



Q3 2023 Interim Report

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This interim Management's Discussion and Analysis ("MD&A") provides a review of Onex Corporation's ("Onex") unaudited interim consolidated financial results for the three and nine months ended September 30, 2023 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the unaudited interim consolidated statements of earnings, unaudited interim consolidated statements of comprehensive earnings, unaudited interim consolidated balance sheets, unaudited interim consolidated statements of equity and unaudited interim consolidated statements of cash flows of Onex. As such, this interim MD&A should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto included in this report. The financial results have been prepared using accounting policies that are consistent with International Financial Reporting Standards ("IFRS") to provide information about Onex and should not be considered as providing sufficient information to make an investment or lending decision regarding any particular Onex operating business, private equity fund, credit strategy or other investments.

The following interim MD&A is the responsibility of management and is as of November 9, 2023. Preparation of the interim MD&A includes a review of the disclosures by senior management of Onex and the Onex Disclosure Committee. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit and Corporate Governance Committee, composed exclusively of independent directors. The Audit and Corporate Governance Committee has reviewed and recommended approval of this interim MD&A by the Board of Directors. The Board of Directors approved this disclosure.

Onex Corporation's financial filings, including the 2023 Third Quarter Interim MD&A and Financial Statements, and the 2022 Annual Report, Annual Information Form and Management Information Circular, are available on Onex' website, www.onex.com, and on the SEDAR+ website at www.sedarplus.ca.

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.

TABLE OF CONTENTS

3	COMPANY OVERVIEW	29	Consolidated Financial Position
4	Private Equity	29	Consolidated Assets
5	Credit	30	Corporate Investments
		33	Intercompany Loans Payable
6	2023 YEAR-TO-DATE RESULTS & ACTIVITY	33	Stock-Based Compensation Payable
6	Financial Results	33	Accrued Compensation
7	Investing Segment Results	33	Equity
8	Private Equity	33	Dividend Policy
10	Credit	34	Shares Outstanding
		34	Stock Option Plan
11	Asset Management Segment Results	35	Restricted Share Unit Plan
11	Assets Under Management	35	Director Deferred Share Unit Plan
13	Fee-Related Earnings (Loss)	35	Management Deferred Share Unit Plan
14	Distributable Earnings	35	Management of Capital
16	Liquidity	36	Liquidity and Capital Resources
		36	Major Cash Flow Components
17	FINANCIAL REVIEW	36	Cash Provided by (Used in) Operating Activities
19	Consolidated Operating Results	37	Cash Provided by (Used in) Financing Activities
19	Variability of Results	37	Cash Provided by Investing Activities
19	Review of Unaudited Interim Consolidated Financial Statements	37	Consolidated Cash Resources
19	Consolidated Net Earnings (Loss)	37	Commitments
22	Consolidated Income (Loss)	38	Related-Party Transactions
24	Expenses	39	Disclosure Controls and Procedures and Internal Controls Over Financial Reporting
26	Other Comprehensive Earnings (Loss)		
26	Summary of Quarterly Information	40	GLOSSARY
27	Cash and Near-Cash		

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, liquid credit 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.

Onex has \$49.7 billion in assets under management ("AUM")⁽¹⁾, of which \$34.2 billion is fee-generating⁽¹⁾ and \$8.1 billion is Onex' own investing capital (\$103.19 or C\$139.51 per fully diluted share). We generate value 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 from our private equity and private credit funds.

Our Team and Commitment

Onex is led by the firm's CEO, Bobby Le Blanc, as well as experienced leaders at each of our businesses. We have over 175 investment professionals across all platforms, supported by approximately 220 professionals dedicated to our corporate functions and investment platforms. Consistent with our One Onex approach, the teams share and leverage sector expertise, and sourcing and origination of 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 our limited partners. 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 our limited partners and shareholders.

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

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. We have measured and/or estimated carbon emissions associated with our investment platforms and completed the collection of other ESG metrics in select private equity funds. Two of our funds are classified as Article 8 funds under the EU Sustainable Finance Disclosure Regulation. We have completed the 2022 measurement of the Scope 1, Scope 2 and select Scope 3 emissions associated with Onex’ own operations and purchased verified offsets in respect of them. We also recently announced that we are evolving our Climate Strategy to align with climate action best practices by developing a comprehensive strategy to deliver on a net zero goal by 2050. 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 \$23.7 billion of private equity assets under management, of which \$11.0 billion is fee-generating and \$5.8 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 macroeconomic 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 a 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 and is currently fundraising for ONCAP V, which has aggregate commitments of approximately \$600 million. Since inception, Onex has generated a Gross MOC⁽¹⁾ of 2.5 times and a 27% Gross IRR⁽¹⁾ on its publicly traded, realized and substantially realized private equity investments. For more information on the historical performance of Onex private equity funds, please refer to Onex’ Q3 2023 supplemental information package on Onex’ website, www.onex.com.

Market conditions have been contributing to lengthy and time-consuming fundraising processes for many private equity funds. Accordingly, in May 2023 the Company paused fundraising for Onex Partners VI until the fundraising environment improves. Onex’ other fundraising efforts are not impacted by this decision.

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 September 30, 2023, the run-rate management fees⁽¹⁾ from our private equity business are \$117 million. Private equity run-rate management fees are expected to decrease in the fourth quarter of 2023 by approximately \$40 million following the end of the Onex Partners V initial fee period. The decrease will be partially offset as additional capital is raised for ONCAP V.

(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 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%. Onex' share of realized carried interest is included in distributable earnings of our asset management segment. Currently, we have \$11.0 billion of private equity assets under management eligible for carried interest. As at September 30, 2023, Onex' share of unrealized carried interest from private equity totalled \$217 million. The amount of carried interest ultimately received by Onex is based on realizations, the timing of which can vary significantly from year to year.

Onex 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 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, liquid credit and public equity investing strategies that are managed by the Onex Credit team. Credit has \$25.1 billion in assets under management, of which \$23.2 billion is fee-generating and \$777 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 assets under management ("FG AUM") at September 30, 2023 is 0.5%. As at September 30, 2023, the run-rate management fees from our Credit business were \$118 million. Onex is also entitled to earn performance fees on \$1.6 billion of Credit assets under management. Performance fees range between 10% and 20% of net gains and may be subject to performance hurdles.

Credit has \$17.1 billion of assets under management eligible for carried interest, including \$14.2 billion from CLOs. In most cases, Onex receives 50% of the carried interest realized, 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. As at September 30, 2023, Onex' share of unrealized carried interest from Credit totalled \$23 million.

2023 YEAR-TO-DATE RESULTS & ACTIVITY

FINANCIAL RESULTS

Onex' financial results during the three and nine months ended September 30, 2023 and 2022 were as follows:

(Unaudited) (\$ millions except per share amounts)	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net earnings (loss)	\$ 256	\$ (180)	\$ 156	\$ (200)
Net earnings (loss) per diluted share	\$ 3.23	\$ (2.12)	\$ 1.94	\$ (2.33)
Investing segment net earnings (loss)	\$ 245	\$ (114)	\$ 489	\$ (258)
Asset management segment net earnings (loss)	38	(65)	(44)	(145)
Total segment net earnings (loss) ⁽ⁱ⁾	\$ 283	\$ (179)	\$ 445	\$ (403)
Total segment net earnings (loss) per fully diluted share ⁽ⁱⁱ⁾	\$ 3.58	\$ (2.08)	\$ 5.51	\$ (4.62)
Asset management fee-related earnings (loss) ⁽ⁱⁱⁱ⁾	\$ 13	\$ (6)	\$ 9	\$ (11)
Total fee-related earnings (loss) ^(iv)	\$ 8	\$ (15)	\$ (12)	\$ (40)
Distributable earnings ^(v)	\$ 223	\$ 193	\$ 658	\$ 241

(Unaudited) (\$ millions except per share amounts)	September 30, 2023	December 31, 2022	September 30, 2022	Change for the Period Ended September 30, 2023 ^(vi)	
				Nine Months	Twelve Months
Investing capital (U.S. dollars)	\$ 8,074	\$ 7,863	\$ 7,569		
Investing capital per fully diluted share (U.S. dollars) ^(vii)	\$ 103.19	\$ 96.95	\$ 90.26	7%	15%
Investing capital per fully diluted share (Canadian dollars) ^(vii)	\$ 139.51	\$ 131.31	\$ 123.71	6%	13%

(i) Refer to pages 20 and 21 of this interim MD&A for the reconciliation of total segment net earnings (loss) to net earnings (loss).

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

(iii) 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 13 of this interim MD&A.

(iv) 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 13, 14 and 15 of this interim MD&A for further details concerning fee-related earnings (loss), including a reconciliation to net earnings (loss).

(v) Distributable earnings 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 provides investors with useful information concerning the Company's ability to redeploy capital in its business and/or return capital to shareholders. Distributable earnings 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 is Onex' net earnings (loss). Refer to the glossary and pages 14 and 15 of this interim MD&A for further details concerning distributable earnings, including a reconciliation to net earnings (loss).

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

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

INVESTING SEGMENT RESULTS

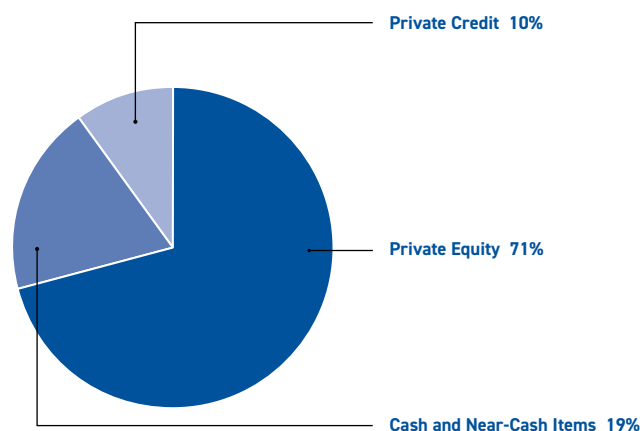
During the three months ended September 30, 2023, Onex' investing segment generated net earnings of \$245 million (\$3.10 per fully diluted share) (2022 – net loss of \$114 million (\$1.32 per fully diluted share)), which was primarily driven by a \$190 million net gain from private equity (2022 – net loss of \$119 million) and a \$44 million net gain from private credit strategies (2022 – \$10 million), as described on pages 22 and 23 of this interim MD&A.

During the nine months ended September 30, 2023, Onex' investing segment generated net earnings of \$489 million (\$6.06 per fully diluted share) (2022 – net loss of \$258 million (\$2.96 per fully diluted share)), which was primarily driven by a \$370 million net gain from private equity (2022 – net loss of \$196 million) and a \$99 million net gain from private credit strategies (2022 – net loss of \$47 million), as described on pages 22 and 23 of this interim MD&A.

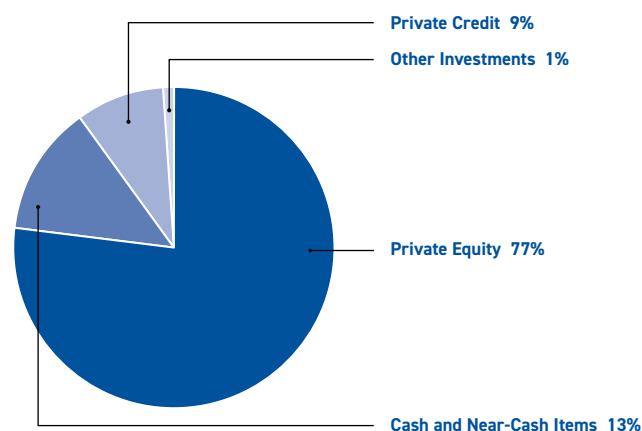
Onex' investing results contributed to its investing capital of \$8.1 billion at September 30, 2023 (December 31, 2022 – \$7.9 billion), which was \$103.19 or C\$139.51 per fully diluted share (December 31, 2022 – \$96.95 or C\$131.31), an increase of 7%⁽¹⁾ and 15%⁽¹⁾ for the nine and twelve months ended September 30, 2023, respectively. During the five years ended September 30, 2023, Onex' investing capital per fully diluted share has increased at a compound annual growth rate ("CAGR") of 12%.

At September 30, 2023, Onex' investing capital was primarily invested in or committed to its private equity and private credit platforms.

Onex' Investment Allocation at September 30, 2023



Onex' Investment Allocation at December 31, 2022



(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, Realizations and Distributions

The table below presents the private equity investments made, and realizations and distributions received by Onex during the nine months ended September 30, 2023.

<i>(Unaudited) (\$ millions)</i>			
Fund	Investments	Realizations and Distributions	Net Realizations and Distributions (Investments)
Direct investment – RSG	\$ –	\$ 318	\$ 318
Direct investment – Celestica	–	275	275
Onex Partners IV	–	146	146
ONCAP II & III	–	29	29
ONCAP IV	(77)	80	3
ONCAP V	(178)	–	(178)
Other	(27)	52	25
Total	\$ (282)	\$ 900	\$ 618

The following private equity investments, realizations and distributions have occurred during the nine months ended September 30, 2023:

- \$318 million of net proceeds received from Onex' sale of approximately 8.2 million Class A common shares of Ryan Specialty Group ("RSG") at a price of \$43.45 per share, net of payments under the management incentive programs. At September 30, 2023, Onex held approximately 4.1 million Class A common shares of RSG;
- \$142 million of net proceeds received from Onex' sale of approximately 11.9 million subordinate voting shares of Celestica Inc. ("Celestica") at a price of \$12.26 per share, net of payments under the management incentive programs. Onex also received \$133 million of net proceeds from the sale of its remaining 6.7 million subordinate voting shares of Celestica at a price of \$20.52 per share, net of payments under the management incentive programs. Onex no longer holds shares of Celestica after these transactions;
- \$162 million invested as part of the ONCAP IV and ONCAP V Groups' investment in Biomerics, a leading medical device contract manufacturer serving the interventional device market. As part of this transaction, Biomerics merged with the medical business of Precision Concepts International ("Precision Concepts"), an ONCAP IV operating business. Onex received net proceeds of \$63 million, net of payments under the management incentive programs, from the ONCAP IV Group's sale of the medical business of Precision Concepts to Biomerics. Onex' share of the investment in Biomerics is expected to be reduced as additional capital is raised for ONCAP V and after further syndication of a co-investment in Biomerics;
- the Onex Partners IV Group sold its investment in Ryan, LLC to a single-asset continuation fund managed by Onex. Onex' share of the net proceeds from this transaction will be approximately \$118 million, net of payments under the management incentive programs. Net proceeds of current Onex Partners management were reinvested into the continuation fund. Onex' net proceeds from this transaction are expected to be received in the fourth quarter of 2023. Onex no longer has an ownership interest in Ryan, LLC following the sale to the continuation fund. Onex will manage the continuation fund that holds the investment in Ryan, LLC, which has an initial term of five years, in exchange for recurring management fees and a carried interest opportunity on approximately \$600 million of FG AUM, including uncalled capital available to support continued growth for Ryan, LLC;
- \$80 million invested as part of the ONCAP V Group's investment in Education Holding Corporation, a provider of before and after school care to students in the United States. Onex' share of the investment in Education Holding Corporation is expected to be reduced as additional capital is raised for ONCAP V;

- \$29 million of net proceeds received from a distribution made by PURE Canadian Gaming to the ONCAP II and III Groups, including carried interest and net of payments under management incentive programs;
- \$28 million of net proceeds received as part of the Onex Partners IV Group's sale of approximately 4.3 million common shares of PowerSchool Group ("PowerSchool") at a price of \$21.00 per share. At September 30, 2023, Onex held approximately 23.1 million common shares of PowerSchool through Onex Partners IV; and
- \$17 million of net proceeds received from a distribution made by International Language Academy of Canada Inc. ("ILAC") to the ONCAP IV Group, including carried interest and net of payments under management incentive programs.

In October 2023, Onex Partners V entered into an agreement to acquire Accredited, the global program management business of R&Q Insurance Holdings ("R&Q"). Accredited is a specialty insurance company operating in North America and Europe that provides underwriting capacity to Managing General Agents ("MGAs") with support from the global reinsurance market. The transaction is expected to close in the first half of 2024, subject to customary closing conditions and regulatory approvals, including approval by R&Q's shareholders. Onex currently expects that its share of the investment in Accredited, as a limited partner of Onex Partners V, will be approximately \$105 million.

In November 2023, the Onex Partners IV Group entered into an agreement to sell ASM Global. Onex' expected share of the net proceeds from this sale is approximately \$270 million. The transaction is expected to close during the first quarter of 2024, subject to customary closing conditions and regulatory approvals.

During the three and nine months ended September 30, 2023, Onex' private equity investments generated realized gains of \$204 million and \$626 million, respectively, from distributions and realizations, which are included in Onex' distributable earnings, as presented on page 14 of this interim MD&A.

Private Equity – Investment Performance

During the three and nine months ended September 30, 2023, Onex' investing segment recognized a net gain from private equity investments of \$190 million and \$370 million, respectively. Included in Onex' net gains on corporate investments during the three and nine months ended September 30, 2023 is a foreign exchange mark-to-market loss of approximately \$30 million and a foreign exchange mark-to-market gain of approximately \$5 million, respectively, in respect of private equity investments denominated in a currency other than the U.S. dollar. At September 30, 2023, Onex' private equity investments denominated in Canadian dollars and pounds sterling totalled approximately \$635 million (C\$860 million) and \$400 million (£330 million), respectively.

