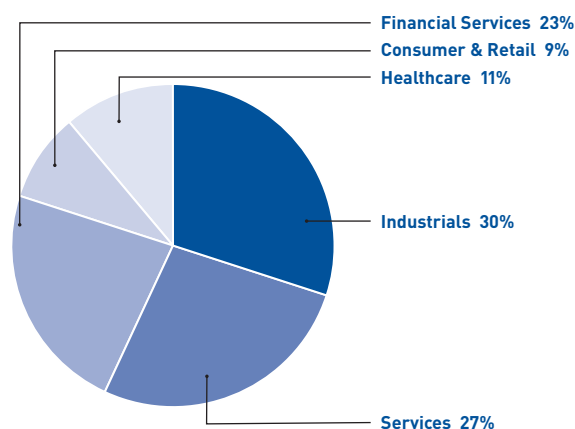


(a) Includes revenues during the period that Onex controls, jointly controls or has significant influence over the operating businesses.

TABLE 14	(Unaudited) (\$ millions)			
	As at September 30, 2021			
	Operating Business Assets ^(a)		Operating Business Debt ^(a)	
Industrials	\$ 12,657	30%	\$ 4,545	28%
Services	11,514	27%	5,637	35%
Financial Services	9,572	23%	1,833	11%
Healthcare	4,391	11%	2,653	16%
Consumer & Retail	3,889	9%	1,621	10%
Total	\$ 42,023	100%	\$ 16,289	100%

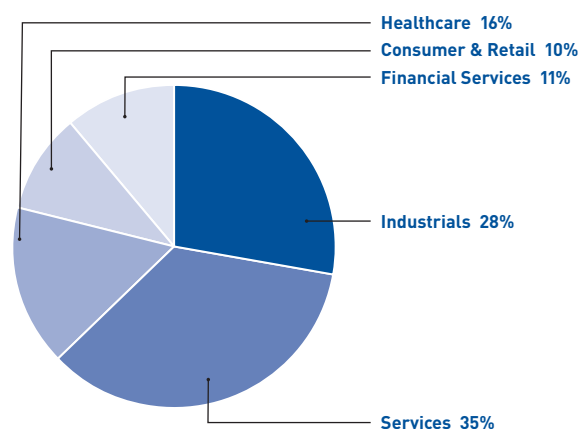
(a) Includes the assets and debt of operating businesses that Onex controls, jointly controls or has significant influence over.

Operating Business Assets by Industry Vertical –
September 30, 2021^(a)



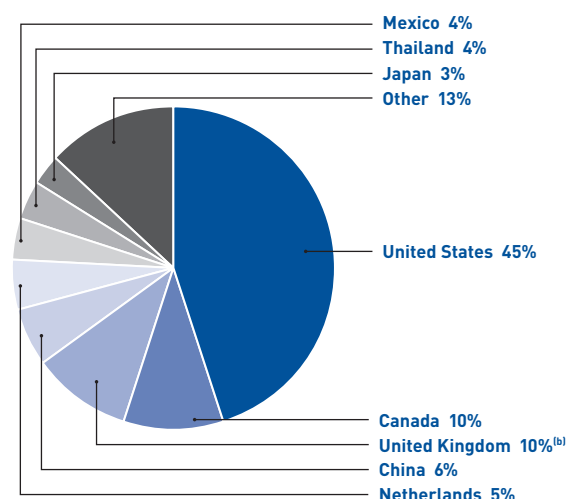
(a) Includes the assets of operating businesses that Onex controls, jointly controls or has significant influence over.

Operating Business Debt by Industry Vertical –
September 30, 2021^(a)



(a) Includes the debt of operating businesses that Onex controls, jointly controls or has significant influence over.

Operating Business Revenues by Country – Year Ended December 31, 2020^(a)



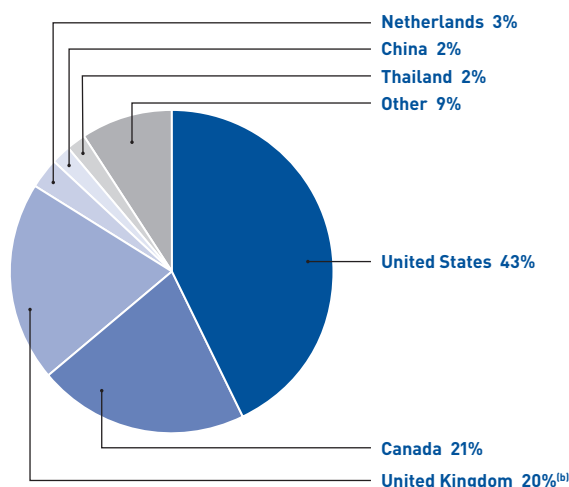
(a) Includes revenues of operating businesses that are controlled or jointly controlled by Onex.

(b) Includes revenues recognized in United Kingdom Overseas Territories.

Intercompany loans payable to Investment Holding Companies

Onex and the Asset Managers have intercompany loans payable to the Investment Holding Companies. The loans are primarily due on demand and non-interest bearing. At September 30, 2021, intercompany loans payable to the Investment Holding Companies totalled \$3.8 billion (December 31, 2020 – \$4.0 billion) and the corresponding receivable of \$3.8 billion (December 31, 2020 – \$4.0 billion) was included in the fair value of the Investment Holding Companies within corporate investments. There is no impact on net assets or net earnings (loss) from these intercompany loans.

Operating Business Assets by Country – December 31, 2020^(a)



(a) Includes assets of operating businesses that are controlled or jointly controlled by Onex.

(b) Includes assets held in United Kingdom Overseas Territories.

Equity

Table 15 provides a reconciliation of the change in equity from December 31, 2020 to September 30, 2021.

Change in Equity

TABLE 15 | (Unaudited) (\$ millions)

Balance – December 31, 2020	\$ 7,243
Dividends declared	(20)
Repurchase and cancellation of shares	(178)
Net earnings	1,191
Equity as at September 30, 2021	\$ 8,236

Dividend policy

Table 16 presents Onex' dividends paid per share for the twelve months ended September 30 during the past five years. The table reflects the increase in dividends per share over this time.

TABLE 16	(\$ per share amounts)	Dividend Paid per Share
Twelve months ended September 30:		
2017		C\$ 0.28
2018		C\$ 0.31
2019		C\$ 0.36
2020		C\$ 0.40
2021		C\$ 0.40

Shares outstanding

At September 30, 2021, Onex had 100,000 Multiple Voting Shares outstanding, which have a nominal paid-in value reflected in Onex' unaudited interim consolidated financial statements. Onex also had 87,741,873 SVS issued and outstanding. Note 7 to the unaudited interim consolidated financial statements provides additional information on Onex' share capital. There was no change in the Multiple Voting Shares outstanding during the nine months ended September 30, 2021.

Table 17 shows the change in the number of SVS outstanding from December 31, 2020 to October 31, 2021.

TABLE 17	(Unaudited) (\$ millions except per share amounts)	Number of SVS	Average Price per Share		Total Cost	
			(USD)	(CAD)	(USD)	(CAD)
SVS outstanding at December 31, 2020		90,310,931				
Shares repurchased and cancelled:						
Normal Course Issuer Bids	(1,541,601)		\$ 68.45	\$ 85.79	\$ 106	\$ 132
Private transactions	(1,559,208)		\$ 71.62	\$ 90.51	\$ 112	\$ 141
SVS outstanding at October 31, 2021		87,210,122				

Shares repurchased and cancelled

The NCIB enables Onex to repurchase up to 10% of its public float of SVS during the period of the relevant Bid. Onex believes that it is advantageous for Onex and its shareholders to continue to repurchase Onex' SVS from time to time when the SVS are trading at prices that reflect a discount to their value as perceived by Onex, while considering other opportunities to invest Onex' cash.

On April 18, 2021, Onex renewed its NCIB following the expiry of its previous NCIB on April 17, 2021. Under the new NCIB, Onex is permitted to purchase up to 10% of its public float of SVS, or 7,398,197 SVS. Onex may purchase up to 37,775 SVS during any trading day, being 25% of its average daily trading volume for the six months ended March 31, 2021. Onex may also purchase SVS from time to time under the TSX's block purchase exemption, if available, or by way of private agreement pursuant to an issuer bid exemption

order, if sought and received, under the new NCIB. The new NCIB commenced on April 18, 2021 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 17, 2022. A copy of the Notice of Intention to renew the NCIB filed with the TSX is available at no charge to shareholders by contacting Onex.

Under the previous NCIB that expired on April 17, 2021, Onex repurchased 8,035,011 SVS at a total cost of \$382 million (C\$506 million) or an average purchase price of \$47.57 (C\$63.00) per share.

The private transactions include the repurchase of SVS that were held indirectly by Mr. Gerald W. Schwartz, Onex' controlling shareholder, as described on page 44 of this interim MD&A.

Stock Option Plan

At September 30, 2021, Onex had 12,491,870 options outstanding to acquire SVS, of which 6,484,170 options were vested and exercisable. During the nine months ended September 30, 2021, 687,000 options were issued, primarily in connection with services provided during the year ended December 31, 2020, at a weighted average exercise price of C\$75.14, 1,054,330 options were surrendered at a weighted average exercise price of C\$54.75 for aggregate cash consideration of \$27 million (C\$33 million), and 263,550 options expired.

Director Deferred Share Unit Plan

During the nine months ended September 30, 2021, 28,792 DSUs were issued to directors in lieu of cash for directors' fees, having an aggregate value of \$2 million (C\$2 million). At September 30, 2021, there were 693,106 Director DSUs outstanding (December 31, 2020 – 661,837). At September 30, 2021, Onex had economically hedged 86% of the outstanding Director DSUs with a counterparty financial institution.

Management Deferred Share Unit Plan

In early 2021, 111,088 DSUs were issued to the Onex management team having an aggregate value, at the date of grant, of \$6 million (C\$8 million) in lieu of that amount of cash compensation for Onex' 2020 fiscal year. At September 30, 2021, there were 884,769 Management DSUs outstanding (December 31, 2020 – 770,540).

At September 30, 2021, Onex had economically hedged 100% of the outstanding Management DSUs with a counterparty financial institution. Forward agreements with a fair value of \$104 million at September 30, 2021, including those associated with Director DSUs, were recorded within other assets in the unaudited interim consolidated balance sheet.

Management of capital

Onex considers the capital it manages to be the amounts it has invested in cash and cash equivalents, near-cash investments, treasury investments managed by a third-party investment manager, investments made in the Onex Partners Funds, ONCAP Funds and private credit strategies, and other investments. Onex also manages capital from other investors in the Onex Partners Funds, ONCAP Funds, private credit strategies and public strategies. Onex' objectives in managing capital have not changed since December 31, 2020.

At September 30, 2021, Onex had \$1.4 billion of cash and near-cash items, as described on page 32 of this interim MD&A.

Onex has a conservative cash management policy driven toward maintaining liquidity and preserving principal in all its treasury investments.

