

**ONEX**

Q3 2022 Interim Report

# MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This interim Management's Discussion and Analysis ("MD&A") provides a review of Onex Corporation's ("Onex") unaudited interim consolidated financial results for the three and nine months ended September 30, 2022 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the unaudited interim consolidated statements of earnings, unaudited interim consolidated statements of comprehensive earnings, unaudited interim consolidated balance sheets, unaudited interim consolidated statements of equity and unaudited interim consolidated statements of cash flows of Onex. As such, this interim MD&A should be read in conjunction with the unaudited interim consolidated financial statements and notes thereto included in this report. The financial results have been prepared using accounting policies that are consistent with International Financial Reporting Standards ("IFRS") to provide information about Onex and should not be considered as providing sufficient information to make an investment or lending decision regarding any particular Onex operating business, private equity fund, credit strategy or other investments.

The following interim MD&A is the responsibility of management and is as of November 10, 2022. Preparation of the interim MD&A includes the review of the disclosures by senior management of Onex and by the Onex Disclosure Committee. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit and Corporate Governance Committee, composed exclusively of independent directors. The Audit and Corporate Governance Committee has reviewed and recommended approval of this interim MD&A by the Board of Directors. The Board of Directors has approved this disclosure.

Onex Corporation's financial filings, including the 2022 Third Quarter Interim MD&A and Financial Statements, and the 2021 Annual Report, Annual Information Form and Management Information Circular, are available on Onex' website, [www.onex.com](http://www.onex.com), and on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

## **Forward-Looking/Safe Harbour Statements**

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

### **Non-GAAP Financial Measures and Ratios**

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

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## COMPANY OVERVIEW

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

Onex' two primary businesses are Private Equity and Credit. In Private Equity, we raise funds from third-party investors, or limited partners, and invest them, along with Onex' own investing capital, through the funds of our private equity platforms: Onex Partners and ONCAP. Similarly, in Credit, we raise and invest capital across several private credit, 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. In addition, through our private wealth platform, we service high net worth clients in Canada.

Onex has \$47.2 billion in assets under management ("AUM")<sup>(1)</sup>, of which \$32.9 billion is fee-generating<sup>(1)</sup> and \$7.6 billion is Onex' own investing capital (\$90.26 or C\$123.71 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 founder and CEO, Gerry Schwartz, and our President, Bobby Le Blanc, as well as experienced leaders at each of our businesses. We have over 180 investment professionals across all platforms, supported by over 295 professionals dedicated to our corporate functions and investment platforms, including our institutional and high net worth relationship professionals. Consistent with our One Onex approach, the teams share and leverage sector expertise, and sourcing and origination opportunities across all business lines.

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

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

### **Environmental, Social and Governance**

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

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

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

## PRIVATE EQUITY

Onex has \$21.2 billion of private equity assets under management, of which \$9.7 billion is fee-generating and \$5.5 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 these rather than macro-economic or industry trends. Each platform follows a disciplined investment process with vertical specialization where the team has considerable industry expertise, a long track record of success and strong network of relationships. This in turn enables the teams to take a targeted approach with investment opportunities, creates a competitive informational advantage and helps shape their go-to-market strategy.

Onex has raised ten private equity funds to date, including Onex Partners VI, which completed its first close in November 2022, as described on page 38 of this interim MD&A. The firm is currently investing through Onex Partners V, a \$7.15 billion fund, and ONCAP IV, a \$1.1 billion fund. ONCAP IV is substantially invested and fund-raising for a successor ONCAP Fund has begun. Since inception, Onex has generated a Gross MOC<sup>(1)</sup> of 2.5 times and a 27% Gross IRR<sup>(1)</sup> on realized, substantially realized and publicly traded private equity investments. For more information on the historical performance of Onex private equity funds, please refer to Onex’ Q3 2022 supplemental information package on Onex’ website, [www.onex.com](http://www.onex.com).

Onex earns management fees from limited partners during the fee period of each fund. During the initial fee period, Onex is entitled to a management fee based on limited partners’ committed capital. Once a fund is either fully invested or a successor fund starts calling fees, Onex is entitled to a management fee based on limited partners’ net funded commitments. These fees are included as revenue in our asset management segment. At September 30, 2022, the run-rate management fees<sup>(1)</sup> from our private equity business are \$111 million.

Onex is entitled to receive carried interest based on the performance of each private equity fund. Carried interest in Onex’ private equity funds is typically calculated as 20% of the realized net gains of the limited partners in each fund, provided the limited partners have achieved a minimum 8% net IRR on their investment. Onex is entitled to 40% of the carried interest realized from limited partners in its private equity funds, while Onex Partners and ONCAP management are entitled to the remaining 60%. Realized carried interest is included in distributable earnings of our asset management segment. Currently, we have \$9.7 billion of private equity assets under management eligible for carried interest. As at September 30, 2022, Onex’ share of unrealized carried interest from private equity totalled \$149 million. The amount of carried interest ultimately received by Onex is based on realizations, the timing of which can vary significantly from year to year.

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

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

## **CREDIT**

Our Credit business includes a broad spectrum of private credit, liquid credit and public equity investing strategies that are managed by the Onex Credit team. Credit has \$25.3 billion in assets under management, of which \$23.2 billion is fee-generating and \$712 million is Onex' own investing capital. The Credit team has a successful track record of executing a disciplined approach to investing with a focus on capital preservation and strong risk-adjusted returns through cycles. The platform practises value-oriented investing, employing a rigorous bottom-up, fundamental and structural analysis of the underlying borrowers, coupled with active portfolio management, to continually seek to optimize portfolio positioning. Credit's sourcing capabilities and data intelligence help to better inform investment decisions and dynamically manage portfolios in varying market conditions.

Onex earns management fees on its Credit strategies, with the fee varying depending on the strategy. The weighted average management fee rate for Credit's fee-generating AUM at September 30, 2022 is 0.7%. As at September 30, 2022, the run-rate management fees from our Credit business were \$148 million. Onex is also entitled to earn performance fees on \$2.0 billion of Credit assets under management. Performance fees from public strategies range between 10% and 20% of net gains and may be subject to performance hurdles.

Onex has \$15.1 billion of assets under management from Credit which are eligible for carried interest, including \$12.4 billion of CLOs. Onex receives 50% of the carried interest realized in most of its private credit strategies that are eligible for carried interest, 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, 2022, Onex' share of unrealized carried interest in the Credit Funds totalled \$19 million.

## 2022 YEAR-TO-DATE RESULTS & ACTIVITY

### FINANCIAL RESULTS

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

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<i>(Unaudited) (\$ millions except per share amounts)</i>				
Net earnings (loss)	\$ (180)	\$ 602	\$ (200)	\$ 1,191
Net earnings (loss) per diluted share	\$ (2.12)	\$ 6.76	\$ (2.33)	\$ 13.27
Investing segment net earnings (loss)	\$ (114)	\$ 542	\$ (258)	\$ 1,178
Asset management segment net earnings (loss)	(65)	65	(145)	190
Total segment net earnings (loss) <sup>(1)</sup>	\$ (179)	\$ 607	\$ (403)	\$ 1,368
Total segment net earnings (loss) per fully diluted share <sup>(2)</sup>	\$ (2.08)	\$ 6.60	\$ (4.62)	\$ 14.84
Asset management fee-related earnings (loss) <sup>(3)</sup>	\$ (6)	\$ (3)	\$ (11)	\$ 13
Total fee-related earnings (loss) <sup>(4)</sup>	\$ (15)	\$ (11)	\$ (40)	\$ (14)
Distributable earnings <sup>(5)</sup>	\$ 193	\$ 410	\$ 241	\$ 582

	September 30, 2022	December 31, 2021	September 30, 2021	Change for the period ended September 30, 2022 <sup>(6)</sup>	
				Nine Months	Twelve Months
<i>(Unaudited)</i> <i>(\$ millions except per share amounts)</i>					
Investing capital (U.S. dollars)	\$ 7,569	\$ 8,212	\$ 7,890		
Investing capital per share (U.S. dollars) <sup>(7)</sup>	\$ 90.26	\$ 90.75	\$ 86.95	(0)%	4%
Investing capital per share (Canadian dollars) <sup>(7)</sup>	\$ 123.71	\$ 115.05	\$ 110.79	8 %	12%

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

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

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

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

(5) Distributable earnings 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 15, 16 and 17 of this interim MD&A for further details concerning distributable earnings, including a reconciliation to net earnings (loss).