The operating businesses in Onex' private equity platforms operate across a range of countries and industry segments, providing beneficial diversification. Refer to pages 31 and 32 of this interim MD&A for further details.

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

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Gross performance of Onex' private equity investments in U.S. dollars ⁽ⁱ⁾⁽ⁱⁱ⁾ :				
Onex Partners	3%	(2)%	4%	(7)%
ONCAP	2%	(2)%	10%	26 %
Direct investments	17%	(1)%	29%	(6)%
Total private equity investments	4%	(2)%	7%	(3)%

(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 nine months ended September 30, 2023, Onex recognized a net gain on corporate investments of \$264 million and \$437 million, respectively (2022 – net losses of \$164 million and \$364 million, respectively).

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

Credit – Capital Deployment, Realizations and Distributions

Within Credit, Onex invests in its private credit strategies and has no investments in the public debt or public equity strategies. During the nine months ended September 30, 2023, Onex' Credit investments generated net realizations and distributions of \$46 million, as outlined in the following table:

(Unaudited) (\$ millions)	Net Realizations and Distributions (Investments)
Strategy	
Structured Credit Strategies	
U.S. CLOs	\$ 53
EURO CLOs	(20)
CLO warehouses	15
Other structured strategies	2
Opportunistic Credit Strategies	4
Liquid Strategies	(4)
Direct Lending	(4)
Total net realizations and distributions from Credit Strategies	\$ 46

During the nine months ended September 30, 2023, Onex' net investments in CLOs decreased by \$33 million primarily as a result of regular quarterly distributions totalling \$65 million and the partial sale of equity interests in certain U.S. CLOs and a European CLO, partially offset by investments in Onex' twenty-sixth, twenty-seventh and twenty-eighth U.S. CLOs, and sixth and seventh European CLOs.

During the three and nine months ended September 30, 2023, Onex' investments in Credit strategies generated \$7 million and \$32 million of net realized gains, respectively, from distributions and realizations, which are included in Onex' distributable earnings, as presented on page 14 of this interim MD&A.

Credit – Investment Performance

During the three and nine months ended September 30, 2023, Onex had a net gain of \$44 million and \$99 million, respectively, on its Credit investments, representing a return of 6%⁽¹⁾ and 15%⁽¹⁾, respectively. The net gain during

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

the three and nine months ended September 30, 2023 was primarily driven by a fair value increase in CLO investments and other structured strategies, consistent with a strengthening in the leveraged loan market (Credit Suisse Leveraged Loan Index – increase of 3% and 10%, respectively, during the three and nine months ended September 30, 2023) and structural leverage employed in CLOs.

ASSET MANAGEMENT SEGMENT RESULTS

For the three and nine months ended September 30, 2023, Onex' asset management segment generated net earnings of \$38 million and a net loss of \$44 million, respectively, compared to net losses of \$65 million and \$145 million during the same periods in 2022. The asset management segment net earnings during the three months ended September 30, 2023 were primarily driven by an increase in unrealized carried interest from Onex Partners V. The asset management segment net loss during the nine months ended September 30, 2023 was primarily driven by a partial reversal of unrealized carried interest from Onex Partners IV, which was partially offset by an increase in unrealized carried interest from Onex Partners V and certain Credit funds.

Assets Under Management

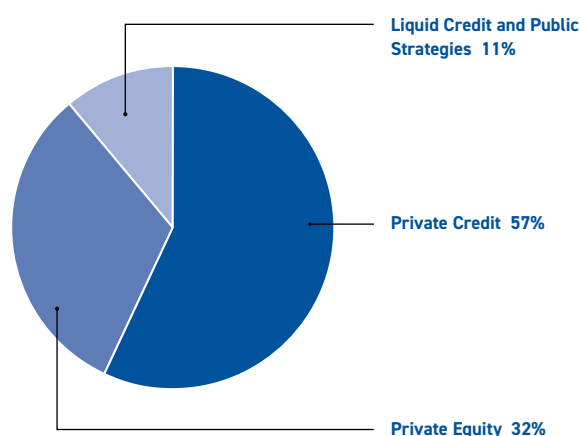
At September 30, 2023, Onex managed \$41.4 billion (December 31, 2022 – \$41.4 billion) of invested and committed capital on behalf of institutional investors and high net worth clients from around the world, including FG AUM of \$34.2 billion (December 31, 2022 – \$34.1 billion). Assets under management by business line 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
	September 30, 2023	December 31, 2022		September 30, 2023	December 31, 2022	
Credit	\$ 23,207	\$ 23,756	(2)%	\$ 18,640	\$ 17,698	5%
Private Equity	11,041	10,376	6 %	11,041	10,376	6%
Total	\$ 34,248	\$ 34,132	0 %	\$ 29,681	\$ 28,074	6%

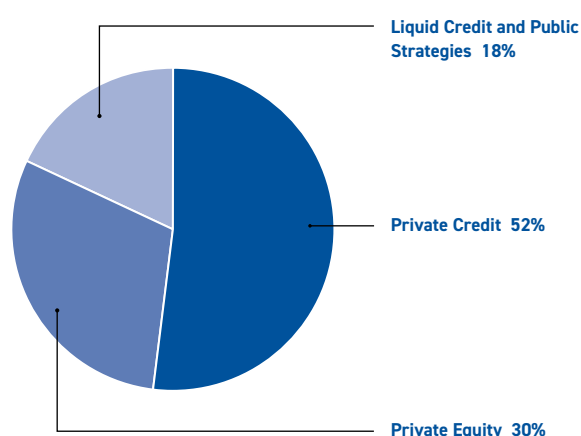
(i) Assets under management include co-investments and capital invested by the Onex management team, as applicable. Fee-generating assets under management and assets under management subject to carried interest or performance fees exclude capital from Onex. Refer to the glossary in this interim MD&A 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 September 30, 2023 and December 31, 2022, respectively.

Onex' \$34.2 billion of FG AUM at September 30, 2023



Onex' \$34.1 billion of FG AUM at December 31, 2022

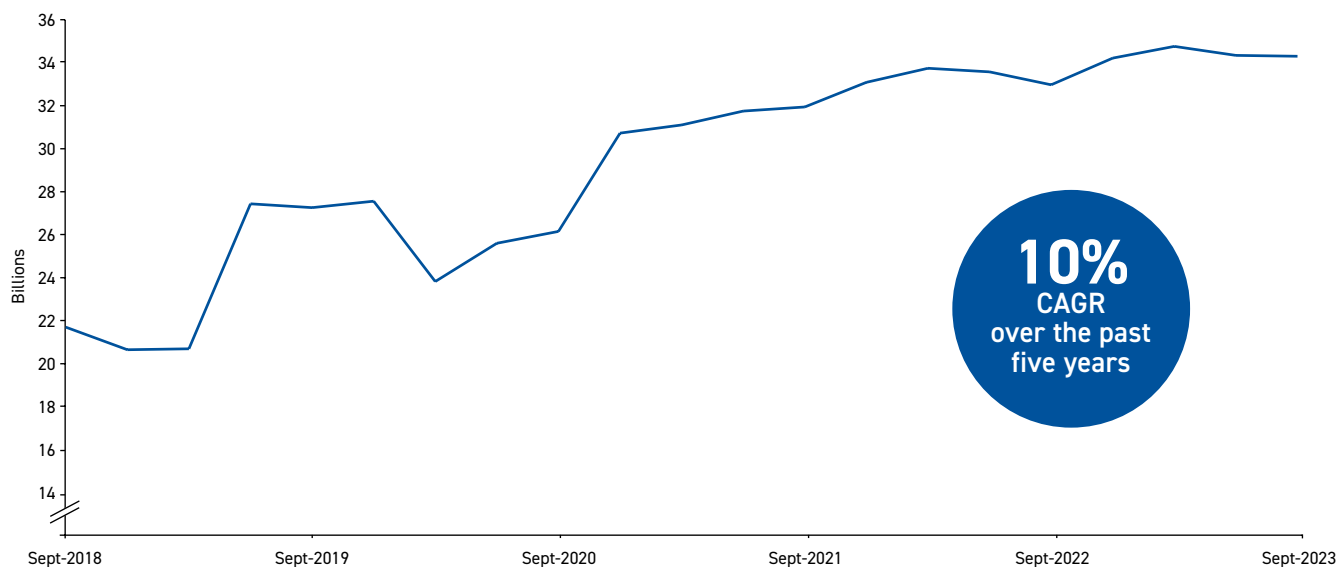


The decline in FG AUM from Credit since December 31, 2022 was primarily driven by client redemptions from liquid credit and public equity strategies, partially offset by capital raised for five new CLOs. Client redemptions from liquid credit and public equity strategies were driven in part by the wind-down of Gluskin Sheff's wealth management and wealth planning operations, as described on pages 25 and 26 of this interim MD&A. The increase in FG AUM from Private Equity since December 31, 2022 was primarily driven by net fair value increases within Private Equity and capital raised for ONCAP V, partially offset by the removal of FG AUM previously raised for Onex Partners VI.

Onex' FG AUM at September 30, 2023 comprised \$30.5 billion from institutional investors (December 31, 2022 – \$28.5 billion) and \$3.7 billion from high net worth clients (December 31, 2022 – \$5.6 billion). Onex' FG AUM from high net worth clients is primarily invested in securities denominated in Canadian dollars. Run-rate management fees from Onex' FG AUM at September 30, 2023 are \$235 million, consisting of \$118 million from Credit and \$117 million from Private Equity. Private equity run-rate management fees are expected to decrease in the fourth quarter of 2023 by approximately \$40 million following the end of the Onex Partners V initial fee period. The decrease will be partially offset as additional capital is raised for ONCAP V.

Over the past five years, FG AUM has increased at a CAGR of 10%, 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 2% over the same period.

Fee-Generating Assets Under Management (September 30, 2018 to September 30, 2023)



Fee-Related Earnings (Loss)

Onex generated fee-related earnings of \$8 million during the three months ended September 30, 2023 and a loss of \$12 million during the nine months ended September 30, 2023 (2022 – losses of \$15 million and \$40 million, respectively). Onex' asset management fee-related earnings for the three and nine months ended September 30, 2023 were \$13 million and \$9 million, respectively (2022 – losses of \$6 million and \$11 million, respectively).

(Unaudited) (\$ millions)	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Private Equity				
Management and advisory fees	\$ 31	\$ 29	\$ 86	\$ 88
Total fee-related revenues from Private Equity	\$ 31	\$ 29	\$ 86	\$ 88
Compensation expense	(18)	(26)	(61)	(66)
Support and other net expenses	(7)	(11)	(29)	(31)
Net contribution	\$ 6	\$ (8)	\$ (4)	\$ (9)
Credit				
Management and advisory fees	\$ 34	\$ 38	\$ 109	\$ 115
Performance fees	1	–	9	–
Other income	1	1	2	1
Total fee-related revenues from Credit	\$ 36	\$ 39	\$ 120	\$ 116
Compensation expense	(16)	(19)	(56)	(65)
Support and other net expenses	(13)	(18)	(51)	(53)
Net contribution	\$ 7	\$ 2	\$ 13	\$ (2)
Asset management fee-related earnings (loss)	\$ 13	\$ (6)	\$ 9	\$ (11)
Public Company and Onex Capital Investing				
Compensation expense	\$ (3)	\$ (4)	\$ (10)	\$ (14)
Other net expenses	(2)	(5)	(11)	(15)
Total expenses	\$ (5)	\$ (9)	\$ (21)	\$ (29)
Total fee-related earnings (loss)	\$ 8	\$ (15)	\$ (12)	\$ (40)

The increase in fee-related earnings during the three months ended September 30, 2023 compared to the same period in 2022 was primarily driven by restructuring initiatives leading to lower compensation expenses and a reduction in certain operating expenses. The decrease in fee-related loss during the nine months ended September 30, 2023 compared to the same period in 2022 also benefited from the restructuring initiatives, as well as higher performance fee income earned from credit products, partially offset by lower management fees, which were driven by client redemptions from liquid credit and public equity strategies. Client redemptions from liquid credit and public equity strategies were driven in part by the wind-down of Gluskin Sheff's wealth management and wealth planning operations, as described on pages 25 and 26 of this interim MD&A.

Distributable Earnings

During the three and nine months ended September 30, 2023, Onex generated distributable earnings of \$223 million and \$658 million, respectively (2022 – \$193 million and \$241 million, respectively).

(Unaudited) (\$ millions)	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Fee-related earnings (loss)	\$ 8	\$ (15)	\$ (12)	\$ (40)
Realized carried interest	1	13	9	14
Realized net gain on investments	214	195	661	267
Distributable earnings	\$ 223	\$ 193	\$ 658	\$ 241

Distributable earnings during the three and nine months ended September 30, 2023 were primarily driven by realizations from Onex' private equity investments (pages 8 and 9 of this interim MD&A) and CLO realizations and distributions (page 10 of this interim MD&A). The increase in distributable earnings during the nine months ended September 30, 2023 compared to the same period in 2022 reflects the realization of Onex' direct investments in Celestica and partial realization of RSG during 2023, as further described on page 8 of this interim MD&A.

Carried Interest

At September 30, 2023, unrealized carried interest totalled \$240 million (December 31, 2022 – \$281 million) and AUM subject to carried interest totalled \$28.1 billion (December 31, 2022 – \$25.9 billion).

(Unaudited) (\$ millions)	As at December 31, 2022	Unrealized Carried Interest ⁽ⁱ⁾		
		Realizations and Distributions	Change in Fair Value	As at September 30, 2023
Onex Partners Funds	\$ 225	\$ –	\$ (51)	\$ 174
ONCAP Funds	40	(5)	8	43
Private Credit Funds	16	(4)	11	23
Total	\$ 281	\$ (9)	\$ (32)	\$ 240

(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 are non-GAAP financial measures, as discussed on page 6 of this interim MD&A. The following table includes reconciliations of Onex' net earnings (loss) to fee-related earnings (loss) and distributable earnings during the three and nine months ended September 30, 2023 and 2022:

<i>(Unaudited) (\$ millions)</i>	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
Net Earnings (Loss)	\$ 256	\$ (180)
Stock-based compensation expense (recovery)	14	(11)
Amortization of property, equipment and intangible assets, excluding right-of-use assets	5	9
Net impairment reversal of property and equipment	(7)	-
Restructuring expenses	5	-
Unrealized carried interest included in segment net earnings (loss) – Credit	5	(1)
Integration expenses	3	1
Other expenses	2	3
Total segment net earnings (loss)	283	(179)
Net unrealized decrease (increase) in carried interest	(29)	63
Net unrealized loss (gain) on corporate investments	(25)	310
Interest and net treasury investment income	(6)	(1)
Distributable earnings	223	193
Less: Realized carried interest	(1)	(13)
Less: Net realized gain on corporate investments	(214)	(195)
Total fee-related earnings (loss)	\$ 8	\$ (15)

<i>(Unaudited) (\$ millions)</i>	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net Earnings (Loss)	\$ 156	\$ (200)
Provision for income taxes	3	-
Earnings (loss) before income taxes	159	(200)
Stock-based compensation expense (recovery)	42	(240)
Amortization of property, equipment and intangible assets, excluding right-of-use assets	20	30
Net impairment of goodwill, intangible assets and property and equipment	164	-
Restructuring expenses	40	-
Unrealized carried interest included in segment net earnings (loss) – Credit	11	1
Unrealized performance fees included in segment net earnings (loss)	5	-
Integration expenses	3	5
Other expenses	1	1
Total segment net earnings (loss)	445	(403)
Net unrealized decrease in carried interest	41	119
Net unrealized loss on corporate investments	181	525
Interest and net treasury investment income	(9)	-
Distributable earnings	658	241
Less: Realized carried interest	(9)	(14)
Less: Net realized gain on corporate investments	(661)	(267)
Total fee-related earnings (loss)	\$ (12)	\$ (40)

LIQUIDITY

At September 30, 2023, Onex' cash and near-cash balance was \$1.5 billion⁽¹⁾ or 19% of Onex' investing capital (December 31, 2022 – \$1.1 billion or 13% of Onex' investing capital) and Onex' consolidated cash and cash equivalents balance was \$455 million (December 31, 2022 – \$111 million). The \$464 million increase in cash and near-cash was primarily driven by the realizations of certain Private Equity investments, as described on pages 8 and 9 of this interim MD&A, partially offset by private equity investment activity, as described on page 8 of this interim MD&A, and the repurchase and cancellation of Onex' SVS. Refer to page 28 of this interim MD&A for further details concerning the changes in cash and near-cash since December 31, 2022.

(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 27 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 nine months ended September 30, 2023 compared to the same periods in 2022, the unaudited interim consolidated statements of cash flows for the nine months ended September 30, 2023 compared to the same period in 2022, and compares Onex' financial condition at September 30, 2023 to that at December 31, 2022.

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 direct investments. 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, these companies primarily 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.