At September 30, 2021, the fair value of treasury investments, including cash yet to be deployed and net working capital managed by a third-party investment manager, was \$679 million (December 31, 2020 – \$554 million). The increase in treasury investments was primarily driven by the transfer of cash and cash equivalents to the Company's third-party investment manager. Treasury investments are managed in a mix of short-term and long-term portfolios and consist of commercial paper with original maturities of three months to one year, federal debt instruments, corporate obligations and structured products with maturities of one to five years. The treasury investments have current Standard & Poor's ratings ranging from BBB to AAA. The portfolio concentration limits range from a maximum of 10% for BBB investments to 100% for AAA investments. The investments are managed to maintain an overall weighted average duration of two years or less.

Today, Onex has access to uncalled committed limited partner capital for investments through Onex Partners V (\$1.7 billion) and ONCAP IV (\$181 million). In addition, Onex has uncalled committed capital of \$305 million from other Onex Partners and ONCAP Funds that may be used for possible future funding of existing businesses and funding of partnership expenses.

LIQUIDITY AND CAPITAL RESOURCES

Major cash flow components

This section should be read in conjunction with the unaudited interim consolidated statements of cash flows and the corresponding notes thereto. Table 18 summarizes the major consolidated cash flow components for the nine months ended September 30, 2021 and 2020.

Major Cash Flow Components

TABLE 18	<i>(Unaudited) (\$ millions)</i>		2021	2020
	Nine months ended September 30			
	Cash provided by operating activities	\$ 217	\$ 293	
	Cash used in financing activities	\$ (490)	\$ (600)	
	Cash provided by (used in) investing activities	\$ 158	\$ (309)	
	Consolidated cash and cash equivalents	\$ 591	\$ 371	

Cash provided by operating activities

Table 19 provides a breakdown of cash provided by operating activities by cash generated from operations and changes in non-cash working capital items for the nine months ended September 30, 2021 and 2020.

Components of Cash Provided by Operating Activities

TABLE 19	(Unaudited) (\$ millions)		2021	2020
	Nine months ended September 30			
Cash generated from operations			\$ 335	\$ 303
Changes in non-cash working capital items:				
Management and advisory fees, recoverable fund expenses and other receivables			(59)	22
Other assets			1	(2)
Accounts payable, accrued liabilities and other liabilities			(46)	(7)
Accrued compensation			(14)	(23)
Decrease in cash and cash equivalents due to changes in non-cash working capital items			(118)	(10)
Cash provided by operating activities			\$ 217	\$ 293

Cash generated from operations includes net earnings from operations before interest and income taxes, adjusted for items not affecting cash and cash equivalents, in addition to cash flows from Onex' investments in and loans made to the Investment Holding Companies. The significant changes in non-cash working capital items for the nine months ended September 30, 2021 and 2020 were:

- a \$59 million increase in management and advisory fees, recoverable fund expenses and other receivables, driven by a net increase in fees and expenses due from the Onex Partners and ONCAP Funds, partially offset by the receipt of performance fees from public strategies. This compares to a \$22 million decrease during the same period in 2020, which was driven by the receipt of fees from the limited partners of the Onex Partners' Funds and performance fees from Gluskin Sheff managed products, partially offset by an increase in fees receivable from the ONCAP Funds;
- a \$46 million decrease in accounts payable, accrued liabilities and other liabilities (2020 – \$7 million), primarily driven by a payment made in connection with the former Onex Credit CEO's participation in the Onex Credit business; and
- a \$14 million decrease in accrued compensation primarily as a result of the payment of 2020 incentive compensation during the first quarter of 2021, partially offset by accrued incentive compensation related to the 2021 fiscal year. This compares to a \$23 million decrease during the nine months ended September 30, 2020, primarily as a result of the payment of 2019 incentive compensation during the first quarter of 2020, partially offset by accrued incentive compensation related to the 2020 fiscal year.

Cash used in financing activities

Cash used in financing activities was \$490 million for the nine months ended September 30, 2021 compared to \$600 million for the same period in 2020. Cash used in financing activities for the nine months ended September 30, 2021 primarily consisted of a \$280 million net loan repayment to the Investment Holding Companies (2020 – \$133 million), \$178 million of cash used to repurchase Onex stock (2020 – \$437 million), as described on pages 39 and 44 of this interim MD&A, and \$22 million of cash dividends paid (2020 – \$22 million).

Cash provided by (used in) investing activities

Cash provided by investing activities totalled \$158 million for the nine months ended September 30, 2021 compared to cash used in investing activities of \$309 million during the same period in 2020. Cash provided by (used in) investing activities during the nine months ended September 30, 2021 primarily consisted of the net sale of treasury investments totalling \$156 million (2020 – net purchase of \$319 million).

Consolidated cash resources

At September 30, 2021, consolidated cash and cash equivalents decreased to \$591 million from \$706 million at December 31, 2020. The major components of cash and cash equivalents at September 30, 2021 included \$452 million of money market funds (December 31, 2020 – \$503 million) and \$139 million of cash on hand (December 31, 2020 – \$190 million).

At September 30, 2021, Onex had \$1.4 billion of cash and near-cash on hand (December 31, 2020 – \$1.4 billion), as discussed on page 32 of this interim MD&A. Onex management reviews the amount of cash and near-cash on hand when assessing the liquidity of the Company.

Commitments

During the nine months ended September 30, 2021, Onex Credit raised capital for its opportunistic and special situation strategies, which included a \$100 million commitment from Onex to the Onex Capital Solutions Fund. The fund invests primarily in loans, bonds, trade claims and credit default swaps, among other assets.

RELATED-PARTY TRANSACTIONS

Related-party revenues

Onex receives management fees on limited partners' and clients' capital within the Onex private equity funds and private credit strategies, and advisory fees directly from certain operating businesses. Onex also receives performance fees from the private credit strategies and recovers certain deal investigation, research and other expenses from the Onex

private equity funds, private credit strategies and the operating businesses of Onex Partners and ONCAP. Onex indirectly controls the Onex private equity funds and private credit strategies, and therefore the management and performance fees earned from these sources represent related-party transactions. Furthermore, Onex indirectly controls, jointly controls or has significant influence over certain operating businesses held by the Onex private equity funds, and as such, advisory fees from these operating businesses represent related-party transactions.

Gluskin Sheff has agreements to manage its pooled fund vehicles, where it generally acts as the trustee, manager, transfer agent and principal distributor. In the case of those pooled fund vehicles that are limited partnerships, Gluskin Sheff or an affiliate of Gluskin Sheff is the General Partner. As such, the Gluskin Sheff pooled fund vehicles are related parties of the Company.

Related-party revenues comprised the following:

	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
	Management and Advisory Fees	Reimbursement of Expenses	Total	Management and Advisory Fees	Reimbursement of Expenses	Total
Source of related-party revenues						
Private Equity Funds ^(a)	\$ 30	\$ 11	\$ 41	\$ 95	\$ 25	\$ 120
Private Credit Strategies	23	3	26	67	7	74
Gluskin Sheff pooled fund vehicles ^(b)	12	–	12	42	–	42
Total related-party revenues	\$ 65	\$ 14	\$ 79	\$ 204	\$ 32	\$ 236
Gluskin Sheff third-party revenues	4	–	4	5	–	5
Total revenues	\$ 69	\$ 14	\$ 83	\$ 209	\$ 32	\$ 241

(a) Includes advisory fees and expense reimbursements from the Onex Partners and ONCAP operating businesses.

(b) Revenue associated with the reimbursement of expenses from the Gluskin Sheff pooled fund vehicles is included within other income.

Related-party receivables comprised the following:

TABLE 21	(Unaudited) (\$ millions) As at September 30, 2021	Management and Advisory Fees Receivable	Recoverable Fund and Operating Expenses Receivable	Performance Fees	Other Receivables	Total
Private Equity Funds		\$ 157	\$ 119	\$ -	\$ -	\$ 276
Private Credit Strategies		13	7	-	-	20
Gluskin Sheff pooled fund vehicles		5	-	1	-	6
Onex Partners and ONCAP operating businesses		3	4	-	-	7
Total related-party receivables		\$ 178	\$ 130	\$ 1	\$ -	\$ 309
Third-party receivables		1	-	-	10	11
Total		\$ 179	\$ 130	\$ 1	\$ 10	\$ 320

Services received from operating companies

During the three and nine months ended September 30, 2021, Onex received services from certain operating companies, the value of which was not significant.

Repurchase of shares

During the three months ended September 30, 2021, Onex repurchased 1,100,000 of its SVS in two private transactions that were held indirectly by Mr. Gerald W. Schwartz, who is Onex' controlling shareholder. The shares were repurchased at a weighted average cost of \$71.28 (C\$90.30) per SVS, or a total cost of \$78 million (C\$99 million), which represented a discount to the trading price of Onex shares on the dates of the transactions.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and the Chief Financial Officer have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the unaudited interim consolidated financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and the Chief Financial Officer have also designed, or caused to be designed under their supervision, disclosure controls and procedures to provide reasonable assurance that information required to be disclosed by the Company in its corporate filings has been recorded, processed, summarized and reported within the time periods specified in securities legislation.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to the inherent limitations in all such systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, Onex' internal controls over financial reporting and disclosure controls and procedures are effective in providing reasonable, not absolute, assurance that the objectives of Onex' control systems have been met.

Limitation on scope of design

Management has limited the scope of the design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of Onex Falcon (acquired in December 2020), the operating results of which are included in the September 30, 2021 unaudited interim consolidated financial statements of Onex. The scope limitation is in accordance with National Instrument 52-109, *Certification of Disclosure in Issuer's Annual and Interim Filings*, which allows an issuer to limit its design of internal controls over financial reporting and disclosure controls and procedures to exclude the controls, policies and procedures of a company acquired not more than 365 days before the end of the financial period to which the certificate relates.

Table 22 shows a summary of the financial information for Onex Falcon, which is included in the September 30, 2021 unaudited interim consolidated financial statements of Onex.

TABLE 22	(Unaudited) (\$ millions)	Onex Falcon
Three months ended September 30, 2021		
Total income	\$	7
Total net loss	\$	3
Nine months ended September 30, 2021		
Total income	\$	22
Total net loss	\$	8
As at September 30, 2021		
Total assets	\$	147
Total liabilities	\$	54

GLOSSARY

The following is a list of commonly used terms in Onex' interim MD&A and unaudited interim consolidated financial statements and their corresponding definitions.

Adjusted EBITDA is a non-GAAP financial measure and is based on the local accounting standards of the individual operating businesses. The metric is based on earnings before interest, taxes, depreciation and amortization as well as other adjustments. Other adjustments can include non-cash costs of stock-based compensation and retention plans, transition and restructuring expenses including severance payments, annualized pro-forma adjustments for acquisitions, the impact of derivative instruments that no longer qualify for hedge accounting, the impacts of purchase accounting and other similar amounts.

Annualized principal default rate is the annualized percentage of principal defaults that a loan strategy has experienced over a stated period of time.

Assets under management are the assets that Onex manages on behalf of investors, including Onex' own capital, co-investments and capital invested by the Onex management team, where applicable. Onex' assets under management include:

- (i) The fair value of private equity invested assets and uncalled committed capital to the private equity funds, including Onex' own uncalled committed capital in excess of cash and cash equivalents, as applicable;
- (ii) The par value of invested assets and cash available for reinvestment of the collateralized loan obligations;
- (iii) The fair value of gross invested and uncalled commitments in middle-market lending, senior loan opportunity, structured credit opportunities and Onex Falcon Funds; and
- (iv) The gross invested assets or net asset value of the public credit, public equity and other private credit funds.