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

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

### INVESTING SEGMENT RESULTS

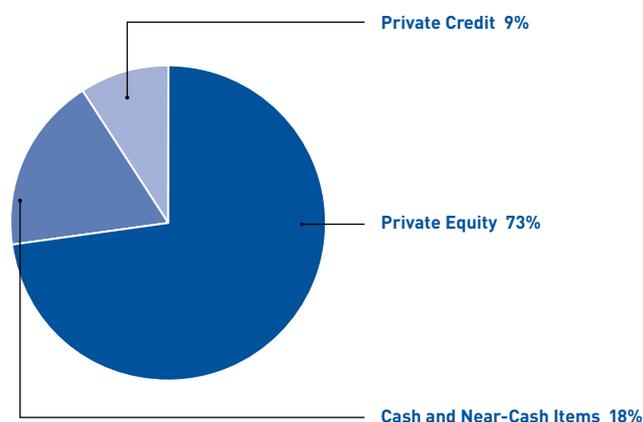
During the three months ended September 30, 2022, Onex' investing segment generated a net loss of \$114 million (\$1.32 per fully diluted share) (2021 – net earnings of \$542 million (\$5.89 per fully diluted share)), which was primarily driven by a \$119 million net loss from private equity and a \$10 million net gain from private credit strategies, as described on pages 23 and 24 of this interim MD&A.

During the nine months ended September 30, 2022, Onex' investing segment generated a net loss of \$258 million (\$2.96 per fully diluted share) (2021 – net earnings of \$1.2 billion (\$12.77 per fully diluted share)), which was primarily driven by a \$196 million net loss from private equity and a \$47 million net loss from private credit strategies, as described on pages 23 and 24 of this interim MD&A.

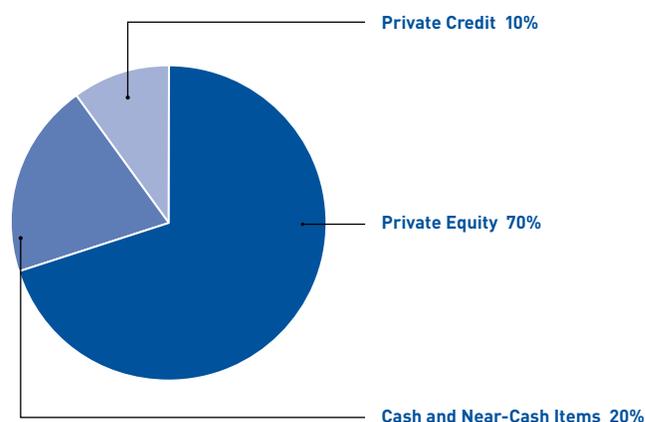
Onex' investing results contributed to its investing capital of \$7.6 billion at September 30, 2022 (December 31, 2021 – \$8.2 billion), which was \$90.26 or C\$123.71 per fully diluted share (December 31, 2021 – \$90.75 or C\$115.05), a decrease of less than 1%<sup>(1)</sup> and an increase of 4%<sup>(1)</sup> for the nine and twelve months ended September 30, 2022, respectively.

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

Onex' Investment Allocation at September 30, 2022



Onex' Investment Allocation at December 31, 2021



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

### Private Equity – Capital Deployment and Realizations

The table below presents the private equity investments made, and realizations and distributions received, by Onex during the nine months ended September 30, 2022.

<i>(Unaudited) (\$ millions)</i>			
<b>Fund</b>	<b>Investments</b>	<b>Realizations</b>	<b>Net Investments (Realizations)</b>
Onex Partners V	\$ 327	\$ (123)	\$ 204
ONCAP IV	45	-	45
Onex Partners IV	1	(194)	(193)
Onex Partners III	-	(4)	(4)
Other private equity	10	(4)	6
<b>Total</b>	<b>\$ 383</b>	<b>\$ (325)</b>	<b>\$ 58</b>

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

- \$154 million of proceeds were received as part of the Onex Partners IV and Onex Partners V Groups' sale of Partou, including carried interest of \$13 million and net of payments under the management incentive programs;
- \$117 million invested as part of the Onex Partners V Group's investment in Resource Environmental Solutions, LLC ("RES"), an ecological restoration company that supports the public and private sectors with solutions for environmental mitigation, stormwater, water quality, and climate and flooding resilience;
- \$108 million invested as part of the Onex Partners V Group's investment in Analytic Partners, Inc. ("Analytic Partners"), a cloud-based, managed software platform that helps customers assess marketing spend effectiveness and optimize future allocations across offline and online media channels;
- \$103 million of proceeds were received as part of the Onex Partners IV Group's partial sale of Ryan LLC ("Ryan");
- \$98 million invested as part of the Onex Partners V Group's investment in Tes Global ("Tes"), an international provider of comprehensive software solutions for the education sector;
- \$36 million of proceeds were received as part of the Onex Partners IV Group's partial sale of Advanced Integration Technology LP ("AIT");
- \$28 million invested as part of the ONCAP IV Group's investment in Ideal Dental Management Partners ("Ideal Dental"), a specialty dental service organization focused on providing business and administrative services to dental service providers; and
- \$16 million invested as part of the ONCAP IV Group's investment in Merrithew Corporation ("Merrithew"), a developer, manufacturer and retailer of Pilates equipment, accessories, content and education.

During the third quarter of 2022, Onex received distributions from private equity totalling \$295 million, which include proceeds from the sale of Partou and the partial realizations of AIT and Ryan. Onex also invested a total of \$40 million in private equity during the third quarter of 2022.

During the three and nine months ended September 30, 2022, Onex' private equity investments generated realized gains of \$190 million and \$209 million, respectively, from the distributions received, which are included in Onex' distributable earnings as presented on page 15 of this interim MD&A.

### Private Equity – Investment Performance

During the three and nine months ended September 30, 2022, Onex' investing segment recognized net losses from private equity investments of \$119 million and \$196 million, respectively. The fair values of Onex' private equity investments were impacted 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. Changes in the macroeconomic and equity market environments led to the net loss on Onex' private equity investments during the three and nine months ended September 30, 2022, including mark-to-market losses of approximately \$82 million and \$145 million, respectively, as a result of revaluing Onex' private equity investments denominated in a currency other than the U.S. dollar. At September 30, 2022, Onex' private equity investments denominated in Canadian dollars and pounds sterling totalled \$574 million (C\$786 million) and \$435 million (£395 million), respectively. The impact from changes in macroeconomic and equity market environments on Onex' private equity investments was partially offset by improved business performance or improved projected performance in certain operating companies.

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

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

	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Gross performance of Onex' private equity investments in U.S. dollars <sup>(i)(ii)</sup> :				
Onex Partners	(2)%	10%	(7)%	20%
ONCAP	(2)%	1%	26%	20%
Direct investments	(1)%	28%	(6)%	54%
Total private equity investments	(2)%	11%	(3)%	25%

(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, 2022, Onex recognized net losses on corporate investments of \$164 million and \$364 million, respectively (2021 – net gains of \$618 million and \$1.4 billion, respectively).

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

### Credit – Capital Deployment and Realizations

Within Credit, Onex invests in its private credit strategies, and has no investments in public equity strategies. During the nine months ended September 30, 2022, Onex' investments in Credit generated net realizations of \$65 million, as outlined in the following table:

Nine months ended September 30, 2022	Net Realizations (Investments) <i>(\$ millions)</i>
<b>Structured Credit Strategies</b>	
U.S. CLOs	\$ 31
EURO CLOs	14
CLO warehouses	24
Other structured strategies	(4)
<b>Opportunistic Credit Strategies</b>	<b>(23)</b>
<b>Direct Lending</b>	<b>23</b>
<b>Total net realizations from Credit Strategies</b>	<b>\$ 65</b>

During the nine months ended September 30, 2022, Onex' net investments in CLOs decreased by \$45 million as a result of regular quarterly distributions and the sale of a portion of Onex' equity interest in certain U.S. CLOs, partially offset by investments in new CLOs, including its twenty-fourth and twenty-fifth CLOs denominated in U.S. dollars ("CLO-24" and "CLO-25").

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

During the three and nine months ended September 30, 2022, Onex' investments in Credit strategies generated \$8 million of realized losses and \$39 million of realized gains, respectively, from realizations and distributions, which are included in Onex' distributable earnings, as presented on page 15 of this interim MD&A.

### Credit – Investment Performance

During the three months ended September 30, 2022, Onex had a net gain of \$10 million on its Credit investments, representing a gain of 1%<sup>(1)</sup>. This net gain was primarily driven by an increase in fair value of Onex' U.S. CLO investments, driven by a strengthening in the leveraged loan market (Credit Suisse Leveraged Loan Index – increase of 1%) and structural leverage employed in CLOs.