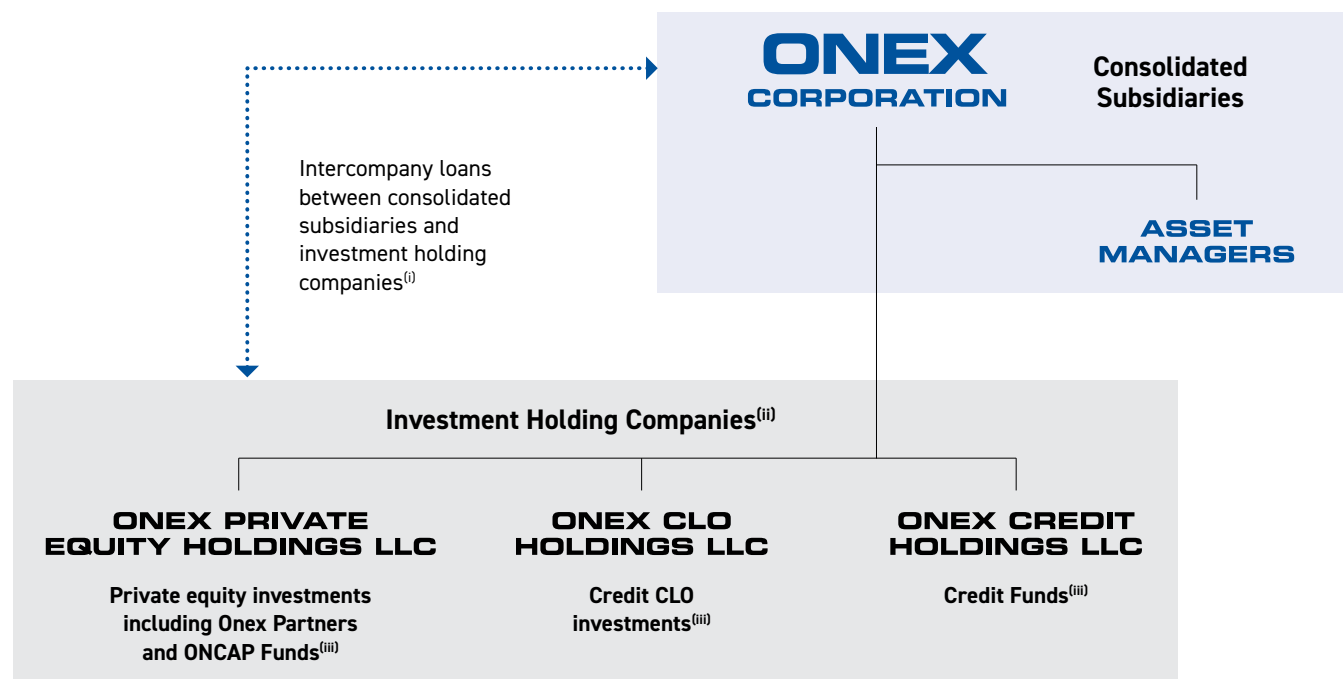
Asset management refers to the activity of managing capital in Onex' private equity funds, private credit strategies and liquid strategies. This activity is conducted through wholly-owned subsidiaries of Onex, which are the managers of the Onex Partners Funds, ONCAP Funds and Credit strategies. These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



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

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with Onex' unaudited interim consolidated statements of earnings for the three and nine months ended September 30, 2023 and 2022, the corresponding notes thereto and the December 31, 2022 audited annual consolidated financial statements.

Use of judgements and estimates

In addition to the use of judgements and estimates outlined in note 1 to the 2022 audited annual financial statements, the Company also exercised significant judgement when testing assets for impairment and estimating the restructuring provision in connection with the transition and wind-down of Gluskin Sheff's wealth management and wealth planning operations, as described on pages 25 and 26 of this interim MD&A.

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, 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' 2022 Annual Information Form.

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

REVIEW OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The discussion that follows identifies those material factors that affected Onex' unaudited interim consolidated financial results for the three and nine months ended September 30, 2023.

Consolidated net earnings (loss)

Onex recorded consolidated net earnings of \$256 million and net earnings per diluted share of \$3.23 during the three months ended September 30, 2023 compared to a net loss of \$180 million and a net loss per diluted share of \$2.12 during the same period in 2022.

Onex recorded consolidated net earnings of \$156 million and net earnings per diluted share of \$1.94 during the nine months ended September 30, 2023 compared to a net loss of \$200 million and a net loss per diluted share of \$2.33 during the same period in 2022.

Tables 1 and 2 present the segmented results for the three and nine months ended September 30, 2023 and 2022. 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, and net of allocations to management. 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, toward the end of the fund's term, as described in note 1 to the 2022 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 2022 audited annual consolidated financial statements.

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

TABLE 1	(Unaudited) (\$ millions except per share amounts)		Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
	Investing	Asset Management ⁽ⁱ⁾	Total	Investing	Asset Management ⁽ⁱ⁾	Total		
Net gain (loss) on corporate investments (including an increase (decrease) in carried interest)	\$ 239	\$ 30 ⁽ⁱⁱⁱ⁾	\$ 269	\$ (115)	\$ (50) ⁽ⁱⁱⁱ⁾	\$ (165)		
Management and advisory fees	-	65	65	-	67	67		
Performance fees	-	1	1	-	-	-		
Interest and net treasury investment income	6	-	6	1	-	1		
Other income	-	1	1	-	1	1		
Total segment income (loss)	245	97	342	(114)	18	(96)		
Compensation	-	(46)	(46)	-	(63)	(63)		
Amortization of right-of-use assets	-	(3)	(3)	-	(3)	(3)		
Other expenses	-	(10)	(10)	-	(17)	(17)		
Segment net earnings (loss)	\$ 245	\$ 38	\$ 283	\$ (114)	\$ (65)	\$ (179)		
Stock-based compensation recovery (expense)			(14)					11
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(5)					(9)
Net impairment reversal of property and equipment			7					-
Restructuring expenses			(5)					-
Unrealized carried interest included in segment net earnings (loss) – Credit			(5)					1
Integration expenses			(3)					(1)
Other expenses			(2)					(3)
Net earnings (loss)			\$ 256					\$ (180)
Segment net earnings (loss) per fully diluted share			\$ 3.58					\$ (2.08)
Net earnings (loss) per diluted share			\$ 3.23					\$ (2.12)

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

(ii) The asset management segment includes an increase in unrealized carried interest of \$5 million (2022 – decrease of \$1 million) from third-party limited partners in the Credit Funds.

TABLE 2	(Unaudited) (\$ millions except per share amounts)			Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	Investing	Asset Management ⁽ⁱ⁾	Total	Investing	Asset Management ⁽ⁱ⁾	Total			
Net gain (loss) on corporate investments (including a decrease in carried interest)	\$ 480	\$ (32) ⁽ⁱⁱⁱ⁾	\$ 448	\$ (258)	\$ (105) ⁽ⁱⁱⁱ⁾	\$ (363)			
Management and advisory fees	–	195	195	–	203	203			
Performance fees	–	9	9	–	–	–			
Interest and net treasury investment income	9	–	9	–	–	–			
Other income	–	2	2	–	1	1			
Total segment income (loss)	489	174	663	(258)	99	(159)			
Compensation	–	(166)	(166)	–	(186)	(186)			
Amortization of right-of-use assets	–	(8)	(8)	–	(9)	(9)			
Other expenses	–	(44)	(44)	–	(49)	(49)			
Segment net earnings (loss)	\$ 489	\$ (44)	\$ 445	\$ (258)	\$ (145)	\$ (403)			
Stock-based compensation recovery (expense)			(42)	240					
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(20)	(30)					
Net impairment of goodwill, intangible assets and property and equipment			(164)	–					
Restructuring expenses			(40)	–					
Unrealized carried interest included in segment net earnings (loss) – Credit			(11)	(1)					
Unrealized performance fees included in segment net earnings (loss)			(5)	–					
Integration expenses			(3)	(5)					
Other expenses			(1)	(1)					
Earnings (loss) before income taxes			159	(200)					
Provision for income taxes			(3)	–					
Net earnings (loss)			\$ 156	\$ (200)					
Segment net earnings (loss) per fully diluted share			\$ 5.51	\$ (4.62)					
Net earnings (loss) per diluted share			\$ 1.94	\$ (2.33)					

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

(ii) The asset management segment includes an increase in unrealized carried interest of \$11 million (2022 – \$1 million) from third-party limited partners in the Credit Funds.

Consolidated income (loss) for the three and nine months ended September 30, 2023 and 2022

Consolidated income (loss) for the three and nine months ended September 30, 2023 and 2022 consisted of management and advisory fees on third-party capital managed through Private Equity and Credit Funds and a net gain on corporate investments (2022 – net loss), which was primarily driven by Onex' share of the net gain in the Onex Partners V Fund and Onex' other private equity investments (2022 – net loss in Onex Partners IV and a reversal of unrealized carried interest in Onex Partners IV, partially offset by net gains in ONCAP IV and Onex Partners V). During the nine months ended September 30, 2023, these increases to the net gain on corporate investments were partially offset by a net loss in Onex Partners IV and a reversal of unrealized carried interest in Onex Partners IV.

During the three and nine months ended September 30, 2023, Onex' investing segment recognized a net gain on corporate investments of \$239 million and \$480 million, respectively (2022 – net losses of \$115 million and \$258 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 September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Onex Partners Funds⁽ⁱ⁾				
Onex Partners II	\$ –	\$ –	\$ –	\$ (7)
Onex Partners III	6	(2)	21	11
Onex Partners IV	1	(114)	(118)	(404)
Onex Partners V	117	18	255	86
Management incentive programs	(15)	1	(16)	31
Total net gain (loss) from Onex Partners Funds	109	(97)	142	(283)
ONCAP Funds⁽ⁱ⁾				
ONCAP II	(3)	(8)	4	(3)
ONCAP III	19	(15)	21	(13)
ONCAP IV	–	4	51	171
Management incentive programs	(5)	4	(19)	(27)
Total net gain (loss) from ONCAP Funds	11	(15)	57	128
Net gain (loss) from other private equity investments	70	(7)	171	(41)
Total net gain (loss) from private equity	\$ 190	\$ (119)	\$ 370	\$ (196)

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

During the three months ended September 30, 2023, the net gain from private equity investments was primarily driven by:

- Onex Partners V increases in fair value for its investments in Convex, Emerald Expositions, Fidelity Building Services Group ("Fidelity BSG"), OneDigital and Wealth Enhancement Group; and
- increases in fair value of Onex' direct investments in Celestica and RSG. In August 2023, Onex sold its remaining shares of Celestica, as described on page 8 of this interim MD&A.

During the nine months ended September 30, 2023, the net gain from private equity investments was primarily driven by:

- Onex Partners V increases in fair value for its investments in Convex, Emerald Expositions, Fidelity BSG, Imagine Learning, OneDigital, Tes Global and Wealth Enhancement Group, partially offset by the fair value decrease of Resource Environmental Solutions;
- increases in fair value of Onex' direct investments in Celestica and RSG. In May 2023, Onex sold a portion of its shares of RSG, as described on page 8 of this interim MD&A. During the nine months ended September 30, 2023, Onex sold its remaining shares of Celestica, as described on page 8 of this interim MD&A; and

- Onex Partners IV decreases in fair value for its investments in Clarivate Analytics, Parkdean Resorts and Ryan, LLC, partially offset by the fair value increase of ASM Global.

During the three months ended September 30, 2022, the net loss from private equity investments was primarily driven by:

- macroeconomic and market factors, including broad increases in global interest rates and inflation, fluctuations in foreign exchange rates and changes in trading multiples for public companies; and
- Onex Partners IV decreases in fair value for its investments in Clarivate Analytics and Parkdean Resorts, partially offset by the fair value increase of PowerSchool.

During the nine months ended September 30, 2022, the net loss from private equity investments was primarily driven by:

- macroeconomic and market factors, including broad increases in global interest rates and inflation, fluctuations in foreign exchange rates and changes in trading multiples for public companies;
- Onex Partners IV decreases in fair value for its investments in ASM Global, Clarivate Analytics, Parkdean Resorts and SCP Health, partially offset by the fair value increase of Ryan, LLC;
- Onex Partners V increases in fair value for its investments in Acacium Group, OneDigital and Newport; and
- ONCAP IV increases in fair value for its investments in AutoSavvy, ILAC, Precision Concepts and Precision Global.

TABLE 4 | (Unaudited) (\$ millions)

Net Gain (Loss) on Investments in Private Credit Strategies

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Structured Credit Strategies				
U.S. CLOs	\$ 21	\$ 13	\$ 32	\$ (23)
EURO CLOs	6	(6)	28	(26)
CLO warehouses	1	–	2	5
Other structured strategies	3	(1)	11	(2)
Opportunistic Credit Strategies	4	2	11	5
Liquid Strategies	4	1	7	(6)
Direct Lending	5	1	8	–
Total net gain (loss) from Private Credit Strategies	\$ 44	\$ 10	\$ 99	\$ (47)

The net gain on investments in private credit strategies recognized during the three and nine months ended September 30, 2023 was primarily driven by the gains from CLO investments, other structured strategies and opportunistic credit strategies. The performance of CLO investments and other structured strategies is correlated with the performance of the leveraged loan market, but amplified due to structural leverage.

The net gain on investments in private credit strategies recognized during the three months ended September 30, 2022 was primarily driven by a net gain on U.S. CLOs as a result of a strengthening leveraged loan market and structural leverage employed in CLOs. The net loss on investments in private credit strategies recognized during the nine months ended September 30, 2022 was primarily driven by a net loss on U.S. and EURO CLOs as a result of a weakness in the leveraged loan market and the structural leverage employed in CLOs.

Management and advisory fees for the three and nine months ended September 30, 2023 and 2022 were generated from the following sources:

TABLE 5	(Unaudited) (\$ millions)			
		Management and Advisory Fees		
		Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Change in Total
Source of management and advisory fees				
Credit	\$ 34	\$ 38	\$ (4)	(11)%
Private Equity ⁽ⁱ⁾	31	29	2	7 %
Total management and advisory fees	\$ 65	\$ 67	\$ (2)	(3)%

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

TABLE 6	(Unaudited) (\$ millions)				Management and Advisory Fees			
					Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Change in Total	
Source of management and advisory fees								
Credit					\$ 109	\$ 115	\$ (6)	(5)%
Private Equity ⁽ⁱ⁾					86	88	(2)	(2)%
Total management and advisory fees					\$ 195	\$ 203	\$ (8)	(4)%

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

During the three months ended September 30, 2023, the management and advisory fees from Private Equity were 7% higher compared to the same period in 2022. The increase was primarily driven by the management fees earned by ONCAP V and the Ryan, LLC continuation fund, which began generating management fees in 2023.

During the three and nine months ended September 30, 2023, the management and advisory fees from Credit were 11% and 5% lower compared to the same periods in 2022. The decrease was primarily driven by net outflows in liquid credit and public equity strategies during 2023, as described on pages 11 and 12 of this interim MD&A.

Certain deal investigation, research and other costs incurred by the Asset Managers are recoverable from the Onex private equity funds, private credit strategies and private equity portfolio companies. These cost reimbursements are recognized as revenue in accordance with IFRS 15, *Revenue from contracts with customers* ("IFRS 15"). During the three and nine months ended September 30, 2023, Onex recognized \$13 million and \$25 million, respectively, in revenues and expenses associated with these reimbursements (2022 – \$8 million and \$22 million, respectively).

Compensation

Compensation expense for the three and nine months ended September 30, 2023 was \$46 million and \$166 million, respectively, compared to \$63 million and \$186 million, respectively, during the same periods in 2022. Refer to pages 13 and 14 of this interim MD&A for further details concerning compensation expense.

Stock-based compensation recovery (expense)

During the three months ended September 30, 2023, Onex recorded a consolidated stock-based compensation expense of \$14 million compared to a stock-based compensation recovery of \$11 million during the same period in 2022. The stock-based compensation expense recorded during the three months ended September 30, 2023 was primarily due to a 9% increase in the market value of Onex' SVS to C\$79.83 at September 30, 2023 from C\$73.17 at June 30, 2023 and the vesting of stock options during the period.

During the nine months ended September 30, 2023, Onex recorded a consolidated stock-based compensation expense of \$42 million compared to a stock-based compensation recovery of \$240 million during the same period in 2022. The stock-based compensation expense recorded during the nine months ended September 30, 2023 was primarily due to a 22% increase in the market value of Onex' SVS to C\$79.83 at September 30, 2023 from C\$65.29 at December 31, 2022 and the vesting of restricted share units ("RSUs") and stock options during the period.

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

Stock-Based Compensation Recovery (Expense)

TABLE 7	(Unaudited) (\$ millions)	Three Months Ended September 30			Nine Months Ended September 30		
		2023	2022	Change	2023	2022	Change
Stock Option Plan		\$ (14)	\$ 11	\$ (25)	\$ (38)	\$ 238	\$ (276)
Director DSU Plan		-	-	-	(1)	2	(3)
RSU Plan		-	-	-	(3)	-	(3)
Total stock-based compensation recovery (expense)		\$ (14)	\$ 11	\$ (25)	\$ (42)	\$ 240	\$ (282)

Amortization of property, equipment and intangible assets

Amortization of property, equipment and intangible assets for the three months ended September 30, 2023 was \$8 million (2022 – \$12 million) and consisted primarily of amortization of asset management contract intangible assets, and right-of-use assets and leasehold improvements related to Onex' leased premises.