Carried interest is an allocation of part of an investor's gains to Onex and its management team after the investor has realized a preferred return.

CLO warehouse is a leveraged portfolio of credit investments that Onex establishes in anticipation of raising a new CLO. The leverage is typically provided by a financial institution that serves as the placement agent for the relevant CLO. The leverage provided by a financial institution may be in the form of a total return swap that transfers the credit and market risk of specified securities. Onex provides capital to establish the CLO warehouses.

Co-investment is a direct investment made by Onex, the Onex management team or other investors alongside a fund.

Collateral principal balance is the aggregate principal balance of the CLO investments in debt obligations, excluding defaulted debt obligations, and includes the principal balance of cash deposits.

Collateralized Loan Obligation ("CLO") is a structured investment fund that invests in non-investment grade debt. Interests in these funds are sold in rated and unrated tranches that have rights to the CLO's collateral and payment streams in descending order of priority. The yield to investors in each tranche decreases as the level of priority increases.

Committed capital is the amount contractually committed by limited partners that a fund may call for investments or to pay management fees and other expenses.

Deferred Share Units (“DSUs”) are synthetic investments made by directors and the Onex management team, where the gain or loss mirrors the performance of the SVS. DSUs may be issued to directors in lieu of director fees and to senior management in lieu of a portion of their annual short-term incentive compensation.

Direct Lending consists of the Onex Falcon Funds.

Fee-generating capital is the assets under management on which the Company receives recurring management fees.

Fully diluted shares are calculated using the treasury stock method and include all outstanding SVS as well as outstanding stock options where Onex' share price exceeds the exercise price of the stock options.

General partner is a partner that determines most of the actions of a partnership and can legally bind the partnership. The general partners of Onex-sponsored funds are Onex-controlled subsidiaries.

Gross internal rate of return (“Gross IRR”) is the annualized percentage return achieved on an investment or fund, taking time into consideration. This measure does not reflect a limited partner's return since it is calculated without deducting carried interest, management fees, taxes and expenses.

Gross multiple of capital (“Gross MOC”) is an investment's or fund's total value divided by the capital that has been invested. This measure does not reflect a limited partner's multiple of capital since it is calculated without deducting carried interest, management fees, taxes and expenses.

Hurdle or preferred return is the minimum return required from an investment or fund before entitlement to payments under the MIP, carried interest or performance fees.

International Financial Reporting Standards (“IFRS”) are a set of standards adopted by Onex to determine accounting policies for the consolidated financial statements that were formulated by the International Accounting Standards Board and allow for comparability and consistency across businesses. As a publicly listed entity in Canada, Onex is required to report under IFRS.

Investing capital represents Onex' investing assets that are invested in private equity, private credit strategies, treasury investments, cash and cash equivalents and near-cash available for investing. Investing capital is determined on the same basis as segmented assets for Onex' investing segment.

Investing capital per share is Onex' investing capital divided by the number of fully diluted shares outstanding.

Leveraged loans refer to the non-investment grade senior secured debt of relatively highly leveraged borrowers. A leveraged loan is often issued by a company in connection with it being acquired by a private equity or corporate investor.

Limited partner is an investor whose liability is generally limited to the extent of their share of the partnership.

Management incentive programs include: (i) the management investment plan ("MIP"), which is a plan that required Onex and Onex Partners management to invest in each of the operating businesses acquired or invested in by Onex. Management's required cash investment was 1.5% of Onex' interest in each acquisition or investment. Management is allocated 7.5% of Onex' realized gain from an operating business investment, subject to Onex realizing the full return of its investment plus a net 15% internal rate of return on the investment. The MIP also has vesting requirements, certain limitations and voting requirements; (ii) the Onex Partners carried interest program, which allocates 60% of the carried interest realized in the Onex Partners Funds to management of Onex Partners. Management of Onex Partners is also entitled to a carried interest of 12% of the realized net gains from Onex capital in Onex Partners V, subject to an 8% compound annual preferred return to Onex on amounts contributed to the fund; (iii) the ONCAP carried interest program, which allocates to the management of ONCAP 60% of the carried interest realized in the ONCAP Funds and an equivalent carried interest on Onex' capital in the ONCAP Funds; and (iv) the Onex Falcon carried interest program, which entitles the management of Onex Falcon to 80% of the carried interest realized in Onex Falcon VI and substantially all of the carried interest realized on other existing Onex Falcon Funds as at December 31, 2020. The Onex Credit team will also be allocated 50% of the carried interest realized on future Onex Falcon Funds.

Middle-Market Lending consists of Onex Credit Lending Partners and middle-market lending originated by Onex.

Multiple Voting Shares of Onex are the controlling class of shares, which entitle Mr. Gerald W. Schwartz to elect 60% of Onex' directors and to 60% of the total shareholder vote on most matters. The shares have no entitlement to distribution on wind-up or dissolution above their nominal paid-in value and do not participate in dividends or earnings.

Near-cash are investment holdings in readily marketable investments that can be converted to cash in an orderly market. In addition, near-cash includes management fees receivable from the limited partners of Onex' private equity funds.

Net internal rate of return ("Net IRR") is the annualized percentage return earned by the limited partners of a fund, excluding Onex as a limited partner, after the deduction of carried interest, management fees, taxes and expenses, taking time into consideration.

Net multiple of capital ("Net MOC") is the investment distributions and unrealized value, net of carried interest and taxes, to limited partners subject to carried interest and management fees in the funds, excluding Onex as a limited partner, divided by the limited partners' total contributions for investments, fees and expenses.

Normal Course Issuer Bid(s) ("NCIB" or the "Bids") is an annual program(s) approved by the Board of Directors that enables Onex to repurchase SVS for cancellation.

ONEX is the share symbol for Onex Corporation on the Toronto Stock Exchange.

Onex Credit Lending Partners ("OCLP") is a middle-market lending fund which provides credit to private equity sponsor-owned portfolio companies and, selectively, other corporate borrowers predominantly in the United States and, selectively, in Canada and Europe. The strategy invests the majority of its capital in senior secured loans of companies primarily in less cyclical and less capital-intensive industries, with a focus on capital preservation. The fund employs a buy-and-hold approach to investing, with a goal of owning a diversified pool of investments.

Onex Falcon Funds are actively managed funds of Onex Credit, which include specialized private credit strategies.

Performance fees include performance allocations and are generated on high net worth clients and institutional investors' capital managed by Onex Credit, some of which are subject to a hurdle or preferred return to investors.

Private equity platform refers to Onex' investing and asset management activities carried on through the Onex Partners and ONCAP Funds.

Run-rate management fees is a forward-looking calculation representing management fees that would be earned over a twelve-month period based on the annual management fee rates and the basis or method of calculation in place at period end.

Subordinate Voting Shares ("SVS") are the non-controlling share capital of Onex. SVS shareholders are entitled to elect 40% of Onex' directors and to 40% of the total shareholder vote on most matters. These shares are the only class of stock that economically participates in Onex Corporation. The SVS trade on the Toronto Stock Exchange.

INTERIM CONSOLIDATED BALANCE SHEETS

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i>	As at September 30, 2021	As at December 31, 2020
Assets		
Cash and cash equivalents	\$ 591	\$ 706
Treasury investments (note 2)	79	234
Management and advisory fees, recoverable fund expenses and other receivables (note 3)	320	261
Corporate investments (including intercompany loans receivable from Onex and the Asset Managers of \$3,763 (December 31, 2020 – \$4,043), comprising part of the fair value of Investment Holding Companies) (note 4)	10,970	9,969
Other assets (note 6)	122	98
Property and equipment	149	169
Intangible assets	146	167
Goodwill	264	264
Total assets	\$ 12,641	\$ 11,868
Intercompany loans payable to Investment Holding Companies (note 5)	(3,763)	(4,043)
Total assets net of intercompany loans payable to Investment Holding Companies	\$ 8,878	\$ 7,825
Other liabilities		
Accounts payable and accrued liabilities	\$ 28	\$ 29
Accrued compensation	111	125
Stock-based compensation payable (note 6)	391	263
Lease liabilities	68	75
Contingent consideration and other liabilities	44	90
Total other liabilities	\$ 642	\$ 582
Net assets	\$ 8,236	\$ 7,243
Equity		
Share capital (note 7)	\$ 306	\$ 314
Retained earnings and accumulated other comprehensive earnings	7,930	6,929
Total equity	\$ 8,236	\$ 7,243

These unaudited interim consolidated financial statements should be read in conjunction with the 2020 audited annual consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited) (in millions of U.S. dollars except per share data)	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Income				
Net gain on corporate investments (including an increase in carried interest of \$76 and \$204 during the three and nine months ended September 30, 2021, respectively (2020 – increase of \$12 and decrease of \$33, respectively)) (note 4)	\$ 618	\$ 521	\$ 1,381	\$ 146
Management and advisory fees (note 8)	69	61	209	182
Reimbursement of expenses from investment funds and operating businesses (note 8)	14	1	32	8
Interest and net treasury investment income (note 9)	–	2	1	16
Other income	1	1	2	2
Total income	\$ 702	\$ 586	\$ 1,625	\$ 354
Expenses				
Compensation	\$ [66]	\$ [52]	\$ [184]	\$ [146]
Stock-based compensation recovery (expense) (note 6)	7	3	(127)	108
Amortization of property, equipment and other intangible assets	(13)	(15)	(45)	(43)
Recoverable expenses from investment funds and operating businesses	(14)	(1)	(32)	(8)
Impairment of goodwill	–	–	–	(85)
Other expenses	(13)	(20)	(46)	(47)
Total expenses	\$ [99]	\$ [85]	\$ [434]	\$ [221]
Earnings before income taxes	\$ 603	\$ 501	\$ 1,191	\$ 133
Provision for income taxes	(1)	–	–	–
Net earnings	\$ 602	\$ 501	\$ 1,191	\$ 133
Net Earnings per Subordinate Voting Share of Onex Corporation (note 10)				
Basic	\$ 6.77	\$ 5.30	\$ 13.29	\$ 1.36
Diluted	\$ 6.76	\$ 5.29	\$ 13.27	\$ 1.36

These unaudited interim consolidated financial statements should be read in conjunction with the 2020 audited annual consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i>	Three months ended September 30		Nine months ended September 30	
	2021	2020	2021	2020
Net earnings	\$ 602	\$ 501	\$ 1,191	\$ 133
Other comprehensive earnings (loss), net of tax				
Items that may be reclassified to net earnings (loss):				
Currency translation adjustments	(6)	5	-	(12)
Other comprehensive earnings (loss), net of tax	\$ (6)	\$ 5	\$ -	\$ (12)
Total comprehensive earnings	\$ 596	\$ 506	\$ 1,191	\$ 121

These unaudited interim consolidated financial statements should be read in conjunction with the 2020 audited annual consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF EQUITY

<i>(Unaudited)</i> <i>(in millions of U.S. dollars except per share data)</i>	Share Capital (note 7)	Retained Earnings	Accumulated Other Comprehensive Earnings ^(a)	Total Equity
Balance – December 31, 2019	\$ 342	\$ 6,627	\$ 14	\$ 6,983
Dividends declared ^(b)	-	(21)	-	(21)
Repurchase and cancellation of shares (note 7)	(29)	(412)	-	(441)
Net earnings	-	133	-	133
Currency translation adjustments included in other comprehensive loss	-	-	(12)	(12)
Balance – September 30, 2020	\$ 313	\$ 6,327	\$ 2	\$ 6,642
Balance – December 31, 2020	\$ 314	\$ 6,915	\$ 14	\$ 7,243
Dividends declared ^(b)	-	(20)	-	(20)
Repurchase and cancellation of shares (note 7)	(8)	(170)	-	(178)
Net earnings	-	1,191	-	1,191
Balance – September 30, 2021	\$ 306	\$ 7,916	\$ 14	\$ 8,236

(a) Accumulated other comprehensive earnings consisted solely of currency translation adjustments. Income taxes did not have a significant effect on these adjustments.

