



Q2 2022 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 six months ended June 30, 2022 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 August 10, 2022. 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 approved this disclosure.

Onex Corporation's financial filings, including the 2022 Second Quarter Interim MD&A and Financial Statements, and the 2021 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 and Ratios

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

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COMPANY OVERVIEW

Onex is an investor and asset manager that invests capital on behalf of Onex shareholders and clients across the globe. Formed in 1984, we have a long track record of creating value for our clients and shareholders. Onex became a public company in 1987 and is listed on the Toronto Stock Exchange under the symbol ONEX.

Onex' two primary businesses are Private Equity and Credit. In Private Equity, we raise funds from third-party investors, or limited partners, and invest them, along with Onex' own investing capital, through the funds of our private equity platforms: Onex Partners and ONCAP. Similarly, in Credit, we raise and invest capital across several private credit, public debt and public equity strategies. Our investors include a broad range of global clients, including public and private pension plans, sovereign wealth funds, insurance companies and family offices. In addition, through our private wealth platform, we service high net worth clients in Canada.

Onex has \$48.4 billion in assets under management ("AUM")⁽¹⁾, of which \$33.5 billion is fee-generating⁽¹⁾ and \$7.9 billion is Onex' own investing capital (\$91.21 or C\$117.54 per fully diluted share). We generate earnings for our shareholders through two segments: Investing and Asset Management. Our Investing segment includes gains on our invested capital. Our Asset Management segment generates revenues from the recurring fees clients pay us to manage their capital, and also includes carried interest realized from our private equity and private credit funds.

Our Team and Commitment

Onex is led by the firm's founder and CEO, Gerry Schwartz, and our President, Bobby Le Blanc, as well as experienced leaders at each of our businesses. We have over 170 investment professionals across all platforms, supported by approximately 265 professionals dedicated to our corporate functions and investment platforms, including our institutional and high net worth relationship professionals. Consistent with our One Onex approach, the teams share and leverage sector expertise, and sourcing and origination opportunities across all business lines.

Our culture is guided by our strong commitment to accountability, intellectual honesty and respect for all our partners and stakeholders. Onex was formed on principles of entrepreneurialism and responsible investing and our team is united in recognizing the value of collaboration, diversity of perspective and background, and an inclusive environment. Our team is a critical factor in our success, and attracting and retaining the best people and strongest investors are an important competitive advantage.

Also crucial to our long-term success is the alignment of interests between the Onex management team, shareholders and clients. Members of our management team have a significant long-term ownership in Onex shares and invest meaningfully in our funds. We believe this alignment creates stronger relationships with both clients and shareholders.

Environmental, Social and Governance

Consistent with our long-held belief that responsible investing is both the right approach to investing, as well as a driver of meaningful stakeholder value, we continue to make enhancements to our environmental, social and governance ("ESG") program. Recent initiatives include the addition of resources to our ESG team and progress on our efforts to measure carbon emissions across Onex and our investment platforms. To remain aligned with emerging

⁽¹⁾ Refer to the glossary in this interim MD&A for further details concerning the composition of AUM and fee-generating AUM.

best practices, we participate in several industry initiatives, including the ESG Data Convergence Initiative, Initiative Climat International (“ICI”), the Principles for Responsible Investment (“PRI”), the IFRS Sustainability Alliance and FCLT Global, among others. We expect our program to continue to expand in line with this rapidly evolving area, while remaining rooted in our founding principle of responsible investing.

PRIVATE EQUITY

Onex has \$22.4 billion of private equity assets under management, of which \$10.2 billion is fee-generating, and \$5.9 billion is Onex’ own investing capital.

Investments in private equity are primarily made through Onex’ two main 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. Each platform follows a disciplined investment process with vertical specialization where the team has considerable industry expertise, a long track record of success and strong network of relationships. This in turn enables the teams to take a targeted approach with investment opportunities, creates a competitive informational advantage and helps shape their go-to-market strategy.

Onex has raised nine private equity funds to date. The firm is currently investing through Onex Partners V, a \$7.15 billion fund, and ONCAP IV, a \$1.1 billion fund. Both funds are substantially invested and fundraising for a successor Onex Partners Fund has begun and fundraising for a successor ONCAP Fund is expected to begin later in 2022. Since inception, Onex has generated a Gross MOC⁽¹⁾ of 2.4 times and a 27% Gross IRR⁽¹⁾ on realized, substantially realized and publicly traded private equity investments. For more information on the historical performance of Onex private equity funds, please see Onex’ Q2 2022 supplemental information package on Onex’ website, www.onex.com.

Onex earns management fees from limited partners during the fee period of each fund. During the initial fee period, Onex is entitled to a management fee based on limited partners’ committed capital. Once a fund is either fully invested or a successor fund starts calling fees, Onex is entitled to a management fee based on limited partners’ net funded commitments. These fees are included as revenue in our asset management segment. At June 30, 2022, the run-rate management fees⁽¹⁾ from our private equity business are \$114 million.

Onex is entitled to receive carried interest based on the performance of each private equity fund. Carried interest in Onex’ private equity funds 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 IRR on their investment. Onex is entitled to 40% of the carried interest realized from limited partners in its private equity funds, while Onex Partners and ONCAP management are entitled to the remaining 60%. Realized carried interest is included in distributable earnings of our asset management segment. Currently, we have \$10.2 billion of private equity assets under management eligible for carried interest. As at June 30, 2022, Onex’ share of unrealized carried interest from private equity totalled \$211 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.

(1) Refer to the glossary in this interim MD&A for further details concerning the composition of Gross MOC, Gross IRR and run-rate management fees.

Onex is one of the largest investors in each of its private equity funds and, therefore, Onex shareholders also benefit from investing gains. Mark-to-market gains (losses) on corporate investments during the underlying investment hold periods are recognized within Onex' investing segment results whereas realized gains (losses) since inception on investments are included in distributable earnings.

CREDIT

Our Credit business includes a broad spectrum of private credit, public debt and public equity investing strategies that are managed by the Onex Credit team. Credit has \$25.5 billion in assets under management, of which \$23.3 billion is fee-generating, and \$763 million is Onex' own investing capital. The Credit team has a successful track record of executing a disciplined approach to investing with a focus on capital preservation and strong risk-adjusted returns through cycles. 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. Credit's sourcing capabilities and data intelligence help to better inform investment decisions and dynamically manage portfolios in varying market conditions.

Onex earns management fees on its Credit strategies, with the fee varying depending on the strategy. The weighted average management fee rate for Credit's fee-generating AUM at June 30, 2022 is 0.6%. As at June 30, 2022, the run-rate management fees from our Credit business are \$147 million. Onex is also entitled to earn performance fees on \$2.3 billion of credit assets under management. Performance fees from public strategies range between 10% and 20% of net gains and may be subject to performance hurdles.

Onex has \$14.9 billion of assets under management from Credit, including \$12.2 billion of CLOs, which are eligible for carried interest. Onex receives 50% of the carried interest realized in most of its private credit strategies, while the Credit management team is allocated the remaining 50%. Carried interest ranges between 12.5% and 20% of net gains and is generally subject to a hurdle or minimum preferred return to investors. Carried interest from our Credit strategies is generally realized near the final realizations for each fund. At June 30, 2022, Onex' share of unrealized carried interest in the Credit Funds totalled \$20 million.

2022 YEAR-TO-DATE RESULTS & ACTIVITY

FINANCIAL RESULTS

Onex' financial results during the three and six months ended June 30, 2022 and 2021 were as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<i>(Unaudited) (\$ millions except per share amounts)</i>				
Net earnings (loss)	\$ (184)	\$ 174	\$ (20)	\$ 589
Net earnings (loss) per diluted share	\$ (2.15)	\$ 1.95	\$ (0.23)	\$ 6.54
Investing segment net earnings (loss)	\$ (206)	\$ 253	\$ (144)	\$ 636
Asset management segment net earnings (loss)	(85)	33	(80)	125
Total segment net earnings (loss) ⁽¹⁾	\$ (291)	\$ 286	\$ (224)	\$ 761
Total segment net earnings (loss) per fully diluted share ⁽²⁾	\$ (3.35)	\$ 3.11	\$ (2.53)	\$ 8.25
Asset management fee-related earnings (loss) ⁽³⁾	\$ 2	\$ 9	\$ (5)	\$ 16
Total fee-related earnings (loss) ⁽⁴⁾	\$ (10)	\$ 1	\$ (25)	\$ (3)
Distributable earnings ⁽⁵⁾	\$ 23	\$ 175	\$ 48	\$ 172

				Change for the period ended June 30, 2022 ⁽⁶⁾	
<i>(Unaudited)</i> <i>(\$ millions except per share amounts)</i>	June 30, 2022	December 31, 2021	June 30, 2021	Six Months	Twelve Months
Investing capital (U.S. dollars)	\$ 7,876	\$ 8,212	\$ 7,462		
Investing capital per share (U.S. dollars) ⁽⁷⁾	\$ 91.21	\$ 90.75	\$ 80.32	1%	14%
Investing capital per share (Canadian dollars) ⁽⁷⁾	\$ 117.54	\$ 115.05	\$ 99.55	2%	18%

(1) Refer to pages 21 and 22 of this interim MD&A for the reconciliation of total segment net earnings (loss) to net earnings (loss).

(2) Refer to the glossary of this interim MD&A for further details concerning the composition of fully diluted shares.

(3) Asset management fee-related earnings (loss) excludes public company expenses and other expenses associated with managing Onex' investing capital and is a component of total fee-related earnings (loss), as outlined on page 14 of this interim MD&A.

(4) Total fee-related earnings (loss) is a non-GAAP financial measure that does not have a standardized meaning prescribed under IFRS. Therefore, it may not be comparable to similar financial measures disclosed by other companies. Onex management believes that fee-related earnings (loss) provides investors with useful information concerning the profitability of Onex' asset management business. Fee-related earnings (loss) excludes realization-driven carried interest, which can be less predictable and recurring due to the long-term nature of Onex' private equity and private credit funds. The most directly comparable financial measure under IFRS to fee-related earnings (loss) is Onex' net earnings (loss). Refer to the glossary and pages 14, 16 and 17 of this interim MD&A for further details concerning fee-related earnings (loss), including a reconciliation to net earnings (loss).

(5) Distributable earnings (loss) is a non-GAAP financial measure that does not have a standardized meaning prescribed under IFRS. Therefore, it may not be comparable to similar financial measures disclosed by other companies. Onex management believes that distributable earnings (loss) provides investors with useful information concerning the Company's ability to redeploy capital in its business and/or return capital to shareholders. Distributable earnings (loss) consists of the recurring fee-related earnings (loss), net realized gains (losses) from Onex' investments and the receipt of carried interest from Onex' private equity and private credit funds. The most directly comparable financial measure under IFRS to distributable earnings (loss) is Onex' net earnings (loss). Refer to the glossary and pages 15, 16 and 17 of this interim MD&A for further details concerning distributable earnings (loss), including a reconciliation to net earnings (loss).

(6) Change for the period is adjusted to exclude the impact of capital deployed in the asset management segment, where applicable, and dividends paid.

(7) Refer to the glossary of this interim MD&A for further details concerning the composition of investing capital per share.

INVESTING SEGMENT RESULTS

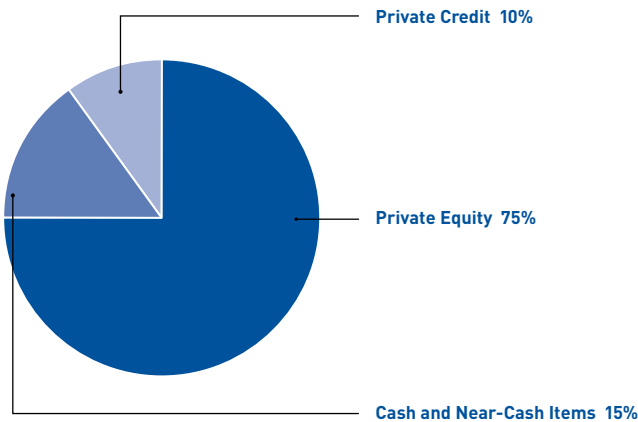
During the three months ended June 30, 2022, Onex' investing segment generated a net loss of \$206 million (\$2.38 per fully diluted share) (2021 – net earnings of \$253 million (\$2.73 per fully diluted share)), which was primarily driven by a \$158 million net loss on Onex' investing capital from private equity and a \$44 million net loss from private credit strategies, as described on pages 23 and 24 of this interim MD&A.

During the six months ended June 30, 2022, Onex' investing segment generated a net loss of \$144 million (\$1.64 per fully diluted share) (2021 – net earnings of \$636 million (\$6.89 per fully diluted share)), which was primarily driven by a \$77 million net loss on Onex' investing capital from private equity and a \$57 million net loss from private credit strategies, as described on pages 23 and 24 of this interim MD&A.

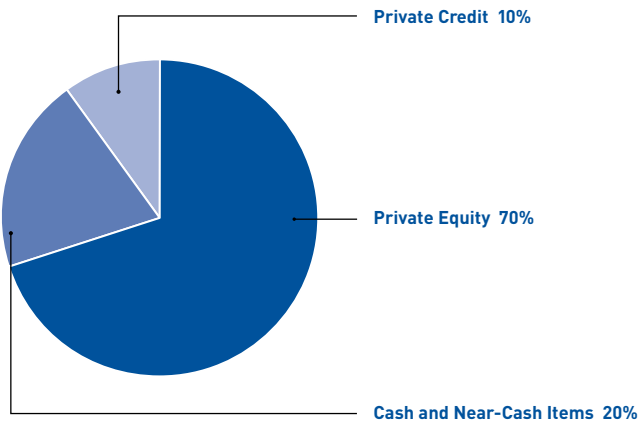
Onex' investing results contributed to its investing capital of \$7.9 billion at June 30, 2022 (December 31, 2021 – \$8.2 billion), which was \$91.21 or C\$117.54 per fully diluted share (December 31, 2021 – \$90.75 or C\$115.05), an increase of 1%⁽¹⁾ and 14%⁽¹⁾ for the six and twelve months ended June 30, 2022, respectively.

At June 30, 2022, Onex' investing capital was primarily invested in or committed to its private equity and private credit platforms.

Onex' Investment Allocation at June 30, 2022



Onex' Investment Allocation at December 31, 2021



(1) The percentage changes for the periods are adjusted to exclude the impact of capital deployed in the asset management segment, where applicable, and dividends paid.

Private Equity – Capital Deployment and Realizations

The table below presents the private equity investments made, and realizations and distributions received by Onex to date in 2022.