Amortization of property, equipment and intangible assets for the nine months ended September 30, 2023 was \$28 million (2022 – \$39 million) and consisted primarily of amortization of client relationship and asset management contract intangible assets, and right-of-use assets and leasehold improvements related to Onex' leased premises.

The decline in amortization expense during the three and nine months ended September 30, 2023 compared to the same periods in 2022 was primarily driven by the impairment of Gluskin Sheff client relationship intangible

assets during the three months ended March 31, 2023, as described below.

Restructuring expenses and net impairment of goodwill, intangible assets and property and equipment

In March 2023, following developments at Gluskin Sheff, Onex decided to change the private capital distribution strategy of its investment products. As part of this change in strategy, Onex entered into an agreement with a leading wealth management firm in Canada to offer employment to the wealth advisor team of Gluskin Sheff. Onex intends to wind down its wealth management and wealth planning operations and grow its private capital distribution through third-party strategic relationships. As a result, during the nine months ended September 30, 2023, a non-cash net impairment charge of \$164 million was recognized on the following assets:

TABLE 8	(Unaudited) (\$ millions)	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
Goodwill		\$ -	\$ 108
Intangible assets – client relationships		-	47
Right-of-use assets and leasehold improvements ⁽ⁱ⁾		(7)	9
Total net impairment expense (reversal)		\$ (7)	\$ 164

(i) Right-of-use assets and leasehold improvements that were impaired during the nine months ended September 30, 2023 relate to leased office space. The net impairment reversal recorded during the three months ended September 30, 2023 was also related to leased office space. Right-of-use assets and leasehold improvements are included as property and equipment in the unaudited interim consolidated balance sheets.

The impairment for Gluskin Sheff goodwill and intangible assets was calculated on a fair value less costs of disposal basis, which resulted in a negligible recoverable amount for the Gluskin Sheff cash-generating unit following the transition and wind-down of the business. As a result of the impairment charge, goodwill and client relationships intangible assets associated with the acquisition of Gluskin Sheff were reduced to nil in the September 30, 2023 unaudited interim consolidated balance sheet.

During the nine months ended September 30, 2023, restructuring expenses totalling \$23 million were recognized in connection with the ongoing transition and wind-down of the wealth management business. At September 30, 2023, a restructuring provision of \$13 million was included within the other liabilities financial statement line item, representing the remaining restructuring expenses to be paid in connection with the wind-down of Onex' wealth management business. Onex expects that most of the cash outflows related to this restructuring provision will occur by the end of the first quarter of 2024. This restructuring provision will be revised in future periods as estimates surrounding the transition and wind-down are updated.

In addition, during the nine months ended September 30, 2023, restructuring expenses totalling \$17 million were recognized in connection with the reorganization of the Onex Partners platform and Onex' corporate functions. At September 30, 2023, a restructuring provision of \$9 million was included within the other liabilities financial statement line item, representing the remaining restructuring expenses to be paid. Onex expects most of the cash outflows related to this restructuring provision to occur by the end of 2023.

Other comprehensive earnings (loss)

Other comprehensive loss for the three months ended September 30, 2023 was less than \$1 million compared to \$13 million during the same period in 2022, which was driven by unfavourable currency translation adjustments associated with the consolidation of Gluskin Sheff's net assets.

Other comprehensive earnings for the nine months ended September 30, 2023 were less than \$1 million compared to an other comprehensive loss of \$17 million during the same period in 2022, which was driven by favourable (2022 – unfavourable) currency translation adjustments associated with the consolidation of Gluskin Sheff's net assets.

SUMMARY OF QUARTERLY INFORMATION

Table 9 summarizes Onex' key consolidated financial information for the last eight quarters.

Consolidated Quarterly Financial Information

TABLE 9	(Unaudited) (\$ millions except per share amounts)			2022				2021 ⁽ⁱ⁾
	September	June	March	December	September	June	March	
Total segment income (loss)	\$ 342	\$ 259	\$ 62	\$ 566	\$ (96)	\$ (212)	\$ 149	\$ 408
Total segment expenses	(59)	(72)	(87)	(74)	(83)	(79)	(82)	(87)
Segment net earnings (loss)	283	187	(25)	492	(179)	(291)	67	321
Other non-segment items	(27)	(55)	(207)	(57)	(1)	107	97	(107)
Net earnings (loss)	\$ 256	\$ 132	\$ (232)	\$ 435	\$ (180)	\$ (184)	\$ 164	\$ 214
Segment net earnings (loss) per fully diluted share	\$ 3.58	\$ 2.29	\$ (0.32)	\$ 5.94	\$ (2.08)	\$ (3.35)	\$ 0.76	\$ 3.55
Net earnings (loss) per share – basic	\$ 3.24	\$ 1.63	\$ (2.87)	\$ 5.33	\$ (2.12)	\$ (2.15)	\$ 1.90	\$ 2.45
Net earnings (loss) per diluted share	\$ 3.23	\$ 1.63	\$ (2.87)	\$ 5.32	\$ (2.12)	\$ (2.15)	\$ 1.89	\$ 2.45

(i) The quarterly segment results in 2021 have been restated to include unrealized performance fees from the Credit strategies during the period.

CASH AND NEAR-CASH

At September 30, 2023, Onex' cash and near-cash balance was \$1.5 billion (December 31, 2022 – \$1.1 billion) and Onex' consolidated cash and cash equivalents balance was \$455 million (December 31, 2022 – \$111 million). Onex' cash and near-cash consisted of the following:

Cash and Near-Cash⁽ⁱ⁾

TABLE 10 (Unaudited) (\$ millions)	September 30, 2023	December 31, 2022
Management fees and recoverable fund expenses receivable ⁽ⁱⁱⁱ⁾	\$ 580	\$ 460
Cash and cash equivalents – Investing segment ⁽ⁱⁱⁱ⁾	317	–
Cash and cash equivalents within Investment Holding Companies ^(iv)	217	253
Treasury investments within Investment Holding Companies	205	271
Receivable from Ryan realization ^(v)	118	–
Subscription financing receivable ^(vi)	80	69
Cash and near-cash ⁽ⁱ⁾	\$ 1,517	\$ 1,053

(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 manages its capital.

(ii) Includes management fees and recoverable fund expenses receivable from certain funds which Onex has elected to defer cash receipt from. At December 31, 2022, the amount presented is net of amounts allocated to the asset management segment related to accrued incentive compensation and contingent consideration related to the acquisition of Falcon Investment Advisors.

(iii) Excludes cash and cash equivalents allocated to the asset management segment related to accrued incentive compensation (\$81 million (December 31, 2022 – \$122 million)) and contingent consideration related to the acquisition of Onex Falcon (\$57 million (December 31, 2022 – \$57 million)).

(iv) Includes restricted cash and cash equivalents of \$85 million (December 31, 2022 – \$2 million) for which the Company can readily remove the external restriction or for which the restriction will be removed in the near term. Excludes cash and cash equivalents for Onex' share of uncalled expenses payable by the Investment Holding Companies of \$34 million (December 31, 2022 – \$27 million).

(v) Refer to page 8 of this interim MD&A for details concerning the proceeds receivable from the sale of Ryan, LLC.

(vi) Subscription financing receivable, including interest receivable, attributable to third-party investors in certain Credit Funds and ONCAP V.

Table 11 provides a reconciliation of the change in cash and near-cash at Onex from December 31, 2022 to September 30, 2023.

Change in Cash and Near-Cash

TABLE 11	(Unaudited) (\$ millions)	Amount
Cash and near-cash at December 31, 2022		\$ 1,053
Private equity realizations:		
Onex Partners		
<i>Sale of Ryan, LLC</i>	118	
<i>PowerSchool secondary offering</i>	28	
<i>Other</i>	16	
ONCAP		
<i>Partial realization of Precision Concepts</i>	63	
<i>Distribution from PURE Canadian Gaming</i>	29	
<i>Distribution from ILAC</i>	17	
Direct Investments		
<i>RSG secondary offering</i>	318	
<i>Celestica secondary offerings</i>	275	
<i>Incline Aviation Fund II</i>	29	
<i>Other</i>	7	900
Private equity investments:		
ONCAP		
<i>Biomerics</i>	(162)	
<i>Education Holding Corporation</i>	(80)	
<i>Other</i>	(13)	
Direct Investments		
<i>Incline Aviation Fund II</i>	(27)	(282)
Net private credit strategies investment activity		46
Share repurchases, dividends, options exercised, Director DSUs exercised and investment in RSU hedges		(207)
Net other, including cash flows from asset management activities, capital expenditures, operating costs and changes in working capital		7
Cash and near-cash at September 30, 2023		\$ 1,517

CONSOLIDATED FINANCIAL POSITION

Consolidated assets

Consolidated assets totalled \$12.6 billion at September 30, 2023 compared to \$12.2 billion at December 31, 2022. The increase in consolidated assets was primarily driven by an increase in net intercompany loans receivable from Onex and the Asset Managers, comprising part of the fair value of Investment Holding Companies, and a net gain on corporate investments recognized in 2023. These increases were partially offset by the impairment of goodwill, intangible assets and property and equipment in connection with the transition and wind-down of Gluskin Sheff's wealth management and wealth planning operations, as described on pages 25 and 26 of this interim MD&A, and cash used to repurchase Onex SVS, as described on page 34 of this interim MD&A.

Table 12 presents consolidated assets by reportable segment as at September 30, 2023 and December 31, 2022.

Consolidated Assets by Reportable Segment

	As at September 30, 2023			As at December 31, 2022		
	Investing	Asset Management	Total	Investing	Asset Management	Total
Cash and cash equivalents	\$ 317	\$ 138 ⁽ⁱ⁾	\$ 455	\$ –	\$ 111 ⁽ⁱ⁾	\$ 111
Treasury investments	–	–	–	–	52 ⁽ⁱ⁾	52
Management and advisory fees, recoverable fund expenses and other receivables	580 ⁽ⁱⁱⁱ⁾	56	636	460 ⁽ⁱⁱⁱ⁾	84	544
Corporate investments	7,154	–	7,154	7,387	–	7,387
Unrealized carried interest – Credit	23	–	23	16	–	16
Other assets	–	115	115	–	91	91
Property and equipment	–	122	122	–	140	140
Intangible assets	–	35	35	–	93	93
Goodwill	–	149	149	–	257	257
Total segment assets	\$ 8,074	\$ 615	\$ 8,689	\$ 7,863	\$ 828	\$ 8,691
Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies			3,975			3,488
Unrealized carried interest included in segment assets – Credit			(23)			(16)
Total assets			\$ 12,641			\$ 12,163
Investing capital per fully diluted share (U.S. dollars)	\$ 103.19			\$ 96.95		
Investing capital per fully diluted share (Canadian dollars)	\$ 139.51			\$ 131.31		

(i) Cash, cash equivalents and treasury investments allocated to the asset management segment relate to accrued employee incentive compensation and contingent consideration related to the acquisition of Falcon Investment Advisors.

(iii) Includes management fees and recoverable fund expenses receivable from certain funds which Onex has elected to defer cash receipt from. At December 31, 2022, the amount presented is net of amounts allocated to the asset management segment related to accrued employee incentive compensation and contingent consideration related to the acquisition of Falcon Investment Advisors.

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 include the following amounts:

TABLE 13	(Unaudited) (\$ millions)	December 31, 2022	Capital Deployed	Realizations and Distributions	Change in Fair Value	September 30, 2023
Onex Partners Funds	\$	4,228	\$ -	\$ (162)	\$ 142	\$ 4,208
ONCAP Funds		718	255	(104)	57	926
Other private equity		853	27	(629)	171	422
Carried interest		265	n/a	(5)	(43)	217
Total private equity investments		6,064	282	(900)	327	5,773
Private Credit Strategies		701	294	(340)	99	754
Real estate		34	-	(4)	-	30
Other net assets ⁽ⁱ⁾		588	(846)	844	11	597
Total corporate investments, excluding intercompany loans		7,387	(270)	(400)	437	7,154
Intercompany loans receivable from Onex and the Asset Managers		3,488	567	(80)	-	3,975
Intercompany loans payable to Onex and the Asset Managers		(398)	(11)	12	-	(397)
Intercompany loans receivable from Investment Holding Companies		398	11	(12)	-	397
Total corporate investments	\$	10,875	\$ 297	\$ (480)	\$ 437	\$ 11,129

(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 include the cash flows of the Investment Holding Companies associated with investments in private equity, private credit strategies, real estate and intercompany loans receivable from and payable to Onex and the Asset Managers.

At September 30, 2023, Onex' corporate investments, which are more fully described in note 4 to the unaudited interim consolidated financial statements, totalled \$11.1 billion (December 31, 2022 – \$10.9 billion).

During the nine months ended September 30, 2023, Onex' investment of capital primarily consisted of the investments made in ONCAP IV and ONCAP V, as described on page 8 of this interim MD&A, and investments made in private credit strategies, as described on page 10 of this interim MD&A.

During the nine months ended September 30, 2023, realizations and distributions to Onex primarily consisted of a partial realization of Onex' investment in RSG, the sale of Onex' investment in Celestica and Onex' share of the Onex Partners IV Group's sale of Ryan, LLC, as described on page 8 of this interim MD&A. Onex also had realizations and distributions from private credit strategies during the period, as described on page 10 of this interim MD&A.

During the nine months ended September 30, 2023, the change in fair value of Onex' corporate investments totalled an increase of \$437 million, primarily driven by changes in fair value of Onex' investments in private equity, which are more fully described on page 22 of this interim MD&A, and changes in fair value of Onex' investments in CLOs, other structured strategies and opportunistic credit strategies, as more fully described on page 23 of this interim MD&A.

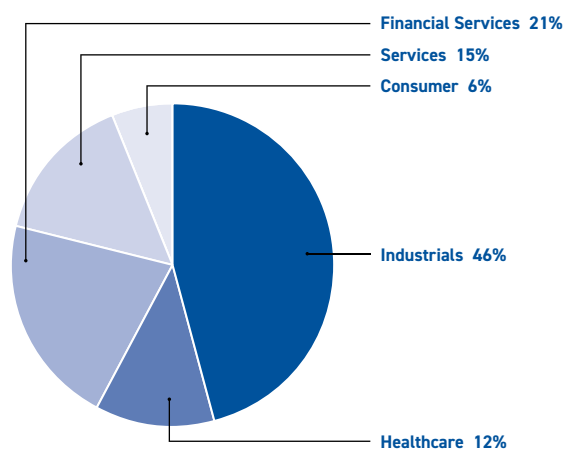
The valuation of public investments held directly by Onex or through the Onex Partners Funds and ONCAP Funds is based on their publicly traded closing prices at September 30, 2023. For certain public investments, a discount was applied to the closing price in relation to restrictions that were in place at September 30, 2023 relating to the securities held by Onex or the Onex Partners Funds. At September 30, 2023, these discounts resulted in a reduction of \$44 million in the fair value of corporate investments (December 31, 2022 – \$73 million).

Onex' private equity investments include direct and indirect investments in 41 operating businesses at September 30, 2023, which operate in a variety of industries and countries. Details of these operating businesses' revenues, assets and debt are as follows:

TABLE 14	(Unaudited) (\$ millions)	
	Nine months ended September 30, 2023	Operating Business Revenues ⁽ⁱ⁾
Industrials	\$ 10,267	46%
Financial Services	4,715	21%
Services	3,487	15%
Healthcare	2,747	12%
Consumer	1,333	6%
Total	\$ 22,549	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 –
Nine Months Ended September 30, 2023⁽ⁱ⁾

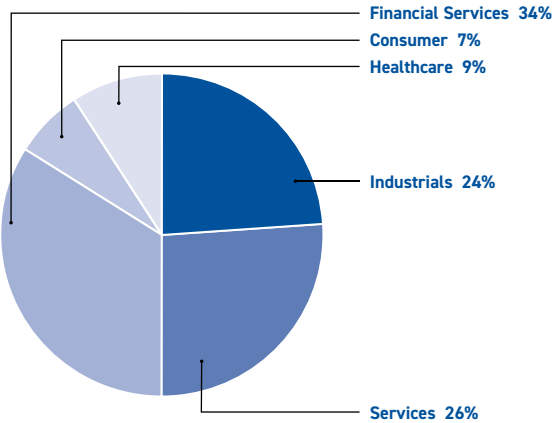


(i) Includes revenues during the period that Onex controls, jointly controls or has significant influence over the operating businesses.

TABLE 15	(Unaudited) (\$ millions)			
	As at September 30, 2023	Operating Business Assets ⁽ⁱ⁾	Operating Business Debt ⁽ⁱ⁾	
Financial Services	\$ 15,760	34%	\$ 3,356	22%
Services	12,182	26%	4,226	27%
Industrials	11,032	24%	4,733	31%
Healthcare	4,198	9%	2,005	13%
Consumer	3,340	7%	1,160	7%
Total	\$ 46,512	100%	\$ 15,480	100%

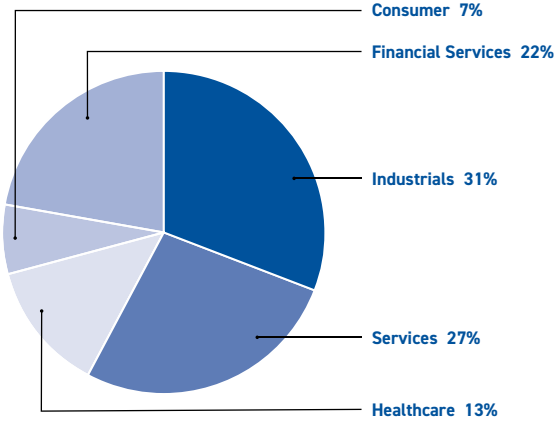
(i) Includes the assets and debt of operating businesses that Onex controls, jointly controls or has significant influence over.