(b) Dividends declared per Subordinate Voting Share were C\$0.30 for the nine months ended September 30, 2021 (2020 – C\$0.30). There are no tax effects for Onex on the declaration or payment of dividends.

These unaudited interim consolidated financial statements should be read in conjunction with the 2020 audited annual consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

		Nine months ended September 30	
(Unaudited)			
(in millions of U.S. dollars)		2021	2020
Operating Activities			
Net earnings	\$ 1,191	\$	133
Adjustments to net earnings:			
Interest and net treasury investment income	(1)		(16)
Interest expense	2		2
Earnings before interest	1,192		119
Cash taxes received (paid)	(1)		1
Investments made in and loans made to Investment Holding Companies	(62)		(318)
Distributions and loan repayments received from Investment Holding Companies and sale of private equity investment	441		639
Items not affecting cash and cash equivalents:			
Amortization of property and equipment, and other intangible assets	45		43
Net gain on corporate investments (note 4)	(1,381)		(146)
Stock-based compensation (note 6)	100		(121)
Impairment of goodwill	-		85
Foreign exchange gain	(1)		(1)
Other	2		2
	335		303
Changes in non-cash working capital items:			
Management and advisory fees, recoverable fund expenses and other receivables	(59)		22
Other assets	1		(2)
Accounts payable, accrued liabilities and other liabilities	(46)		(7)
Accrued compensation	(14)		(23)
Decrease in cash and cash equivalents due to changes in non-cash working capital items	(118)		(10)
Cash provided by operating activities	\$ 217	\$	293
Financing Activities			
Cash dividends paid	\$ (22)	\$	(22)
Principal elements of lease payments	(8)		(6)
Cash interest paid	(2)		(2)
Repurchase of share capital of Onex Corporation	(178)		(437)
Issuance of loans from Investment Holding Companies	173		125
Repayment of loans to Investment Holding Companies	(453)		(258)
Cash used in financing activities	\$ (490)	\$	(600)
Investing Activities			
Net sale (purchase) of treasury investments	\$ 156	\$	(319)
Cash interest received	1		11
Purchases of property and equipment	-		(1)
Increase due to other investing activities	1		-
Cash provided by (used in) investing activities	\$ 158	\$	(309)
Decrease in Cash and Cash Equivalents		\$ (115)	\$ (616)
Decrease in cash due to changes in foreign exchange rates	-		(1)
Cash and cash equivalents, beginning of the period	706		988
Cash and Cash Equivalents	\$ 591	\$	371

These unaudited interim consolidated financial statements should be read in conjunction with the 2020 audited annual consolidated financial statements.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited) (in millions of U.S. dollars except per share data)

Onex Corporation, along with its wholly-owned subsidiaries, manages and invests capital in its private equity funds, private credit strategies and public strategies on behalf of shareholders, institutional investors and high net worth families from around the world.

Onex invests in its two private equity platforms: Onex Partners for middle-market and larger transactions and ONCAP for middle-market and smaller transactions. Onex is currently investing through Onex Partners V, a \$7,150 fund raised in November 2017, and ONCAP IV, a \$1,107 fund raised in November 2016.

Onex also invests in private credit strategies, which consist of non-investment grade debt in collateralized loan obligations, senior loan strategies, opportunistic and special situation strategies, and other credit strategies.

Throughout these statements, the terms “Onex” and the “Company” refer to Onex Corporation, the ultimate parent company.

Onex is a Canadian corporation domiciled in Canada and listed on the Toronto Stock Exchange under the symbol ONEX. Onex’ shares are traded in Canadian dollars. The registered address for Onex is 161 Bay Street, Toronto, Ontario. Mr. Gerald W. Schwartz controls Onex through his ownership of all of the outstanding Multiple Voting Shares of the corporation. Mr. Schwartz also indirectly held 12% of the outstanding Subordinate Voting Shares of Onex at September 30, 2021.

All amounts included in the notes to the unaudited interim consolidated financial statements are in millions of U.S. dollars unless otherwise noted.

The unaudited interim consolidated financial statements were authorized for issue by the Board of Directors on November 11, 2021.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The unaudited interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and its interpretations adopted by the International Accounting Standards Board (“IASB”). Accordingly, certain information and note disclosures normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These unaudited interim consolidated financial statements were prepared on a going concern basis.

The U.S. dollar is Onex’ functional currency and the financial statements have been reported on a U.S. dollar basis.

BASIS OF PRESENTATION

Throughout the notes to the unaudited interim consolidated financial statements, **investments** and **investing activity** of Onex’ capital primarily relate to its private equity funds, private credit strategies and certain investments held outside the private equity funds and private credit strategies. These investments are held directly or indirectly through wholly-owned subsidiaries of Onex, which are referred to as **Investment Holding Companies**. While

there are a number of Investment Holding Companies, substantially all of these companies consist of direct or indirect subsidiaries of Onex Private Equity Holdings LLC, Onex CLO Holdings LLC or Onex Credit Holdings LLC. These three companies, which are referred to as the **Primary Investment Holding Companies**, are the holding companies for substantially all of Onex’ investments, excluding intercompany loans receivable from Onex and the Asset Managers, as defined below. The Primary Investment Holding Companies were formed in the United States.

Asset management refers to the activity of managing capital in Onex’ private equity funds, private credit strategies and public strategies. This activity is conducted through wholly-owned subsidiaries of Onex, which are the managers of the Onex Partners Funds, ONCAP Funds and Onex Credit strategies. These subsidiaries are referred to as Onex’ **Asset Managers** and are consolidated by Onex.

References to the Onex management team include the management of Onex, Onex Partners, ONCAP, Onex Credit and Gluskin Sheff. References to management without the use of “team” include only the relevant group. References to an Onex Partners Group represent Onex, the limited partners of the relevant Onex Partners Fund, the Onex management team and, where applicable, certain other limited partners as co-investors. References to an ONCAP Group represent Onex, the limited partners of the relevant ONCAP Fund, the Onex management team and, where applicable, certain other limited partners as co-investors.

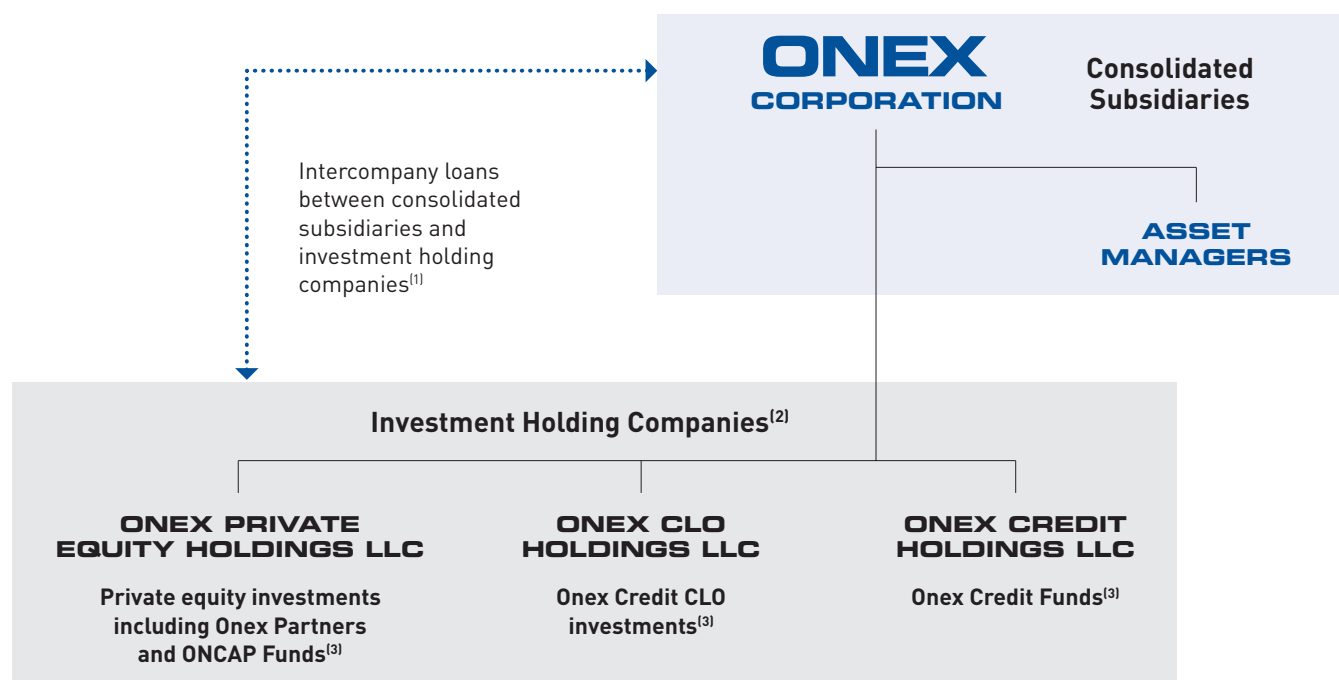
Onex meets the definition of an investment entity, as defined by IFRS 10, *Consolidated financial statements* ("IFRS 10"). As a result, Onex' investments in its subsidiaries that do not provide investment-related services are accounted for as corporate investments at fair value through net earnings (loss).

The Company has also performed an assessment to determine which of its subsidiaries are investment entities, as defined under IFRS 10. When performing this assessment, the Company considered the subsidiaries' current business purpose along with the

business purpose of the subsidiaries' direct and indirect investments. The Company has concluded that the Primary Investment Holding Companies meet the definition of an investment entity.

Throughout these unaudited interim consolidated financial statements, wholly-owned subsidiaries of Onex that are recognized at fair value are referred to as Investment Holding Companies. Investment Holding Companies include subsidiaries determined to be investment entities under IFRS 10, and all other subsidiaries that do not provide investment-related services and are not investment entities.

The simplified diagram below illustrates the types of subsidiaries included within Onex' corporate structure and the basis on which they are accounted for.