<i>(Unaudited) (\$ millions)</i>			
Fund	Investments	Realizations	Net Investments (Realizations)
Onex Partners V	\$ 323	\$ (122)	\$ 201
ONCAP IV	44	–	44
Onex Partners IV	–	(55)	(55)
Onex Partners III	–	(4)	(4)
Other private equity	4	(4)	–
Total	\$ 371	\$ (185)	\$ 186

The following significant private equity investments and realizations have occurred to date in 2022:

- approximately \$155 million of proceeds were received as part of the Onex Partners IV and Onex Partners V Groups' sale of Partou in August 2022, including carried interest of \$13 million and net of payments under the management incentive programs;
- \$117 million invested as part of the Onex Partners V Group's investment in Resource Environmental Solutions, LLC ("RES"), an ecological restoration company that supports the public and private sectors with solutions for environmental mitigation, stormwater, water quality, and climate and flooding resilience;
- \$108 million invested as part of the Onex Partners V Group's investment in Analytic Partners, Inc. ("Analytic Partners"), a cloud-based, managed software platform that helps customers assess marketing spend effectiveness and optimize future allocations across offline and online media channels;
- \$98 million invested as part of the Onex Partners V Group's investment in Tes Global ("Tes"), an international provider of comprehensive software solutions for the education sector;
- \$28 million invested as part of the ONCAP IV Group's investment in Ideal Dental Management Partners ("Ideal Dental"), a specialty dental service organization focused on providing business and administrative services to dental service providers; and
- \$16 million invested as part of the ONCAP IV Group's investment in Merrithew Corporation ("Merrithew"), a developer, manufacturer and retailer of Pilates equipment, accessories, content and education.

During the second quarter of 2022, Onex invested \$111 million in its private equity strategies, which included the Onex Partners V investment in Analytic Partners, and received distributions totalling \$1 million.

During the three and six months ended June 30, 2022, Onex' private equity investments generated realized gains of \$1 million and \$19 million, respectively, from the distributions received, which are included in Onex' distributable earnings as presented on page 15 of this interim MD&A.

Private Equity – Investment Performance

During the three and six months ended June 30, 2022, Onex' investing segment recognized a net loss from private equity investments of \$158 million and \$77 million, respectively. The net loss from Onex' private equity investments during the three and six months ended June 30, 2022 reflects increased market volatility and the impacts from global inflationary pressures, increasing interest rates and heightened geopolitical risks. The weakening of the Canadian dollar, euro and pound sterling against the U.S. dollar also contributed to declines in Onex' investments that are denominated in these currencies.

The operating businesses in Onex' private equity platforms operate across a broad range of countries and industry segments, providing beneficial diversification. Refer to pages 32 and 33 of this interim MD&A for further details concerning the countries and industry segments that the operating businesses of the Onex private equity platforms operate in.

The following table presents the recent gross performance of Onex' private equity investments:

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Gross performance of Onex' private equity investments in U.S. dollars ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ :				
Onex Partners	(5)%	4%	(5)%	10%
ONCAP	11 %	4%	29 %	17%
Direct investments	(5)%	9%	(5)%	23%
Total private equity investments	(3)%	4%	(1)%	13%

(i) The increase (decrease) in value of Onex' private equity investments is a non-GAAP ratio calculated using methodologies that are not in accordance with IFRS. The presentation of these ratios does not have a standardized meaning prescribed under IFRS and therefore may not be comparable to similar financial measures presented by other companies. The net gains (losses) used to calculate the gross performance of Onex' private equity investments are gross of management incentive programs. Onex management believes that the gross performance of Onex' private equity investments provides helpful information to investors in assessing the performance of Onex' investment in private equity strategies. During the three and six months ended June 30, 2022, Onex recognized a net loss on corporate investments of \$282 million and \$200 million, respectively (2021 – net gain of \$285 million and \$763 million, respectively).

(iii) Adjusted for capital deployed, realizations and distributions.

Credit – Capital Deployment and Realizations

Within Credit, Onex invests in its private credit strategies, and has no investments in public debt or public equity strategies. During the six months ended June 30, 2022, Onex' investments in Credit generated net realizations of \$5 million, as outlined in the following table:

	Net Realizations (Investments) (\$ millions)
Six months ended June 30, 2022	
Structured Credit Strategies	
U.S. CLOs	\$ 18
EURO CLOs	9
CLO warehouses	13
Other structured strategies	(4)
Opportunistic Credit Strategies	(51)
Direct Lending	20
Total net realizations from Credit strategies	\$ 5

During the six months ended June 30, 2022, Onex' net investments in CLOs decreased by \$27 million as a result of regular quarterly distributions, partially offset by investments in new CLOs.

During 2022, Onex committed an additional \$100 million to the Onex Capital Solutions Fund, as described on page 37 of this interim MD&A, resulting in additional capital deployed to its Opportunistic Credit Strategies.

During the three and six months ended June 30, 2022, Onex' investments in Credit strategies generated \$29 million and \$47 million of realized gains, respectively, from the distributions received, which are included in Onex' distributable earnings, as presented on page 15 of this interim MD&A.

Credit – Investment Performance

During the three and six months ended June 30, 2022, Onex had a net loss of \$44 million and \$57 million, respectively, on its Credit investments, representing a loss of 6%⁽¹⁾ and 7%⁽¹⁾, respectively. The net loss during the three and six months ended June 30, 2022 was primarily driven by a decline in fair value of Onex' CLO investments driven by weakness in the leveraged loan market (Credit Suisse Leveraged Loan Index – decline of 4.4% during the three and six months ended June 30, 2022) and structural leverage employed in CLOs.

(1) Adjusted for capital deployed, realizations and distributions.

ASSET MANAGEMENT SEGMENT RESULTS

For the three and six months ended June 30, 2022, Onex' asset management segment had net losses of \$85 million and \$80 million, respectively, compared to net earnings of \$33 million and \$125 million during the same periods in 2021. The asset management segment net losses during 2022 were primarily driven by the reversal of unrealized carried interest in Onex Partners IV.

Assets Under Management

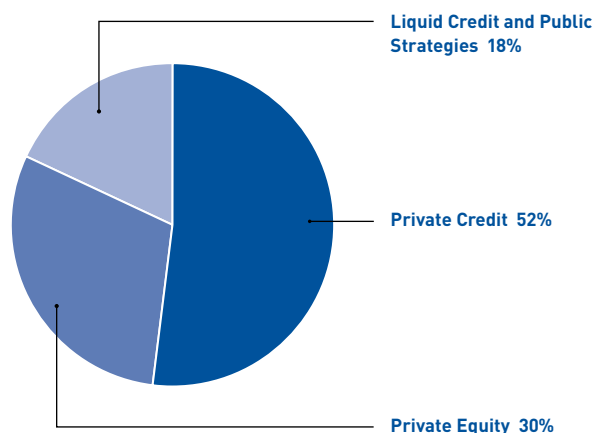
At June 30, 2022, Onex managed \$40.3 billion (December 31, 2021 – \$40.0 billion) of invested and committed capital on behalf of institutional investors and high net worth clients from around the world, including fee-generating assets under management ("FG AUM") of \$33.5 billion (December 31, 2021 – \$33.0 billion). Onex' FG AUM increased by 1% and 6% since December 31, 2021 and June 30, 2021, respectively. Assets under management by business lines include the following:

Assets Under Management ⁽ⁱ⁾⁽ⁱⁱ⁾						
(Unaudited) (\$ millions)	Fee-Generating		Change in Total	Subject to Carried Interest or Performance Fees		Change in Total
	June 30, 2022	December 31, 2021		June 30, 2022	December 31, 2021	
Credit	\$ 23,320	\$ 22,803	2%	\$ 17,172	\$ 16,070	7%
Private Equity	10,173	10,205	–	10,173	10,205	–
Total	\$ 33,493	\$ 33,008	1%	\$ 27,345	\$ 26,275	4%

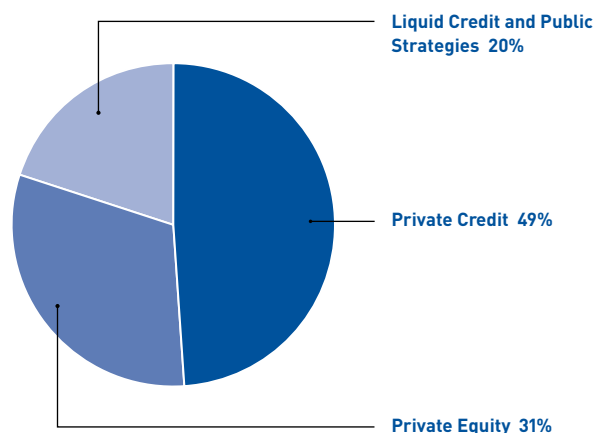
(i) Assets under management include co-investments and capital invested by the Onex management team, as applicable. Fee-generating assets under management and assets under management subject to carried interest or performance fees exclude capital from Onex. Refer to the glossary in this interim MD&A for further details concerning the composition of assets under management.

(ii) Assets under management for strategies denominated in currencies other than the U.S. dollar have been converted to U.S. dollars using the exchange rates on June 30, 2022 and December 31, 2021, respectively.

Onex' \$33.5 billion of FG AUM at June 30, 2022



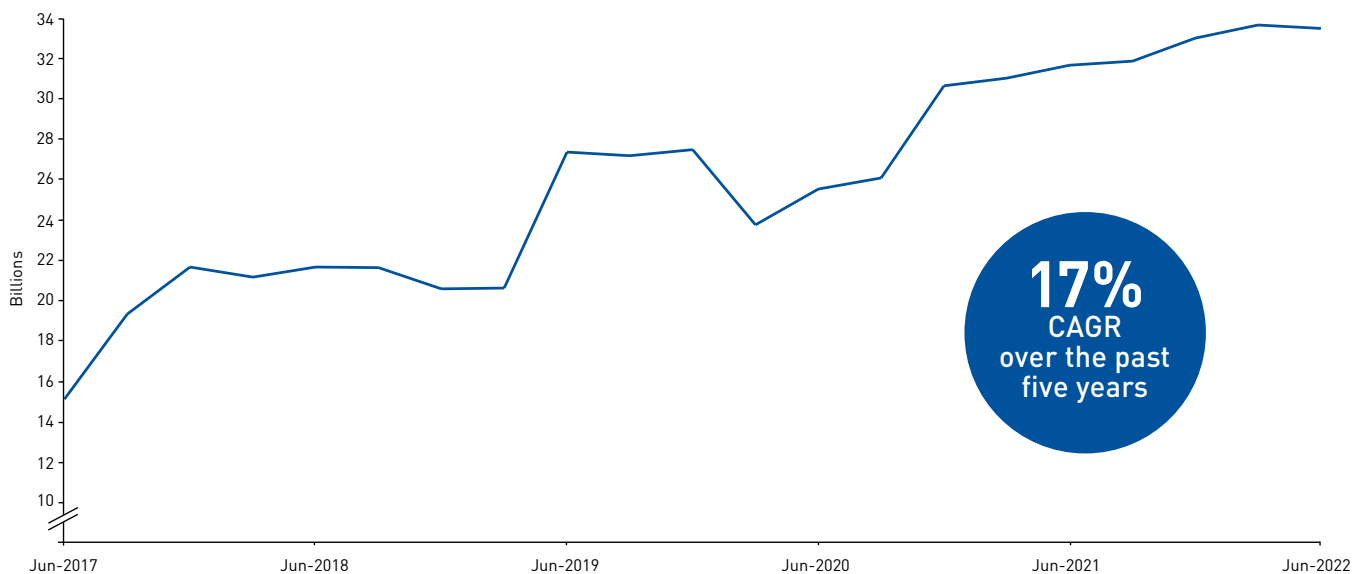
Onex' \$33.0 billion of FG AUM at December 31, 2021



Onex' FG AUM at June 30, 2022 comprised \$27.9 billion from institutional investors (December 31, 2021 – \$26.8 billion) and \$5.6 billion from high net worth clients (December 31, 2021 – \$6.2 billion). Run-rate management fees from Onex' FG AUM at June 30, 2022 are \$261 million, consisting of \$114 million from private equity and \$147 million from Credit.

Over the past five years, FG AUM has increased at a compound annual growth rate ("CAGR") of 17%, which includes the FG AUM of Onex Falcon and Gluskin Sheff, which were acquired in December 2020 and June 2019, respectively. FG AUM, excluding acquired capital, has increased at a CAGR of 9% over the same period.

Fee-Generating Assets Under Management (June 30, 2017 to June 30, 2022)



Fee-Related Earnings (Loss)

Onex' fee-related earnings for the three and six months ended June 30, 2022 were losses of \$10 million and \$25 million, respectively (2021 – earnings of \$1 million and a loss of \$3 million, respectively). Onex' asset management fee-related earnings for the three and six months ended June 30, 2022 were \$2 million and a loss of \$5 million, respectively (2021 – earnings of \$9 million and \$16 million, respectively).

(Unaudited) (\$ millions)	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Private Equity				
Management and advisory fees	\$ 31	\$ 32	\$ 59	\$ 65
Total fee-related revenues from Private Equity	31	32	59	65
Compensation expense	(23)	(20)	(40)	(37)
Support and other net expenses	(7)	(12)	(20)	(24)
Net contribution	\$ 1	\$ -	\$ (1)	\$ 4
Credit				
Management and advisory fees	\$ 38	\$ 37	\$ 77	\$ 75
Performance fees	-	6	-	9
Other income	-	1	-	1
Total fee-related revenues from Credit	\$ 38	\$ 44	\$ 77	\$ 85
Compensation expense	(20)	(19)	(46)	(39)
Support and other net expenses	(17)	(16)	(35)	(34)
Net contribution	\$ 1	\$ 9	\$ (4)	\$ 12
Asset management fee-related earnings (loss)	\$ 2	\$ 9	\$ (5)	\$ 16
Public Company and Onex Capital Investing				
Compensation expense	\$ (6)	\$ (3)	\$ (10)	\$ (9)
Other net expenses	(6)	(5)	(10)	(10)
Total expenses	\$ (12)	\$ (8)	\$ (20)	\$ (19)
Total fee-related earnings (loss)	\$ (10)	\$ 1	\$ (25)	\$ (3)

The decrease in fee-related revenues during the three and six months ended June 30, 2022 compared to the same periods in 2021 was primarily driven by lower private equity fees and lower performance fees on perpetual capital invested in liquid strategies. Realizations in the private equity funds contributed to lower management fees. Higher compensation expense in Credit during the six months ended June 30, 2022 compared to the same period in 2021 further contributed to the fee-related loss.

Distributable Earnings

During the three and six months ended June 30, 2022, Onex generated distributable earnings of \$23 million and \$48 million, respectively (2021 – earnings of \$175 million and \$172 million).

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<i>(Unaudited) (\$ millions)</i>				
Fee-related earnings (loss)	\$ (10)	\$ 1	\$ (25)	\$ (3)
Realized carried interest	1	4	1	4
Realized net gain on investments	32	170	72	171
Distributable earnings	\$ 23	\$ 175	\$ 48	\$ 172

Distributable earnings during the three and six months ended June 30, 2022 were primarily driven by CLO distributions, as described on page 11 of this interim MD&A. Distributions from Onex' private equity investments also contributed to distributable earnings during the six months ended June 30, 2022. The decrease in distributable earnings during the three and six months ended June 30, 2022 compared to the same periods in 2021 reflects significant realizations during the second quarter of 2021 from the Onex Partners III, Onex Partners IV and ONCAP II Funds.

Carried Interest

At June 30, 2022, unrealized carried interest totalled \$231 million (December 31, 2021 – \$287 million) and AUM subject to carried interest totalled \$25.1 billion (December 31, 2021 – \$24.1 billion).