Operating Business Assets by Industry Vertical – September 30, 2023⁽ⁱ⁾



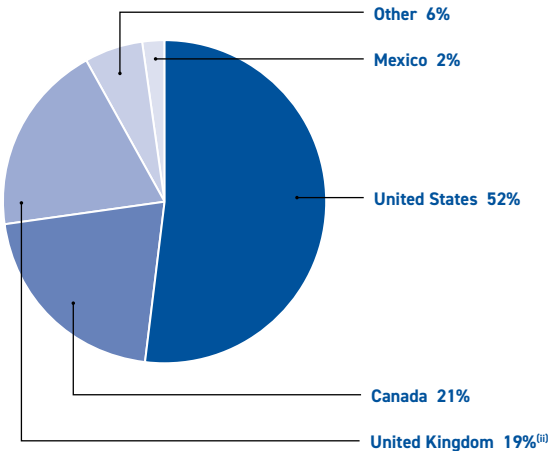
(i) Includes the assets of operating businesses that Onex controls, jointly controls or has significant influence over.

Operating Business Debt by Industry Vertical – September 30, 2023⁽ⁱ⁾



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

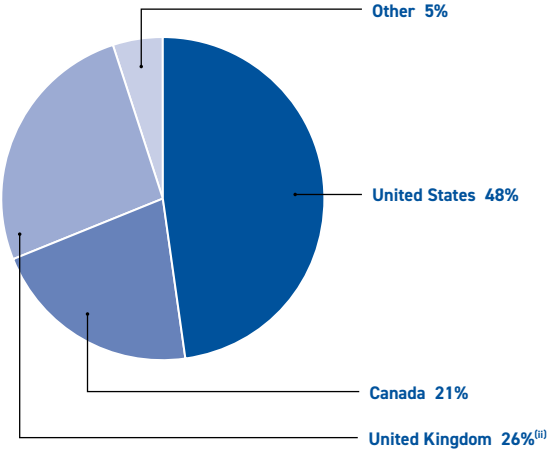
Operating Business Revenues by Country – Year Ended December 31, 2022⁽ⁱ⁾



(i) Includes revenues of operating businesses that are controlled or jointly controlled by Onex, adjusted for operating companies acquired or sold during 2023. The allocation of revenues by country is based on customer location and may not represent the currency of the revenue transactions.

(ii) Includes revenues recognized in the overseas territories of the United Kingdom.

Operating Business Assets by Country – December 31, 2022⁽ⁱ⁾



(i) Includes assets of operating businesses that are controlled or jointly controlled by Onex, adjusted for operating companies acquired or sold during 2023.

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

Intercompany loans payable to Investment Holding Companies

Onex and the Asset Managers have intercompany loans payable to the Investment Holding Companies. The loans are primarily due on demand and non-interest bearing. At September 30, 2023, intercompany loans payable to the Investment Holding Companies totalled \$4.0 billion (December 31, 2022 – \$3.5 billion) and the corresponding receivable of \$4.0 billion (December 31, 2022 – \$3.5 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.

Stock-based compensation payable

Onex' stock-based compensation plans include its Stock Option Plan, Management Deferred Share Unit ("DSU") Plan, Director DSU Plan and RSU Plan, as further described on pages 34 and 35 of this interim MD&A.

TABLE 16 (Unaudited) (\$ millions)	September 30, 2023	December 31, 2022
Stock Option Plan	\$ 85	\$ 63
Management DSU Plan	50	41
Director DSU Plan	39	31
RSU Plan	5	2
Total stock-based compensation payable	\$ 179	\$ 137

The increase in stock-based compensation payable at September 30, 2023 was primarily driven by an increase in the market value of Onex' SVS and the vesting of RSUs and stock options during 2023, partially offset by RSUs and stock options exercised, expired or forfeited during the year, as described on pages 34 and 35 of this interim MD&A. Onex has entered into forward agreements with financial institutions to economically hedge the Company's exposure to changes in the trading price of Onex shares associated with the Management DSU Plan, Director DSU Plan and RSU Plan. At September 30, 2023, the fair value of these instruments was \$100 million (December 31, 2022 – \$74 million), which is included in other assets in Onex' unaudited consolidated balance sheets.

Accrued compensation

Accrued compensation at September 30, 2023 was \$81 million (December 31, 2022 – \$122 million) and consisted of employee incentive compensation for the fiscal 2023 year, which will largely be paid during the first quarter of 2024. The decline in accrued compensation from December 31, 2022 was primarily driven by the payment of 2022 incentive compensation during the first quarter of 2023, partially offset by accrued incentive compensation related to the 2023 fiscal year.

Equity

Table 17 provides a reconciliation of the change in equity from December 31, 2022 to September 30, 2023.

Change in Equity

TABLE 17 (Unaudited) (\$ millions)	
Balance – December 31, 2022	\$ 8,250
Dividends declared	(18)
Repurchase and cancellation of shares	(166)
Stock options exercised	3
Net earnings	156
Equity as at September 30, 2023	\$ 8,225

Dividend policy

Table 18 presents Onex' dividends paid per share for the twelve months ended September 30 during the past five years.

TABLE 18 (\$ per share amounts)	Dividend Paid per Share
Twelve months ended September 30:	
2019	C\$ 0.36
2020	C\$ 0.40
2021	C\$ 0.40
2022	C\$ 0.40
2023	C\$ 0.40

Shares outstanding

At September 30, 2023, 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 77,911,569 SVS issued and outstanding. Note 8 to the unaudited interim consolidated financial statements provides additional information on Onex' share capital. There was no change in the Multiple Voting Shares outstanding during the nine months ended September 30, 2023.

Table 19 shows the change in the number of SVS outstanding from December 31, 2022 to October 31, 2023.

TABLE 19	(Unaudited) (\$ millions except per share amounts)	Number of SVS	Average Price per Share		Total Cost	
			(USD)	(CAD)	(USD)	(CAD)
SVS outstanding at December 31, 2022		80,808,343				
Shares repurchased and cancelled:						
Normal Course Issuer Bids	(2,479,066)		\$ 55.17	\$ 74.09	\$ 137	\$ 184
Private transaction	(1,000,000)		\$ 59.59	\$ 80.76	\$ 59	\$ 81
Options exercised	54,829		\$ 54.03	\$ 74.41	\$ 3	\$ 4
SVS outstanding at October 31, 2023		77,384,106				

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, 2023, Onex renewed its NCIB following the expiry of its previous NCIB on April 17, 2023. Under the new NCIB, Onex is permitted to purchase up to 10% of its public float of SVS, or 6,644,936 SVS. Pursuant to the rules of the TSX, Onex may purchase up to 41,409 SVS during any trading day through the facilities of the TSX, being 25% of its average daily trading volume for the six months ended March 31, 2023. 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 or through purchases made on alternative market trading platforms subject to daily and annual limitations established by applicable securities rules. The new NCIB commenced on April 18, 2023 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 17, 2024. 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, 2023, Onex repurchased 5,085,086 SVS at a total cost of \$258 million (C\$343 million) or an average purchase price of \$50.68 (C\$67.36) per share.

The private transaction in table 19 relates to the repurchase of SVS that were held indirectly by Mr. Gerald W. Schwartz, Onex' controlling shareholder, as described on page 39 of this interim MD&A.

Stock Option Plan

At September 30, 2023, Onex had 6,445,336 options outstanding to acquire SVS, of which 366,700 were vested and exercisable. During the nine months ended September 30, 2023, 375,439 options were issued primarily in connection with services provided by employees during the year ended December 31, 2022 at a weighted average exercise price of C\$70.71, 994,508 options were surrendered at a weighted average exercise price of C\$58.45 for aggregate cash consideration of \$14 million (C\$19 million), 215,512 options were exercised for SVS at an exercise price of C\$56.92 and 304,378 options were forfeited or expired.

Restricted Share Unit Plan

The Company established an RSU Plan for employees, which entitles the holder to receive, upon redemption, a cash payment equivalent to the market value of an SVS at the vesting date. Units issued under the RSU Plan generally vest over a three-year period and certain RSUs also include performance hurdles tied to the return from Onex' SVS. Additional units are issued for any cash dividends paid on the SVS. Vested RSUs are settled within 31 days of the vesting date. RSUs are settled only for cash and no shares or other securities of Onex will be issued on the settlement of RSUs.

The Company has recorded a liability for the future settlement of the vested RSUs by reference to the value of the underlying SVS at the balance sheet date. The liability is adjusted for the change in the market value of the underlying shares, with the corresponding amount reflected in the unaudited interim consolidated statements of earnings. To economically hedge a portion of the Company's exposure to changes in the market value of Onex' SVS, the Company enters into forward agreements with a counterparty financial institution. The change in value of the forward agreements is recorded to offset the amounts recorded as stock-based compensation under the RSU Plan.

During the nine months ended September 30, 2023, 247,024 RSUs were issued primarily in connection with services provided by employees during the year ended December 31, 2022 and 105,055 RSUs were forfeited. At September 30, 2023, there were 173,138 RSUs outstanding (December 31, 2022 – 80,022). At September 30, 2023, Onex had economically hedged all of the outstanding RSUs with a counterparty financial institution.

Director Deferred Share Unit Plan

During the nine months ended September 30, 2023, 63,760 DSUs were issued to directors having an aggregate value of \$3 million (C\$4 million) in lieu of directors' fees and 37,487 Director DSUs were redeemed. At September 30, 2023, there were 666,849 Director DSUs outstanding (December 31, 2022 – 637,782). At September 30, 2023, Onex had economically hedged all of the outstanding Director DSUs with counterparty financial institutions.

Management Deferred Share Unit Plan

At September 30, 2023, there were 849,887 Management DSUs outstanding (December 31, 2022 – 846,250). At September 30, 2023, Onex had economically hedged all of the outstanding Management DSUs with counterparty financial institutions.

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, 2022.

At September 30, 2023, Onex had \$1.5 billion of cash and near-cash items (December 31, 2022 – \$1.1 billion), as described on page 27 of this interim MD&A.

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

At September 30, 2023, the fair value of treasury investments, including cash yet to be deployed and net working capital managed by a third-party investment manager, was \$229 million (December 31, 2022 – \$367 million). The decrease was primarily driven by the net sale of treasury investments to fund 2022 incentive compensation payments and other cash flow needs of Onex. Treasury investments are managed in a mix of short-term and long-term portfolios to fund operational cash requirements as Onex has elected to defer cash receipt of management fees and recoverable expenses from certain funds. Treasury investments primarily consist of 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 (approximately \$760 million) and ONCAP V (approximately \$155 million). In addition, Onex has uncalled committed capital of approximately \$350 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 20 summarizes the major consolidated cash flow components for the nine months ended September 30, 2023 and 2022.

Major Cash Flow Components

TABLE 20	<i>(Unaudited) (\$ millions)</i>		2023	2022
	Nine months ended September 30			
	Cash provided by (used in) operating activities	\$ 118	\$ (291)	
	Cash provided by (used in) financing activities	\$ 174	\$ (326)	
	Cash provided by investing activities	\$ 51	\$ 225	
	Consolidated cash and cash equivalents	\$ 455	\$ 151	

Cash provided by (used in) operating activities

Table 21 provides a breakdown of cash provided by (used in) operating activities by cash generated from (used in) operations and changes in working capital items for the nine months ended September 30, 2023 and 2022.

Components of Cash Provided by (Used in) Operating Activities

TABLE 21	(Unaudited) (\$ millions)		2023	2022
	Nine months ended September 30			
Cash generated from (used in) operations			\$ 239	\$ (115)
Changes in working capital items:				
Management and advisory fees, recoverable fund expenses and other receivables			(92)	(124)
Other assets			(7)	(8)
Accounts payable, accrued liabilities and other liabilities			19	5
Accrued compensation			(41)	(49)
Decrease in cash and cash equivalents due to changes in working capital items			(121)	(176)
Cash provided by (used in) operating activities			\$ 118	\$ (291)

Cash provided by (used in) operations includes net earnings (loss) from operations before interest and taxes, adjusted for items not affecting cash and cash equivalents, in addition to cash flows from Onex' investments in and loans made to the Investment Holding Companies and stock-based compensation paid. The significant changes in working capital items for the nine months ended September 30, 2023 and 2022 were:

- a \$92 million increase in receivables, primarily driven by management fees earned but not yet received from the limited partners of Onex Partners IV and Onex Partners V, along with an increase in recoverable fund expenses from Onex Partners IV and Onex Partners V. This compares to a \$124 million increase during the same period in 2022, primarily driven by management fees earned but not yet received from certain Credit Funds, the limited partners of the Onex Partners Funds and an increase in recoverable fund expenses from the Onex Partners Funds, Onex Partners operating companies and certain Credit Funds, partially offset by the receipt of performance fees from certain Credit strategies;
- a \$19 million increase in accounts payable, accrued liabilities and other liabilities primarily as a result of restructuring provisions recognized in connection with Onex' transition and wind-down of the wealth management business and the reorganization of the Onex Partners platform and Onex' corporate functions, as described on pages 25 and 26 of this interim MD&A; and
- a \$41 million decrease in accrued compensation primarily as a result of the payment of 2022 incentive compensation during the first quarter of 2023, partially offset by accrued incentive compensation related to the 2023 fiscal year. This compares to a \$49 million decrease during the same period in 2022, 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.

Cash provided by (used in) financing activities

Cash provided by financing activities was \$174 million for the nine months ended September 30, 2023 compared to cash used in financing activities of \$326 million for the same period in 2022. Cash provided by financing activities for the nine months ended September 30, 2023 primarily consisted of \$364 million of net loan issuances from the Investment Holding Companies (2022 – net repayments of \$103 million), partially offset by \$163 million of cash used to repurchase Onex stock (2022 – \$195 million), as described on page 34 of this interim MD&A, and \$18 million of cash dividends paid (2022 – \$20 million).

Cash provided by investing activities

Cash provided by investing activities totalled \$51 million for the nine months ended September 30, 2023 compared to \$225 million during the same period in 2022. Cash provided by investing activities during the nine months ended September 30, 2023 primarily consisted of the net sale of treasury investments totalling \$53 million (2022 – \$224 million).

Consolidated cash resources

At September 30, 2023, consolidated cash and cash equivalents increased to \$455 million from \$111 million at December 31, 2022. The major components of cash and cash equivalents at September 30, 2023 included \$148 million of cash on hand (December 31, 2022 – \$59 million) and \$307 million of money market funds (December 31, 2022 – \$52 million).

At September 30, 2023, Onex had \$1.5 billion of cash and near-cash on hand (December 31, 2022 – \$1.1 billion), as described on page 27 of this interim MD&A. Onex management reviews the amount of cash and near-cash on hand when assessing the liquidity of the Company.

Commitments

During the nine months ended September 30, 2023, Onex committed an additional \$50 million to Falcon Fund VII, increasing its total commitment to approximately \$80 million.

In May 2023, Onex announced that it had paused fundraising for Onex Partners VI until the fundraising environment improves. Onex had previously committed \$1.5 billion to Onex Partners VI.

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 carried interest and performance fees from certain Credit strategies and recovers certain deal investigation, research and other expenses from the Onex private equity funds, private credit strategies and private equity portfolio companies. Onex indirectly controls the Onex private equity funds and private credit strategies, and therefore the management fees, performance fees and carried interest 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 acts as an investment fund manager, portfolio manager and/or exempt market dealer for its pooled funds. In the case of those pooled funds that are organized as trusts, Gluskin Sheff acts as a trustee, while for pooled funds organized as limited partnerships, Gluskin Sheff or an affiliate of Gluskin Sheff acts as the General Partner. As such, the Gluskin Sheff pooled funds are related parties of the Company.

Related-party revenues comprised the following:

TABLE 22	(Unaudited) (\$ millions)		Three Months Ended September 30, 2023				Nine Months Ended September 30, 2023			
	Management and Advisory Fees	Reimbursement of Expenses	Performance Fees	Total	Management and Advisory Fees	Reimbursement of Expenses	Performance Fees	Total		
Source of related-party revenues										
Private Equity Funds ⁽ⁱ⁾	\$ 31	\$ 10	\$ -	\$ 41	\$ 86	\$ 15	\$ -	\$ 101		
Private Credit Strategies	26	3	1	30	79	10	3	92		
Gluskin Sheff pooled funds ⁽ⁱⁱⁱ⁾	7	-	-	7	27	-	1	28		
Total related-party revenues	\$ 64	\$ 13	\$ 1	\$ 78	\$ 192	\$ 25	\$ 4	\$ 221		
Third-party revenues	1	-	-	1	3	-	-	3		
Total revenues	\$ 65	\$ 13	\$ 1	\$ 79	\$ 195	\$ 25	\$ 4	\$ 224		

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

(ii) Revenue associated with the reimbursement of expenses from the Gluskin Sheff pooled funds is included within other income.