(1) Onex Corporation and the consolidated asset management subsidiaries enter into intercompany loans that, in aggregate, have no net effect on Onex' financial position. Intercompany loans payable by Onex and the consolidated subsidiaries to the Investment Holding Companies are recognized as liabilities in the unaudited interim consolidated balance sheets, with the corresponding loans receivable classified as assets within corporate investments in the unaudited interim consolidated balance sheets.

(2) Onex' investments in the Investment Holding Companies are recorded as corporate investments at fair value through net earnings (loss).

(3) Onex' investments in private equity, CLOs and Onex Credit Funds are typically held directly or indirectly through wholly-owned investment holding companies, which are subsidiaries of the Primary Investment Holding Companies identified above.

SIGNIFICANT ACCOUNTING POLICIES

The disclosures contained in these unaudited interim consolidated financial statements do not include all the requirements of IFRS for annual financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2020.

The unaudited interim consolidated financial statements are based on accounting policies, as described in note 1 to the 2020 audited annual consolidated financial statements. Several amendments and interpretations of IFRS apply for the first time in 2021; however, these items do not have a material impact on the unaudited interim consolidated financial statements of the Company.

2. TREASURY INVESTMENTS

Treasury investments comprised the following:

	September 30, 2021	December 31, 2020
Commercial paper and corporate obligations	\$ 48	\$ 146
Federal debt instruments	9	49
Other	22	39
Total treasury investments	\$ 79	\$ 234

3. MANAGEMENT AND ADVISORY FEES, RECOVERABLE FUND EXPENSES AND OTHER RECEIVABLES

The Company's receivables for management and advisory fees, fund expenses and other comprised the following:

	September 30, 2021	December 31, 2020
Management and advisory fees	\$ 179	\$ 142
Recoverable fund and operating businesses' expenses	130	87
Performance fees	1	17
Other	10	15
Total	\$ 320	\$ 261

Management and advisory fees receivable primarily consisted of management fees receivable of \$157 (December 31, 2020 – \$122) from the Onex private equity funds. Onex has elected to defer cash receipt of management fees from certain funds until the later stages of each fund's life. At September 30, 2021, the receivables for management and advisory fees primarily related to fees due from Onex Partners IV and Onex Partners V.

4. CORPORATE INVESTMENTS

The Company's interests in its Investment Holding Companies are recorded at fair value through net earnings (loss). The Investment Holding Companies directly or indirectly invest the Company's capital in the Onex Partners Funds, ONCAP Funds, private credit strategies and other investments. The Company's corporate investments comprised the following:

	December 31, 2020	Capital Deployed	Realizations and Distributions	Change in Fair Value	September 30, 2021	Change in Fair Value During the Three Months Ended September 30, 2021
Onex Partners Funds	\$ 3,169	\$ 696	\$ (431)	\$ 641	\$ 4,075	\$ 346
ONCAP Funds	606	21	(74)	101	654	9
Other private equity	743	33	(505)	316	587	162
Carried interest	87	n/a	(20)	204	271	76
Total private equity investments ^(a)	4,605	750	(1,030)	1,262	5,587	593
Private credit strategies ^(b)	849	579	(672)	134	890	31
Real estate ^(c)	62	–	(7)	3	58	2
Other net assets ^(d)	410	(1,436)	1,716	(18)	672	(8)
Total corporate investments						
excluding intercompany loans	5,926	(107)	7	1,381	7,207	618
Intercompany loans receivable from Onex and the Asset Managers ^(e)	4,043	173	(453)	–	3,763	–
Intercompany loans payable to Onex and the Asset Managers ^(f)	(425)	(24)	1	–	(448)	–
Intercompany loans receivable from Investment Holding Companies ^(f)	425	24	(1)	–	448	–
Total corporate investments	\$ 9,969	\$ 66	\$ (446)	\$ 1,381	\$ 10,970	\$ 618

a) Private equity investments

The Company's private equity investments comprised the following:

	December 31, 2020	Capital Deployed	Realizations and Distributions	Change in Fair Value	September 30, 2021	Change in Fair Value During the Three Months Ended September 30, 2021
Onex Partners Funds						
Onex Partners I	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ -
Onex Partners II	52	-	-	(43)	9	-
Onex Partners III	445	-	(244)	74	275	18
Onex Partners IV	1,834	-	(272)	453	2,015	262
Onex Partners V	1,052	696	(18)	229	1,959	93
Management incentive programs	(215)	n/a	103	(72)	(184)	(27)
Total investment in Onex Partners Funds⁽ⁱ⁾	3,169	696	(431)	641	4,075	346
ONCAP Funds						
ONCAP II	101	-	(45)	31	87	3
ONCAP III	246	-	(37)	81	290	3
ONCAP IV	322	21	-	11	354	4
Management incentive programs	(63)	n/a	8	(22)	(77)	(1)
Total investment in ONCAP Funds⁽ⁱⁱ⁾	606	21	(74)	101	654	9
Other private equity investments⁽ⁱⁱⁱ⁾	743	33	(505)	316	587	162
Carried interest^(iv)	87	n/a	(20)	204	271	76
Total private equity investments	\$ 4,605	\$ 750	\$ (1,030)	\$ 1,262	\$ 5,587	\$ 593

i) Onex Partners Funds

At September 30, 2021, the Onex Partners Funds had investments in 21 operating businesses in various industry sectors and countries. Onex' investments in the Onex Partners Funds include co-investments, where applicable.

Onex Partners III

During the nine months ended September 30, 2021, the Onex Partners III Group sold its remaining 32.9 million shares in JELD-WEN Holding, Inc. ("JELD-WEN"). Onex' combined share of the net proceeds from the Onex Partners III Group was \$193, including carried interest and net of payments under the management incentive programs.

Onex Partners IV

In June 2021, the Onex Partners IV Group sold approximately 10.6 million ordinary shares of Clarivate Analytics Plc ("Clarivate Analytics") at a price of \$26.00 per share. Onex' share of the net proceeds from the Onex Partners IV Group was \$101.

In September 2021, the Onex Partners IV Group sold approximately 18.0 million ordinary shares of Clarivate Analytics at a price of \$25.25 per share. Onex' share of the net proceeds from the Onex Partners IV Group was \$123, net of payments under the management incentive programs. At September 30, 2021, Onex' economic and voting interest in Clarivate Analytics was 3% and 7%, respectively.

In July 2021, PowerSchool completed an initial public offering of its Class A common stock (NYSE: PWSC). The Onex Partners IV Group did not sell any shares of PowerSchool as part of this offering. At September 30, 2021, Onex holds approximately 24.4 million Class A common shares of PowerSchool through its investment in Onex Partners IV.

Onex Partners V

In March 2021, Onex invested \$279 as part of the Onex Partners V Group's investment in Imagine Learning (formerly Weld North Education), a leading K-12 digital curriculum company in the United States. Onex' investment included \$100 as a co-investor.

In June 2021, Acacium Group made a repayment of the shareholder loan held by the Onex Partners V Group. Onex' share of the repayment was £12 (\$16).

In July 2021, Onex invested \$185 as part of the Onex Partners V Group's investment in Newport Healthcare, a leading provider in the United States of evidence-based healing centres for teens and young adults struggling with primary mental health issues.

In September 2021, Onex invested \$226 as part of the Onex Partners V Group's investment in Wealth Enhancement Group ("WEG"), an independent wealth management firm offering comprehensive and customized financial planning and investment management services in the United States. Onex' investment included \$54 as a co-investor.

ii) ONCAP Funds

At September 30, 2021, the ONCAP Funds had investments in 16 operating businesses. Onex' investments in the ONCAP Funds include co-investments, where applicable.

ONCAP II

In April 2021, the ONCAP II Group sold its remaining 10.4 million shares in Pinnacle Renewable Energy Inc. ("Pinnacle") for C\$11.30, in connection with the sale of Pinnacle to Drax Group plc. Onex' share of the net proceeds from the ONCAP II Group was C\$54 (\$43), including carried interest and net of payments under the management incentive programs.

ONCAP IV

The ONCAP IV Group invested in Komar Industries, Inc. ("Komar") in June 2021. Komar is a leading designer and manufacturer of industrial waste and recycling processing systems. In July 2021, Onex invested \$20 in the ONCAP IV Group in connection with the investment in Komar.

iii) Other private equity investments

Other private equity investments primarily consist of Onex' investments in Celestica and Ryan Specialty Group ("RSG"). In July 2021, RSG completed an initial public offering of approximately 65.5 million shares of its Class A common stock (NYSE: RYAN), including the exercise of the over-allotment option. RSG is a leading international specialty insurance organization. The offering was priced at \$23.50 per share. In connection with this transaction, RSG acquired all of Onex' preferred unit interests in the company and redeemed approximately 8.1 million Class A shares held by Onex. With the completion of this transaction, net proceeds received by Onex were \$492. At September 30, 2021, Onex held approximately 12.3 million Class A shares of RSG.

iv) Carried interest

Unrealized carried interest is calculated based on the current fair values of the Funds and the overall realized and unrealized gains in each Fund in accordance with its limited partnership agreements. The increase in unrealized carried interest during the nine months ended September 30, 2021 was primarily due to net increases in the fair value of the underlying investments in Onex Partners IV, Onex Partners V and ONCAP III, partially offset by realized carried interest, primarily from Onex Partners III.

b) Private Credit strategies

The Company's investment in Private Credit strategies comprised the following:

	December 31, 2020	Capital Deployed	Realizations and Distributions	Change in Fair Value	September 30, 2021	Change in Fair Value During the Three Months Ended September 30, 2021
Private Credit Strategies						
U.S. CLOs	\$ 383	\$ 41	\$ (173)	\$ 80	\$ 331	\$ 20
EURO CLOs	112	7	(35)	21	105	5
CLO warehouse	-	30	-	-	30	-
Middle-market lending	89	31	(33)	10	97	1
Senior loan strategies	192	98	(198)	8	100	1
Opportunistic and special situation strategies	68	227	(211)	10	94	3
Structured credit and high yield strategies	5	45	(21)	5	34	1
Direct lending	-	100	(1)	-	99	-
Total investment in Private Credit Strategies	\$ 849	\$ 579	\$ (672)	\$ 134	\$ 890	\$ 31

During the nine months ended September 30, 2021, Onex invested net capital of \$21 in CLOs, and received distributions of \$90 from CLO investments and \$33 from middle-market lending strategies. Onex also sold a portion of its equity interests in certain U.S. and European collateralized loan obligations for total proceeds of \$74 and €14 (\$17), respectively.

During the three months ended September 30, 2021, Onex invested \$30 to support the warehouse facility for its twenty-second CLO denominated in U.S. dollars ("CLO-22").

During the nine months ended September 30, 2021, Onex made investments in middle-market lending and structured credit and high yield strategies totalling \$31 and \$45, respectively. During the same period, Onex also made investments totalling \$100 in its direct lending strategy, which consisted of an investment in a warehouse facility to support the strategy, as described in note 15.

During the nine months ended September 30, 2021, Onex Credit raised capital for its opportunistic and special situation strategies, which included a \$100 commitment from Onex to the Onex Capital Solutions Fund, as described in note 14. The fund invests primarily in loans, bonds, trade claims and credit default swaps, among other assets.

During the nine months ended September 30, 2021, Onex made investments in opportunistic and special situation strategies totalling \$227.