During the nine months ended September 30, 2022, Onex had a net loss of \$47 million on its Credit investments, representing a loss of 6%<sup>(1)</sup>. This net loss was primarily driven by a decrease in fair value of Onex' CLO investments, driven by a weakening in the leveraged loan market (Credit Suisse Leveraged Loan Index – decrease of 3%) and structural leverage employed in CLOs.

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

## ASSET MANAGEMENT SEGMENT RESULTS

For the three and nine months ended September 30, 2022, Onex' asset management segment had net losses of \$65 million and \$145 million, respectively, compared to net earnings of \$65 million and \$190 million during the same periods in 2021. The asset management segment net earnings (losses) during 2022 were primarily driven by the reversal of unrealized carried interest in Onex Partners IV.

### Assets Under Management

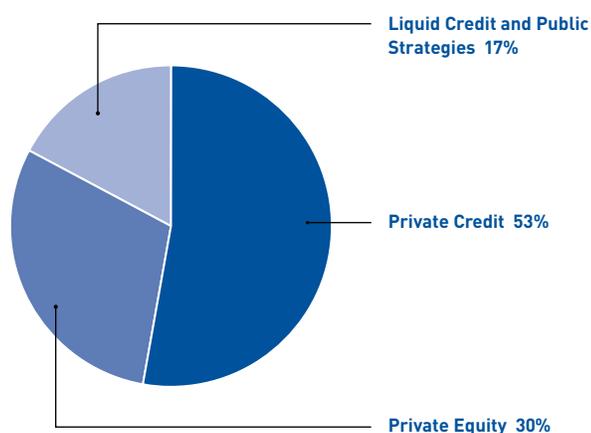
At September 30, 2022, Onex managed \$39.4 billion (December 31, 2021 – \$40.0 billion) of invested and committed capital on behalf of institutional investors and high net worth clients from around the world, including fee-generating assets under management ("FG AUM") of \$32.9 billion (December 31, 2021 – \$33.0 billion). Onex' FG AUM decreased by less than 1% and increased by 3% since December 31, 2021 and September 30, 2021, respectively, and includes approximately \$1.6 billion of third-party capital raised during 2022 for certain private credit strategies, including approximately \$1.4 billion of third-party capital raised through its CLO platform. Subsequent to September 30, 2022, Onex raised approximately \$930 million of additional third-party capital from the first closes of Onex Partners VI and Falcon Fund VII, as described on pages 37 and 38 of this interim MD&A. Assets under management by business lines include the following:

(Unaudited) (\$ millions)	Fee-Generating		Change in Total	Subject to Carried Interest or Performance Fees		Change in Total
	September 30, 2022	December 31, 2021		September 30, 2022	December 31, 2021	
Credit	\$ 23,169	\$ 22,803	2 %	\$ 17,113	\$ 16,070	6 %
Private Equity	9,724	10,205	(5)%	9,724	10,205	(5)%
Total	\$ 32,893	\$ 33,008	(0)%	\$ 26,837	\$ 26,275	2 %

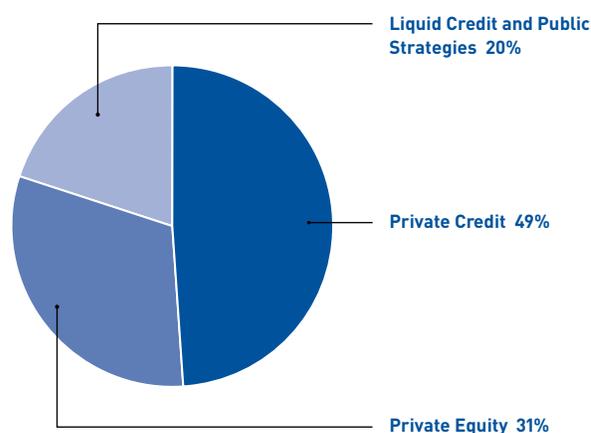
(i) Assets under management include co-investments and capital invested by the Onex management team, as applicable. Fee-generating assets under management and assets under management subject to carried interest or performance fees exclude capital from Onex. Refer to the glossary in this interim MD&A 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, 2022 and December 31, 2021, respectively.

### Onex' \$32.9 billion of FG AUM at September 30, 2022



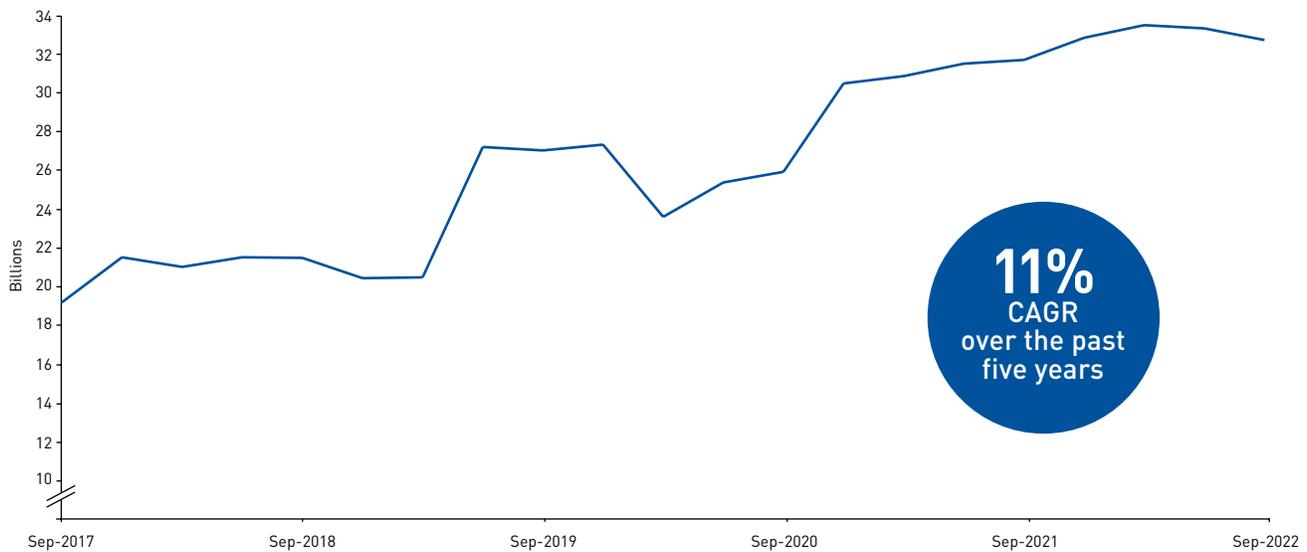
### Onex' \$33.0 billion of FG AUM at December 31, 2021



Onex' FG AUM at September 30, 2022 comprised \$27.5 billion from institutional investors (December 31, 2021 – \$26.8 billion) and \$5.4 billion from high net worth clients (December 31, 2021 – \$6.2 billion). Onex' FG AUM from high net worth clients is primarily invested in securities which are denominated in Canadian dollars. Run-rate management fees from Onex' FG AUM at September 30, 2022 are \$259 million, consisting of \$111 million from private equity and \$148 million from Credit.

Over the past five years, FG AUM has increased at a compound annual growth rate (“CAGR”) of 11%, 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 4% over the same period.

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



**Fee-Related Earnings (Loss)**

Onex' fee-related earnings for the three and nine months ended September 30, 2022 were losses of \$15 million and \$40 million, respectively (2021 – \$11 million and \$14 million, respectively). Onex' asset management fee-related earnings for the three and nine months ended September 30, 2022 were losses of \$6 million and \$11 million, respectively (2021 – loss of \$3 million and earnings of \$13 million, respectively).