Related-party receivables comprised the following:

TABLE 23	(Unaudited) (\$ millions) As at September 30, 2023	Management and Advisory Fees Receivable	Recoverable Fund and Operating Businesses' Expenses Receivable	Performance Fees	Other Receivables	Total
Private Equity Funds		\$ 355	\$ 190	\$ -	\$ -	\$ 545
Private Credit Strategies		31	26	2	-	59
Onex Partners and ONCAP operating businesses		4	11	-	-	15
Gluskin Sheff pooled funds		2	-	-	-	2
Other related parties, including Investment Holding Companies		-	-	-	7	7
Total related-party receivables		\$ 392	\$ 227	\$ 2	\$ 7	\$ 628
Third-party receivables		-	-	-	8	8
Total receivables		\$ 392	\$ 227	\$ 2	\$ 15	\$ 636

Services received from operating companies

During the three and nine months ended September 30, 2023, Onex received services from certain operating companies, the value of which was not significant.

Repurchase of shares

During the three months ended September 30, 2023, Onex repurchased 1,000,000 of its SVS that were held indirectly by Mr. Gerald W. Schwartz, who is Onex' controlling shareholder. The shares were repurchased at a cost of \$59.59 (C\$80.76) per SVS, or a total cost of \$59 million (C\$81 million), which represented a discount to the trading price of Onex shares on the dates of the transaction.

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 formulated by the International Accounting Standards Board. 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.

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, liquid credit and first-lien senior secured loans.

Management incentive programs 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 and subsequent funds, 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 Credit carried interest program, which entitles the management of Onex Falcon to 80% of the carried interest realized in Onex Falcon VI and substantially all of the carried interest realized on other existing Onex Falcon Funds as of December 31, 2020. The Credit management team is allocated 50% of the carried interest realized on Onex Falcon Funds launched after December 31, 2020 and most other Credit Funds which are eligible for carried interest.

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 certain funds, and subscription financing receivable from certain Credit and Private Equity Funds 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 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.

Restricted Share Units ("RSUs") entitle the holder to receive, upon redemption, a cash payment equivalent to the market value of an SVS at the vesting date. Certain RSUs also include performance hurdles tied to the return from Onex' SVS.

Run-rate management fees refer to a forward-looking calculation representing management fees that would be earned over a 12-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 CLOs.

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

INTERIM CONSOLIDATED BALANCE SHEETS

<i>(Unaudited)</i> <i>(in millions of U.S. dollars)</i>	As at September 30, 2023	As at December 31, 2022
Assets		
Cash and cash equivalents	\$ 455	\$ 111
Treasury investments (note 2)	–	52
Management and advisory fees, recoverable fund expenses and other receivables (note 3)	636	544
Corporate investments (including intercompany loans receivable from Onex and the Asset Managers of \$3,975 (December 31, 2022 – \$3,488), comprising part of the fair value of Investment Holding Companies) (note 4)	11,129	10,875
Other assets (note 7)	115	91
Property and equipment (note 5)	122	140
Intangible assets (note 5)	35	93
Goodwill (note 5)	149	257
Total assets	\$ 12,641	\$ 12,163
Intercompany loans payable to Investment Holding Companies (note 6)	(3,975)	(3,488)
Total assets net of intercompany loans payable to Investment Holding Companies	\$ 8,666	\$ 8,675
Other liabilities		
Accounts payable and accrued liabilities	\$ 22	\$ 28
Accrued compensation	81	122
Stock-based compensation payable (note 7)	179	137
Contingent consideration	57	57
Lease liabilities	62	70
Other liabilities (note 5)	40	11
Total other liabilities	\$ 441	\$ 425
Net assets	\$ 8,225	\$ 8,250
Equity		
Share capital (note 8)	\$ 281	\$ 287
Retained earnings and accumulated other comprehensive earnings	7,944	7,963
Total equity	\$ 8,225	\$ 8,250

These unaudited interim consolidated financial statements should be read in conjunction with the 2022 audited annual consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited) (in millions of U.S. dollars except per share data)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Income				
Net gain (loss) on corporate investments (including an increase of \$25 and a decrease of \$43 in carried interest during the three and nine months ended September 30, 2023, respectively (2022 – decrease of \$49 and \$106, respectively)) (note 4)	\$ 264	\$ (164)	\$ 437	\$ (364)
Management and advisory fees (note 9)	65	67	195	203
Performance fees (note 9)	1	–	4	–
Reimbursement of expenses from investment funds and operating businesses (note 9)	13	8	25	22
Interest and net treasury investment income (note 10)	6	1	9	–
Other income	1	1	2	3
Total income (loss)	\$ 350	\$ (87)	\$ 672	\$ (136)
Expenses				
Compensation	\$ (46)	\$ (63)	\$ (166)	\$ (186)
Stock-based compensation recovery (expense)	(14)	11	(42)	240
Amortization of property, equipment and intangible assets	(8)	(12)	(28)	(39)
Recoverable expenses from investment funds and operating businesses	(13)	(8)	(25)	(22)
Net impairment of goodwill, intangible assets and property and equipment (note 5)	7	–	(164)	–
Restructuring expenses (note 5)	(5)	–	(40)	–
Other expenses	(15)	(21)	(48)	(57)
Total expenses	\$ (94)	\$ (93)	\$ (513)	\$ (64)
Earnings (loss) before income taxes	\$ 256	\$ (180)	\$ 159	\$ (200)
Provision for income taxes	–	–	(3)	–
Net earnings (loss)	\$ 256	\$ (180)	\$ 156	\$ (200)
Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation (note 11)				
Basic	\$ 3.24	\$ (2.12)	\$ 1.94	\$ (2.33)
Diluted	\$ 3.23	\$ (2.12)	\$ 1.94	\$ (2.33)

These unaudited interim consolidated financial statements should be read in conjunction with the 2022 audited annual consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(Unaudited) (in millions of U.S. dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Net earnings (loss)	\$ 256	\$ (180)	\$ 156	\$ (200)
Other comprehensive loss, net of tax				
Items that may be reclassified to net loss:				
Currency translation adjustments	-	(13)	-	(17)
Other comprehensive loss, net of tax	\$ -	\$ (13)	\$ -	\$ (17)
Total comprehensive earnings (loss)	\$ 256	\$ (193)	\$ 156	\$ (217)

These unaudited interim consolidated financial statements should be read in conjunction with the 2022 audited annual consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited) (in millions of U.S. dollars except per share data)	Share Capital (note 8)	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss) ⁽ⁱ⁾	Total Equity
Balance – December 31, 2021	\$ 304	\$ 8,055	\$ 15	\$ 8,374
Dividends declared ⁽ⁱⁱⁱ⁾	-	(19)	-	(19)
Repurchase and cancellation of shares	(11)	(189)	-	(200)
Net loss	-	(200)	-	(200)
Currency translation adjustments included in other comprehensive loss	-	-	(17)	(17)
Balance – September 30, 2022	\$ 293	\$ 7,647	\$ (2)	\$ 7,938
Balance – December 31, 2022	\$ 287	\$ 7,962	\$ 1	\$ 8,250
Dividends declared ⁽ⁱⁱⁱ⁾	-	(18)	-	(18)
Repurchase and cancellation of shares (note 8)	(9)	(157)	-	(166)
Stock options exercised	3	-	-	3
Net earnings	-	156	-	156
Balance – September 30, 2023	\$ 281	\$ 7,943	\$ 1	\$ 8,225

(i) Accumulated other comprehensive earnings (loss) 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\$0.30 for the nine months ended September 30, 2023 (2022 – C\$0.30). There are no tax effects for Onex on the declaration or payment of dividends.

These unaudited interim consolidated financial statements should be read in conjunction with the 2022 audited annual consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended September 30

(Unaudited)

(in millions of U.S. dollars)

	2023	2022
Operating Activities		
Net earnings (loss)	\$ 156	\$ (200)
Adjustments to net earnings (loss):		
Provision for income taxes	3	-
Interest and net treasury investment income	(9)	-
Interest expense	2	2
Earnings (loss) before interest and taxes	152	(198)
Income taxes paid	(2)	(1)
Net stock-based compensation paid	(18)	(8)
Investments made in and loans made to Investment Holding Companies	(115)	(86)
Distributions and loan repayments received from Investment Holding Companies and operating company	423	16
Items not affecting cash and cash equivalents:		
Amortization of property, equipment and intangible assets	28	39
Net loss (gain) on corporate investments (note 4)	(437)	364
Stock-based compensation expense (recovery)	42	(240)
Net impairment of goodwill, intangible assets and property and equipment	164	-
Foreign exchange gain	(1)	-
Other	3	(1)
	239	(115)
Changes in working capital items:		
Management and advisory fees, recoverable fund expenses and other receivables	(92)	(124)
Other assets	(7)	(8)
Accounts payable, accrued liabilities and other liabilities	19	5
Accrued compensation	(41)	(49)
Decrease in cash and cash equivalents due to changes in working capital items	(121)	(176)
Cash provided by (used in) operating activities	\$ 118	\$ (291)
Financing Activities		
Cash dividends paid	\$ (18)	\$ (20)
Principal elements of lease payments	(8)	(7)
Cash interest paid	(1)	(1)
Repurchase of share capital of Onex Corporation	(163)	(195)
Issuance of loans from Investment Holding Companies	385	325
Repayment of loans to Investment Holding Companies	(21)	(428)
Cash provided by (used in) financing activities	\$ 174	\$ (326)
Investing Activities		
Net sale of treasury investments	\$ 53	\$ 224
Purchase of property and equipment	(8)	(4)
Sale of property and equipment	-	4
Cash interest received	6	1
Cash provided by investing activities	\$ 51	\$ 225
Increase (Decrease) in Cash and Cash Equivalents	\$ 343	\$ (392)
Increase (decrease) in cash due to changes in foreign exchange rates	1	(4)
Cash and cash equivalents, beginning of the period	111	547
Cash and Cash Equivalents	\$ 455	\$ 151

These unaudited interim consolidated financial statements should be read in conjunction with the 2022 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 liquid 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 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 outstanding Multiple Voting Shares of the corporation. Mr. Schwartz also indirectly held 12% of the outstanding Subordinate Voting Shares of Onex at September 30, 2023.

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

The unaudited interim consolidated financial statements were authorized for issue by the Board of Directors on November 9, 2023.

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 direct investments. 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, these companies

primarily 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, liquid credit 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.

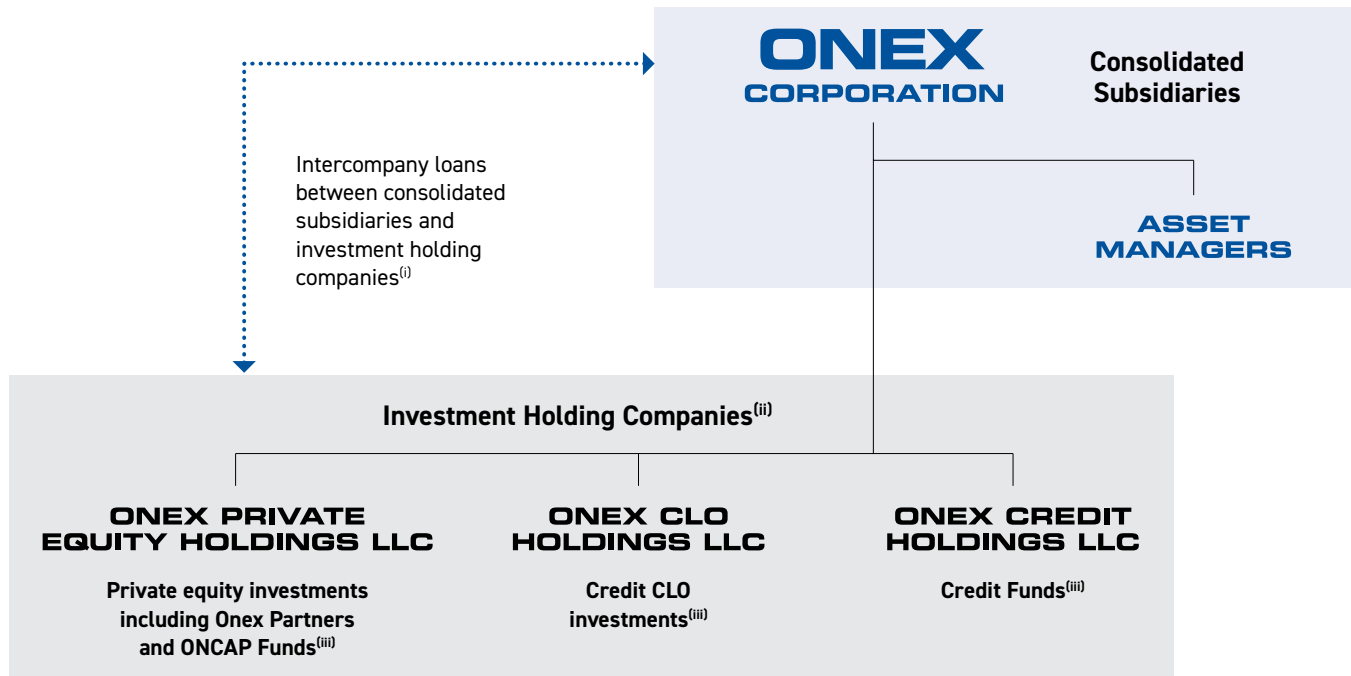
Onex meets the definition of an investment entity, as defined by IFRS 10, *Consolidated financial statements* ("IFRS 10"). As a result, Onex' investments in its subsidiaries that do not provide investment-related services are accounted for as corporate investments at fair value through net earnings (loss).

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.



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

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, 2022.

The unaudited interim consolidated financial statements are based on accounting policies, as described in note 1 to the 2022 audited annual consolidated financial statements. Several amendments and interpretations of IFRS apply for the first time in 2023; however, these items do not have a material impact on the unaudited interim consolidated financial statements of the Company.

Use of judgements and estimates

In addition to the use of judgements and estimates outlined in note 1 to the 2022 audited annual financial statements, the Company also exercised significant judgement when testing assets for impairment and estimating the restructuring provision in connection with the transition and wind-down of Gluskin Sheff's wealth management and wealth planning operations, as described in note 5.

Restricted Share Unit Plan

The Company established a Restricted Share Unit ("RSU") Plan for employees, which entitles the holder to receive, upon redemption, a cash payment equivalent to the market value of an Onex Subordinate Voting Share ("SVS") at the vesting date. Units issued under the RSU Plan generally vest over a three-year period and certain RSUs also include performance hurdles tied to the return from Onex' SVS. Additional units are issued for any cash dividends paid on the SVS. Vested RSUs are settled within 31 days of the vesting date. RSUs are settled only for cash and no shares or other securities of Onex will be issued on the settlement of RSUs.

The Company has recorded a liability for the future settlement of the vested RSUs by reference to the value of the underlying SVS at the balance sheet date. The liability is adjusted for the change in the market value of the underlying shares, with the corresponding amount reflected in the unaudited interim consolidated statements of earnings. To economically hedge a portion of the Company's exposure to changes in the market value of Onex' SVS, the Company enters into forward agreements with a counterparty financial institution. The change in value of the forward agreements is recorded to offset the amounts recorded as stock-based compensation under the RSU Plan.

Onex has designated a fair value hedging relationship between the forward agreements it has with a counterparty financial institution (hedging instrument) and the RSUs outstanding (hedged item). As a result, adjustments are recorded to remove the accounting mismatch between unvested RSUs and the designated forward agreements. These adjustments are recorded to stock-based compensation payable and stock-based compensation expense (recovery). Hedge effectiveness is determined and monitored to ensure that an economic relationship exists between the hedged item and hedging instrument.

2. TREASURY INVESTMENTS

At September 30, 2023, Onex' consolidated treasury investments balance was nil. At December 31, 2022, treasury investments comprised the following:

	December 31, 2022
Commercial paper and corporate obligations	\$ 50
Asset-backed securities	2
Total treasury investments	\$ 52

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

The Company's receivables comprised the following:

	September 30, 2023	December 31, 2022
Management and advisory fees	\$ 392	\$ 346
Recoverable fund and operating businesses' expenses	227	190
Other	17	8
Total	\$ 636	\$ 544

Management and advisory fees receivable, and recoverable fund and operating businesses' expenses receivable primarily consisted of management fees and recoverable expenses receivable of \$545 from the Onex private equity funds (December 31, 2022 - \$446) and \$35 from the Credit Funds (December 31, 2022 - \$30), which Onex elected to defer cash receipt of. The majority of receivables outstanding at September 30, 2023 and December 31, 2022 consisted of management fees and recoverable expenses from the Onex Partners IV and Onex Partners V Funds.