Unrealized Carried Interest ⁽ⁱ⁾				
	As at December 31, 2021	Realizations and Distributions	Change in Fair Value	As at June 30, 2022
<i>(Unaudited) (\$ millions)</i>				
Onex Partners Funds	\$ 244	\$ -	\$ (74)	\$ 170
ONCAP Funds	25	(1)	17	41
Private Credit Funds	18	-	2	20
Total	\$ 287	\$ (1)	\$ (55)	\$ 231

(i) The actual amount of carried interest earned by Onex will depend on the ultimate performance of each underlying fund.

Fee-related earnings (loss) and distributable earnings (loss) are non-GAAP financial measures, as discussed on page 7 of this interim MD&A. The following tables include reconciliations of Onex' net earnings (loss) to fee-related earnings (loss) and distributable earnings (loss) during the three and six months ended June 30, 2022 and 2021:

<i>(Unaudited) (\$ millions)</i>	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021
Net Earnings (Loss)	\$ (184)	\$ 174
Recovery of income taxes	-	(1)
Earnings (loss) before income taxes	\$ (184)	\$ 173
Stock-based compensation expense (recovery)	(122)	91
Amortization of property, equipment and intangible assets, excluding right-of-use assets	10	12
Unrealized carried interest – Credit	1	-
Unrealized performance fees	-	6
Integration expense	4	4
Total segment net earnings (loss)	(291)	286
Net unrealized decrease (increase) in carried interest	76	(28)
Net unrealized loss (gain) on corporate investments	238	(83)
Distributable earnings	23	175
Less: Realized carried interest	(1)	(4)
Less: Net realized gain on corporate investments	(32)	(170)
Total fee-related earnings (loss)	\$ (10)	\$ 1

<i>(Unaudited) (\$ millions)</i>	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Net Earnings (Loss)	\$ (20)	\$ 589
Recovery of income taxes	–	(1)
Earnings (loss) before income taxes	\$ (20)	\$ 588
Stock-based compensation expense (recovery)	(229)	134
Amortization of property, equipment and intangible assets, excluding right-of-use assets	21	26
Unrealized carried interest – Credit	2	–
Unrealized performance fees	–	9
Integration expense	4	4
Other income	(2)	–
Total segment net earnings (loss)	(224)	761
Net unrealized decrease (increase) in carried interest	56	(124)
Net unrealized loss (gain) on corporate investments	216	(465)
Distributable earnings	48	172
Less: Realized carried interest	(1)	(4)
Less: Net realized gain on corporate investments	(72)	(171)
Total fee-related earnings (loss)	\$ (25)	\$ (3)

LIQUIDITY

At June 30, 2022, Onex' cash and near-cash balance was \$1.2 billion⁽¹⁾ or 15% of Onex' investing capital (December 31, 2021 – \$1.6 billion or 20% of Onex' investing capital) and Onex' consolidated cash and cash equivalents balance was \$137 million (December 31, 2021 – \$547 million). The \$451 million decrease in cash and near-cash was primarily driven by investments made in Onex Partners V, as described on page 9 of this interim MD&A. In addition, \$14 million was returned to shareholders through dividends and \$74 million was utilized to repurchase Onex' SVS during the six months ended June 30, 2022.

Today, Onex has unfunded commitments of approximately \$290 million to private equity funds that are actively investing, as well as approximately \$150 million of unfunded commitments to private credit funds.

In August 2022, Onex received total proceeds of approximately \$155 million from the Onex Partners IV and Onex Partners V Funds, in connection with the sale of Partou, as described on page 9 of this interim MD&A.

(1) Cash and near-cash is a non-GAAP financial measure calculated using methodologies that are not in accordance with IFRS. The presentation of this measure 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 that cash and near-cash provides helpful information to investors to assess how the Company is managing its capital. Refer to page 28 of this interim MD&A for further details concerning cash and near-cash items.

FINANCIAL REVIEW

This section discusses the significant changes in Onex' unaudited interim consolidated statements of earnings for the three and six months ended June 30, 2022 compared to the same periods in 2021, the unaudited interim consolidated statements of cash flows for the six months ended June 30, 2022 compared to the same period in 2021, and compares Onex' financial condition at June 30, 2022 to that at December 31, 2021.

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 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 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 the majority of Onex' investments, excluding intercompany loans receivable from Onex and the Asset Managers. The Primary Investment Holding Companies were formed in the United States.

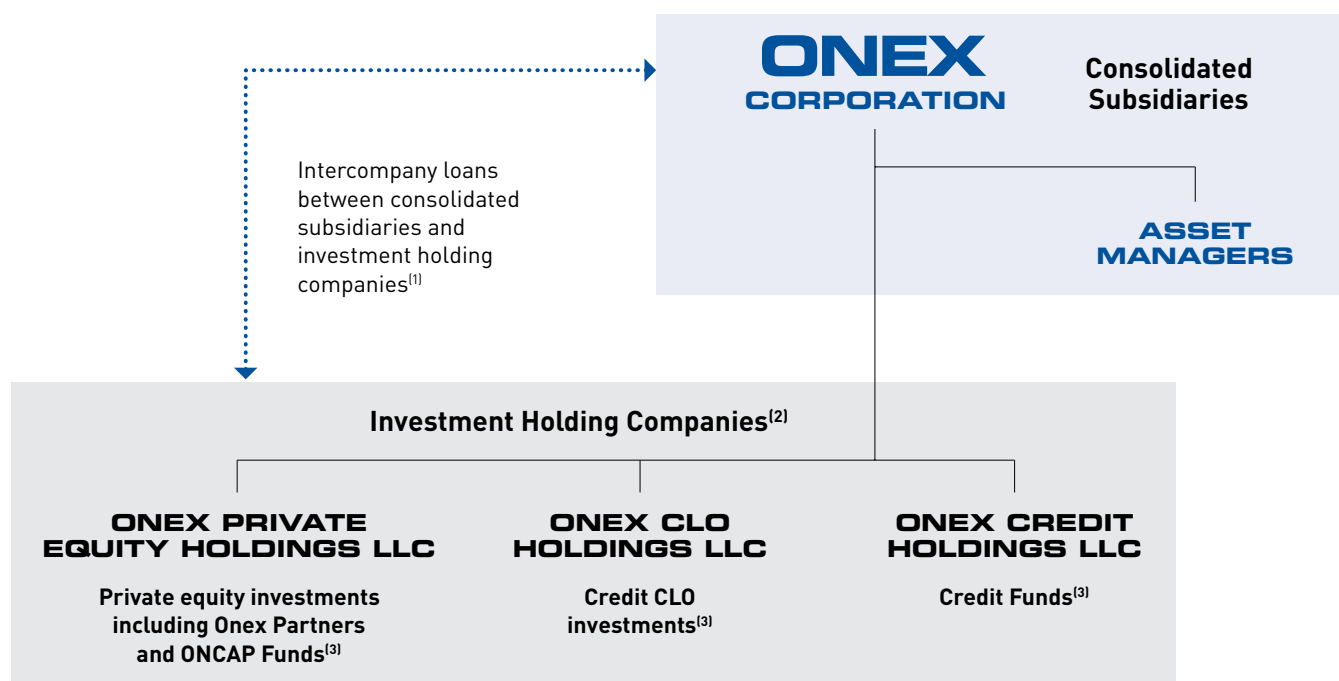
Asset management refers to the activity of managing capital in Onex' private equity funds, private credit strategies and liquid strategies. This activity is conducted through wholly-owned subsidiaries of Onex, which are the managers of the Onex Partners Funds, ONCAP Funds and Credit strategies. These subsidiaries are referred to as Onex' **Asset Managers** and are consolidated by Onex. The **Credit** platform includes a broad spectrum of private credit, public debt and public equity strategies that are managed by the Onex Credit team.

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 and Credit strategies 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 six months ended June 30, 2022 and June 30, 2021, the corresponding notes thereto and the December 31, 2021 audited annual consolidated financial statements.

Use of judgements

Onex exercises significant judgement when preparing the valuations of non-public investments due to the long-term nature of such investments, the absence of quoted market values, the inherent lack of liquidity, and the heightened market uncertainty as a result of global inflationary pressures, increasing interest rates and heightened geopolitical risks.

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 Onex' 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, the occurrence of natural disasters, incidents of war, riot or civil unrest, 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, private credit investments and the Onex Partners and ONCAP Funds' operating businesses, 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' 2021 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 six months ended June 30, 2022.

Consolidated net earnings (loss)

Onex recorded a consolidated net loss of \$184 million and a net loss per diluted share of \$2.15 during the three months ended June 30, 2022 compared to net earnings of \$174 million and net earnings per diluted share of \$1.95 during the three months ended June 30, 2021.

Onex recorded a consolidated net loss of \$20 million and a net loss per diluted share of \$0.23 during the six months ended June 30, 2022 compared to net earnings of \$589 million and net earnings per diluted share of \$6.54 during the six months ended June 30, 2021.

Tables 1 and 2 present the segmented results for the three and six months ended June 30, 2022 and 2021. Onex' segmented results include Onex' share of unrealized carried interest from third-party limited partners in the Credit Funds, which is recognized based on the fair values of the underlying investments and the unrealized net gains in each

respective Fund, in accordance with the limited partnership agreements. In Onex' consolidated financial statements, carried interest from the Credit Funds is recognized as revenue to the extent it is highly probable to not reverse, which typically occurs when the investments held by a given fund are substantially realized, towards the end of the fund's term, as described in note 1 to the 2021 audited annual consolidated financial statements.

Onex' segmented results also include performance fees associated with the management of certain Credit strategies, which are based on the funds' performance during the periods presented by applying an agreed-upon formula to the growth in the net asset value of clients' assets under management. In Onex' consolidated statements of earnings, performance fees are recognized as revenue to the extent the fees are highly probable to not reverse, which is typically at the end of each performance year, as described in note 1 to the 2021 audited annual consolidated financial statements. The reportable segment results for the three and six months ended June 30, 2021 have been restated to include unrealized performance fees from Credit strategies during the periods.

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.

During 2021, Onex' reportable segment results included allocations from the investing segment to the asset management segment related to carried interest and management fees that would have been earned by the asset management segment had Onex' private equity capital been subject to carried interest and management fees under the same terms as third-party limited partners. These allocations are no longer used by Onex' chief operating decision maker to assess performance and allocate resources and are therefore excluded from Onex' reportable segment results. The reportable segment results for the three and six months ended June 30, 2021 have been restated to remove these allocations.

TABLE 1	(Unaudited) (\$ millions)		Three Months Ended June 30, 2022	Three Months Ended June 30, 2021		
	Investing	Asset Management ⁽ⁱ⁾	Total	Investing	Asset Management ⁽ⁱ⁾	Total
Net gain (loss) on corporate investments (including an increase (decrease) in carried interest)	\$ (206)	\$ (75) ⁽ⁱⁱⁱ⁾	\$ (281)	\$ 253	\$ 32 ⁽ⁱⁱⁱ⁾	\$ 285
Management and advisory fees	–	69	69	–	69	69
Performance fees	–	–	–	–	6	6
Other income	–	–	–	–	1	1
Total segment income (loss)	(206)	(6)	(212)	253	108	361
Compensation	–	(57)	(57)	–	(57)	(57)
Amortization of right-of-use assets	–	(3)	(3)	–	(3)	(3)
Other expense	–	(19)	(19)	–	(15)	(15)
Segment net earnings (loss)	\$ (206)	\$ (85)	\$ (291)	\$ 253	\$ 33	\$ 286
Stock-based compensation recovery (expense)			122			(91)
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(10)			(12)
Unrealized carried interest included in segment net earnings (loss) – Credit			(1)			–
Unrealized performance fees included in segment net earnings (loss)			–			(6)
Integration expense			(4)			(4)
Earnings (loss) before income taxes			\$ (184)			\$ 173
Recovery of income taxes			–			1
Net earnings (loss)			\$ (184)			\$ 174
Segment net earnings (loss) per share ⁽ⁱⁱⁱ⁾			\$ (3.35)			\$ 3.11
Net earnings (loss) per share – diluted			\$ (2.15)			\$ 1.95

(i) The asset management segment includes public company expenses and other expenses associated with managing Onex' investing capital.

(ii) The asset management segment includes a net gain of \$1 million (2021 – nil) for unrealized carried interest from third-party limited partners in the Credit Funds.

(iii) Calculated on a fully diluted basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 2	(Unaudited) (\$ millions)		Six Months Ended June 30, 2022	Six Months Ended June 30, 2021		
	Investing	Asset Management ⁽ⁱ⁾	Total	Investing	Asset Management ⁽ⁱ⁾	Total
Net gain (loss) on corporate investments (including an increase (decrease) in carried interest)	\$ (143)	\$ (55) ⁽ⁱⁱⁱ⁾	\$ (198)	\$ 635	\$ 128 ⁽ⁱⁱⁱ⁾	\$ 763
Management and advisory fees	–	136	136	–	140	140
Performance fees	–	–	–	–	9	9
Interest and net treasury investment income (loss)	(1)	–	(1)	1	–	1
Other income	–	–	–	–	1	1
Total segment income (loss)	(144)	81	(63)	636	278	914
Compensation	–	(123)	(123)	–	(118)	(118)
Amortization of right-of-use assets	–	(6)	(6)	–	(6)	(6)
Other expense	–	(32)	(32)	–	(29)	(29)
Segment net earnings (loss)	\$ (144)	\$ (80)	\$ (224)	\$ 636	\$ 125	\$ 761
Stock-based compensation recovery (expense)			229			(134)
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(21)			(26)
Unrealized carried interest included in segment net earnings (loss) – Credit			(2)			–
Unrealized performance fees included in segment net earnings (loss)			–			(9)
Integration expense			(4)			(4)
Other income			2			–
Earnings (loss) before income taxes			\$ (20)			\$ 588
Recovery of income taxes			–			1
Net earnings (loss)			\$ (20)			\$ 589
Segment net earnings (loss) per share ⁽ⁱⁱⁱ⁾			\$ (2.53)			\$ 8.25
Net earnings (loss) per share – diluted			\$ (0.23)			\$ 6.54

(i) The asset management segment includes public company expenses and other expenses associated with managing Onex' investing capital.

(ii) The asset management segment includes a net gain of \$2 million (2021 – nil) for unrealized carried interest from third-party limited partners in the Credit Funds.

(iii) Calculated on a fully diluted basis.

Consolidated income (loss) for the three and six months ended June 30, 2022 and 2021

Consolidated income (loss) for the three and six months ended June 30, 2022 and 2021 primarily consisted of: (i) a net gain (loss) on corporate investments, which primarily consisted of Onex' share of the net gain (loss) in the Onex Partners 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 and Credit strategies.