<i>(Unaudited)</i> (\$ millions)	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>Private Equity</b>				
Management and advisory fees	\$ 29	\$ 30	\$ 88	\$ 95
Total fee-related revenues from Private Equity	\$ 29	\$ 30	\$ 88	\$ 95
Compensation expense	(26)	(19)	(66)	(56)
Support and other net expenses	(11)	(12)	(31)	(36)
<b>Net contribution</b>	<b>\$ (8)</b>	<b>\$ (1)</b>	<b>\$ (9)</b>	<b>\$ 3</b>
<b>Credit</b>				
Management and advisory fees	\$ 38	\$ 39	\$ 115	\$ 114
Performance fees	-	-	-	9
Other income	1	1	1	2
Total fee-related revenues from Credit	\$ 39	\$ 40	\$ 116	\$ 125
Compensation expense	(19)	(24)	(65)	(63)
Support and other net expenses	(18)	(18)	(53)	(52)
<b>Net contribution</b>	<b>\$ 2</b>	<b>\$ (2)</b>	<b>\$ (2)</b>	<b>\$ 10</b>
<b>Asset management fee-related earnings (loss)</b>	<b>\$ (6)</b>	<b>\$ (3)</b>	<b>\$ (11)</b>	<b>\$ 13</b>
<b>Public Company and Onex Capital Investing</b>				
Compensation expense	\$ (4)	\$ (4)	\$ (14)	\$ (13)
Other net expenses	(5)	(4)	(15)	(14)
<b>Total expenses</b>	<b>\$ (9)</b>	<b>\$ (8)</b>	<b>\$ (29)</b>	<b>\$ (27)</b>
<b>Total fee-related earnings (loss)</b>	<b>\$ (15)</b>	<b>\$ (11)</b>	<b>\$ (40)</b>	<b>\$ (14)</b>

The decrease in fee-related revenues during the nine months ended September 30, 2022 compared to the same period in 2021 was primarily driven by lower private equity fees and lower performance fees on perpetual capital managed in liquid strategies. Realizations in the private equity funds contributed to lower management fees. In addition, an increase in compensation expense in Private Equity was partly due to the classification of certain costs from support and other net expenses in the prior year to compensation expense for fiscal 2022. The resulting net overall increase for Private Equity expenses was primarily due to an investment in the Onex Transportation Partners team.

### Distributable Earnings

During the three and nine months ended September 30, 2022, Onex generated distributable earnings of \$193 million and \$241 million, respectively (2021 – \$410 million and \$582 million).

<i>(Unaudited)</i> (\$ millions)	Three Months Ended		Nine Months Ended	
	September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
<b>Fee-related earnings (loss)</b>	<b>\$ (15)</b>	\$ (11)	<b>\$ (40)</b>	\$ (14)
Realized carried interest	<b>13</b>	16	<b>14</b>	20
Realized net gain on investments	<b>195</b>	405	<b>267</b>	576
<b>Distributable earnings</b>	<b>\$ 193</b>	\$ 410	<b>\$ 241</b>	\$ 582

Distributable earnings during the three and nine months ended September 30, 2022 were primarily driven by CLO distributions, as described on page 11 of this interim MD&A, realizations from Onex' private equity investments, as described on page 9 of this interim MD&A, and realized carried interest from Onex' private equity investments, as described on page 9 of this interim MD&A. The decrease in distributable earnings during the three and nine months ended September 30, 2022 compared to the same periods in 2021 reflects significant realizations during 2021 from the Onex Partners III and Onex Partners IV Funds. Realized net gains in connection with the initial public offering of RSG during 2021 also contributed to higher distributable earnings during the nine months ended September 30, 2021 compared to the same period in 2022.

### Carried Interest

At September 30, 2022, unrealized carried interest totalled \$168 million (December 31, 2021 – \$287 million) and AUM subject to carried interest totalled \$24.8 billion (December 31, 2021 – \$24.1 billion).

<i>(Unaudited)</i> (\$ millions)	As at December 31, 2021	Unrealized Carried Interest <sup>(i)</sup>		
		Realizations and Distributions	Change in Fair Value	As at September 30, 2022
Onex Partners Funds	\$ 244	<b>\$ (13)</b>	<b>\$ (122)</b>	<b>\$ 109</b>
ONCAP Funds	25	<b>(1)</b>	<b>16</b>	<b>40</b>
Private Credit Funds	18	<b>-</b>	<b>1</b>	<b>19</b>
Total	\$ 287	<b>\$ (14)</b>	<b>\$ (105)</b>	<b>\$ 168</b>

(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 7 of this interim MD&A. The following tables include reconciliations of Onex' net earnings (loss) to fee-related earnings (loss) and distributable earnings during the three and nine months ended September 30, 2022 and 2021:

<i>(Unaudited) (\$ millions)</i>	<b>Three Months Ended September 30, 2022</b>	Three Months Ended September 30, 2021
<b>Net Earnings (Loss)</b>	<b>\$ (180)</b>	\$ 602
Provision for income taxes	-	1
Earnings (loss) before income taxes	<b>\$ (180)</b>	\$ 603
Stock-based compensation recovery	<b>(11)</b>	(7)
Amortization of property, equipment and intangible assets, excluding right-of-use assets	<b>9</b>	10
Unrealized carried interest – Credit	<b>(1)</b>	-
Integration expense	<b>1</b>	1
Other expense	<b>3</b>	-
<b>Total segment net earnings (loss)</b>	<b>(179)</b>	607
Net unrealized decrease (increase) in carried interest	<b>63</b>	(60)
Net unrealized loss (gain) on corporate investments	<b>309</b>	(137)
<b>Distributable earnings</b>	<b>193</b>	410
Less: Realized carried interest	<b>(13)</b>	(16)
Less: Net realized gain on corporate investments	<b>(195)</b>	(405)
<b>Total fee-related earnings (loss)</b>	<b>\$ (15)</b>	\$ (11)

<i>(Unaudited) (\$ millions)</i>	<b>Nine Months Ended September 30, 2022</b>	Nine Months Ended September 30, 2021
<b>Net Earnings (Loss)</b>	<b>\$ (200)</b>	\$ 1,191
Stock-based compensation expense (recovery)	<b>(240)</b>	127
Amortization of property, equipment and intangible assets, excluding right-of-use assets	<b>30</b>	36
Unrealized carried interest – Credit	<b>1</b>	–
Unrealized performance fees	<b>–</b>	9
Integration expense	<b>5</b>	5
Other net expenses	<b>1</b>	–
<b>Total segment net earnings (loss)</b>	<b>(403)</b>	1,368
Net unrealized decrease (increase) in carried interest	<b>119</b>	(184)
Net unrealized loss (gain) on corporate investments	<b>525</b>	(602)
<b>Distributable earnings</b>	<b>241</b>	582
Less: Realized carried interest	<b>(14)</b>	(20)
Less: Net realized gain on corporate investments	<b>(267)</b>	(576)
<b>Total fee-related earnings (loss)</b>	<b>\$ (40)</b>	\$ (14)

## LIQUIDITY

At September 30, 2022, Onex' cash and near-cash balance was \$1.3 billion<sup>(1)</sup> or 18% of Onex' investing capital (December 31, 2021 – \$1.6 billion or 20% of Onex' investing capital) and Onex' consolidated cash and cash equivalents balance was \$151 million (December 31, 2021 – \$547 million). The \$287 million decrease in cash and near-cash was primarily driven by investments made in Onex Partners V, as described on page 9 of this interim MD&A. In addition, \$20 million was returned to shareholders through dividends and \$195 million was used to repurchase Onex' SVS during the nine months ended September 30, 2022.

In November 2022, Onex committed \$1.5 billion and \$30 million in connection with the first closes of Onex Partners VI and Falcon Fund VII, respectively, as described on pages 37 and 38 of this interim MD&A.

Today, Onex has unfunded commitments of approximately \$1.9 billion to private equity funds that are actively investing, as well as approximately \$190 million of unfunded commitments to private credit funds.

[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 manages its capital. Refer to page 28 of this interim MD&A for further details concerning cash and near-cash items.

## FINANCIAL REVIEW

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

In simple terms, Onex is an investor and asset manager. **Investments** and **investing activity** refer to the investment of Onex' investing capital primarily in its private equity funds, credit strategies and certain investments held outside the private equity funds and private credit strategies. These investments are held directly or indirectly through wholly-owned subsidiaries of Onex, which are referred to as **Investment Holding Companies**. While there are a number of Investment Holding Companies, 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.