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, 2022	Capital Deployed	Realizations and Distributions	Change in Fair Value	September 30, 2023	Change in Fair Value During the Three Months Ended September 30, 2023
Onex Partners Funds	\$ 4,228	\$ –	\$ (162)	\$ 142	\$ 4,208	\$ 109
ONCAP Funds	718	255	(104)	57	926	11
Other private equity	853	27	(629)	171	422	70
Carried interest	265	n/a	(5)	(43)	217	25
Total private equity investments ^(a)	6,064	282	(900)	327	5,773	215
Private Credit Strategies ^(b)	701	294	(340)	99	754	44
Real estate ^(c)	34	–	(4)	–	30	1
Other net assets ^(d)	588	(846)	844	11	597	4
Total corporate investments, excluding intercompany loans	7,387	(270)	(400)	437	7,154	264
Intercompany loans receivable from Onex and the Asset Managers ^(e)	3,488	567	(80)	–	3,975	–
Intercompany loans payable to Onex and the Asset Managers ^(f)	(398)	(11)	12	–	(397)	–
Intercompany loans receivable from Investment Holding Companies ^(f)	398	11	(12)	–	397	–
Total corporate investments	\$ 10,875	\$ 297	\$ (480)	\$ 437	\$ 11,129	\$ 264

a) Private equity investments

The Company's private equity investments comprised the following:

	December 31, 2022	Capital Deployed	Realizations and Distributions	Change in Fair Value	September 30, 2023	Change in Fair Value During the Three Months Ended September 30, 2023
Onex Partners Funds						
Onex Partners I	\$ 1	\$ -	\$ -	\$ -	\$ 1	\$ -
Onex Partners II	5	-	-	-	5	-
Onex Partners III	304	-	(4)	21	321	6
Onex Partners IV	1,585	-	(161)	(118)	1,306	1
Onex Partners V	2,521	-	(12)	255	2,764	117
Management incentive programs	(188)	n/a	15	(16)	(189)	(15)
Total investment in Onex Partners Funds⁽ⁱ⁾	4,228	-	(162)	142	4,208	109
ONCAP Funds						
ONCAP II	118	-	(30)	4	92	(3)
ONCAP III	64	-	(5)	21	80	19
ONCAP IV	616	77	(82)	51	662	-
ONCAP V	-	178	-	-	178	-
Management incentive programs	(80)	n/a	13	(19)	(86)	(5)
Total investment in ONCAP Funds⁽ⁱⁱ⁾	718	255	(104)	57	926	11
Other private equity investments⁽ⁱⁱⁱ⁾	853	27	(629)	171	422	70
Carried interest^(iv)	265	n/a	(5)	(43)	217	25
Total private equity investments	\$ 6,064	\$ 282	\$ (900)	\$ 327	\$ 5,773	\$ 215

i) Onex Partners Funds

At September 30, 2023, the Onex Partners Funds had investments in 21 operating businesses (December 31, 2022 – 22) in various industry sectors and countries, of which three were publicly traded companies (December 31, 2022 – three). The fair value of Onex' investments in the Onex Partners publicly traded companies at September 30, 2023 was \$852 (December 31, 2022 – \$871). Onex' investments in the Onex Partners Funds include co-investments, where applicable.

In March 2023, the Onex Partners IV Group sold approximately 4.3 million common shares of PowerSchool Group ("PowerSchool") at a price of \$21.00 per share. Onex' share of the net proceeds was \$28. At September 30, 2023, Onex held approximately 23.1 million common shares of PowerSchool through Onex Partners IV. Onex' economic and voting interest in PowerSchool was reduced to approximately 11% and 35%, respectively.

In August 2023, the Onex Partners IV Group sold its investment in Ryan, LLC to a single-asset continuation fund managed by Onex. Onex' share of the net proceeds from this transaction will be approximately \$118, net of payments under the management incentive programs. Net proceeds of current Onex Partners management were

reinvested into the continuation fund. Onex' net proceeds from this transaction are expected to be received in the fourth quarter of 2023. Onex no longer has an ownership interest in Ryan, LLC following the sale to the continuation fund. Onex will manage the continuation fund that holds the investment in Ryan, LLC, which has an initial term of five years, in exchange for recurring management fees and a carried interest opportunity.

ii) ONCAP Funds

At September 30, 2023, the ONCAP Funds had investments in 18 operating businesses (December 31, 2022 – 16). Onex' investments in the ONCAP Funds include co-investments, where applicable.

In January 2023, Onex received \$29 of proceeds in connection with a distribution made by PURE Canadian Gaming to the ONCAP II and ONCAP III Groups, including carried interest and net of payments under management incentive programs.

In February 2023, Onex received \$17 of proceeds in connection with a distribution made by International Language Academy of Canada Inc. to the ONCAP IV Group, including carried interest and net of payments under management incentive programs.

During the three months ended September 30, 2023, Onex invested \$162 as part of the ONCAP IV and V Groups' investment in Biomerics, a leading medical device contract manufacturer serving the interventional device market. As part of this transaction, Biomerics merged with the medical business of Precision Concepts International ("Precision Concepts"), an ONCAP IV operating business. Onex received net proceeds of \$63, net of payments under management incentive programs, from the ONCAP IV Group's sale of the medical business of Precision Concepts to Biomerics. Onex' share of the investment in Biomerics is expected to be reduced as additional capital is raised for ONCAP V and after further syndication of a co-investment in Biomerics.

In July 2023, Onex invested \$80 as part of the ONCAP V Group's investment in Education Holding Corporation, a provider of before and after school care to students in the United States. Onex' share of the investment in Education Holding Corporation is expected to be reduced as additional capital is raised for ONCAP V.

iii) Other private equity investments

At September 30, 2023, other private equity investments primarily consisted of Onex' investments in Incline Aviation Funds I and II, Ryan Specialty Group ("RSG") and Unanet.

In May 2023, Onex sold approximately 8.2 million Class A common shares of RSG at a price of \$43.45 per share. Total proceeds received by Onex were \$318, net of payments under the management incentive programs. At September 30, 2023, Onex held approximately 4.1 million Class A common shares of RSG.

In June 2023, Onex sold approximately 11.9 million subordinate voting shares of Celestica Inc. ("Celestica") at a price of \$12.26 per share. Total proceeds received by Onex were \$142, net of payments under the management incentive programs. In August 2023, Onex sold its remaining 6.7 million subordinate voting shares of Celestica at a price of \$20.52 per share. Total proceeds received by Onex were \$133, net of payments under the management incentive programs. Onex no longer holds shares of Celestica after this transaction.

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 nine months ended September 30, 2023 was primarily due to net decreases in the fair value of the underlying investments in Onex Partners IV, partially offset by the net increases in the fair value of the underlying investments in Onex Partners V.

b) Private Credit Strategies

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

	December 31, 2022	Capital Deployed	Realizations and Distributions	Change in Fair Value	September 30, 2023	Change in Fair Value During the Three Months Ended September 30, 2023
Structured Credit Strategies						
U.S. CLOs	\$ 248	\$ 92	\$ (145)	\$ 32	\$ 227	\$ 21
EURO CLOs	61	43	(23)	28	109	6
CLO warehouses	21	118	(133)	2	8	1
Other structured strategies	46	11	(13)	11	55	3
Opportunistic Credit Strategies	135	-	(4)	11	142	4
Liquid Strategies⁽ⁱ⁾	100	4	-	7	111	4
Direct Lending	90	26	(22)	8	102	5
Total investment in Private Credit Strategies	\$ 701	\$ 294	\$ (340)	\$ 99	\$ 754	\$ 44

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

During the nine months ended September 30, 2023, Onex' net investments in the CLOs decreased by \$33 primarily as a result of regular quarterly distributions totalling \$65 and the partial sale of equity interests in certain U.S. CLOs and a European CLO, partially offset by investments in Onex' twenty-sixth, twenty-seventh and twenty-eighth U.S. CLOs, and sixth and seventh European CLOs.

c) Real estate

Onex' investment in real estate is comprised of an investment in Flushing Town Center, a commercial and residential complex located in Flushing, New York. During the nine months ended September 30, 2023, 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, real estate and intercompany loans receivable from and payable to Onex and the Asset Managers. Other net assets comprised the following:

	September 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 166	\$ 278
Treasury investments	205	271
Restricted cash	88	2
Receivable from Ryan realization (note 4(a)(i))	118	–
Other net assets ⁽ⁱ⁾	20	37
Total other net assets	\$ 597	\$ 588

(i) Other net assets at September 30, 2023 included \$80 (December 31, 2022 – \$69) of subscription financing receivable, including interest receivable, attributable to third-party investors in certain Credit Funds and ONCAP V, partially offset by \$34 (December 31, 2022 – \$27) of uncalled expenses payable to the consolidated Asset Managers.

In connection with the investments made by ONCAP V in Biomerics and Education Holding Corporation, Onex provided subscription line financing to ONCAP V for \$65 on financial terms consistent with the fund's third-party subscription facility. A receivable for this loan is included within other net assets as of September 30, 2023.

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

	September 30, 2023	December 31, 2022
Federal debt instruments	\$ 110	\$ 143
Corporate obligations	80	108
Asset-backed securities	5	13
Other	10	7
Total treasury investments	\$ 205	\$ 271

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 September 30, 2023, the intercompany loans receivable from Onex and the Asset Managers of \$3,975 (December 31, 2022 – \$3,488) 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 \$3,975 at September 30, 2023 (December 31, 2022 – \$3,488) and are described in note 6. There is no impact on net assets or net earnings (loss) from these intercompany loans.

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

At September 30, 2023, Onex and the Asset Managers had intercompany loans receivable from the Investment Holding Companies totalling \$397 (December 31, 2022 – \$398). The corresponding intercompany loans payable to Onex and the Asset Managers, which totalled \$397 at September 30, 2023 (December 31, 2022 – \$398), 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. RESTRUCTURING EXPENSES AND NET IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS AND PROPERTY AND EQUIPMENT

In March 2023, following developments at Gluskin Sheff, Onex decided to change the private capital distribution strategy of its investment products. As part of this change in strategy, Onex entered into an agreement with a leading wealth management firm in Canada to offer employment to the wealth advisor team of Gluskin Sheff. Onex intends to wind down its wealth management and wealth planning operations and grow its private capital distribution through third-party strategic relationships. As a result, during the nine months ended September 30, 2023, a non-cash impairment charge of \$164 was recognized on the following assets:

	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
Goodwill	\$ –	\$ 108
Intangible assets – client relationships	–	47
Right-of-use assets and leasehold improvements ⁽ⁱ⁾	(7)	9
Total net impairment expense (reversal)	\$ (7)	\$ 164

(i) Right-of-use assets and leasehold improvements that were impaired during the nine months ended September 30, 2023 relate to leased office space. The net impairment reversal recorded during the three months ended September 30, 2023 was also related to leased office space. Right-of-use assets and leasehold improvements are included as property and equipment in the unaudited interim consolidated balance sheets.

The impairment for Gluskin Sheff goodwill and intangible assets was calculated on a fair value less costs of disposal basis, which resulted in a negligible recoverable amount for the Gluskin Sheff cash-generating unit following the transition and wind-down of the business. The recoverable amount was a Level 3 measurement in the fair value hierarchy due to significant unobservable inputs used in determining the recoverable amount, which was based on a discounted cash flow projection. Significant assumptions included in the discounted cash flow projection were i) a 16.7% discount rate; and ii) the expected amount of fee-generating assets under management. As a result of the impairment charge, goodwill and client relationships intangible assets associated with the acquisition of Gluskin Sheff were reduced to nil in the September 30, 2023 unaudited interim consolidated balance sheet.

During the nine months ended September 30, 2023, restructuring expenses totalling \$23 were recognized in connection with the ongoing transition and wind-down of the wealth management business. At September 30, 2023, a restructuring provision of \$13 was included within the other liabilities financial statement line item, representing the remaining restructuring expenses to be paid in connection with the wind-down of Onex' wealth management business. Onex expects that most of the cash outflows related to this restructuring provision will occur by the end of the first quarter of 2024. This restructuring provision will be revised in future periods as estimates surrounding the transition and wind-down are updated.

In addition, during the nine months ended September 30, 2023, restructuring expenses totalling \$17 were recognized in connection with the reorganization of the Onex Partners platform and Onex' corporate functions. At September 30, 2023, a restructuring provision of \$9 was included within the other liabilities financial statement line item, representing the remaining restructuring expenses to be paid for these reorganizations. Onex expects most of the cash outflows related to this restructuring provision to occur by the end of 2023.

6. INTERCOMPANY LOANS PAYABLE TO INVESTMENT HOLDING COMPANIES

Onex and the Asset Managers have intercompany loans payable to the Investment Holding Companies. The loans are primarily due on demand and non-interest bearing. At September 30, 2023, intercompany loans payable to the Investment Holding Companies totalled \$3,975 (December 31, 2022 – \$3,488) and the corresponding receivable of \$3,975 (December 31, 2022 – \$3,488) 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.

7. STOCK-BASED COMPENSATION PAYABLE

Stock-based compensation payable comprised the following:

	September 30, 2023	December 31, 2022
Stock Option Plan	\$ 85	\$ 63
Management DSU Plan	50	41
Director DSU Plan	39	31
RSU Plan	5	2
Total stock-based compensation payable	\$ 179	\$ 137

Included in other assets at September 30, 2023 was \$100 (December 31, 2022 – \$74) related to forward agreements to economically hedge the Company's exposure to changes in the trading price of Onex shares associated with the Management Deferred Share Unit ("DSU") Plan, Director DSU Plan and RSU Plan.

8. SHARE CAPITAL

a) At September 30, 2023, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (December 31, 2022 – 100,000) and 77,911,569 SVS (December 31, 2022 – 80,808,343). The Multiple Voting Shares have a nominal paid-in value in these unaudited interim consolidated financial statements.

There were no issued and outstanding Senior and Junior Preferred Shares at September 30, 2023 or December 31, 2022.

b) Onex renewed its Normal Course Issuer Bid in April 2023 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 6.6 million shares.

During the nine months ended September 30, 2023, the Company repurchased and cancelled 2,951,603 of its SVS for a total cost of \$166 (C\$223) or an average cost per share of \$56.34 (C\$75.65). The excess of the purchase cost of these shares over the average paid-in amount was \$157 (C\$211), which was charged to retained earnings. The shares repurchased were comprised of: (i) 1,951,603 SVS purchased under the Normal Course Issuer Bids for a total cost of \$107 (C\$142) or an average price of \$54.68 (C\$73.03); and (ii) 1,000,000 SVS repurchased in a private transaction for a total cost of \$59 (C\$81) or weighted average cost per share of \$59.59 (C\$80.76). During the nine months ended September 30, 2023, 54,829 SVS were issued upon exercise of stock options at an average price per share of C\$74.41.

c) During the nine months ended September 30, 2023, 375,439 options were issued primarily in connection with services provided by employees during the year ended December 31, 2022 at a weighted average exercise price of C\$70.71, 994,508 options were surrendered for total cash consideration of \$14 (C\$19), 215,512 options were exercised for SVS at an exercise price of C\$56.92 and 304,378 options were forfeited or expired. The cash consideration for options surrendered represents the difference between the market value of the SVS at the time of surrender and the exercise price, both as determined under Onex' Stock Option plan, as described in note 16(e) to the 2022 audited annual consolidated financial statements.

d) During the nine months ended September 30, 2023, 247,024 RSUs were issued primarily in connection with services provided by employees during the year ended December 31, 2022 and 105,055 RSUs were forfeited. At September 30, 2023, Onex had 173,138 RSUs outstanding (December 31, 2022 – 80,022).

The directors have chosen to receive their directors' fees in DSUs in lieu of cash. During the nine months ended September 30, 2023, 63,760 DSUs were issued to directors having an aggregate value of \$3 (C\$4) in lieu of directors' fees and 37,487 Director DSUs were redeemed at a weighted average price of \$50.49 (C\$67.62). At September 30, 2023, 666,849 Director DSUs were outstanding (December 31, 2022 – 637,782).

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. At September 30, 2023, 849,887 Management DSUs were outstanding (December 31, 2022 – 846,250).

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 all of the outstanding RSUs, Director DSUs and Management DSUs, as described in note 1 to the 2022 audited annual consolidated financial statements. These forward agreements, which have a fair value of \$100 at September 30, 2023, are included within other assets.

9. REVENUES

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

Management and Advisory Fees				
	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Source of revenues				
Credit	\$ 34	\$ 38	\$ 109	\$ 115
Private Equity ⁽ⁱ⁾	31	29	86	88
Total	\$ 65	\$ 67	\$ 195	\$ 203

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

Reimbursement of Expenses				
	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Source of revenues				
Private Equity ⁽ⁱ⁾	\$ 10	\$ 3	\$ 15	\$ 11
Credit	3	5	10	11
Total	\$ 13	\$ 8	\$ 25	\$ 22

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

Additionally, Onex recognized \$1 and \$4 of performance fees from its Credit strategies during the three and nine months ended September 30, 2023, respectively (2022 – nil).