In the first quarter of 2021, Onex redeemed all of its investment in the Onex Credit Partners Senior Floating Income Fund, which totalled \$98. The proceeds from this redemption were invested in Onex Senior Credit Fund II, which was subsequently redeemed later in the year.

During the nine months ended September 30, 2021, Onex received distributions totalling \$126 from the Onex Senior Loan Opportunity Fund, which includes proceeds in connection with the dissolution of the fund, which is expected to be finalized in the fourth quarter of 2021.

c) Real estate

Onex' investment in real estate is comprised of an investment in Flushing Town Center, a commercial and residential complex located in Flushing, New York. During the nine months ended September 30, 2021, there were no significant transactions related to Onex' investment in real estate.

d) Other net assets

Other net assets consist of assets and liabilities of the Investment Holding Companies, excluding investments in private equity, private credit strategies, real estate and intercompany loans receivable from and payable to Onex and the Asset Managers. Other net assets comprised the following:

	September 30, 2021	December 31, 2020
Cash and cash equivalents	\$ 162	\$ 113
Treasury investments	310	307
Restricted cash	21	22
Other net assets (liabilities) ⁽ⁱ⁾	179	(32)
Total other net assets	\$ 672	\$ 410

(i) Included in other net assets at September 30, 2021 was \$142 of subscription financing receivable, including interest receivable, from the Onex Capital Solutions Fund attributable to third-party investors as well as \$107 related to funds advanced in connection with the co-investment in WEG. The funds advanced for the co-investment in WEG were repaid to Onex in November 2021.

Treasury investments held by the Investment Holding Companies comprised the following:

	September 30, 2021	December 31, 2020
Federal debt instruments	\$ 181	\$ 167
Commercial paper and corporate obligations	101	117
Other	28	23
Total treasury investments	\$ 310	\$ 307

e) Intercompany loans receivable from Onex and the Asset Managers

The Investment Holding Companies have advanced intercompany loans to Onex and the Asset Managers. At September 30, 2021, the intercompany loans receivable from Onex and the Asset Managers of \$3,763 (December 31, 2020 – \$4,043) formed part of Onex' net investment in the Investment Holding Companies, which is recorded at fair value through net earnings (loss). These intercompany loans receivable are the same loans presented as intercompany loans payable to the Investment Holding Companies in the unaudited interim consolidated balance sheets, which totalled \$3,763 at September 30, 2021 (December 31, 2020 – \$4,043) and are described in note 5. There is no impact on net assets or net earnings (loss) from these intercompany loans.

f) Intercompany loans payable to Onex and the Asset Managers and intercompany loans receivable from Investment Holding Companies

At September 30, 2021, Onex and the Asset Managers had advanced intercompany loans to the Investment Holding Companies totalling \$448 (December 31, 2020 – \$425). The corresponding intercompany loans payable to Onex and the Asset Managers, which totalled \$448 at September 30, 2021 (December 31, 2020 – \$425), formed part of Onex' net investment in the Investment Holding Companies, which is recorded at fair value through net earnings (loss). There is no impact on net assets or net earnings (loss) from these intercompany loans.

5. INTERCOMPANY LOANS PAYABLE TO INVESTMENT HOLDING COMPANIES

Onex and the Asset Managers have intercompany loans payable to the Investment Holding Companies. The loans are primarily due on demand and are non-interest bearing. At September 30, 2021, intercompany loans payable to the Investment Holding Companies totalled \$3,763 (December 31, 2020 – \$4,043) and the corresponding receivable of \$3,763 (December 31, 2020 – \$4,043) was included in the fair value of the Investment Holding Companies within corporate investments (note 4). There is no impact on net assets or net earnings (loss) from these intercompany loans.

6. STOCK-BASED COMPENSATION PAYABLE

Stock-based compensation payable comprised the following:

	September 30, 2021	December 31, 2020
Stock Option Plan	\$ 276	\$ 181
Management DSU Plan	62	44
Director DSU Plan	49	38
Other	4	–
Total stock-based compensation payable	\$ 391	\$ 263

Included in other assets at September 30, 2021 was \$104 (December 31, 2020 – \$78) related to forward agreements to economically hedge the Company's exposure to changes in the trading price of Onex shares associated with the Management and Director DSU plans.

The increase in stock-based compensation payable at September 30, 2021 was primarily driven by a 23% increase in the market value of Onex' SVS to C\$89.54 at September 30, 2021 from C\$73.06 at December 31, 2020.

7. SHARE CAPITAL

a) At September 30, 2021, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (December 31, 2020 – 100,000) and 87,741,873 SVS (December 31, 2020 – 90,310,931). The Multiple Voting Shares have a nominal paid-in value in these unaudited interim consolidated financial statements.

There were no issued and outstanding Senior and Junior Preferred shares at September 30, 2021 or December 31, 2020.

b) Onex renewed its Normal Course Issuer Bid in April 2021 for one year, permitting the Company to purchase on the Toronto Stock Exchange up to 10% of the public float of its SVS. The 10% limit represents approximately 7.4 million shares.

During the nine months ended September 30, 2021, the Company repurchased and cancelled 2,569,058 of its SVS for a total cost of \$178 (C\$224) or an average cost per share of \$69.10 (C\$87.24). The excess of the purchase cost of these shares over the average paid-in amount was \$170 (C\$214), which was charged to retained earnings. The shares repurchased were comprised of: (i) 1,009,850 SVS repurchased under the Normal Course Issuer Bids for a total cost of \$66 (C\$83) or an average cost per share of \$65.21 (C\$82.20); and (ii) 1,559,208 SVS repurchased in private transactions for a total cost of \$112 (C\$141) or a weighted average cost per share of \$71.62 (C\$90.51).

c) During the nine months ended September 30, 2021, 687,000 options were issued, primarily in connection with services provided during the year ended December 31, 2020, at a weighted average exercise price of C\$75.14, 1,054,330 options were surrendered for total cash consideration of \$27 (C\$33), and 263,550 options expired. The cash consideration for options surrendered represents the difference between the market value of the SVS at the time of surrender and the exercise price, both as determined under Onex' Stock Option plan, as described in note 16(e) to the 2020 audited annual consolidated financial statements.

d) The directors have chosen to receive their directors' fees in DSUs in lieu of cash. At September 30, 2021, 693,106 Director DSUs were outstanding (December 31, 2020 – 661,837).

Certain members of the Onex management team have chosen in prior years to apply a portion of their annual compensation earned to acquire DSUs based on the market value of Onex shares at the time. In early 2021, 111,088 DSUs were issued to certain members of the Onex management team in lieu of a portion of cash compensation for the prior fiscal year. At September 30, 2021, 884,769 Management DSUs were outstanding (December 31, 2020 – 770,540).

The Company has entered into forward agreements with a counterparty financial institution to hedge the Company's exposure to changes in the market value of Onex' SVS associated with 86% of the outstanding Director DSUs and all of the outstanding Management DSUs, as described in note 1 to the 2020 audited annual consolidated financial statements. The forward agreements, which have a fair value of \$104 at September 30, 2021, are included within other assets.

8. REVENUES

The Company generates revenues from the provision of asset management and advisory services, which were recognized over time from the following sources:

Management and Advisory Fees				
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Source of revenues				
Private Equity Funds ⁽ⁱ⁾	\$ 30	\$ 32	\$ 95	\$ 96
Private Credit Strategies	23	13	67	39
Public Strategies	16	16	47	47
Total	\$ 69	\$ 61	\$ 209	\$ 182

(i) Includes advisory fees from the Onex Partners and ONCAP operating businesses.

Reimbursement of Expenses				
	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Source of revenues				
Private Equity Funds ⁽ⁱ⁾	\$ 11	\$ 1	\$ 25	\$ 7
Private Credit Strategies	3	–	7	1
Total	\$ 14	\$ 1	\$ 32	\$ 8

(i) Includes expense reimbursements from the Onex Partners and ONCAP operating businesses.

Management and advisory fees, and the reimbursement of expenses from investment funds and operating businesses, are recognized over time.

In addition, segment income (note 16) includes allocations of \$13 and \$40 relating to management fees on Onex' private equity capital for the three and nine months ended September 30, 2021, respectively (2020 – \$14 and \$42, respectively). These management fees reduce Onex' investing segment income in the period and are included in Onex' asset management segment income.

9. INTEREST AND NET TREASURY INVESTMENT INCOME

Interest and net treasury investment income recognized by the Company consisted of income earned from certain investments recognized at fair value through net earnings (loss).

10. NET EARNINGS PER SUBORDINATE VOTING SHARE

The weighted average number of SVS for the purpose of the net earnings per share calculations was as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
Weighted average number of shares outstanding <i>(in millions)</i> :				
Basic	89	94	90	97
Diluted	89	95	90	97

11. FINANCIAL INSTRUMENTS

Financial assets held by the Company, presented by financial statement line item, were as follows:

	Fair Value through Net Earnings (Loss)		Amortized Cost ⁽ⁱ⁾	Total
	Recognized	Designated		
September 30, 2021				
Assets as per balance sheet				
Cash and cash equivalents	\$ 591	\$ -	\$ -	\$ 591
Treasury investments	79	-	-	79
Management and advisory fees, recoverable fund expenses and other receivables	-	-	316	316
Corporate investments	10,522	448	-	10,970
Other assets	116	-	-	116
Total	\$ 11,308	\$ 448	\$ 316	\$ 12,072

(i) The carrying value of financial assets at amortized cost approximates their fair value.

	Fair Value through Net Earnings (Loss)		Amortized Cost ⁽ⁱ⁾	Total
	Recognized	Designated		
December 31, 2020				
Assets as per balance sheet				
Cash and cash equivalents	\$ 706	\$ -	\$ -	\$ 706
Treasury investments	234	-	-	234
Management and advisory fees, recoverable fund expenses and other receivables	-	-	261	261
Corporate investments	9,544	425	-	9,969
Other assets	91	-	-	91
Total	\$ 10,575	\$ 425	\$ 261	\$ 11,261

(i) The carrying value of financial assets at amortized cost approximates their fair value.

Financial liabilities held by the Company, presented by financial statement line item, were as follows:

	Fair Value through Net Earnings (Loss) – Designated	Amortized Cost	Total
September 30, 2021			
Liabilities as per balance sheet			
Intercompany loans payable to Investment Holding Companies	\$ 3,763	\$ –	\$ 3,763
Accounts payable and accrued liabilities	–	26	26
Lease liabilities	–	68	68
Contingent consideration and other liabilities	33	5	38
Total	\$ 3,796	\$ 99	\$ 3,895

	Fair Value through Net Earnings (Loss) – Designated	Amortized Cost	Total
December 31, 2020			
Liabilities as per balance sheet			
Intercompany loans payable to Investment Holding Companies	\$ 4,043	\$ –	\$ 4,043
Accounts payable and accrued liabilities	–	25	25
Lease liabilities	–	75	75
Contingent consideration and other liabilities	33	5	38
Total	\$ 4,076	\$ 105	\$ 4,181

At September 30, 2021, intercompany loans payable to Investment Holding Companies that are recorded at fair value through net earnings (loss) had contractual amounts due on maturity of \$3,763 (December 31, 2020 – \$4,043).