During the three and six months ended June 30, 2022, Onex' investing segment recognized a net loss on corporate investments of \$206 million and \$143 million, respectively (2021 – net gain of \$253 million and \$635 million, respectively). The contribution of private equity and private credit to this performance is detailed below:

Net Gain (Loss) on Private Equity Investments				
	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Onex Partners Funds⁽ⁱ⁾				
Onex Partners II	\$ -	\$ (47)	\$ (7)	\$ (43)
Onex Partners III	7	29	13	56
Onex Partners IV	(205)	80	(290)	191
Onex Partners V	(25)	72	68	136
Management incentive programs	31	(11)	30	(45)
Total net gain (loss) from Onex Partners Funds	(192)	123	(186)	295
ONCAP Funds⁽ⁱ⁾				
ONCAP II	2	6	5	28
ONCAP III	(3)	16	2	78
ONCAP IV	77	7	167	7
Management incentive programs	(14)	(5)	(31)	(21)
Total net gain from ONCAP Funds	62	24	143	92
Net gain (loss) from other private equity investments	(28)	66	(34)	154
Total net gain (loss) from private equity	\$ (158)	\$ 213	\$ (77)	\$ 541

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

During the three months ended June 30, 2022, the net loss from private equity investments was primarily driven by a net loss from Onex Partners IV, which was primarily due to the underlying fair value decreases of ASM Global, Clarivate Analytics, Parkdean Resorts and PowerSchool Group, partially offset by the underlying fair value increase of Ryan. Net losses were partially offset by a net gain from ONCAP IV, which was primarily due to the underlying fair value increases of AutoSavvy, International Language Academy of Canada and Precision Concepts International (formerly IntraPac). In addition, the weakening of the Canadian dollar, euro and pound sterling against the U.S. dollar during the three months ended June 30, 2022 contributed to the decrease in fair value of certain underlying investments, along with the

increased market volatility and the impacts from global inflationary pressures, increasing interest rates and heightened geopolitical risks.

During the six months ended June 30, 2022, the net loss from private equity investments was primarily driven by a net loss from Onex Partners IV, which was primarily due to the underlying fair value decreases of Clarivate Analytics, Parkdean Resorts and PowerSchool Group, partially offset by the underlying fair value increase of Ryan. Net losses were partially offset by a net gain from ONCAP IV, which was primarily due to the underlying fair value increases of AutoSavvy, International Language Academy of Canada, Precision Concepts International (formerly IntraPac) and Precision Global.

In addition, the weakening of the euro and pound sterling against the U.S. dollar during the six months ended June 30, 2022 contributed to the decrease in fair value of certain underlying investments, along with the increased market volatility and the impacts from global inflationary pressures, increasing interest rates and heightened geopolitical risks.

During the three months ended June 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 Ryan Specialty Group ("RSG"). The net gain from Onex Partners IV was primarily due to the underlying fair value increases of ASM Global, Clarivate Analytics and SCP Health. The net gain from Onex Partners V was primarily due to the underlying fair value increases of Acacium Group, Convex and OneDigital. These increases in fair value were partially offset by a net loss in Onex' investment in Onex Partners II, which was driven by the underlying fair value decrease of Carestream Health.

During the six months ended June 30, 2021, the net gain from private equity investments was primarily driven by net gains from other private equity investments, Onex Partners IV, Onex Partners V and ONCAP III. 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 and Parkdean Resorts, 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 and WestJet. The net gain from ONCAP III was primarily due to the underlying fair value increases of Bradshaw and Davis-Standard. In addition, the strengthening of the Canadian dollar and pound sterling against the U.S. dollar during the six months ended June 30, 2021 contributed to an increase in fair value of certain underlying investments, while the weakening of the euro against the U.S. dollar during the same period contributed to a decrease in fair value of certain underlying investments.

TABLE 4 | (Unaudited) (\$ millions)

Net Gain (Loss) on Investments in Private Credit Strategies

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Structured Credit Strategies				
U.S. CLOs	\$ (23)	\$ 25	\$ (36)	\$ 60
EURO CLOs	(13)	10	(20)	16
CLO warehouses	1	–	5	–
Other structured strategies	(1)	2	(1)	4
Opportunistic Credit Strategies	2	2	3	7
Liquid Strategies	(6)	4	(7)	7
Direct Lending	(4)	4	(1)	9
Total net gain (loss) from Private Credit Strategies	\$ (44)	\$ 47	\$ (57)	\$ 103

The net loss on investments in private credit strategies recognized during the three and six months ended June 30, 2022 was primarily driven by a net loss on U.S. and EURO CLOs as a result of weakness in the leveraged loan market (Credit Suisse Leveraged Loan Index – decline of 4.4% during the three and six months ended June 30, 2022) and structural leverage employed in CLOs.

The net gain on investments in private credit strategies recognized during the three and six months ended June 30, 2021 was primarily driven by a net gain on U.S. and EURO CLOs as a result of a strengthening leveraged loan market (Credit Suisse Leveraged Loan Index – increase of 1.4% and 3.5% during the three and six months ended June 30, 2021, respectively) and structural leverage employed in CLOs.

Management and advisory fees for the three and six months ended June 30, 2022 and 2021 were generated from the following sources:

TABLE 5 | (Unaudited) (\$ millions)

Management and Advisory Fees

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Change in Total	
Source of management and advisory fees				
Credit	\$ 38	\$ 37	\$ 1	3 %
Private Equity ⁽ⁱ⁾	31	32	(1)	(3)%
Total management and advisory fees	\$ 69	\$ 69	\$ -	- %

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

TABLE 6 | (Unaudited) (\$ millions)

Management and Advisory Fees

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	Change in Total	
Source of management and advisory fees				
Credit	\$ 77	\$ 75	\$ 2	3 %
Private Equity ⁽ⁱ⁾	59	65	(6)	(9)%
Total management and advisory fees	\$ 136	\$ 140	\$ (4)	(3)%

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

Management and advisory fees from Private Equity were 9% lower during the six months ended June 30, 2022 compared to the same period in 2021. This decline was primarily driven by Onex Partners III no longer collecting management fees and realizations in the Onex Partners IV and ONCAP III Funds during 2021, which reduced the management fee basis for these Funds.

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 reim-

bursements are recognized as revenue in accordance with IFRS 15, *Revenue from contracts with customers* ("IFRS 15"). During the three and six months ended June 30, 2022, Onex recognized \$6 million and \$14 million, respectively, in revenues and expenses associated with these reimbursements (2021 – \$11 million and \$18 million, respectively).

Compensation

Compensation expense for the three and six months ended June 30, 2022 was \$57 million and \$123 million, respectively, compared to \$57 million and \$118 million, respectively, during the same periods in 2021.

Stock-based compensation recovery (expense)

During the three months ended June 30, 2022, Onex recorded a consolidated stock-based compensation recovery of \$122 million compared to a stock-based compensation expense of \$91 million during the same period in 2021. The stock-based compensation recovery recorded during the three months ended June 30, 2022 was primarily due to a 23% decrease in the market value of Onex' SVS to C\$64.10 at June 30, 2022 from C\$83.78 at March 31, 2022.

During the six months ended June 30, 2022, Onex recorded a consolidated stock-based compensation recovery of \$229 million compared to a stock-based compensation expense of \$134 million during the same period in 2021. The stock-based compensation recovery recorded during the six months ended June 30, 2022 was primarily due to a 35% decrease in the market value of Onex' SVS to C\$64.10 at June 30, 2022 from C\$99.28 at December 31, 2021.

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

Stock-Based Compensation Recovery (Expense)

TABLE 7	(Unaudited) (\$ millions)		Three Months Ended June 30			Six Months Ended June 30		
			2022	2021	Change	2022	2021	Change
Stock Option Plan			\$ 121	\$ (87)	\$ 208	\$ 227	\$ (129)	\$ 356
Director DSU Plan			1	–	1	2	(1)	3
Other			–	(4)	4	–	(4)	4
Total stock-based compensation recovery (expense)			\$ 122	\$ (91)	\$ 213	\$ 229	\$ (134)	\$ 363

Amortization of property, equipment and intangible assets

Amortization of property, equipment and intangible assets for the three and six months ended June 30, 2022 was \$13 million and \$27 million, respectively (2021 – \$15 million and \$32 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 loss

Other comprehensive loss for the three and six months ended June 30, 2022 of \$7 million and \$4 million, respectively (2021 – earnings of \$4 million and \$6 million, respectively) was due to unfavourable currency translation adjustments associated with the consolidation of Gluskin Sheff's net assets (2021 – favourable currency translation adjustments).

SUMMARY OF QUARTERLY INFORMATION

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

Consolidated Quarterly Financial Information

TABLE 8	<i>(Unaudited) (\$ millions except per share amounts)</i>		2021 ⁽ⁱ⁾				2020 ⁽ⁱ⁾	
	2022							
	June	March	December	September	June	March	December	September
Total segment income (loss)	\$ (212)	\$ 149	\$ 408	\$ 688	\$ 361	\$ 553	\$ 772	\$ 592
Total segment expenses	(79)	(82)	(87)	(81)	(75)	(78)	(73)	(70)
Segment net earnings (loss)	(291)	67	321	607	286	475	699	522
Other non-segment items	107	97	(107)	(5)	(112)	(60)	(102)	(21)
Net earnings (loss)	\$ (184)	\$ 164	\$ 214	\$ 602	\$ 174	\$ 415	\$ 597	\$ 501
Segment net earnings (loss) per share ⁽ⁱⁱⁱ⁾	\$ (3.35)	\$ 0.76	\$ 3.55	\$ 6.60	\$ 3.11	\$ 5.14	\$ 7.64	\$ 5.46
Net earnings (loss) per share – basic	\$ (2.15)	\$ 1.90	\$ 2.45	\$ 6.77	\$ 1.95	\$ 4.60	\$ 6.62	\$ 5.30
Net earnings (loss) per share – diluted	\$ (2.15)	\$ 1.89	\$ 2.45	\$ 6.76	\$ 1.95	\$ 4.59	\$ 6.61	\$ 5.29

(i) The quarterly segment results in 2021 and 2020 have been restated to include unrealized performance fees from the Credit strategies, as described on page 20 of this interim MD&A.

(ii) Calculated on a fully diluted basis.

CASH AND NEAR-CASH

At June 30, 2022, Onex' cash and near-cash balance was \$1.2 billion (December 31, 2021 – \$1.6 billion) and Onex' consolidated cash and cash equivalents balance was \$137 million (December 31, 2021 – \$547 million). Onex' cash and near-cash consisted of the following:

Cash and Near-Cash⁽ⁱ⁾

TABLE 9	(Unaudited) (\$ millions)	June 30, 2022	December 31, 2021
	Cash and cash equivalents – Investing segment ⁽ⁱⁱ⁾	\$ 20	\$ 357
	Cash and cash equivalents within Investment Holding Companies ⁽ⁱⁱⁱ⁾	330	228
	Treasury investments ^(iv)	80	290
	Treasury investments within Investment Holding Companies ^(iv)	296	310
	Management fees and recoverable fund expenses receivable ^(v)	383	308
	Subscription financing receivable ^(vi)	63	130
	Cash and near-cash ⁽ⁱ⁾	\$ 1,172	\$ 1,623

(i) Cash and near-cash is a non-GAAP financial measure calculated using methodologies that are not in accordance with IFRS. The presentation of these measures does not have a standardized meaning prescribed under IFRS and therefore might not be comparable to similar financial measures presented by other companies. Onex management believes that cash and near-cash provides helpful information to investors to assess how the Company is managing its capital.

(ii) Excludes cash and cash equivalents allocated to the asset management segment related to accrued incentive compensation (\$74 million (December 31, 2021 – \$147 million)) and contingent consideration related to the acquisition of Onex Falcon (\$43 million (December 31, 2021 – \$43 million)).

(iii) Includes restricted cash and cash equivalents of \$21 million (December 31, 2021 – \$21 million) for which the Company can readily remove the external restriction. Excludes cash and cash equivalents reserved for payments under the management incentive programs.

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

(v) Includes management fees and recoverable fund expenses receivable from the Onex Partners and ONCAP Funds and certain Credit Funds that Onex has elected to defer cash receipt from.

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

Table 10 provides a reconciliation of the change in cash and near-cash at Onex from December 31, 2021 to June 30, 2022.

Change in Cash and Near-Cash

TABLE 10	(Unaudited) (\$ millions)	Amount
Cash and near-cash at December 31, 2021		\$ 1,623
Private equity realizations:		
Onex Partners	26	
Other	4	30
Private equity investments:		
Onex Partners		
RES	(117)	
Analytic Partners	(108)	
Tes Global	(98)	
ONCAP		
Merrithew investment	(16)	
Other private equity investments	(4)	(343)
Net private credit strategies investment activity		5
Onex share repurchases, options exercised, DSUs exercised and dividends		(103)
Net other, including capital expenditures, operating costs and changes in working capital		(40)
Cash and near-cash at June 30, 2022		\$ 1,172

In August 2022, the Onex Partners IV and Onex Partners V Groups completed the sale of Partou. Onex' share of the net proceeds from the sale was approximately \$155 million, including carried interest of \$13 million and net of payments under the management incentive programs.

In August 2022, Onex invested \$28 million as part of the ONCAP IV Group's investment in Ideal Dental, as described on page 9 of this interim MD&A.

CONSOLIDATED FINANCIAL POSITION

Consolidated assets

Consolidated assets totalled \$12.0 billion at June 30, 2022 compared to \$12.9 billion at December 31, 2021. The decrease in consolidated assets was primarily driven by a decrease in the fair value of the Company's corporate investments, as described on page 31 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 June 30, 2022 and December 31, 2021.

Consolidated Assets by Reportable Segment

TABLE 11	(Unaudited) (\$ millions)	As at June 30, 2022			As at December 31, 2021		
	Investing	Asset Management	Total	Investing	Asset Management	Total	
Cash and cash equivalents	\$ 20	\$ 117 ⁽ⁱ⁾	\$ 137	\$ 357	\$ 190 ⁽ⁱⁱ⁾	\$ 547	
Treasury investments	80	–	80	290	–	290	
Management and advisory fees, recoverable fund expenses and other receivables	383 ⁽ⁱⁱⁱ⁾	67	450	308 ⁽ⁱⁱⁱ⁾	61	369	
Corporate investments	7,373	–	7,373	7,239	–	7,239	
Unrealized carried interest – Credit	20	–	20	18	–	18	
Other assets	–	102	102	–	136	136	
Property and equipment	–	134	134	–	148	148	
Intangible assets	–	124	124	–	139	139	
Goodwill	–	262	262	–	264	264	
Total segment assets	\$ 7,876	\$ 806	\$ 8,682	\$ 8,212	\$ 938	\$ 9,150	
Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies				3,383			
Unrealized carried interest included in segment assets – Credit				(20)			
Total assets				\$ 12,045			
Investing capital per share (U.S. dollars) ⁽ⁱⁱⁱ⁾				\$ 91.21			
Investing capital per share (Canadian dollars) ⁽ⁱⁱⁱ⁾				\$ 117.54			
				\$ 90.75			
				\$ 115.05			

(i) 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 Investment Advisors.

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

(iii) Calculated on a fully diluted basis.