10. INTEREST AND NET TREASURY INVESTMENT INCOME

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

11. NET EARNINGS (LOSS) PER SUBORDINATE VOTING SHARE

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
Weighted average number of shares outstanding <i>(in millions)</i> :				
Basic	79	85	80	86
Diluted	79	85	80	86

12. FINANCIAL INSTRUMENTS

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

	Fair Value through Net Earnings (Loss)		Amortized Cost ⁽ⁱ⁾	Total
	Recognized	Designated		
September 30, 2023				
Financial assets				
Cash and cash equivalents	\$ 455	\$ -	\$ -	\$ 455
Management and advisory fees, recoverable fund expenses and other receivables	-	-	634	634
Corporate investments	10,732	397	-	11,129
Forward agreements and other assets	109	-	-	109
Total	\$ 11,296	\$ 397	\$ 634	\$ 12,327

(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, 2022				
Financial assets				
Cash and cash equivalents	\$ 111	\$ -	\$ -	\$ 111
Treasury investments	52	-	-	52
Management and advisory fees, recoverable fund expenses and other receivables	-	-	541	541
Corporate investments	10,477	398	-	10,875
Forward agreements and other assets	85	-	-	85
Total	\$ 10,725	\$ 398	\$ 541	\$ 11,664

(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			
September 30, 2023				
Financial liabilities				
Intercompany loans payable to				
Investment Holding Companies	\$ -	\$ 3,975	\$ -	\$ 3,975
Accounts payable and accrued liabilities	-	-	21	21
Contingent consideration	57	-	-	57
Lease liabilities	-	-	62	62
Other liabilities	-	-	6	6
Total	\$ 57	\$ 3,975	\$ 89	\$ 4,121

Fair Value through Net Earnings (Loss)		Amortized Cost	Total	
Recognized	Designated			
December 31, 2022				
Financial liabilities				
Intercompany loans payable to				
Investment Holding Companies	\$ -	\$ 3,488	\$ -	\$ 3,488
Accounts payable and accrued liabilities	-	-	26	26
Contingent consideration	57	-	-	57
Lease liabilities	-	-	70	70
Other liabilities	-	-	5	5
Total	\$ 57	\$ 3,488	\$ 101	\$ 3,646

At September 30, 2023, intercompany loans payable to Investment Holding Companies that are recorded at fair value through net earnings (loss) had contractual amounts due on maturity of \$3,975 (December 31, 2022 - \$3,488).

13. FAIR VALUE MEASUREMENTS

Fair values of financial instruments

The estimated fair values of financial instruments as at September 30, 2023 and December 31, 2022 are based on relevant market prices and information available at those dates. The carrying values of receivables, accounts payable, accrued liabilities, lease liabilities and other liabilities approximate the fair values of these financial instruments.

Financial instruments measured at fair value are allocated within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Transfers between the three levels of the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer. There were no significant transfers between the three levels of the fair value hierarchy during the nine months ended September 30, 2023. 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, was as follows:

As at September 30, 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings (loss)				
Investments in equities ⁽ⁱ⁾	\$ -	\$ -	\$ 10,732	\$ 10,732
Intercompany loans receivable from Investment Holding Companies	-	397	-	397
Forward agreements and other assets	9	100	-	109
Total financial assets at fair value through net earnings (loss)	\$ 9	\$ 497	\$ 10,732	\$ 11,238

(i) Onex' investments in the Investment Holding Companies are further described in note 4.

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings (loss)				
Investments in equities ⁽ⁱ⁾	\$ -	\$ -	\$ 10,477	\$ 10,477
Investments in debt	-	52	-	52
Intercompany loans receivable from Investment Holding Companies	-	398	-	398
Forward agreements and other assets	9	76	-	85
Total financial assets at fair value through net earnings (loss)	\$ 9	\$ 526	\$ 10,477	\$ 11,012

(i) Onex' investments in the Investment Holding Companies are further described in note 4.

Financial liabilities measured at fair value at September 30, 2023 consisted of intercompany loans payable to Investment Holding Companies totalling \$3,975 (December 31, 2022 – \$3,488), which are a Level 2 measurement in the fair value hierarchy, and contingent consideration payable of \$57 (December 31, 2022 – \$57), 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, 2021	\$ 10,565	\$ 43
Change in fair value recognized in net earnings (loss)	130	14
Net distributions made by the Investment Holding Companies	(218)	–
Balance – December 31, 2022	\$ 10,477	\$ 57
Change in fair value recognized in net earnings (loss)	437	–
Net distributions made by the Investment Holding Companies	(182)	–
Balance – September 30, 2023	\$ 10,732	\$ 57
Unrealized change in fair value of assets and liabilities recognized in net earnings (loss) during the reporting period	\$ 353	\$ –

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 using 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 private credit strategies. The valuation of underlying non-public investments requires significant judgement due to the absence of quoted market values, the inherent lack of liquidity, the long-term nature of such investments and 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 in the valuation of non-public investments in the Onex Partners Funds and ONCAP Funds, as well as investments held in private credit strategies, may have a significant impact on the fair values calculated for these financial assets.

The Company used 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 and private credit strategies, treasury investments, cash and cash equivalents and intercompany loans receivable from Onex and the Asset Managers. The Company has determined that no discount or premium was required for the net asset values of its Investment Holding Companies at September 30, 2023 and December 31, 2022. If a discount of 1% or a premium of 1% were applied to all of the net asset values of the Investment Holding Companies, with all other variables remaining constant, the total fair value of the Company's corporate investments at September 30, 2023 would decrease or increase by \$107 (December 31, 2022 – \$105), 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 September 30, 2023 and December 31, 2022. For certain public investments, a discount is applied to the closing price in relation to restrictions that were in place relating to the securities held by Onex or the Onex Partners Funds. At September 30, 2023, these discounts resulted in a reduction of \$44 in the fair value of corporate investments (December 31, 2022 – \$73).

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

Investment Platform	Valuation Technique	Significant Unobservable Inputs	Inputs at September 30, 2023	Inputs at December 31, 2022
Onex Partners Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	8.5x – 20.3x	7.7x – 19.3x
Onex Partners Funds	Discounted cash flow	Weighted average costs of capital	15.0% – 21.2%	15.0% – 22.9%
		Exit multiples	4.0x – 19.5x	4.0x – 19.5x
ONCAP Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	8.3x – 11.0x	7.4x – 9.8x
ONCAP Funds	Discounted cash flow	Weighted average costs of capital	12.2% – 20.8%	12.5% – 20.4%
		Exit multiples	5.0x – 13.0x	5.0x – 12.0x

In addition, at September 30, 2023 and December 31, 2022, the Onex Partners Funds had one investment that was valued using the adjusted net assets approach, one investment that was valued using a convertible bond model and one investment that was valued based on a multiple of book value. At September 30, 2023, the ONCAP Funds had two investments valued at cost as this approximated fair value.

The impact on the fair value of corporate investments as at September 30, 2023 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	\$ 153	\$ (151)
ONCAP Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	\$ 17	\$ (15)

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	\$ 82	\$ (85)
ONCAP Funds	Discounted cash flow	Exit multiples	\$ 42	\$ (43)

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	\$ 31	\$ (29)
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.

During the nine months ended September 30, 2023, the underlying securities held by Onex in publicly traded companies generated a net gain of approximately \$160, and the underlying securities held in private companies generated a net gain of approximately \$255. Onex' net gain on private equity investments during the nine months ended September 30, 2023 included a foreign exchange mark-to-market gain of approximately \$5 in respect of private equity investments denominated in a currency other than the U.S. dollar. At September 30, 2023, Onex' private equity investments denominated in Canadian dollars and pounds sterling totalled approximately \$635 (C\$860) and \$400 (£330), respectively.

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 Credit 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. 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 September 30, 2023	Inputs at December 31, 2022
U.S. CLOs	Default rate	2%	2%
	Discount rate	16% – 21%	15% – 20%
	Recovery rate	55%	55%
EURO CLOs	Default rate	2%	2%
	Discount rate	16% – 21%	15% – 20%
	Recovery rate	55%	55%

In addition, at September 30, 2023, Credit had one EURO CLO investment that was valued at cost as this approximated fair value (December 31, 2022 – one U.S. CLO investment).

The impact on the fair value of corporate investments as at September 30, 2023 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	\$ 37	\$ (40)
EURO CLOs	Default rate	\$ 12	\$ (12)

Investment Platform	Significant Unobservable Inputs	Decrease of 3.0 Percentage Points	Increase of 3.0 Percentage Points
U.S. CLOs	Discount rate	\$ 12	\$ (11)
EURO CLOs	Discount rate	\$ 4	\$ (3)

Investment Platform	Significant Unobservable Inputs	Increase of 15.0 Percentage Points	Decrease of 15.0 Percentage Points
U.S. CLOs	Recovery rate	\$ 15	\$ (15)
EURO CLOs	Recovery rate	\$ 5	\$ (5)

14. 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 carried interest and performance fees from certain Credit strategies and recovers certain deal investigation, research and other expenses from the Onex private equity funds, private credit strategies and private equity portfolio companies. Onex indirectly controls the Onex private equity funds and private credit strategies, and therefore the management fees, performance fees and carried interest 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 acts as an investment fund manager, portfolio manager and/or exempt market dealer for its pooled funds. In the case of those pooled funds that are organized as trusts, Gluskin Sheff acts as a trustee, while for pooled funds organized as limited partnerships, Gluskin Sheff or an affiliate of Gluskin Sheff acts as the General Partner. As such, the Gluskin Sheff pooled funds are related parties of the Company.

Related-party revenues included the following:

Three Months Ended September 30, 2023					Nine Months Ended September 30, 2023			
	Management and Advisory Fees	Reimbursement of Expenses	Performance Fees	Total	Management and Advisory Fees	Reimbursement of Expenses	Performance Fees	Total
Source of related-party revenues								
Private Equity Funds ⁽ⁱⁱ⁾	\$ 31	\$ 10	\$ -	\$ 41	\$ 86	\$ 15	\$ -	\$ 101
Private Credit Strategies	26	3	1	30	79	10	3	92
Gluskin Sheff pooled funds ⁽ⁱⁱⁱ⁾	7	-	-	7	27	-	1	28
Total related-party revenues	\$ 64	\$ 13	\$ 1	\$ 78	\$ 192	\$ 25	\$ 4	\$ 221
Third-party revenues	1	-	-	1	3	-	-	3
Total revenues	\$ 65	\$ 13	\$ 1	\$ 79	\$ 195	\$ 25	\$ 4	\$ 224

(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 funds are included within other income.

Related-party receivables included the following:

	Management and Advisory Fees Receivable	Recoverable Fund and Operating Businesses' Expenses Receivable	Performance Fees	Other Receivables	Total
As at September 30, 2023					
Private Equity Funds	\$ 355	\$ 190	\$ -	\$ -	\$ 545
Private Credit Strategies	31	26	2	-	59
Onex Partners and ONCAP operating businesses	4	11	-	-	15
Gluskin Sheff pooled funds	2	-	-	-	2
Other related parties, including Investment Holding Companies	-	-	-	7	7
Total related-party receivables	\$ 392	\$ 227	\$ 2	\$ 7	\$ 628
Third-party receivables	-	-	-	8	8
Total receivables	\$ 392	\$ 227	\$ 2	\$ 15	\$ 636

During the three and nine months ended September 30, 2023, Onex received services from certain operating companies, the value of which was not significant.

Repurchase of shares

During the three months ended September 30, 2023, Onex repurchased 1,000,000 of its SVS that were held indirectly by Mr. Gerald W. Schwartz. The shares were repurchased at a cost of \$59.59 (C\$80.76) per SVS, or a total cost of \$59 (C\$81), which represented a discount to the trading price of Onex shares on the date of the transaction.

15. COMMITMENTS

During the nine months ended September 30, 2023, Onex committed an additional \$50 to Falcon Fund VII, increasing its total commitment to approximately \$80.

In May 2023, Onex announced that it had paused fundraising for Onex Partners VI until the fundraising environment improves. Onex had previously committed \$1,500 to Onex Partners VI.

16. INCOME TAXES

In June 2023, Onex reached an agreement with the Minister of National Revenue to resolve the reassessment of its 2011 income tax filings. The agreement results in no impact to Onex' available capital and non-capital loss carryforwards.

17. SUBSEQUENT EVENTS

In October 2023, Onex Partners V entered into an agreement to acquire Accredited, the global program management business of R&Q Insurance Holdings ("R&Q"). Accredited is a specialty insurance company operating in North America and Europe that provides underwriting capacity to Managing General Agents ("MGAs") with support from the global reinsurance market. The transaction is expected to close in the first half of 2024, subject to customary closing conditions and regulatory approvals, including approval by R&Q's shareholders. Onex currently expects that its share of the investment in Accredited, as a limited partner of Onex Partners V, will be approximately \$105.

In November 2023, the Onex Partners IV Group entered into an agreement to sell ASM Global. Onex' expected share of the net proceeds from this sale is approximately \$270. The transaction is expected to close during the first quarter of 2024, subject to customary closing conditions and regulatory approvals.

18. 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 (loss) in each respective fund, in accordance with the limited partnership agreements, and net of allocations to management. 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, toward the end of the fund's term, as described in note 1 to the 2022 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 2022 audited annual consolidated financial statements.

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

Three Months Ended September 30, 2023			Three Months Ended September 30, 2022			
(Unaudited)	Investing	Asset Management	Total	Investing	Asset Management	Total
Net gain (loss) on corporate investments (including an increase (decrease) in carried interest)	\$ 239	\$ 30 ⁽ⁱ⁾	\$ 269	\$ (115)	\$ (50) ⁽ⁱ⁾	\$ (165)
Management and advisory fees	–	65	65	–	67	67
Performance fees	–	1	1	–	–	–
Interest and net treasury investment income	6	–	6	1	–	1
Other income	–	1	1	–	1	1
Total segment income (loss)	245	97	342	(114)	18	(96)
Compensation	–	(46)	(46)	–	(63)	(63)
Amortization of right-of-use assets	–	(3)	(3)	–	(3)	(3)
Other expenses	–	(10)	(10)	–	(17)	(17)
Segment net earnings (loss)	\$ 245	\$ 38	\$ 283	\$ (114)	\$ (65)	\$ (179)
Stock-based compensation recovery (expense)			(14)			11
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(5)			(9)
Net impairment reversal of property and equipment			7			–
Restructuring expenses			(5)			–
Unrealized carried interest included in segment net earnings (loss) – Credit			(5)			1
Integration expenses			(3)			(1)
Other expenses			(2)			(3)
Net earnings (loss)			\$ 256			\$ (180)

(i) The asset management segment includes an increase in unrealized carried interest of \$5 (2022 – decrease of \$1) from third-party limited partners in the Credit Funds.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Nine Months Ended September 30, 2023				Nine Months Ended September 30, 2022		
(Unaudited)	Investing	Asset Management	Total	Investing	Asset Management	Total
Net gain (loss) on corporate investments (including a decrease in carried interest)	\$ 480	\$ (32) ⁽ⁱⁱ⁾	\$ 448	\$ (258)	\$ (105) ⁽ⁱⁱ⁾	\$ (363)
Management and advisory fees	-	195	195	-	203	203
Performance fees	-	9	9	-	-	-
Interest and net treasury investment income	9	-	9	-	-	-
Other income	-	2	2	-	1	1
Total segment income (loss)	489	174	663	(258)	99	(159)
Compensation	-	(166)	(166)	-	(186)	(186)
Amortization of right-of-use assets	-	(8)	(8)	-	(9)	(9)
Other expenses	-	(44)	(44)	-	(49)	(49)
Segment net earnings (loss)	\$ 489	\$ (44)	\$ 445	\$ (258)	\$ (145)	\$ (403)
Stock-based compensation recovery (expense)			(42)			240
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(20)			(30)
Net impairment of goodwill, intangible assets and property and equipment			(164)			-
Restructuring expenses			(40)			-
Unrealized carried interest included in segment net earnings (loss) – Credit			(11)			(1)
Unrealized performance fees included in segment net earnings (loss)			(5)			-
Integration expenses			(3)			(5)
Other expenses			(1)			(1)
Earnings (loss) before income taxes			159			(200)
Provision for income taxes			(3)			-
Net earnings (loss)			\$ 156			\$ (200)

(i) The asset management segment includes an increase in unrealized carried interest of \$11 (2022 – \$1) from third-party limited partners in the Credit Funds.

Segmented assets included the following:

As at September 30, 2023				As at December 31, 2022		
	Investing	Asset Management	Total	Investing	Asset Management	Total
Cash and cash equivalents	\$ 317	\$ 138 ⁽ⁱ⁾	\$ 455	\$ -	\$ 111 ⁽ⁱ⁾	\$ 111
Treasury investments	-	-	-	-	52 ⁽ⁱⁱ⁾	52
Management and advisory fees, recoverable fund expenses and other receivables	580 ⁽ⁱⁱⁱ⁾	56	636	460 ⁽ⁱⁱⁱ⁾	84	544
Corporate investments	7,154	-	7,154	7,387	-	7,387
Unrealized carried interest – Credit	23	-	23	16	-	16
Other assets	-	115	115	-	91	91
Property and equipment	-	122	122	-	140	140
Intangible assets	-	35	35	-	93	93
Goodwill	-	149	149	-	257	257
Total segment assets	\$ 8,074	\$ 615	\$ 8,689	\$ 7,863	\$ 828	\$ 8,691
Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies				3,975		
Unrealized carried interest included in segment assets – Credit				(23)		
Total assets				\$ 12,641		
				\$ 12,163		

(i) Cash and cash equivalents and treasury investments allocated to the asset management segment relate to accrued employee incentive compensation and contingent consideration related to the acquisition of Falcon Investment Advisors.

(ii) Includes management fees and recoverable fund expenses receivable from certain funds which Onex has elected to defer cash receipt from. At December 31, 2022, the amount presented is net of amounts allocated to the asset management segment related to accrued incentive compensation and contingent consideration related to the acquisition of Falcon Investment Advisors.

SHAREHOLDER INFORMATION

Shares

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

Share Symbol

ONEX

Third Quarter Dividend

A dividend of C\$0.10 per Subordinate Voting Share was paid on October 31, 2023 to shareholders of record as of October 10, 2023. 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.

Typesetting by Moveable Inc.
www.moveable.com
Printed in Canada

ONEX