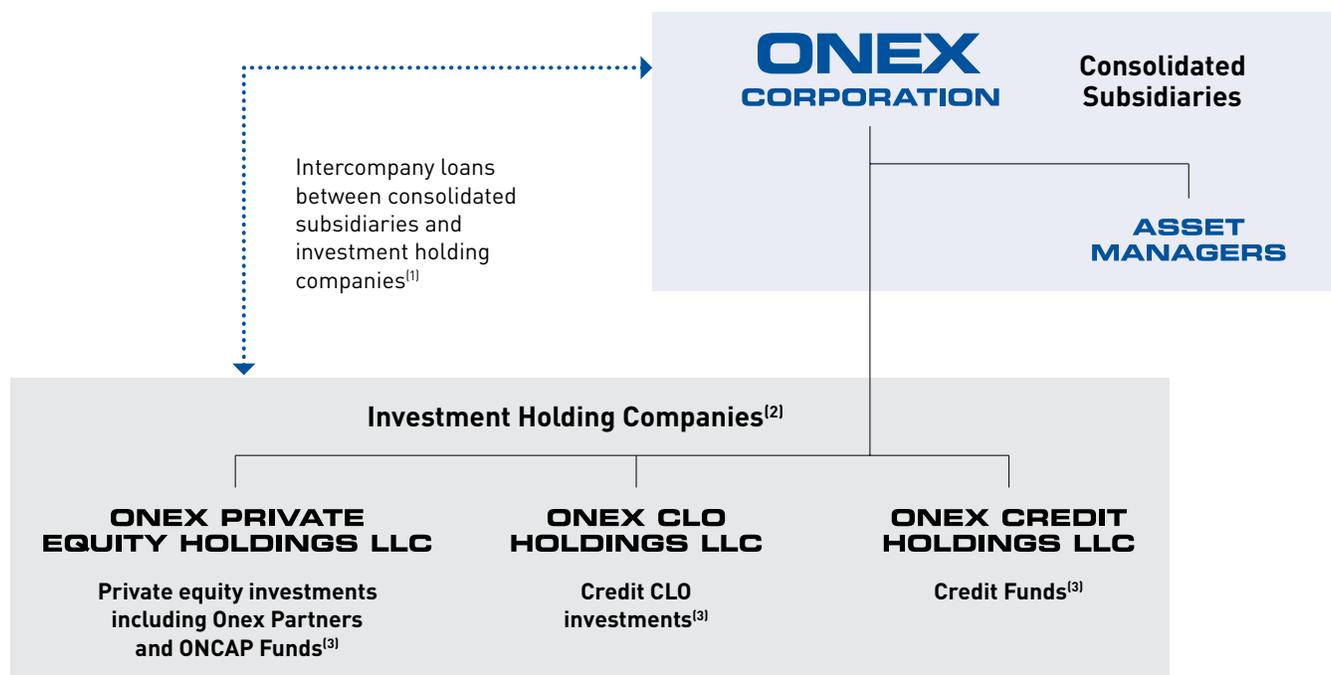
**Asset management** refers to the activity of managing capital in Onex' private equity funds, private credit strategies and liquid strategies. This activity is conducted through wholly-owned subsidiaries of Onex, which are the managers of the Onex Partners Funds, ONCAP Funds and Credit strategies. These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



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

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

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

## 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, 2022 and 2021, the corresponding notes thereto and the December 31, 2021 audited annual consolidated financial statements.

### Use of judgements

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

## VARIABILITY OF RESULTS

Onex' consolidated operating results may vary substantially from quarter to quarter and year to year for a number of reasons. Those reasons may be significant with respect to (i) Onex' asset management activities and the fees and carried interest associated therewith; (ii) the aggregate fair value of Onex' investments in and related to the private equity funds, including the underlying private equity operating businesses, and credit strategies, as the result of not only changes in specific underlying values but also new investments or realizations by those funds; or (iii) Onex' cash position or the amount and value of its treasury investments. More broadly, Onex' results may be materially affected by such factors as changes in the economic or political environment, the occurrence of natural disasters, incidents of war,

riot or civil unrest, pandemics or outbreaks of new infectious diseases or viruses (including the COVID-19 pandemic), foreign exchange and interest rates, the value of stock-based compensation, and tax and trade legislation or its application, for example. Given the diversity of Onex' asset management businesses, private credit investments and the Onex Partners and ONCAP Funds' operating businesses, the exposures, risks and contingencies that could impact Onex' investments may be many, varied and material. Certain of those matters are discussed under the heading "Risk Factors" in Onex' 2021 Annual Information Form.

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

## REVIEW OF UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The discussion that follows identifies those material factors that affected Onex' unaudited interim consolidated financial results for the three and nine months ended September 30, 2022.

### Consolidated net earnings (loss)

Onex recorded a consolidated net loss of \$180 million and net loss per diluted share of \$2.12 during the three months ended September 30, 2022 compared to net earnings of \$602 million and net earnings per diluted share of \$6.76 during the same period in 2021.

During the nine months ended September 30, 2022, Onex recorded a consolidated net loss of \$200 million and net loss per diluted share of \$2.33 compared to net earnings of \$1.2 billion and net earnings per diluted share of \$13.27 during the same period in 2021.

Tables 1 and 2 present the segmented results for the three and nine months ended September 30, 2022 and 2021. 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' consolidated

financial statements, carried interest from the Credit Funds is recognized as revenue gross of allocations to management and 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 2021 audited annual consolidated financial statements.

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

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

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

TABLE 1	<i>(Unaudited) (\$ millions)</i>		Three Months Ended September 30, 2022			Three Months Ended September 30, 2021		
			Investing	Asset Management <sup>(i)</sup>	Total	Investing	Asset Management <sup>(i)</sup>	Total
Net gain (loss) on corporate investments (including an increase (decrease) in carried interest)	\$ (115)	\$ (50) <sup>(iii)</sup>	\$ (165)	\$ 542	\$ 76 <sup>(ii)</sup>	\$ 618		
Management and advisory fees	-	67	67	-	69	69		
Interest and net treasury investment income	1	-	1	-	-	-		
Other income	-	1	1	-	1	1		
Total segment income (loss)	(114)	18	(96)	542	146	688		
Compensation	-	(63)	(63)	-	(66)	(66)		
Amortization of right-of-use assets	-	(3)	(3)	-	(3)	(3)		
Other expense	-	(17)	(17)	-	(12)	(12)		
Segment net earnings (loss)	\$ (114)	\$ (65)	\$ (179)	\$ 542	\$ 65	\$ 607		
Stock-based compensation recovery			11			7		
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(9)			(10)		
Unrealized carried interest included in segment net earnings (loss) – Credit			1			-		
Integration expense			(1)			(1)		
Other expense			(3)			-		
Earnings (loss) before income taxes			\$ (180)			\$ 603		
Provision for income taxes			-			(1)		
Net earnings (loss)			\$ (180)			\$ 602		
Segment net earnings (loss) per share <sup>(iii)</sup>			\$ (2.08)			\$ 6.60		
Net earnings (loss) per share – diluted			\$ (2.12)			\$ 6.76		

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

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

(iii) Calculated on a fully diluted basis.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

TABLE 2	(Unaudited) (\$ millions)		Nine Months Ended September 30, 2022			Nine Months Ended September 30, 2021		
			Investing	Asset Management <sup>(i)</sup>	Total	Investing	Asset Management <sup>(i)</sup>	Total
Net gain (loss) on corporate investments (including an increase (decrease) in carried interest)	\$ (258)	\$ (105) <sup>(ii)</sup>	\$ (363)	\$ 1,177	\$ 204 <sup>(iii)</sup>	\$ 1,381		
Management and advisory fees	-	203	203	-	209	209		
Performance fees	-	-	-	-	9	9		
Interest and net treasury investment income	-	-	-	1	-	1		
Other income	-	1	1	-	2	2		
Total segment income (loss)	(258)	99	(159)	1,178	424	1,602		
Compensation	-	(186)	(186)	-	(184)	(184)		
Amortization of right-of-use assets	-	(9)	(9)	-	(9)	(9)		
Other expense	-	(49)	(49)	-	(41)	(41)		
Segment net earnings (loss)	\$ (258)	\$ (145)	\$ (403)	\$ 1,178	\$ 190	\$ 1,368		
Stock-based compensation recovery (expense)			240			(127)		
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(30)			(36)		
Unrealized carried interest included in segment net earnings (loss) – Credit			(1)			-		
Unrealized performance fees included in segment net earnings (loss)			-			(9)		
Integration expense			(5)			(5)		
Other net expenses			(1)			-		
Net earnings (loss)			\$ (200)			\$ 1,191		
Segment net earnings (loss) per share <sup>(iii)</sup>			\$ (4.62)			\$ 14.84		
Net earnings (loss) per share – diluted			\$ (2.33)			\$ 13.27		

(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 \$1 million (2021 – nil) from third-party limited partners in the Credit Funds.

(iii) Calculated on a fully diluted basis.

### Consolidated income (loss) for the three and nine months ended September 30, 2022 and 2021

The consolidated loss for the three months ended September 30, 2022 (2021 – consolidated income) primarily consisted of: (i) a net loss on corporate investments (2021 – net gain), which primarily consisted of Onex' share of the net loss in the Onex Partners and ONCAP Funds (2021 – net gain in Onex Partners Funds), partially offset by (ii) management and advisory fees, which Onex earns primarily from managing client and limited partner capital through its private equity funds and Credit strategies.

The consolidated loss for the nine months ended September 30, 2022 (2021 – consolidated income) primarily consisted of: (i) a loss on corporate investments (2021 – net gain), which primarily consisted of Onex' share of the net loss in the Onex Partners Funds (2021 – net gain in Onex Partners and ONCAP Funds), partially offset by (ii) Onex' share of the net gain in the ONCAP Funds and (iii) management and advisory fees, which Onex earns primarily from managing client and limited partner capital through its private equity funds and Credit strategies.