12. FAIR VALUE MEASUREMENTS

Fair values of financial instruments

The estimated fair values of financial instruments as at September 30, 2021 and December 31, 2020 are based on relevant market prices and information available at those dates. The carrying values of receivables, accounts payable, accrued liabilities, lease liabilities and other liabilities approximate the fair values of these financial instruments.

Financial instruments measured at fair value are allocated within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Transfers between the three levels of the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer. There were no significant transfers between the three levels of the fair value hierarchy during the nine months ended September 30, 2021. The three levels of the fair value hierarchy are as follows:

- Quoted prices in active markets for identical assets (“Level 1”);
- Significant other observable inputs (“Level 2”); and
- Significant other unobservable inputs (“Level 3”).

The allocation of financial assets in the fair value hierarchy, excluding cash and cash equivalents, at September 30, 2021 was as follows:

As at September 30, 2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings (loss)				
Investments in equities	\$ -	\$ -	\$ 10,522	\$ 10,522
Investments in debt	-	79	-	79
Intercompany loans receivable from Investment Holding Companies	-	448	-	448
Restricted cash and other	9	107	-	116
Total financial assets at fair value through net earnings (loss)	\$ 9	\$ 634	\$ 10,522	\$ 11,165

The allocation of financial assets in the fair value hierarchy, excluding cash and cash equivalents, at December 31, 2020 was as follows:

As at December 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings (loss)				
Investments in equities	\$ -	\$ -	\$ 9,544	\$ 9,544
Investments in debt	-	234	-	234
Intercompany loans receivable from Investment Holding Companies	-	425	-	425
Restricted cash and other	9	82	-	91
Total financial assets at fair value through net earnings (loss)	\$ 9	\$ 741	\$ 9,544	\$ 10,294

Financial liabilities measured at fair value at September 30, 2021 consisted of intercompany loans payable to Investment Holding Companies totalling \$3,763 (December 31, 2020 – \$4,043), which are a Level 2 measurement in the fair value hierarchy, and contingent consideration of \$33 (December 31, 2020 – \$33), which is a Level 3 measurement in the fair value hierarchy.

Details of financial assets and liabilities measured at fair value with significant unobservable inputs (Level 3) were as follows:

	Financial Assets at Fair Value through Net Earnings (Loss)	Financial Liabilities at Fair Value through Net Earnings (Loss)
Balance – December 31, 2019	\$ 8,736	\$ -
Acquisition of Onex Falcon	-	33
Change in fair value recognized in net earnings (loss)	848	-
Net cash flows related to intercompany loans and distributions	(40)	-
Balance – December 31, 2020	\$ 9,544	\$ 33
Change in fair value recognized in net earnings (loss)	1,381	-
Net cash flows related to intercompany loans and distributions	(403)	-
Balance – September 30, 2021	\$ 10,522	\$ 33
Unrealized change in fair value of assets and liabilities held at the end of the reporting period	\$ 1,346	\$ -

Financial assets measured at fair value with significant unobservable inputs (Level 3) were recognized in the unaudited interim consolidated statements of earnings in the net gain (loss) on corporate investments line item.

The valuation of financial assets and liabilities measured at fair value with significant unobservable inputs (Level 3) is determined quarterly utilizing company-specific considerations and available market data of comparable public companies. The valuation of investments in the Onex Partners and ONCAP Funds is reviewed and approved by the General Partner of the respective Fund each quarter.

The fair value measurements for corporate investments were primarily driven by the underlying net asset values of Onex' investments in the Onex Partners Funds, ONCAP Funds and private credit strategies. The valuation of underlying non-public investments requires significant judgement due to the absence of quoted market values, inherent lack of liquidity, the heightened market uncertainty as a result of COVID-19 and the long-term nature of such investments. A change to reasonably possible alternative estimates and assumptions used in the valuation of non-public investments in the Onex Partners Funds and ONCAP Funds, and investments held in private credit strategies, may have a significant impact on the fair values calculated for these financial assets.

The valuation of public investments held directly by Onex or through the Onex Partners Funds and ONCAP Funds is based on their publicly traded closing prices at September 30, 2021 and December 31, 2020. For certain public investments, a discount was applied to the closing price in relation to restrictions that were in place relating to the securities held by Onex, the Onex Partners Funds or the ONCAP Funds. At September 30, 2021, these discounts resulted in a reduction of \$79 in the fair value of corporate investments (December 31, 2020 – \$63).

The valuation of investments in debt securities is measured at fair value with significant other observable inputs (Level 2) generally determined by obtaining quoted market prices or dealer quotes for identical or similar instruments in inactive markets, or other inputs that are observable or can be corroborated by observable market data.

The Company utilized the adjusted net asset method to derive the fair values of its investments in its Investment Holding Companies by reference to the underlying fair value of the Investment Holding Companies' assets and liabilities, along with assessing any required discount or premium to be applied to the net asset values. The discount or premium applied to the net asset values of the Investment Holding Companies was a significant unobservable input. The Company determined that the adjusted net asset method was the appropriate valuation technique to be used, considering the value of the Investment Holding Companies is primarily derived from the assets they hold, which primarily consist of investments in private equity, investments in private credit strategies, treasury investments and intercompany loans receivable from Onex and the Asset Managers. The Company has determined that no discount or premium was required for the net asset values of its Investment Holding Companies at September 30, 2021 and December 31, 2020. If a discount of 1% or a premium of 1% were applied to all of the net asset values of the Investment Holding Companies, with all other variables remaining constant, the total fair value of the Company's corporate investments at September 30, 2021 would decrease or increase by \$105, respectively.

Valuation methodologies for the underlying private equity investments may include observations of the trading multiples of public companies considered comparable to the private companies being valued and discounted cash flows. The following table presents the significant unobservable inputs used to value the private equity funds' underlying private securities that impact the valuation of corporate investments.

Investment Platform	Valuation Technique	Significant Unobservable Inputs	Inputs at September 30, 2021	Inputs at December 31, 2020
Onex Partners Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	8.5x – 14.7x	9.3x – 13.7x
Onex Partners Funds	Discounted cash flow	Weighted average costs of capital	11.0% – 17.7%	10.2% – 15.5%
		Exit multiples	4.0x – 17.0x	4.2x – 18.0x
ONCAP Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	7.5x – 9.9x	7.3x – 12.0x
ONCAP Funds	Discounted cash flow	Weighted average costs of capital	11.4% – 20.0%	10.0% – 25.0%
		Exit multiples	7.0x – 10.5x	7.0x – 10.0x

In addition, at September 30, 2021, the Onex Partners Funds had one investment that was valued using a market approach, one investment that was valued based on a multiple of book value, one investment that was valued using a convertible bond model and two investments that were valued at cost as this approximated fair value. At December 31, 2020, the Onex Partners Funds had two investments that were valued using a market approach, one investment that was valued based on a multiple of book value and two investments that were valued at cost as this approximated fair value.

The impact on the fair value of corporate investments as at September 30, 2021 from changes in the significant unobservable inputs used to value the private equity funds' underlying private securities included the following:

Investment Platform	Valuation Technique	Significant Unobservable Inputs	Multiple Increase by 0.5	Multiple Decrease by 0.5
Onex Partners Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	\$ 96	\$ (99)
ONCAP Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	\$ 36	\$ (36)

Investment Platform	Valuation Technique	Significant Unobservable Inputs	Multiple Increase by 0.5	Multiple Decrease by 0.5
Onex Partners Funds	Discounted cash flow	Exit multiples	\$ 89	\$ (79)
ONCAP Funds	Discounted cash flow	Exit multiples	\$ 29	\$ (30)

Investment Platform	Valuation Technique	Significant Unobservable Inputs	Decrease of 0.5 Percentage Point	Increase of 0.5 Percentage Point
Onex Partners Funds	Discounted cash flow	Weighted average costs of capital	\$ 19	\$ (19)
ONCAP Funds	Discounted cash flow	Weighted average costs of capital	\$ 10	\$ (10)

Generally, adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization as well as other adjustments. Other adjustments can include non-cash costs of stock-based compensation and retention plans, transition and restructuring expenses including severance payments, annualized pro-forma adjustments for acquisitions, the impact of derivative instruments that no longer qualify for hedge accounting, the impacts of purchase accounting and other similar amounts. Adjusted EBITDA is a measurement that is not defined under IFRS.

Investments in the Onex Credit CLOs were valued using internally developed pricing models based on a projection of the future cash flows expected to be realized from the underlying collateral of the CLOs, which are a Level 3 measurement in the fair value hierarchy. These pricing models include third-party pricing information and a number of unobservable inputs, including default rates, discount rates and recovery rates. Significant increases or decreases in certain unobservable inputs in isolation may result in a significantly lower or higher fair value measurement. The fair values determined by the internally developed pricing models are also compared to fair values determined by third-party pricing models to ensure management's estimates are reasonable.

The following table presents the significant unobservable inputs used to value Onex' investments in the Onex Credit CLOs.

Investment Platform	Significant Unobservable Inputs	Inputs at September 30, 2021	Inputs at December 31, 2020
U.S. CLOs	Default rate	2%	2%
	Discount rate	14% – 19%	15% – 20%
	Recovery rate	55%	55%
EURO CLOs	Default rate	2%	2%
	Discount rate	12% – 17%	12% – 17%
	Recovery rate	55%	55%

The impact on the fair value of corporate investments as at September 30, 2021 from changes in the significant unobservable inputs used to value Onex' investments in the CLOs included the following:

Investment Platform	Significant Unobservable Inputs	Decrease of 1.5 Percentage Points	Increase of 1.5 Percentage Points
U.S. CLOs	Default rate	\$ 46	\$ (48)
EURO CLOs	Default rate	\$ 19	\$ (21)

Investment Platform	Significant Unobservable Inputs	Decrease of 3.0 Percentage Points	Increase of 3.0 Percentage Points
U.S. CLOs	Discount rate	\$ 19	\$ (18)
EURO CLOs	Discount rate	\$ 8	\$ (8)

Investment Platform	Significant Unobservable Inputs	Decrease of 15.0 Percentage Points	Increase of 15.0 Percentage Points
U.S. CLOs	Recovery rate	\$ (20)	\$ 19
EURO CLOs	Recovery rate	\$ (8)	\$ 8

13. RELATED-PARTY TRANSACTIONS

Onex receives management fees on limited partners' and clients' capital within the Onex private equity funds and private credit strategies, and advisory fees directly from certain operating businesses. Onex also receives performance fees from the private credit strategies and recovers certain deal investigation, research and other expenses from the Onex private equity funds, private credit strategies and the operating businesses of Onex Partners and ONCAP. Onex indirectly controls the Onex private equity funds and private credit strategies, and therefore the management and performance fees

earned from these sources represent related-party transactions. Furthermore, Onex indirectly controls, jointly controls or has significant influence over certain operating businesses held by the Onex private equity funds and, as such, advisory fees from these operating businesses represent related-party transactions.