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:

TABLE 12	(Unaudited) (\$ millions)	December 31, 2021	Capital Deployed	Realizations and Distributions	Change in Fair Value	June 30, 2022
Onex Partners Funds	\$	4,256	\$ 323	\$ (26)	\$ (186)	\$ 4,367
ONCAP Funds		534	16	-	143	693
Other private equity		692	4	(3)	(34)	659
Carried interest		269	n/a	(1)	(57)	211
Total private equity investments		5,751	343	(30)	(134)	5,930
Private Credit Strategies		805	188	(193)	(57)	743
Real estate		52	-	(6)	3	49
Other net assets ⁽ⁱ⁾		631	(625)	657	(12)	651
Total corporate investments, excluding intercompany loans		7,239	(94)	428	(200)	7,373
Intercompany loans receivable from Onex and the Asset Managers		3,755	241	(613)	-	3,383
Intercompany loans payable to Onex and the Asset Managers		(429)	(18)	5	-	(442)
Intercompany loans receivable from Investment Holding Companies		429	18	(5)	-	442
Total corporate investments	\$	10,994	\$ 147	\$ (185)	\$ (200)	\$ 10,756

(i) 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 June 30, 2022, Onex' corporate investments, which are more fully described in note 4 to the unaudited interim consolidated financial statements, totalled \$10.8 billion (December 31, 2021 – \$11.0 billion).

During the six months ended June 30, 2022, Onex' investment of capital primarily consisted of the investment made in Onex Partners V and ONCAP IV, as described on page 9 of this interim MD&A, and investments made in private credit strategies, as described on page 11.

During the six months ended June 30, 2022, realizations and distributions to Onex primarily consisted of the private credit activities, as described on page 11 of this interim MD&A.

During the six months ended June 30, 2022, the change in fair value of Onex' corporate investments totalled a decrease of \$200 million, primarily driven by changes in fair value of Onex' investments in private equity, which are more fully described on page 23 of this interim MD&A, and changes in fair value of Onex' investments in CLOs, as more fully described on page 24 of this interim MD&A.

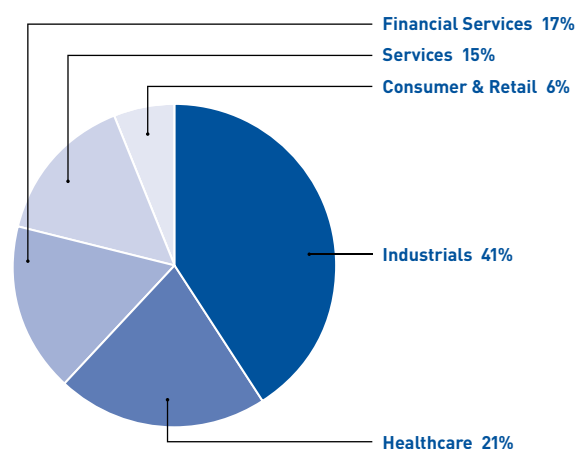
The valuation of public investments held directly by Onex or through the Onex Partners Funds and ONCAP Funds is based on their publicly traded closing prices at June 30, 2022. For certain public investments, a discount was applied to the closing price in relation to restrictions that were in place at June 30, 2022 relating to the securities held by Onex, the Onex Partners Funds or the ONCAP Funds. At June 30, 2022, these discounts resulted in a reduction of \$62 million in the fair value of corporate investments (December 31, 2021 – \$77 million).

Onex' private equity investments include direct and indirect investments in 41 operating businesses at June 30, 2022, which operate in a variety of industries and countries. Details of these operating businesses' revenues, assets and debt are as follows:

TABLE 13	<i>(Unaudited) (\$ millions)</i>	
	Six months ended	Operating Business Revenues ⁽ⁱ⁾
	June 30, 2022	
Industrials	\$ 6,165	41%
Healthcare	3,254	21%
Financial Services	2,607	17%
Services	2,208	15%
Consumer & Retail	866	6%
Total	\$ 15,100	100%

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

Operating Business Revenues by Industry Vertical – Six Months Ended June 30, 2022⁽ⁱ⁾

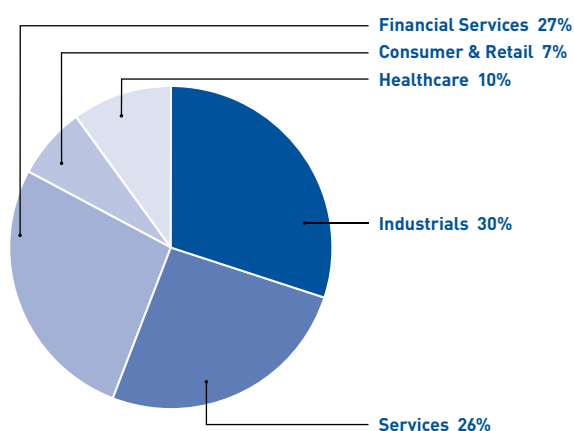


(i) Includes revenues during the period that Onex controls, jointly controls or has significant influence over the operating businesses.

TABLE 14	<i>(Unaudited) (\$ millions)</i>		<i>(Unaudited) (\$ millions)</i>	
	As at June 30, 2022	Operating Business Assets ⁽ⁱ⁾	Operating Business Debt ⁽ⁱ⁾	
Industrials	\$ 14,285	30%	\$ 5,121	30%
Financial Services	12,716	27%	2,564	15%
Services	12,316	26%	5,090	30%
Healthcare	4,811	10%	2,877	17%
Consumer & Retail	3,391	7%	1,438	8%
Total	\$ 47,519	100%	\$ 17,090	100%

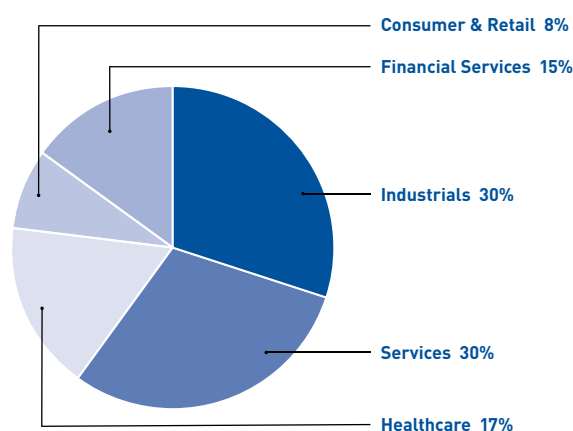
(i) Includes the assets and debt of operating businesses that Onex controls, jointly controls or has significant influence over.

Operating Business Assets by Industry Vertical – June 30, 2022⁽ⁱ⁾



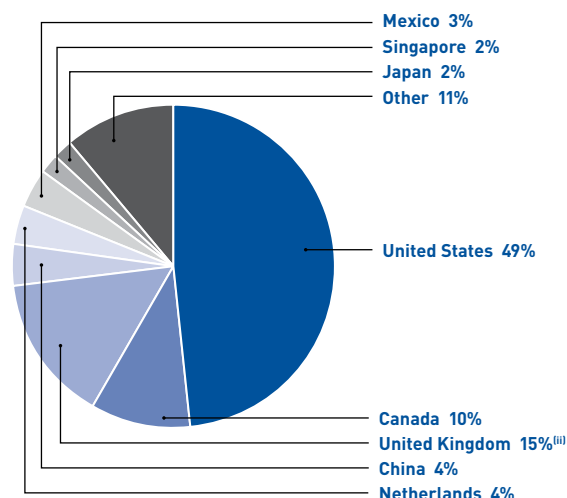
(i) Includes the assets of operating businesses that Onex controls, jointly controls or has significant influence over.

Operating Business Debt by Industry Vertical – June 30, 2022⁽ⁱ⁾



(i) 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, 2021⁽ⁱ⁾



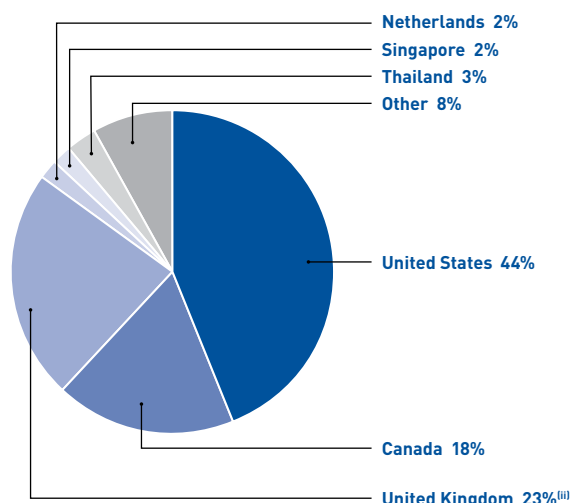
(i) Includes revenues of operating businesses that are controlled or jointly controlled by Onex.

(iii) 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 June 30, 2022, intercompany loans payable to the Investment Holding Companies totalled \$3.4 billion (December 31, 2021 – \$3.8 billion) and the corresponding receivable of \$3.4 billion (December 31, 2021 – \$3.8 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, 2021⁽ⁱ⁾



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

(ii) Includes assets held in United Kingdom overseas territories.

Equity

Table 15 provides a reconciliation of the change in equity from December 31, 2021 to June 30, 2022.

Change in Equity

TABLE 15 | (Unaudited) (\$ millions)

Balance – December 31, 2021	\$ 8,374
Dividends declared	(14)
Repurchase and cancellation of shares	(78)
Net loss	(20)
Currency translation adjustments included in other comprehensive loss	(4)
Equity as at June 30, 2022	\$ 8,258

Dividend policy

Table 16 presents Onex' dividends paid per share for the twelve months ended June 30 during the past five years.

TABLE 16	(\$ per share amounts)	Dividend Paid per Share
Twelve months ended June 30:		
2018		C\$ 0.30
2019		C\$ 0.35
2020		C\$ 0.40
2021		C\$ 0.40
2022		C\$ 0.40

Shares outstanding

At June 30, 2022, 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 85,568,396 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 six months ended June 30, 2022.

Table 17 shows the change in the number of SVS outstanding from December 31, 2021 to July 31, 2022.

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, 2021		86,805,538				
Shares repurchased and cancelled:						
Normal Course Issuer Bids		(1,392,169)	\$ 61.51	\$ 78.04	\$ 86	\$ 109
SVS outstanding at July 31, 2022		85,413,369				

Shares repurchased and cancelled

The Normal Course Issuer Bid ("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, 2022, Onex renewed its NCIB following the expiry of its previous NCIB on April 17, 2022. Under the new NCIB, Onex is permitted to purchase up to 10% of its public float of SVS, or 7,167,381 SVS. Onex may purchase up to 35,172 SVS during any trading day, being 25% of its average daily trading volume for the six months ended

March 31, 2022. 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, 2022 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 17, 2023. 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, 2022, Onex repurchased 4,039,408 SVS at a total cost of \$286 million (C\$360 million) or an average purchase price of \$70.80 (C\$89.10) per share.

Stock Option Plan

At June 30, 2022, Onex had 12,040,895 options outstanding to acquire SVS, of which 253,000 options were vested and exercisable. During the six months ended June 30, 2022, 430,750 options were issued, primarily in connection with services provided during the year ended December 31, 2021, at a weighted average exercise price of C\$89.46, 261,900 options were surrendered at a weighted average exercise price of C\$53.59 for aggregate cash consideration of \$8 million (C\$10 million) and 244,325 options expired.

Director Deferred Share Unit Plan

During the six months ended June 30, 2022, 36,225 DSUs were issued to directors having an aggregate value of \$2 million (C\$3 million). At June 30, 2022, there were 697,837 Director DSUs outstanding (December 31, 2021 – 659,955). At June 30, 2022, Onex had economically hedged 95% of the outstanding Director DSUs with counterparty financial institutions.

Management Deferred Share Unit Plan

In early 2022, 78,566 DSUs were issued to the Onex management team having an aggregate value, at the date of grant, of \$5 million (C\$7 million) in lieu of that amount of cash compensation for Onex' 2021 fiscal year. During the six months ended June 30, 2022, 104,290 Management DSUs were exercised at a weighted average exercise price of C\$82.06 for aggregate cash consideration of \$7 million (C\$9 million). In connection with the exercised Management DSUs, Onex received \$7 million (C\$9 million) of proceeds from forward agreements it had entered into with a financial institution to economically hedge the Management DSUs. At June 30, 2022, there were 858,296 Management DSUs outstanding (December 31, 2021 – 881,943).

At June 30, 2022, Onex had economically hedged 100% of the outstanding Management DSUs with counterparty financial institutions. Forward agreements with a fair value of \$76 million at June 30, 2022, associated with Director DSUs and Management 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 and Credit strategies. Onex' objectives in managing capital have not changed since December 31, 2021.

At June 30, 2022, Onex had \$1.2 billion of cash and near-cash items, as described on page 28 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 June 30, 2022, the fair value of treasury investments, including cash yet to be deployed and net working capital managed by a third-party investment manager, was \$391 million (December 31, 2021 – \$677 million). The decrease in treasury investments was primarily driven by the net sale of treasury investments to fund certain private equity investments made during the period. 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. 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 (\$559 million) and ONCAP IV (\$121 million). In addition, Onex has uncalled committed capital of approximately \$304 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 six months ended June 30, 2022 and 2021.

Major Cash Flow Components

TABLE 18	<i>(Unaudited) (\$ millions)</i>	
	Six months ended June 30	
	2022	2021
Cash provided by (used in) operating activities	\$ (259)	\$ 161
Cash used in financing activities	\$ (361)	\$ (324)
Cash provided by investing activities	\$ 211	\$ 173
Consolidated cash and cash equivalents	\$ 137	\$ 717

Cash provided by (used in) operating activities

Table 19 provides a breakdown of cash provided by (used in) operating activities by cash generated from operations and changes in non-cash working capital items for the six months ended June 30, 2022 and 2021.

Components of Cash Provided by (Used in) Operating Activities

TABLE 19	<i>(Unaudited) (\$ millions)</i>	
	Six months ended June 30	
	2022	2021
Cash generated from operations	\$ (98)	\$ 254
Changes in working capital items:		
Management and advisory fees, recoverable fund expenses and other receivables	(82)	(34)
Other assets	(11)	-
Accounts payable, accrued liabilities and other liabilities	4	(8)
Accrued compensation	(73)	(51)
Decrease in cash and cash equivalents due to changes in working capital items	(162)	(93)
Increase in other operating activities	1	-
Cash provided by (used in) operating activities	\$ (259)	\$ 161

Cash generated from operations includes net earnings (loss) from operations before interest, 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 six months ended June 30, 2022 and 2021 were:

- an \$82 million increase in receivables, primarily driven by management fees earned but not yet received from the limited partners of the Onex Partners Funds and an increase in recoverable fund expenses from the Onex Partners Funds and Onex Partners operating companies. These increases were partially offset by the receipt of performance fees from certain Credit strategies. This compares to a \$34 million increase during the same period in 2021, primarily driven by management fees earned but not yet received from the limited partners of the Onex Partners and ONCAP Funds, partially offset by the receipt of performance fees from certain Credit strategies; and
- a \$73 million decrease in accrued compensation primarily as a result of the payment of 2021 incentive compensation during the first quarter of 2022, partially offset by accrued incentive compensation related to the 2022 fiscal year. This compares to a \$51 million decrease during the same period in 2021, 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.