During the three and nine months ended September 30, 2022, Onex' investing segment recognized a net loss on corporate investments of \$115 million and \$258 million, respectively (2021 – net gain of \$542 million and \$1.2 billion, respectively). The contribution of private equity and private credit to this performance is detailed below:

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
<b>Onex Partners Funds<sup>(i)</sup></b>				
Onex Partners II	\$ -	\$ -	\$ (7)	\$ (43)
Onex Partners III	(2)	18	11	74
Onex Partners IV	(114)	262	(404)	453
Onex Partners V	18	93	86	229
Management incentive programs	1	(27)	31	(72)
<b>Total net gain (loss) from Onex Partners Funds</b>	<b>(97)</b>	346	<b>(283)</b>	641
<b>ONCAP Funds<sup>(i)</sup></b>				
ONCAP II	(8)	3	(3)	31
ONCAP III	(15)	3	(13)	81
ONCAP IV	4	4	171	11
Management incentive programs	4	(1)	(27)	(22)
<b>Total net gain (loss) from ONCAP Funds</b>	<b>(15)</b>	9	<b>128</b>	101
<b>Net gain (loss) from other private equity investments</b>	<b>(7)</b>	162	<b>(41)</b>	316
<b>Total net gain (loss) from private equity</b>	<b>\$ (119)</b>	\$ 517	<b>\$ (196)</b>	\$1,058

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

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. These factors resulted in a net loss from Onex Partners IV, which included fair value decreases in Clarivate Analytics and Parkdean Resorts, partially offset by the underlying fair value increase of PowerSchool Group.

Net losses were partially offset by a net gain from Onex Partners V, which was primarily due to the underlying fair value increases of Imagine Learning and OneDigital.

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. These factors resulted in a net loss from Onex Partners IV, which included fair value decreases in ASM Global, Clarivate Analytics, Parkdean Resorts and SCP Health, partially offset by the underlying fair value increases of Ryan LLC. Net losses were partially offset by net gains from Onex Partners V and ONCAP IV. The net gain from Onex Partners V was primarily due to the underlying fair value increases of Acacium Group, OneDigital and Newport. The net gain from ONCAP IV was primarily due to the underlying fair value increases of AutoSavvy, International Language Academy of Canada, Precision Concepts International (formerly Intra-Pac) and Precision Global.

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

cialty Group ("RSG"). The net gain from Onex Partners IV was primarily due to the underlying fair value increases of ASM Global, Parkdean Resorts, PowerSchool, SCP Health and WireCo WorldGroup, partially offset by the underlying fair value decrease of Clarivate Analytics.

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

TABLE 4 | (Unaudited) (\$ millions)

**Net Gain (Loss) on Investments in Private Credit Strategies**

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
<b>Structured Credit Strategies</b>				
U.S. CLOs	\$ 13	\$ 20	\$ (23)	\$ 80
EURO CLOs	(6)	5	(26)	21
CLO warehouses	-	-	5	-
Other structured strategies	(1)	1	(2)	5
<b>Opportunistic Credit Strategies</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>10</b>
<b>Liquid Strategies</b>	<b>1</b>	<b>1</b>	<b>(6)</b>	<b>8</b>
<b>Direct Lending</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>10</b>
<b>Total net gain (loss) from Private Credit Strategies</b>	<b>\$ 10</b>	<b>\$ 31</b>	<b>\$ (47)</b>	<b>\$ 134</b>

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 (Credit Suisse Leveraged Loan Index – increase of 1% during the three months ended September 30, 2022) 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 leveraged loan market (Credit Suisse Leveraged Loan Index – decrease of 3% during the nine months ended September 30, 2022) and structural leverage employed in CLOs.

The net gain on investments in private credit strategies recognized during the three and nine months ended September 30, 2021 was primarily driven by a net gain on U.S. and EURO CLOs as a result of a strengthening leveraged loan market (Credit Suisse Leveraged Loan Index – increase of 1% and 5% during the three and nine months ended September 30, 2021, respectively) and structural leverage employed in CLOs.

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

	<b>Three Months Ended September 30, 2022</b>	Three Months Ended September 30, 2021	<b>Change in Total</b>	
<b>Source of management and advisory fees</b>				
Credit	\$ 38	\$ 39	\$ (1)	(3)%
Private Equity <sup>(i)</sup>	29	30	(1)	(3)%
<b>Total management and advisory fees</b>	<b>\$ 67</b>	<b>\$ 69</b>	<b>\$ (2)</b>	<b>(3)%</b>

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

	<b>Nine Months Ended September 30, 2022</b>	Nine Months Ended September 30, 2021	<b>Change in Total</b>	
<b>Source of management and advisory fees</b>				
Credit	\$ 115	\$ 114	\$ 1	(1)%
Private Equity <sup>(i)</sup>	88	95	(7)	(7)%
<b>Total management and advisory fees</b>	<b>\$ 203</b>	<b>\$ 209</b>	<b>\$ (6)</b>	<b>(3)%</b>

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

Management and advisory fees from Private Equity were 7% lower during the nine months ended September 30, 2022 compared to the same period in 2021. This decrease was primarily driven by Onex Partners III no longer collecting management fees and realizations in the Onex Partners IV and ONCAP III Funds during 2021, which reduced the management fee basis for these funds.

Certain deal investigation, research and other costs incurred by the Asset Managers are recoverable from the Onex private equity funds, private credit strategies and the operating businesses of Onex Partners and ONCAP. These cost 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, 2022, Onex recognized \$8 million and \$22 million, respectively, in revenues and expenses associated with these reimbursements (2021 – \$14 million and \$32 million, respectively).

## Compensation

Compensation expense for the three and nine months ended September 30, 2022 was \$63 million and \$186 million, respectively, compared to \$66 million and \$184 million, respectively, during the same periods in 2021. Refer to pages 14 and 15 of this interim MD&A for further details concerning compensation expense.

## Stock-based compensation recovery (expense)

During the three months ended September 30, 2022, Onex recorded a consolidated stock-based compensation recovery of \$11 million compared to \$7 million during the same period in 2021. The stock-based compensation recovery recorded during the three months ended September 30,

2022 was primarily due to a 1% decline in the market value of Onex' SVS to C\$63.36 at September 30, 2022 from C\$64.10 at June 30, 2022.

During the nine months ended September 30, 2022, Onex recorded a consolidated stock-based compensation recovery of \$240 million compared to a stock-based compensation expense of \$127 million during the same period in 2021. The stock-based compensation recovery recorded during the nine months ended September 30, 2022 was primarily due to a 36% decline in the market value of Onex' SVS to C\$63.36 at September 30, 2022 from C\$99.28 at December 31, 2021.

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

## Stock-Based Compensation Recovery (Expense)

TABLE 7	(Unaudited) (\$ millions)	Three Months Ended September 30			Nine Months Ended September 30		
		2022	2021	Change	2022	2021	Change
	Stock Option Plan	\$ 11	\$ 7	\$ 4	\$ 238	\$ (122)	\$ 360
	Director DSU Plan	-	-	-	2	(1)	3
	Other	-	-	-	-	(4)	4
	Total stock-based compensation recovery (expense)	\$ 11	\$ 7	\$ 4	\$ 240	\$ (127)	\$ 367

## Amortization of property, equipment and intangible assets

Amortization of property, equipment and intangible assets for the three and nine months ended September 30, 2022 was \$12 million and \$39 million, respectively (2021 – \$13 million and \$45 million, respectively) and consisted primarily of amortization expense of client relationship intangible assets, and right-of-use assets and leasehold improvements related to Onex' leased premises.

## Other comprehensive loss

Other comprehensive losses for the three and nine months ended September 30, 2022 of \$13 million and \$17 million, respectively (2021 – \$6 million and nil, respectively) were due to unfavourable currency translation adjustments associated with the consolidation of Gluskin Sheff's net assets (2021 – unfavourable currency translation adjustments).