Gluskin Sheff has agreements to manage its pooled fund vehicles, where it generally acts as the trustee, manager, transfer agent and principal distributor. In the case of those pooled fund vehicles that are limited partnerships, Gluskin Sheff or an affiliate of Gluskin Sheff is the General Partner. As such, the Gluskin Sheff pooled fund vehicles are related parties of the Company.

Related-party revenues included the following:

	Three Months Ended September 30, 2021			Nine Months Ended September 30, 2021		
	Management and Advisory Fees	Reimbursement of Expenses	Total	Management and Advisory Fees	Reimbursement of Expenses	Total
Source of related-party revenues						
Private Equity Funds ⁽ⁱ⁾	\$ 30	\$ 11	\$ 41	\$ 95	\$ 25	\$ 120
Private Credit Strategies	23	3	26	67	7	74
Gluskin Sheff pooled fund vehicles ⁽ⁱⁱ⁾	12	–	12	42	–	42
Total related-party revenues	\$ 65	\$ 14	\$ 79	\$ 204	\$ 32	\$ 236
Gluskin Sheff third-party revenues	4	–	4	5	–	5
Total revenues	\$ 69	\$ 14	\$ 83	\$ 209	\$ 32	\$ 241

(i) Includes advisory fees and expense reimbursements from the Onex Partners and ONCAP operating businesses.

(ii) Revenues associated with the reimbursement of expenses from the Gluskin Sheff pooled fund vehicles are included within other income.

Related-party receivables included the following:

As at September 30, 2021	Management and Advisory Fees Receivable	Recoverable Fund and Operating Expenses Receivable	Performance Fees	Other Receivables	Total
Private Equity Funds	\$ 157	\$ 119	\$ -	\$ -	\$ 276
Private Credit Strategies	13	7	-	-	20
Gluskin Sheff pooled fund vehicles	5	-	1	-	6
Onex Partners and ONCAP operating businesses	3	4	-	-	7
Total related-party receivables	\$ 178	\$ 130	\$ 1	\$ -	\$ 309
Third-party receivables	1	-	-	10	11
Total	\$ 179	\$ 130	\$ 1	\$ 10	\$ 320

During the three and nine months ended September 30, 2021, Onex received services from certain operating companies, the value of which was not significant.

Repurchase of shares

During the three months ended September 30, 2021, Onex repurchased 1,100,000 of its SVS in two private transactions that were held indirectly by Mr. Gerald W. Schwartz. The shares were repurchased at a weighted average cost of \$71.28 (C\$90.30) per SVS, or a total cost of \$78 (C\$99), which represented a discount to the trading price of Onex shares on the dates of the transactions.

14. COMMITMENTS

During the nine months ended September 30, 2021, Onex committed \$100 to the Onex Capital Solutions Fund, as described in note 4.

15. SUBSEQUENT EVENTS

Sale of Bradshaw

In October 2021, the ONCAP III Group sold Bradshaw International, Inc. ("Bradshaw"). Onex' share of the net proceeds from ONCAP III was \$135, including estimated proceeds from amounts held in escrow, carried interest and net of management incentive programs.

Direct lending

In October 2021, Onex received \$99 for investments in a warehouse facility as a result of third-party capital commitments to a direct lending fund.

16. INFORMATION BY REPORTABLE SEGMENT

The Company has two reportable segments:

- **Investing**, which comprises the activity of investing Onex' capital; and
- **Asset management**, which comprises the asset management activities provided by Onex to support its private equity, private credit and public strategies, as well as Onex' corporate functions.

Onex' segmented results include allocations of management fees and carried interest that would have been recognized on Onex' private equity capital in the Onex Partners and ONCAP Funds, as this presentation is used by Onex management, in part, to

assess Onex' performance. During the three and nine months ended September 30, 2021 and 2020, these allocations, on a net basis, reduced Onex' investing segment income and increased Onex' asset management segment income, with no net impact to total segment net earnings.

Onex' segmented results exclude revenues and expenses associated with recoverable expenses from the Onex Partners, ONCAP and private credit strategies, and the operating businesses of Onex Partners and ONCAP. Onex management excludes these amounts when assessing Onex' performance given the nature of these expenses, which are recoverable at cost.

(Unaudited)	Three Months Ended September 30, 2021			Three Months Ended September 30, 2020		
	Investing	Asset Management	Total	Investing	Asset Management	Total
Net gain on corporate investments (including an increase in carried interest)	\$ 493 ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 112 ⁽ⁱ⁾	\$ 605 ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 490 ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 17 ⁽ⁱ⁾	\$ 507 ⁽ⁱ⁾⁽ⁱⁱ⁾
Management and advisory fees	-	82 ⁽ⁱⁱ⁾	82 ⁽ⁱⁱ⁾	-	75 ⁽ⁱⁱ⁾	75 ⁽ⁱⁱ⁾
Interest and net treasury investment income	-	-	-	2	-	2
Other income	-	1	1	-	1	1
Total segment income	493	195	688	492	93	585
Compensation	-	(66)	(66)	-	(52)	(52)
Amortization of right-of-use assets	-	(3)	(3)	-	(3)	(3)
Other expense	-	(12)	(12)	-	(15)	(15)
Segment net earnings	\$ 493	\$ 114	\$ 607	\$ 492	\$ 23	\$ 515
Stock-based compensation recovery			7			3
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(10)			(12)
Integration expense			(1)			(5)
Earnings before income taxes			\$ 603			\$ 501
Provision for income taxes			(1)			-
Net earnings			\$ 602			\$ 501

(i) The asset management segment includes an allocation of \$36 (2020 - \$5) from the investing segment, representing carried interest that would have been earned by the asset management segment had Onex' private equity capital been subject to carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

(ii) The asset management segment includes an allocation of \$13 (2020 - \$14) from the investing segment, representing management fees that would have been earned by the asset management segment had Onex' private equity capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2021			Nine Months Ended September 30, 2020			
(Unaudited)	Investing	Asset Management	Total	Investing	Asset Management	Total
Net gain (loss) on corporate investments (including an increase (decrease) in carried interest)	\$ 1,041 ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	\$ 300 ⁽ⁱ⁾	\$ 1,341 ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	\$ 148 ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	\$ (44) ⁽ⁱ⁾	\$ 104 ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾
Management and advisory fees	-	249 ⁽ⁱⁱⁱ⁾	249 ⁽ⁱⁱⁱ⁾	-	224 ⁽ⁱⁱ⁾	224 ⁽ⁱⁱⁱ⁾
Interest and net treasury investment income	1	-	1	16	-	16
Other income	-	2	2	-	2	2
Total segment income	1,042	551	1,593	164	182	346
Compensation	-	(184)	(184)	-	(146)	(146)
Amortization of right-of-use assets	-	(9)	(9)	-	(8)	(8)
Other expense	-	(41)	(41)	-	(40)	(40)
Segment net earnings (loss)	\$ 1,042	\$ 317	\$ 1,359	\$ 164	\$ (12)	\$ 152
Stock-based compensation recovery (expense)			(127)			108
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(36)			(35)
Integration expense			(5)			(7)
Impairment of goodwill			-			(85)
Net earnings			\$ 1,191			\$ 133

- (i) The asset management segment includes an allocation of \$96 (2020 – net reversal of \$11) from the investing segment, representing carried interest that would have been earned by the asset management segment had Onex' private equity capital been subject to carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.
- (ii) The asset management segment includes an allocation of \$40 (2020 – \$42) from the investing segment, representing management fees that would have been earned by the asset management segment had Onex' private equity capital been subject to management fees under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Segmented assets included the following:

As at September 30, 2021				As at December 31, 2020		
	Investing	Asset Management	Total	Investing	Asset Management	Total
Cash and cash equivalents	\$ 447	\$ 144 ⁽ⁱ⁾	\$ 591	\$ 505	\$ 201 ⁽ⁱ⁾	\$ 706
Treasury investments	79	–	79	234	–	234
Management and advisory fees, recoverable fund expenses and other receivables	157 ⁽ⁱⁱⁱ⁾	163	320	122 ⁽ⁱⁱⁱ⁾	139	261
Corporate investments	7,207	–	7,207	5,926	–	5,926
Other assets	–	122	122	–	98	98
Property and equipment	–	149	149	–	169	169
Intangible assets	–	146	146	–	167	167
Goodwill	–	264	264	–	264	264
Total segment assets	\$ 7,890	\$ 988	\$ 8,878	\$ 6,787	\$ 1,038	\$ 7,825
Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies				3,763		
Total assets				\$ 12,641		

(ii) Cash and cash equivalents allocated to the asset management segment relate to accrued employee incentive compensation, and contingent consideration related to the acquisition of Falcon, as described in note 2 to the 2020 audited annual consolidated financial statements. At December 31, 2020, cash and cash equivalents allocated to the asset management segment also included a liability relating to the retirement of the Onex Credit chief executive officer, as described in note 20 to the 2020 audited annual consolidated financial statements.

(ii) Represents management fees receivable that Onex has elected to defer cash receipt from the Onex Partners and ONCAP Funds.

SHAREHOLDER INFORMATION

Shares

The Subordinate Voting Shares of the Company are listed and traded on the Toronto Stock Exchange.

Share Symbol

ONEX

Third Quarter Dividend

A dividend of C\$0.10 per Subordinate Voting Share was paid on October 31, 2021 to shareholders of record as of October 8, 2021. Registered shareholders can elect to receive dividend payments in U.S. dollars by submitting a completed currency election form to AST Trust Company (Canada) five business days before the record date of the dividend. Non-registered shareholders who wish to receive dividend payments in U.S. dollars should contact their broker to submit their currency election.

Corporate Governance Policies

A presentation of Onex' corporate governance policies is included in the Management Information Circular that is mailed to all shareholders and is available on Onex' website.

Registrar and Transfer Agent

AST Trust Company (Canada)
P.O. Box 700
Postal Station B
Montreal, Quebec H3B 3K3
(416) 682-3860
or call toll-free throughout Canada and the United States
1-800-387-0825
www.astfinancial.com/ca
or inquiries@astfinancial.com

All questions about accounts, stock certificates or dividend cheques should be directed to the Registrar and Transfer Agent.

Electronic Communications with Shareholders

We encourage individuals to receive Onex' shareholder communications electronically. You can submit your request online by visiting the AST Trust Company (Canada) website, www.astfinancial.com/ca, or contacting them at 1-800-387-0825.

Investor Relations Contact

Requests for copies of this report, other quarterly reports, annual reports and other corporate communications should be directed to:
Investor Relations
Onex Corporation
161 Bay Street
P.O. Box 700
Toronto, Ontario M5J 2S1
(416) 362-7711

Website

www.onex.com

Auditor

PricewaterhouseCoopers LLP
Chartered Professional Accountants

Duplicate Communication

Registered holders of Onex Corporation shares may receive more than one copy of shareholder mailings. Every effort is made to avoid duplication, but when shares are registered under different names and/or addresses, multiple mailings result. Shareholders who receive but do not require more than one mailing for the same ownership are requested to write to the Registrar and Transfer Agent and arrangements will be made to combine the accounts for mailing purposes.

Shares Held in Nominee Name

To ensure that shareholders whose shares are not held in their name receive all Company reports and releases on a timely basis, a direct mailing list is maintained by the Company. If you would like your name added to this list, please forward your request to Investor Relations at Onex.

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