Cash used in financing activities

Cash used in financing activities was \$361 million for the six months ended June 30, 2022 compared to \$324 million for the same period in 2021. Cash used in financing activities for the six months ended June 30, 2022 primarily consisted of \$266 million of net loan repayments to the Investment Holding Companies (2021 – \$276 million), \$74 million of cash used to repurchase Onex stock (2021 – \$27 million), as described on page 34 of this interim MD&A, and \$14 million of cash dividends paid (2021 – \$14 million).

Cash provided by investing activities

Cash provided by investing activities totalled \$211 million for the six months ended June 30, 2022 compared to \$173 million during the same period in 2021. Cash provided by investing activities during the six months ended June 30, 2022 primarily consisted of the net sale of treasury investments totalling \$208 million (2021 – \$172 million).

Consolidated cash resources

At June 30, 2022, consolidated cash and cash equivalents decreased to \$137 million from \$547 million at December 31, 2021. The major components of cash and cash equivalents at June 30, 2022 included \$64 million of cash on hand (December 31, 2021 – \$188 million) and \$52 million of money market funds (December 31, 2021 – \$353 million).

At June 30, 2022, Onex had \$1.2 billion of cash and near-cash on hand (December 31, 2021 – \$1.6 billion), as described on page 28 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 six months ended June 30, 2022, Onex committed an additional \$100 million to the Onex Capital Solutions Fund, increasing its total commitment to the fund to \$200 million. 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:

TABLE 20	(Unaudited) (\$ millions) Three Months Ended June 30, 2022			Six Months Ended June 30, 2022		
	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⁾	\$ 31	\$ 4	\$ 35	\$ 59	\$ 8	\$ 67
Private Credit Strategies	27	2	29	50	6	56
Gluskin Sheff pooled fund vehicles ⁽ⁱⁱⁱ⁾	10	–	10	24	–	24
Total related-party revenues	\$ 68	\$ 6	\$ 74	\$ 133	\$ 14	\$ 147
Third-party revenues from Gluskin Sheff funds	1	–	1	3	–	3
Total revenues	\$ 69	\$ 6	\$ 75	\$ 136	\$ 14	\$ 150

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

(iii) 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 June 30, 2022	Management and Advisory Fees Receivable	Recoverable Fund and Operating Expenses Receivable	Performance Fees	Other Receivables	Total
Private Equity Funds		\$ 242	\$ 128	\$ -	\$ -	\$ 370
Private Credit Strategies		25	15	-	-	40
Onex Partners and ONCAP operating businesses		7	18	-	-	25
Gluskin Sheff pooled fund vehicles		4	1	2	-	7
Total related-party receivables		\$ 278	\$ 162	\$ 2	\$ -	\$ 442
Third-party receivables		1	-	-	7	8
Total		\$ 279	\$ 162	\$ 2	\$ 7	\$ 450

Services received from operating companies

During the three and six months ended June 30, 2022, Onex received services from certain operating companies, the value of which was not significant.

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.

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.

Assets under management ("AUM") 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 close-ended Credit Funds; and
- (iv) The gross invested assets or net asset value of the open-ended 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.

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 strategies are managed by Onex Credit and primarily include mezzanine financing, investments in senior secured loans and other loan investments in private equity sponsor-owned portfolio companies and, selectively, other corporate borrowers.

Distributable earnings (loss) is a non-GAAP financial measure which consists of recurring fee-related earnings (loss), net realized gains (losses) from Onex' investments and the receipt of carried interest from Onex' private equity and private credit funds.

Fee-generating assets under management ("FG AUM") are the assets under management on which the Company receives recurring management fees.

Fee-related earnings (loss) is a non-GAAP financial measure which includes revenues, including unrealized performance fees, and expenses recognized by Onex' asset management segment and excludes realization-driven carried interest.

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 and treasury investments, as well as cash and cash equivalents, and near-cash available for investing. Investing capital is determined on the same basis as Onex' total investing segment assets.

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.

Liquid strategies are managed by Onex Credit and primarily hold investments in public equities, public debt and first-lien senior secured loans.

Management incentive plans include: (i) for all investments completed prior to 2020 and excluding all Onex Partners V investments, the management investment plan ("MIP") required Onex management team members to invest in each of the operating businesses acquired or invested in by Onex. In addition to this required investment, management was allocated 12% of Onex' realized gain from an operating business investment, subject to certain conditions. In particular, Onex must realize the full return of its investment plus a net 15% internal rate of return from the investment in order for management to be allocated the additional gain on Onex' 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% compounded 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 up to December 31, 2020. The Credit management team is allocated 50% of the carried interest realized on Onex Falcon Funds launched after December 31, 2020.

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 represents investment holdings in readily marketable investments that can be converted to cash in an orderly market. In addition, near-cash also includes management fees and recoverable fund expenses receivable from the Onex Partners and ONCAP Funds, and subscription financing receivable from the Onex Capital Solutions Fund attributable to third-party investors.

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.

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.

ONCAP Group represents Onex, the limited partners of the relevant ONCAP Fund, the Onex management team and, where applicable, certain other limited partners as co-investors.

Onex or the Company represents Onex Corporation.

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

Onex Partners Group represents Onex, the limited partners of the relevant Onex Partners Fund, the Onex management team and, where applicable, certain other limited partners as co-investors.

Opportunistic credit strategies are managed by Onex Credit and primarily hold investments in first-lien senior secured loans, second-lien loans, bonds, trade claims, credit default swaps and other debt investments having similar characteristics.

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 refer to 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.

Structured credit strategies are managed by Onex Credit and primarily hold investments in collateralized loan obligations.

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 June 30, 2022	As at December 31, 2021
Assets		
Cash and cash equivalents	\$ 137	\$ 547
Treasury investments (note 2)	80	290
Management and advisory fees, recoverable fund expenses and other receivables (note 3)	450	369
Corporate investments (including intercompany loans receivable from Onex and the Asset Managers of \$3,383 (December 31, 2021 – \$3,755), comprising part of the fair value of Investment Holding Companies) (note 4)	10,756	10,994
Other assets (note 6)	102	136
Property and equipment	134	148
Intangible assets	124	139
Goodwill	262	264
Total assets	\$ 12,045	\$ 12,887
Intercompany loans payable to Investment Holding Companies (note 5)	(3,383)	(3,755)
Total assets net of intercompany loans payable to Investment Holding Companies	\$ 8,662	\$ 9,132
Other liabilities		
Accounts payable and accrued liabilities	\$ 25	\$ 25
Accrued compensation	74	147
Stock-based compensation payable (note 6)	183	462
Lease liabilities	63	71
Contingent consideration and other liabilities	59	53
Total other liabilities	\$ 404	\$ 758
Net assets	\$ 8,258	\$ 8,374
Equity		
Share capital (note 7)	\$ 300	\$ 304
Retained earnings and accumulated other comprehensive earnings	7,958	8,070
Total equity	\$ 8,258	\$ 8,374

These unaudited interim consolidated financial statements should be read in conjunction with the 2021 audited annual consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited) (in millions of U.S. dollars except per share data)	Three months ended June 30		Six months ended June 30	
	2022	2021	2022	2021
Income				
Net gain (loss) on corporate investments (including a decrease in carried interest of \$76 and \$57 during the three and six months ended June 30, 2022, respectively (2021 – increase of \$32 and \$128)) (note 4)	\$ (282)	\$ 285	\$ (200)	\$ 763
Management and advisory fees (note 8)	69	69	136	140
Reimbursement of expenses from investment funds and operating businesses (note 8)	6	11	14	18
Interest and net treasury investment income (loss) (note 9)	–	–	(1)	1
Other income	–	1	2	1
Total income (loss)	\$ (207)	\$ 366	\$ (49)	\$ 923
Expenses				
Compensation	\$ (57)	\$ (57)	\$ (123)	\$ (118)
Stock-based compensation recovery (expense) (note 6)	122	(91)	229	(134)
Amortization of property, equipment and intangible assets	(13)	(15)	(27)	(32)
Recoverable expenses from investment funds and operating businesses	(6)	(11)	(14)	(18)
Other expenses	(23)	(19)	(36)	(33)
Total recovery (expenses)	\$ 23	\$ (193)	\$ 29	\$ (335)
Earnings (loss) before income taxes	\$ (184)	\$ 173	\$ (20)	\$ 588
Recovery of income taxes	–	1	–	1
Net earnings (loss)	\$ (184)	\$ 174	\$ (20)	\$ 589
Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation (note 10)				
Basic	\$ (2.15)	\$ 1.95	\$ (0.23)	\$ 6.55
Diluted	\$ (2.15)	\$ 1.95	\$ (0.23)	\$ 6.54

These unaudited interim consolidated financial statements should be read in conjunction with the 2021 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 June 30		Six months ended June 30	
	2022	2021	2022	2021
Net earnings (loss)	\$ (184)	\$ 174	\$ (20)	\$ 589
Other comprehensive earnings (loss), net of tax				
Items that may be reclassified to net earnings (loss):				
Currency translation adjustments	(7)	4	(4)	6
Other comprehensive earnings (loss), net of tax	\$ (7)	\$ 4	\$ (4)	\$ 6
Total comprehensive earnings (loss)	\$ (191)	\$ 178	\$ (24)	\$ 595

These unaudited interim consolidated financial statements should be read in conjunction with the 2021 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 ⁽ⁱ⁾	Total Equity
Balance – December 31, 2020	\$ 314	\$ 6,915	\$ 14	\$ 7,243
Dividends declared ⁽ⁱⁱⁱ⁾	–	(14)	–	(14)
Repurchase and cancellation of shares	(1)	(27)	–	(28)
Net earnings	–	589	–	589
Currency translation adjustments included in other comprehensive earnings	–	–	6	6
Balance – June 30, 2021	\$ 313	\$ 7,463	\$ 20	\$ 7,796
Balance – December 31, 2021	\$ 304	\$ 8,055	\$ 15	\$ 8,374
Dividends declared ⁽ⁱⁱⁱ⁾	–	(14)	–	(14)
Repurchase and cancellation of shares (note 7)	(4)	(74)	–	(78)
Net loss	–	(20)	–	(20)
Currency translation adjustments included in other comprehensive earnings (loss)	–	–	(4)	(4)
Balance – June 30, 2022	\$ 300	\$ 7,947	\$ 11	\$ 8,258

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

(iii) Dividends declared per Subordinate Voting Share were C\$0.20 for the six months ended June 30, 2022 (2021 – C\$0.20). 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 2021 audited annual consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited) (in millions of U.S. dollars)	Six months ended June 30	
	2022	2021
Operating Activities		
Net earnings (loss)	\$ (20)	\$ 589
Adjustments to net earnings (loss):		
Recovery of income taxes	-	(1)
Interest and net treasury investment loss (income)	1	(1)
Interest expense	1	1
Earnings (loss) before interest	(18)	588
Net stock-based compensation paid	(8)	(26)
Investments made in and loans made to Investment Holding Companies	(71)	(32)
Distributions and loan repayments received from Investment Holding Companies and sale of private equity investment	3	320
Items not affecting cash and cash equivalents:		
Amortization of property, equipment and intangible assets	27	32
Net loss (gain) on corporate investments (note 4)	200	(763)
Stock-based compensation expense (recovery) (note 6)	(229)	134
Foreign exchange gain	(1)	-
Other	(1)	1
	(98)	254
Changes in working capital items:		
Management and advisory fees, recoverable fund expenses and other receivables	(82)	(34)
Other assets	(11)	-
Accounts payable, accrued liabilities and other liabilities	4	(8)
Accrued compensation	(73)	(51)
Decrease in cash and cash equivalents due to changes in working capital items	(162)	(93)
Increase in other operating activities	1	-
Cash provided by (used in) operating activities	\$ (259)	\$ 161
Financing Activities		
Cash dividends paid	\$ (14)	\$ (14)
Principal elements of lease payments	(6)	(6)
Cash interest paid	(1)	(1)
Repurchase of share capital of Onex Corporation	(74)	(27)
Issuance of loans from Investment Holding Companies	169	152
Repayment of loans to Investment Holding Companies	(435)	(428)
Cash used in financing activities	\$ (361)	\$ (324)
Investing Activities		
Net sale of treasury investments	\$ 208	\$ 172
Sale of property and equipment	4	-
Purchase of property and equipment	(1)	-
Cash interest received	-	1
Cash provided by investing activities	\$ 211	\$ 173
Increase (Decrease) in Cash and Cash Equivalents	\$ (409)	\$ 10
Increase (decrease) in cash due to changes in foreign exchange rates	(1)	1
Cash and cash equivalents, beginning of the period	547	706
Cash and Cash Equivalents	\$ 137	\$ 717

These unaudited interim consolidated financial statements should be read in conjunction with the 2021 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 clients 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 primarily consist of non-investment grade debt in collateralized loan obligations, and structured, opportunistic and direct lending 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 June 30, 2022.

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 Audit and Corporate Governance Committee on August 10, 2022.

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 the majority 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 liquid strategies. This activity is conducted through wholly-owned subsidiaries of Onex, which are the managers of the Onex Partners Funds, ONCAP Funds and Credit strategies. These subsidiaries are referred to as Onex’ **Asset Managers** and are consolidated by Onex. The **Credit** platform includes a broad spectrum of private credit, public debt and public equity strategies that are managed by the Onex Credit team.

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.

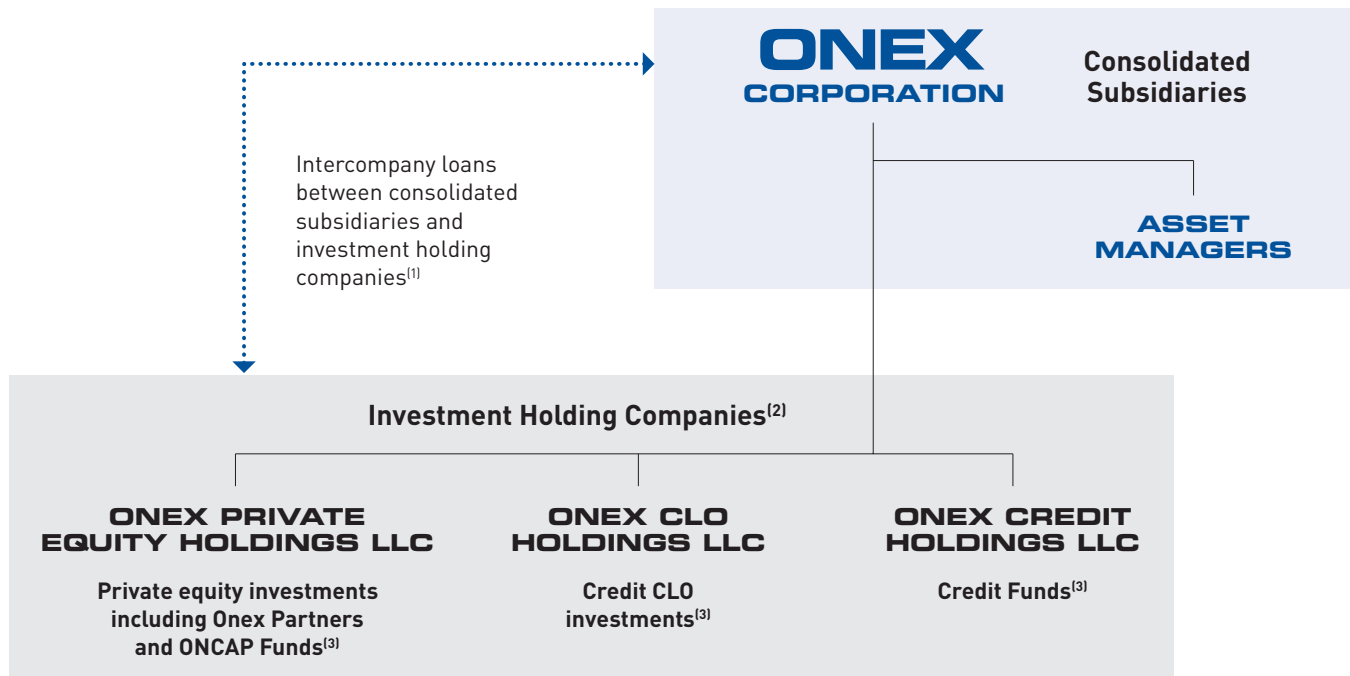
Onex meets the definition of an investment entity, as defined by IFRS 10, *Consolidated financial statements* ("IFRS 10"). As a result, Onex' investments in its subsidiaries that do not provide investment-related services are accounted for as corporate investments at fair value through net earnings (loss).