## SUMMARY OF QUARTERLY INFORMATION

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

## Consolidated Quarterly Financial Information

TABLE 8	<i>(Unaudited) (\$ millions except per share amounts)</i>			2021 <sup>(i)</sup>				2020 <sup>(i)</sup>
	September	June	March	December	September	June	March	December
Total segment income (loss)	\$ (96)	\$ (212)	\$ 149	\$ 408	\$ 688	\$ 361	\$ 553	\$ 772
Total segment expenses	(83)	(79)	(82)	(87)	(81)	(75)	(78)	(73)
Segment net earnings (loss)	(179)	(291)	67	321	607	286	475	699
Other non-segment items	(1)	107	97	(107)	(5)	(112)	(60)	(102)
Net earnings (loss)	\$ (180)	\$ (184)	\$ 164	\$ 214	\$ 602	\$ 174	\$ 415	\$ 597
Segment net earnings (loss) per share <sup>(iii)</sup>	\$ (2.08)	\$ (3.35)	\$ 0.76	\$ 3.55	\$ 6.60	\$ 3.11	\$ 5.14	\$ 7.64
Net earnings (loss) per share – basic	\$ (2.12)	\$ (2.15)	\$ 1.90	\$ 2.45	\$ 6.77	\$ 1.95	\$ 4.60	\$ 6.62
Net earnings (loss) per share – diluted	\$ (2.12)	\$ (2.15)	\$ 1.89	\$ 2.45	\$ 6.76	\$ 1.95	\$ 4.59	\$ 6.61

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

(ii) Calculated on a fully diluted basis.

## CASH AND NEAR-CASH

At September 30, 2022, Onex' cash and near-cash balance was \$1.3 billion (December 31, 2021 – \$1.6 billion) and Onex' consolidated cash and cash equivalents balance was \$151 million (December 31, 2021 – \$547 million). Onex' cash and near-cash consisted of the following:

### Cash and Near-Cash<sup>(i)</sup>

TABLE 9   (Unaudited) (\$ millions)	September 30, 2022	December 31, 2021
Cash and cash equivalents – Investing segment <sup>(iii)</sup>	\$ 10	\$ 357
Cash and cash equivalents within Investment Holding Companies <sup>(iii)</sup>	497	228
Treasury investments	65	290
Treasury investments within Investment Holding Companies	281	310
Management fees and recoverable fund expenses receivable <sup>(iv)</sup>	427	308
Subscription financing receivable <sup>(v)</sup>	56	130
<b>Cash and near-cash<sup>(i)</sup></b>	<b>\$ 1,336</b>	<b>\$ 1,623</b>

(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) Excludes cash and cash equivalents allocated to the asset management segment related to accrued incentive compensation (\$98 million [December 31, 2021 – \$147 million]) and contingent consideration related to the acquisition of Onex Falcon (\$43 million [December 31, 2021 – \$43 million]).

(iii) Includes restricted cash and cash equivalents of \$3 million [December 31, 2021 – \$21 million] for which the Company can readily remove the external restriction. Excludes cash and cash equivalents reserved for payments under the management incentive programs and Onex' share of fund expenses payable by the Investment Holding Companies of \$23 million.

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

(v) Subscription financing receivable attributable to third-party investors in certain Credit Funds.

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

### Change in Cash and Near-Cash

TABLE 10   (Unaudited) (\$ millions)	Amount
<b>Cash and near-cash at December 31, 2021</b>	\$ 1,623
<b>Private equity realizations:</b>	
<i>Onex Partners</i>	
Sale of Partou	154
Partial sale of Ryan	103
Partial sale of AIT	36
Other	26
<i>Other private equity realizations</i>	<u>6</u>
	325
<b>Private equity investments:</b>	
<i>Onex Partners</i>	
RES	(117)
Analytic Partners	(108)
Tes Global	(98)
<i>ONCAP</i>	
Ideal Dental	(28)
Merrithew	(16)
<i>Other private equity investments</i>	<u>(16)</u>
	(383)
Net private credit strategies investment activity	65
Onex share repurchases, options exercised, DSUs exercised and dividends	(223)
Net other, including capital expenditures, operating costs and changes in working capital	(71)
<b>Cash and near-cash at September 30, 2022</b>	<b>\$ 1,336</b>

## CONSOLIDATED FINANCIAL POSITION

### Consolidated assets

Consolidated assets totalled \$11.7 billion at September 30, 2022 compared to \$12.9 billion at December 31, 2021. The decrease in consolidated assets was primarily driven by a decrease in the fair value of the Company's corporate investments, as described on page 31 of this interim MD&A, a net decrease in intercompany loans receivable from Onex and the Asset Managers, which are included within corporate investments, and cash used to repurchase Onex' SVS.

Table 11 presents consolidated assets by reportable segment as at September 30, 2022 and December 31, 2021.

### Consolidated Assets by Reportable Segment

TABLE 11	(Unaudited) (\$ millions)		As at September 30, 2022			As at December 31, 2021		
			Investing	Asset Management	Total	Investing	Asset Management	Total
	Cash and cash equivalents	\$ 10	\$ 141 <sup>(i)</sup>	\$ 151	\$ 357	\$ 190 <sup>(i)</sup>	\$ 547	
	Treasury investments	65	-	65	290	-	290	
	Management and advisory fees, recoverable fund expenses and other receivables	427 <sup>(iii)</sup>	65	492	308 <sup>(iii)</sup>	61	369	
	Corporate investments	7,048	-	7,048	7,239	-	7,239	
	Unrealized carried interest – Credit	19	-	19	18	-	18	
	Other assets	-	94	94	-	136	136	
	Property and equipment	-	138	138	-	148	148	
	Intangible assets	-	113	113	-	139	139	
	Goodwill	-	256	256	-	264	264	
	<b>Total segment assets</b>	<b>\$ 7,569</b>	<b>\$ 807</b>	<b>\$ 8,376</b>	<b>\$ 8,212</b>	<b>\$ 938</b>	<b>\$ 9,150</b>	
	Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies			3,300			3,755	
	Unrealized carried interest included in segment assets – Credit			(19)			(18)	
	<b>Total assets</b>			<b>\$ 11,657</b>			<b>\$ 12,887</b>	
	Investing capital per share (U.S. dollars) <sup>(iii)</sup>	\$ 90.26			\$ 90.75			
	Investing capital per share (Canadian dollars) <sup>(iii)</sup>	\$ 123.71			\$ 115.05			

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

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

(iii) Calculated on a fully diluted basis.

## Corporate investments

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

TABLE 12	(Unaudited) (\$ millions)	December 31, 2021	Capital Deployed	Realizations and Distributions	Change in Fair Value	September 30, 2022
Onex Partners Funds	\$	4,256	\$ 328	\$ (308)	\$ (283)	\$ 3,993
ONCAP Funds		534	45	-	128	707
Other private equity		692	10	(3)	(41)	658
Carried interest		269	n/a	(14)	(106)	149
Total private equity investments		5,751	383	(325)	(302)	5,507
Private Credit Strategies		805	240	(305)	(47)	693
Real estate		52	-	(15)	2	39
Other net assets <sup>(i)</sup>		631	(858)	1,053	(17)	809
Total corporate investments, excluding intercompany loans		7,239	(235)	408	(364)	7,048
Intercompany loans receivable from Onex and the Asset Managers		3,755	397	(852)	-	3,300
Intercompany loans payable to Onex and the Asset Managers		(429)	(18)	43	-	(404)
Intercompany loans receivable from Investment Holding Companies		429	18	(43)	-	404
Total corporate investments	\$	10,994	\$ 162	\$ (444)	\$ (364)	\$ 10,348

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

At September 30, 2022, Onex' corporate investments, which are more fully described in note 4 to the unaudited interim consolidated financial statements, totalled \$10.3 billion (December 31, 2021 – \$11.0 billion).

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

During the nine months ended September 30, 2022, realizations and distributions to Onex primarily consisted of realizations from the Onex Partners IV and Onex Partners V Funds, as described on page 11 of this interim MD&A, and distributions and realizations from private credit strategies, as described on page 11 of this interim MD&A.

During the nine months ended September 30, 2022, the change in fair value of Onex' corporate invest-

ments totalled a decrease of \$364 million, primarily driven by changes in fair value of Onex' investments in private equity, which are more fully described on page 23 of this interim MD&A, and changes in fair value of Onex' investments in CLOs, as more fully described on page 24 of this interim MD&A.

The valuation of public investments held directly by Onex or through the Onex Partners Funds and ONCAP Funds is based on their publicly traded closing prices at September 30, 2022. For certain public investments, a discount was applied to the closing price in relation to restrictions that were in place at September 30, 2022 relating to the securities held by Onex, the Onex Partners Funds or the ONCAP Funds. At September 30, 2022, these discounts resulted in a reduction of \$63 million in the fair value of corporate investments (December 31, 2021 – \$77 million).