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 and Credit strategies 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, 2021.

The unaudited interim consolidated financial statements are based on accounting policies, as described in note 1 to the 2021 audited annual consolidated financial statements. Several amendments and interpretations of IFRS apply for the first time in 2022; 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:

	June 30, 2022	December 31, 2021
Commercial paper and corporate obligations	\$ 72	\$ 243
Asset-backed securities	8	19
Federal debt instruments	–	20
Other	–	8
Total treasury investments	\$ 80	\$ 290

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

The Company's receivables comprised the following:

	June 30, 2022	December 31, 2021
Management and advisory fees	\$ 279	\$ 208
Recoverable fund and operating businesses' expenses	162	138
Performance fees	2	13
Other	7	10
Total	\$ 450	\$ 369

Management and advisory fees receivable, and recoverable fund and operating businesses' expenses receivable, primarily consisted of management fees and recoverable expenses receivable of \$370 (December 31, 2021 – \$308) from the Onex private equity funds and \$13 from the Onex Falcon Funds. Onex has elected to defer cash receipt of management fees and recoverable expenses from certain funds until the later stages of each fund's life. At June 30, 2022 and December 31, 2021, the receivables for management and advisory fees, and recoverable fund and operating businesses' expenses receivable, primarily related to receivables 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, 2021	Capital Deployed	Realizations and Distributions	Change in Fair Value	June 30, 2022	Change in Fair Value During the Three Months Ended June 30, 2022
Onex Partners Funds	\$ 4,256	\$ 323	\$ (26)	\$ (186)	\$ 4,367	\$ (192)
ONCAP Funds	534	16	-	143	693	62
Other private equity	692	4	(3)	(34)	659	(28)
Carried interest	269	n/a	(1)	(57)	211	(76)
Total private equity investments ^(a)	5,751	343	(30)	(134)	5,930	(234)
Private Credit Strategies ^(b)	805	188	(193)	(57)	743	(44)
Real estate ^(c)	52	-	(6)	3	49	2
Other net assets ^(d)	631	(625)	657	(12)	651	(6)
Total corporate investments, excluding intercompany loans	7,239	(94)	428	(200)	7,373	(282)
Intercompany loans receivable from Onex and the Asset Managers ^(e)	3,755	241	(613)	-	3,383	-
Intercompany loans payable to Onex and the Asset Managers ^(f)	(429)	(18)	5	-	(442)	-
Intercompany loans receivable from Investment Holding Companies ^(f)	429	18	(5)	-	442	-
Total corporate investments	\$ 10,994	\$ 147	\$ (185)	\$ (200)	\$ 10,756	\$ (282)

a) Private equity investments

The Company's private equity investments comprised the following:

	December 31, 2021	Capital Deployed	Realizations and Distributions	Change in Fair Value	June 30, 2022	Change in Fair Value During the Three Months Ended June 30, 2022
Onex Partners Funds						
Onex Partners I	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ -
Onex Partners II	11	-	-	(7)	4	-
Onex Partners III	293	-	(3)	13	303	7
Onex Partners IV	2,014	-	-	(290)	1,724	(205)
Onex Partners V	2,130	323	(22)	68	2,499	(25)
Management incentive programs	(193)	n/a	(1)	30	(164)	31
Total investment in Onex Partners Funds⁽ⁱ⁾	4,256	323	(26)	(186)	4,367	(192)
ONCAP Funds						
ONCAP II	103	-	-	5	108	2
ONCAP III	84	-	-	2	86	(3)
ONCAP IV	400	16	-	167	583	77
Management incentive programs	(53)	n/a	-	(31)	(84)	(14)
Total investment in ONCAP Funds⁽ⁱⁱ⁾	534	16	-	143	693	62
Other private equity investments⁽ⁱⁱⁱ⁾	692	4	(3)	(34)	659	(28)
Carried interest^(iv)	269	n/a	(1)	(57)	211	(76)
Total private equity investments	\$ 5,751	\$ 343	\$ (30)	\$ (134)	\$ 5,930	\$ (234)

i) Onex Partners Funds

At June 30, 2022, the Onex Partners Funds had investments in 24 operating businesses in various industry sectors and countries. Onex' investments in the Onex Partners Funds include co-investments, where applicable.

In February 2022, Onex invested \$98 as part of the Onex Partners V Group's investment in Tes Global ("Tes"), an international provider of comprehensive software solutions for the education sector.

In March 2022, Onex invested \$117 as part of the Onex Partners V Group's investment in Resource Environmental Solutions, LLC ("RES"), an ecological restoration company that supports the public and private sectors with solutions for environmental mitigation, stormwater, water quality, and climate and flooding resilience.

In April 2022, Onex invested \$108 as part of the Onex Partners V Group's acquisition of Analytic Partners, Inc. ("Analytic Partners"), a cloud-based, managed software platform which helps customers assess marketing spend effectiveness and optimize future allocations across offline and online media channels.

ii) ONCAP Funds

At June 30, 2022, the ONCAP Funds had investments in 16 operating businesses. Onex' investments in the ONCAP Funds include co-investments, where applicable.

In February 2022, Onex invested \$16 as part of the ONCAP IV Group's investment in Merrithew Corporation ("Merrithew"), a developer, manufacturer and retailer of Pilates equipment, accessories, content and education.

In June 2022, the ONCAP IV Group invested in Ideal Dental Management Partners ("Ideal Dental"), a specialty dental service organization focused on providing business and administrative services to specialty dental service providers. In August 2022, Onex invested \$28 in the ONCAP IV Group in connection with the investment in Ideal Dental.

iii) Other private equity investments

Other private equity investments primarily consist of Onex' investments in Celestica, Incline Aviation Funds I and II, and Ryan Specialty Group ("RSG"). During the six months ended June 30, 2022, there were no significant transactions related to Onex' other private equity investments.

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 decrease in unrealized carried interest during the six months ended June 30, 2022 was primarily due to net decreases in the fair value of the underlying investments in Onex Partners IV.

b) Private Credit Strategies

The Company's investment in private credit strategies comprised the following:

	December 31, 2021	Capital Deployed	Realizations and Distributions	Change in Fair Value	June 30, 2022	Change in Fair Value During the Three Months Ended June 30, 2022
Structured Credit Strategies						
U.S. CLOs	\$ 313	\$ 18	\$ (36)	\$ (36)	\$ 259	\$ (23)
EURO CLOs	101	23	(32)	(20)	72	(13)
CLO warehouses	27	54	(67)	5	19	1
Other structured strategies	41	13	(9)	(1)	44	(1)
Opportunistic Credit Strategies	103	67	(16)	3	157	2
Liquid Strategies⁽ⁱ⁾	101	-	-	(7)	94	(6)
Direct Lending	119	13	(33)	(1)	98	(4)
Total investment in Private Credit Strategies	\$ 805	\$ 188	\$ (193)	\$ (57)	\$ 743	\$ (44)

(i) Liquid strategies include investments in first-lien senior secured loans.

During the six months ended June 30, 2022, Onex invested net capital of \$20 in CLOs and received distributions of \$47.

During the six months ended June 30, 2022, the decline in Onex' investments in CLO warehouses was primarily driven by the return of investments previously made in its fifth European CLO ("EURO CLO-5"), partially offset by investments made to support

the warehouse facilities for its twenty-fifth CLO denominated in U.S. dollars ("CLO-25").

During 2022, Onex committed an additional \$100 to the Onex Capital Solutions Fund, as described in note 14, resulting in additional capital deployed to Opportunistic Credit Strategies.

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 six months ended June 30, 2022, there were no significant transactions related to Onex' investment in real estate.

d) Other net assets

Other net assets consisted 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:

	June 30, 2022	December 31, 2021
Cash and cash equivalents	\$ 309	\$ 246
Treasury investments	296	310
Restricted cash	21	21
Other net assets ⁽ⁱ⁾	25	54
Total other net assets	\$ 651	\$ 631

(i) Included in other net assets at June 30, 2022 was \$63 (December 31, 2021 – \$130) of subscription financing receivable, including interest receivable, from the Onex Capital Solutions Fund attributable to third-party investors.

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

	June 30, 2022	December 31, 2021
Federal debt instruments	\$ 145	\$ 172
Commercial paper and corporate obligations	125	109
Asset-backed securities	17	18
Other	9	11
Total treasury investments	\$ 296	\$ 310

e) Intercompany loans receivable from Onex and the Asset Managers

The Investment Holding Companies have intercompany loans receivable from Onex and the Asset Managers. At June 30, 2022, the intercompany loans receivable from Onex and the Asset Managers of \$3,383 (December 31, 2021 – \$3,755) 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 \$3,383 at June 30, 2022 (December 31, 2021 – \$3,755) 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 June 30, 2022, Onex and the Asset Managers had intercompany loans receivable from the Investment Holding Companies totalling \$442 (December 31, 2021 – \$429). The corresponding intercompany loans payable to Onex and the Asset Managers, which totalled \$442 at June 30, 2022 (December 31, 2021 – \$429), 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 non-interest bearing. At June 30, 2022, intercompany loans payable to the Investment Holding Companies totalled \$3,383 (December 31, 2021 – \$3,755) and the corresponding receivable of \$3,383 (December 31, 2021 – \$3,755) 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:

	June 30, 2022	December 31, 2021
Stock Option Plan	\$ 103	\$ 338
Management DSU Plan	43	69
Director DSU Plan	35	51
Other	2	4
Total stock-based compensation payable	\$ 183	\$ 462

Included in other assets at June 30, 2022 was \$79 (December 31, 2021 – \$116) related to forward agreements to economically hedge the Company's exposure to changes in the trading price of Onex shares primarily associated with the Management and Director DSU Plans.

The decrease in stock-based compensation payable at June 30, 2022 was primarily driven by a 35% decrease in the market value of Onex' SVS to C\$64.10 at June 30, 2022 from C\$99.28 at December 31, 2021.

7. SHARE CAPITAL

a) At June 30, 2022, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (December 31, 2021 – 100,000) and 85,568,396 SVS (December 31, 2021 – 86,805,538). 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 June 30, 2022 or December 31, 2021.

b) Onex renewed its Normal Course Issuer Bid in April 2022 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 7.2 million shares.

During the six months ended June 30, 2022, the Company repurchased and cancelled 1,237,142 of its SVS for a total cost of \$78 (C\$99) or an average cost per share of \$63.15 (C\$79.91). The excess of the purchase cost of these shares over the average paid-in amount was \$74 (C\$94), which was charged to retained earnings.

c) During the six months ended June 30, 2022, 430,750 options were issued primarily in connection with services provided during the year ended December 31, 2021 at a weighted average exercise price of C\$89.46, 261,900 options were surrendered for total cash consideration of \$8 (C\$10), and 244,325 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 15(e) to the 2021 audited annual consolidated financial statements.

d) The directors have chosen to receive their directors' fees in DSUs in lieu of cash. At June 30, 2022, 697,837 Director DSUs were outstanding (December 31, 2021 – 659,955).

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 2022, 78,566 DSUs were issued to certain members of the Onex management team in lieu of a portion of cash compensation for the prior fiscal year. During the six months ended June 30, 2022, 104,290 Management DSUs were exercised at a weighted average exercise price of C\$82.06 for aggregate cash consideration of \$7 (C\$9). In connection with the exercised Management DSUs, Onex received \$7 (C\$9) of proceeds from forward agreements it had entered into with a financial institution to economically hedge the Management DSUs. At June 30, 2022, 858,296 Management DSUs were outstanding (December 31, 2021 – 881,943).

The Company has entered into forward agreements with counterparty financial institutions to hedge the Company's exposure to changes in the market value of Onex' SVS associated with approximately 95% of the outstanding Director DSUs and all of the outstanding Management DSUs, as described in note 1 to the 2021 audited annual consolidated financial statements. These forward agreements, which have a fair value of \$76 at June 30, 2022, 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 June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Source of revenues			
Credit \$ 38	\$ 37	\$ 77	\$ 75
Private Equity ⁽ⁱ⁾ 31	32	59	65
Total \$ 69	\$ 69	\$ 136	\$ 140

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

Reimbursement of Expenses			
Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Source of revenues			
Private Equity ⁽ⁱ⁾ \$ 4	\$ 10	\$ 8	\$ 14
Credit 2	1	6	4
Total \$ 6	\$ 11	\$ 14	\$ 18

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

9. INTEREST AND NET TREASURY INVESTMENT INCOME (LOSS)

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

10. NET EARNINGS (LOSS) PER SUBORDINATE VOTING SHARE

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

	Three Months Ended June 30		Six Months Ended June 30	
	2022	2021	2022	2021
Weighted average number of shares outstanding <i>(in millions)</i> :				
Basic	86	90	86	90
Diluted	86	90	86	90

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		
June 30, 2022				
Financial assets				
Cash and cash equivalents	\$ 137	\$ -	\$ -	\$ 137
Treasury investments	80	-	-	80
Management and advisory fees, recoverable fund expenses and other receivables	-	-	447	447
Corporate investments	10,314	442	-	10,756
Other assets	90	-	-	90
Total	\$ 10,621	\$ 442	\$ 447	\$ 11,510

(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, 2021				
Financial assets				
Cash and cash equivalents	\$ 547	\$ -	\$ -	\$ 547
Treasury investments	290	-	-	290
Management and advisory fees, recoverable fund expenses and other receivables	-	-	364	364
Corporate investments	10,565	429	-	10,994
Other assets	130	-	-	130
Total	\$ 11,532	\$ 429	\$ 364	\$ 12,325

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Fair Value through Net Earnings (Loss)		Amortized Cost	Total	
Recognized	Designated			
June 30, 2022				
Financial liabilities				
Intercompany loans payable to				
Investment Holding Companies	\$ -	\$ 3,383	\$ -	\$ 3,383
Accounts payable and accrued liabilities	-	-	25	25
Lease liabilities	-	-	63	63
Contingent consideration and other liabilities	43	-	5	48
Total	\$ 43	\$ 3,383	\$ 93	\$ 3,519

Fair Value through Net Earnings (Loss)		Amortized Cost	Total	
Recognized	Designated			
December 31, 2021				
Financial liabilities				
Intercompany loans payable to				
Investment Holding Companies	\$ -	\$ 3,755	\$ -	\$ 3,755
Accounts payable and accrued liabilities	-	-	22	22
Lease liabilities	-	-	71	71
Contingent consideration and other liabilities	43	-	5	48
Total	\$ 43	\$ 3,755	\$ 98	\$ 3,896

At June 30, 2022, intercompany loans payable to Investment Holding Companies that are recorded at fair value through net earnings (loss) had contractual amounts due on maturity of \$3,383 (December 31, 2021 – \$3,755).

12. FAIR VALUE MEASUREMENTS

Fair values of financial instruments

The estimated fair values of financial instruments as at June 30, 2022 and December 31, 2021 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 six months ended June 30, 2022. 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 which are a Level 1 measurement, is as follows:

As at June 30, 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings (loss)				
Investments in equities	\$ -	\$ -	\$ 10,314	\$ 10,314
Investments in debt	-	80	-	80
Intercompany loans receivable from Investment Holding Companies	-	442	-	442
Restricted cash and other	9	81	-	90
Total financial assets at fair value through net earnings (loss)	\$ 9	\$ 603	\$ 10,314	\$ 10,926

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings (loss)				
Investments in equities	\$ -	\$ -	\$ 10,565	\$ 10,565
Investments in debt	-	290	-	290
Intercompany loans receivable from Investment Holding Companies	-	429	-	429
Restricted cash and other	11	119	-	130
Total financial assets at fair value through net earnings (loss)	\$ 11	\$ 838	\$ 10,565	\$ 11,414

Financial liabilities measured at fair value at June 30, 2022 consisted of intercompany loans payable to Investment Holding Companies totalling \$3,383 (December 31, 2021 – \$3,755), which are a Level 2 measurement in the fair value hierarchy, and contingent consideration payable of \$43 (December 31, 2021 – \$43), 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, 2020	\$ 9,544	\$ 33
Change in fair value recognized in net earnings (loss)	1,698	10
Net cash flows related to intercompany loans and distributions	(677)	–
Balance – December 31, 2021	\$ 10,565	\$ 43
Change in fair value recognized in net earnings (loss)	(200)	–
Net cash flows related to intercompany loans and distributions	(51)	–
Balance – June 30, 2022	\$ 10,314	\$ 43
Unrealized change in fair value of assets and liabilities held at the end of the reporting period	\$ (200)	\$ –

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 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 Credit strategies. The valuation of underlying non-public investments requires significant judgement due to the long-term nature of such investments, the absence of quoted market values, the inherent lack of liquidity and the heightened market uncertainty as a result of global inflationary pressures, increasing interest rates and heightened geopolitical risks. 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 Credit strategies, may have a significant impact on the fair values calculated for these financial assets.

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 June 30, 2022 and December 31, 2021. 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 June 30, 2022 would decrease or increase by \$103, respectively.

Private equity investments

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 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 June 30, 2022 and December 31, 2021. 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 June 30, 2022, these discounts resulted in a reduction of \$62 in the fair value of corporate investments (December 31, 2021 – \$77).

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 June 30, 2022	Inputs at December 31, 2021
Onex Partners Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	7.5x – 19.3x	7.0x – 16.0x
Onex Partners Funds	Discounted cash flow	Weighted average costs of capital	15.0% – 21.4%	13.7% – 18.0%
		Exit multiples	4.0x – 17.0x	4.0x – 17.0x
ONCAP Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	7.4x – 10.0x	7.4x – 9.5x
ONCAP Funds	Discounted cash flow	Weighted average costs of capital	12.2% – 17.5%	10.7% – 22.4%
		Exit multiples	7.0x – 12.0x	7.0x – 11.0x

In addition, at June 30, 2022, the Onex Partners Funds had one investment that was valued using the adjusted net assets approach, one investment that was valued at cost as this approximated fair value, one investment that was valued using a convertible bond model and one investment that was valued based on a multiple of book value. At December 31, 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 three investments that were valued at cost as this approximated fair value.

The impact on the fair value of corporate investments as at June 30, 2022 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	\$ 172	\$ (174)
ONCAP Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	\$ 29	\$ (27)

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	\$ 66	\$ (67)
ONCAP Funds	Discounted cash flow	Exit multiples	\$ 38	\$ (37)

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	\$ 23	\$ (22)
ONCAP Funds	Discounted cash flow	Weighted average costs of capital	\$ 14	\$ (14)

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.

Private credit investments

The valuation of investments in the Credit Funds is reviewed and approved by the General Partner of the respective fund each quarter.

The valuation of certain investments held by the liquid strategies is measured 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.

Valuation methodologies used for certain investments held by the opportunistic strategies may include comparable market yield analysis, enterprise value coverage analysis, liquidation analysis and weighting to available quoted levels or market transactions.

Investments in the Credit CLOs and other structured strategies 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 is 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 Credit CLOs.

Investment Platform	Significant Unobservable Inputs	Inputs at June 30, 2022	Inputs at December 31, 2021
U.S. CLOs	Default rate	2%	2%
	Discount rate	15% – 20%	14% – 19%
	Recovery rate	55%	55%
EURO CLOs	Default rate	2%	2%
	Discount rate	15% – 20%	12% – 17%
	Recovery rate	55%	55%

In addition, at June 30, 2022, Credit had one U.S. CLO investment that was valued at cost as this approximated fair value. At December 31, 2021, Credit had two U.S. CLO investments that were valued at cost as this approximated fair value.

The impact on the fair value of corporate investments as at June 30, 2022 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	\$ 58	\$ (62)
EURO CLOs	Default rate	\$ 15	\$ (19)

Investment Platform	Significant Unobservable Inputs	Decrease of 3.0 Percentage Points	Increase of 3.0 Percentage Points
U.S. CLOs	Discount rate	\$ 15	\$ (13)
EURO CLOs	Discount rate	\$ 4	\$ (4)

Investment Platform	Significant Unobservable Inputs	Increase of 15.0 Percentage Points	Decrease of 15.0 Percentage Points
U.S. CLOs	Recovery rate	\$ 24	\$ (26)
EURO CLOs	Recovery rate	\$ 6	\$ (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 June 30, 2022			Six Months Ended June 30, 2022		
	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⁾	\$ 31	\$ 4	\$ 35	\$ 59	\$ 8	\$ 67
Private Credit Strategies	27	2	29	50	6	56
Gluskin Sheff pooled fund vehicles ⁽ⁱⁱⁱ⁾	10	–	10	24	–	24
Total related-party revenues	\$ 68	\$ 6	\$ 74	\$ 133	\$ 14	\$ 147
Third-party revenues from Gluskin Sheff funds	1	–	1	3	–	3
Total revenues	\$ 69	\$ 6	\$ 75	\$ 136	\$ 14	\$ 150

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

(iii) 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:

	Management and Advisory Fees Receivable	Recoverable Fund and Operating Expenses Receivable	Performance Fees	Other Receivables	Total
As at June 30, 2022					
Private Equity Funds	\$ 242	\$ 128	\$ –	\$ –	\$ 370
Private Credit Strategies	25	15	–	–	40
Onex Partners and ONCAP operating businesses	7	18	–	–	25
Gluskin Sheff pooled fund vehicles	4	1	2	–	7
Total related-party receivables	\$ 278	\$ 162	\$ 2	\$ –	\$ 442
Third-party receivables	1	–	–	7	8
Total	\$ 279	\$ 162	\$ 2	\$ 7	\$ 450

During the three and six months ended June 30, 2022, Onex received services from certain operating companies, the value of which was not significant.

14. COMMITMENTS

During the six months ended June 30, 2022, Onex committed an additional \$100 to the Onex Capital Solutions Fund, increasing its total commitment to the fund to \$200. The fund invests primarily in loans, bonds, trade claims and credit default swaps, among other assets.

15. SUBSEQUENT EVENTS

In August 2022, the Onex Partners IV and Onex Partners V Groups completed the sale of Partou. Onex' share of the net proceeds from the sale was approximately \$155, including carried interest of \$13 and net of payments under the management incentive programs.

In August 2022, Onex invested \$28 as part of the ONCAP IV Group's investment in Ideal Dental, as described in note 4.

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 and Credit strategies, as well as Onex' corporate functions.

Onex' segmented results include unrealized carried interest from third-party limited partners in the Credit Funds, which is recognized based on the fair values of the underlying investments and the unrealized net gains in each respective Fund, in accordance with the limited partnership agreements. In Onex' unaudited interim consolidated financial statements, carried interest from the Credit Funds is recognized as revenue to the extent it is highly probable to not reverse, which typically occurs when the investments held by a given fund are substantially realized, towards the end of the fund's term, as described in note 1 to the 2021 audited annual consolidated financial statements.

Onex' segmented results also include performance fees associated with the management of certain Credit strategies, which are based on the funds' performance during the periods presented by applying an agreed-upon formula to the growth in the net asset value of clients' assets under management. In Onex' unaudited interim consolidated statements of earnings, performance fees are recognized as revenue to the extent the fees are highly probable to not reverse, which is typically at the end of each performance year, as described in note 1 to the 2021 audited annual consolidated financial statements. The reportable segment results for the three and six months ended June 30, 2021 have been restated to include unrealized performance fees from the Credit strategies during the period.

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.

During 2021, Onex' reportable segment results included allocations from the investing segment to the asset management segment related to carried interest and management fees that would have been earned by the asset management segment had Onex' private equity capital been subject to carried interest and management fees under the same terms as third-party limited partners. These allocations are no longer used by Onex' chief operating decision maker to assess performance and allocate resources and are therefore excluded from Onex' reportable segment results. The reportable segment results for the three and six months ended June 30, 2021 have been restated to remove these allocations.

Three Months Ended June 30, 2022				Three Months Ended June 30, 2021		
(Unaudited)	Investing	Asset Management	Total	Investing	Asset Management	Total
Net gain (loss) on corporate investments (including an increase (decrease) in carried interest)	\$ (206)	\$ (75) ⁽ⁱ⁾	\$ (281)	\$ 253	\$ 32 ⁽ⁱ⁾	\$ 285
Management and advisory fees	-	69	69	-	69	69
Performance fees	-	-	-	-	6	6
Other income	-	-	-	-	1	1
Total segment income (loss)	(206)	(6)	(212)	253	108	361
Compensation	-	(57)	(57)	-	(57)	(57)
Amortization of right-of-use assets	-	(3)	(3)	-	(3)	(3)
Other expense	-	(19)	(19)	-	(15)	(15)
Segment net earnings (loss)	\$ (206)	\$ (85)	\$ (291)	\$ 253	\$ 33	\$ 286
Stock-based compensation recovery (expense)			122			(91)
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(10)			(12)
Unrealized carried interest included in segment net earnings (loss) – Credit			(1)			-
Unrealized performance fees included in segment net earnings (loss)			-			(6)
Integration expense			(4)			(4)
Earnings (loss) before income taxes			\$ (184)			\$ 173
Recovery of income taxes			-			1
Net earnings (loss)			\$ (184)			\$ 174

(i) The asset management segment includes a net gain of \$1 (2021 – nil) for unrealized carried interest from third-party limited partners in the Credit Funds.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Six Months Ended June 30, 2022				Six Months Ended June 30, 2021		
(Unaudited)	Investing	Asset Management	Total	Investing	Asset Management	Total
Net gain (loss) on corporate investments (including an increase (decrease) in carried interest)	\$ (143)	\$ (55) ⁽ⁱⁱ⁾	\$ (198)	\$ 635	\$ 128 ⁽ⁱⁱ⁾	\$ 763
Management and advisory fees	-	136	136	-	140	140
Performance fees	-	-	-	-	9	9
Interest and net treasury investment income (loss)	(1)	-	(1)	1	-	1
Other income	-	-	-	-	1	1
Total segment income (loss)	(144)	81	(63)	636	278	914
Compensation	-	(123)	(123)	-	(118)	(118)
Amortization of right-of-use assets	-	(6)	(6)	-	(6)	(6)
Other expense	-	(32)	(32)	-	(29)	(29)
Segment net earnings (loss)	\$ (144)	\$ (80)	\$ (224)	\$ 636	\$ 125	\$ 761
Stock-based compensation recovery (expense)				229 (134)		
Amortization of property, equipment and intangible assets, excluding right-of-use assets				(21) (26)		
Unrealized carried interest included in segment net earnings (loss) – Credit				(2) -		
Unrealized performance fees included in segment net earnings (loss)				- (9)		
Integration expense				(4) (4)		
Other income				2 -		
Earnings (loss) before income taxes				\$ (20) \$ 588		
Recovery of income taxes				- 1		
Net earnings (loss)				\$ (20) \$ 589		

(i) The asset management segment includes a net gain of \$2 (2021 – nil) for unrealized carried interest from third-party limited partners in the Credit Funds.

Segmented assets included the following:

As at June 30, 2022				As at December 31, 2021		
	Investing	Asset Management	Total	Investing	Asset Management	Total
Cash and cash equivalents	\$ 20	\$ 117 ⁽ⁱ⁾	\$ 137	\$ 357	\$ 190 ⁽ⁱⁱ⁾	\$ 547
Treasury investments	80	–	80	290	–	290
Management and advisory fees, recoverable fund expenses and other receivables	383 ⁽ⁱⁱⁱ⁾	67	450	308 ⁽ⁱⁱⁱ⁾	61	369
Corporate investments	7,373	–	7,373	7,239	–	7,239
Unrealized carried interest – Credit	20	–	20	18	–	18
Other assets	–	102	102	–	136	136
Property and equipment	–	134	134	–	148	148
Intangible assets	–	124	124	–	139	139
Goodwill	–	262	262	–	264	264
Total segment assets	\$ 7,876	\$ 806	\$ 8,682	\$ 8,212	\$ 938	\$ 9,150
Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies				3,755		
Unrealized carried interest included in segment assets – Credit				(18)		
Total assets				\$ 12,887		

(i) 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 Investment Advisors, as described in note 26 to the 2021 audited annual consolidated financial statements.

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

SHAREHOLDER INFORMATION

Shares

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

Share Symbol

ONEX

Second Quarter Dividend

A dividend of C\$0.10 per Subordinate Voting Share was paid on July 29, 2022 to shareholders of record as of July 8, 2022. Registered shareholders can elect to receive dividend payments in U.S. dollars by submitting a completed currency election form to TSX Trust Company 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

TSX Trust Company
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.tsxtrust.com
or shareholderinquiries@tmx.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 TSX Trust Company website, www.tsxtrust.com, or contacting them at 1-800-387-0825.

Shareholder Relations Contact

Requests for copies of this report, other quarterly reports, annual reports and other corporate communications should be directed to:
Shareholder 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 Shareholder Relations at Onex.

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