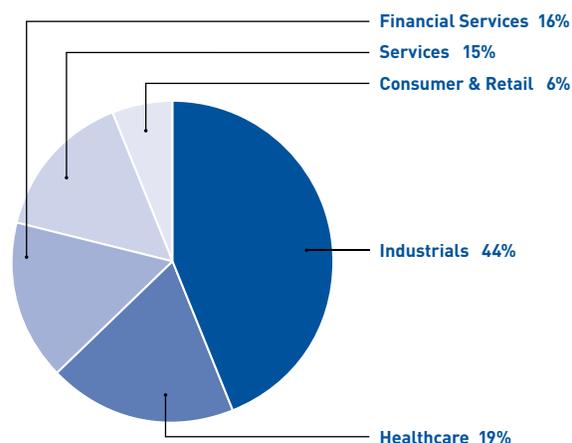
Onex' private equity investments include direct and indirect investments in 40 operating businesses at September 30, 2022, which operate in a variety of industries and countries. Details of these operating businesses' revenues, assets and debt are as follows:

(Unaudited) (\$ millions)  
 Nine months ended  
 September 30, 2022

		Operating Business Revenues <sup>(i)</sup>
Industrials	\$ 9,636	44%
Healthcare	4,129	19%
Financial Services	3,565	16%
Services	3,366	15%
Consumer & Retail	1,400	6%
Total	\$ 22,096	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, 2022<sup>(i)</sup>



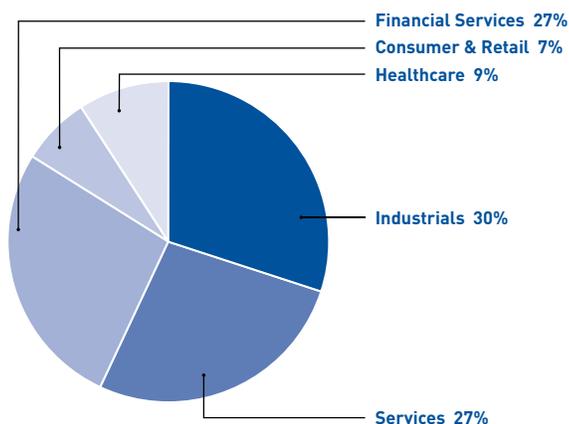
(i) Includes revenues during the period that Onex controls, jointly controls or has significant influence over the operating businesses.

(Unaudited) (\$ millions)  
 As at September 30, 2022

	Operating Business Assets <sup>(i)</sup>		Operating Business Debt <sup>(i)</sup>	
Industrials	\$ 14,129	30%	\$ 5,179	33%
Financial Services	12,951	27%	2,569	16%
Services	12,901	27%	4,908	31%
Healthcare	4,049	9%	1,820	11%
Consumer & Retail	3,153	7%	1,372	9%
Total	\$ 47,183	100%	\$ 15,848	100%

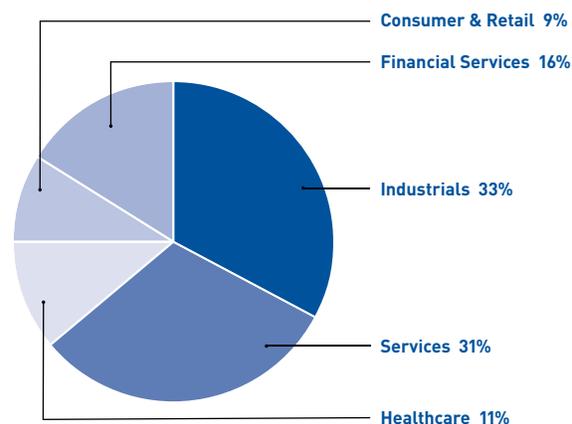
(i) Includes the assets and debt of operating businesses that Onex controls, jointly controls or has significant influence over.

Operating Business Assets by Industry Vertical –  
 September 30, 2022<sup>(i)</sup>



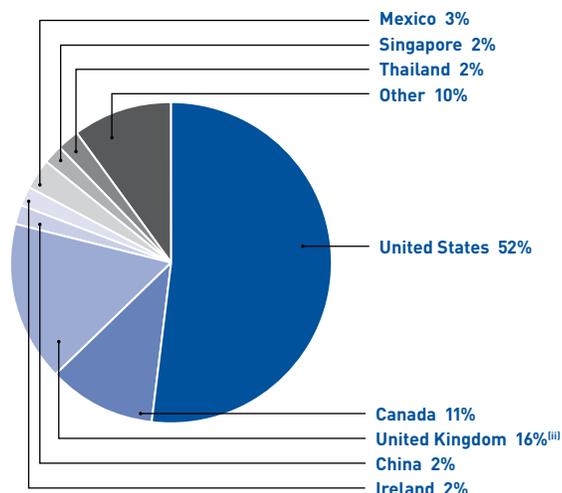
(i) Includes the assets of operating businesses that Onex controls, jointly controls or has significant influence over.

Operating Business Debt by Industry Vertical –  
 September 30, 2022<sup>(i)</sup>



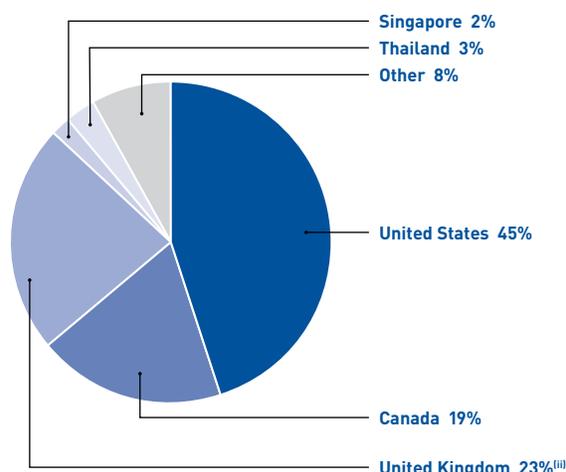
(i) Includes the debt of operating businesses that Onex controls, jointly controls or has significant influence over.

### Operating Business Revenues by Country – Year Ended December 31, 2021<sup>(i)</sup>



- (i) Includes revenues of operating businesses that are controlled or jointly controlled by Onex, adjusted for operating companies acquired or sold during 2022. 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 United Kingdom overseas territories.

### Operating Business Assets by Country – December 31, 2021<sup>(i)</sup>



- (i) Includes assets of operating businesses that are controlled or jointly controlled by Onex, adjusted for operating companies acquired or sold during 2022.
- (ii) Includes assets held in United Kingdom overseas territories.

### Intercompany loans payable to Investment Holding Companies

Onex and the Asset Managers have intercompany loans payable to the Investment Holding Companies. The loans are primarily due on demand and non-interest bearing. At September 30, 2022, intercompany loans payable to the Investment Holding Companies totalled \$3.3 billion (December 31, 2021 – \$3.8 billion) and the corresponding receivable of \$3.3 billion (December 31, 2021 – \$3.8 billion) was included

in the fair value of the Investment Holding Companies within corporate investments. There is no impact on net assets or net earnings (loss) from these intercompany loans.

### Stock-based compensation payable

Onex' stock-based compensation plans include its stock option plan, director deferred share unit plan and management deferred share unit plan, as further described on page 35 of this interim MD&A.

TABLE 15 | (Unaudited) (\$ millions)

	September 30, 2022	December 31, 2021
Stock Option Plan	\$ 92	\$ 338
Management DSU Plan	40	69
Director DSU Plan	32	51
Other	2	4
<b>Total stock-based compensation payable</b>	<b>\$ 166</b>	<b>\$ 462</b>

The decrease in stock-based compensation payable at September 30, 2022 was primarily driven by a decrease in the market value of Onex' SVS, as described on page 26 of this interim MD&A.

### Accrued compensation

Accrued compensation at September 30, 2022 was \$98 million (December 31, 2021 – \$147 million) and consisted of employee incentive compensation for the fiscal 2022 year, which will largely be paid during the first quarter of 2023.

The decline in accrued compensation from December 31, 2021 was primarily driven by the payment of 2021 incentive compensation during the first quarter of 2022, partially offset by accrued incentive compensation related to the 2022 fiscal year.

## Equity

Table 16 provides a reconciliation of the change in equity from December 31, 2021 to September 30, 2022.

### Change in Equity

Balance – December 31, 2021	\$ 8,374
Dividends declared	(19)
Repurchase and cancellation of shares	(200)
Net loss	(200)
Currency translation adjustments included in other comprehensive loss	(17)
<b>Equity as at September 30, 2022</b>	<b>\$ 7,938</b>

## Shares outstanding

At September 30, 2022, Onex had 100,000 Multiple Voting Shares outstanding, which have a nominal paid-in value reflected in Onex' unaudited interim consolidated financial statements. Onex also had 83,145,096 SVS issued and outstanding. Note 7 to the unaudited interim consolidated financial statements provides additional information on Onex' share capital. There was no change in the Multiple Voting Shares outstanding during the nine months ended September 30, 2022.

Table 18 shows the change in the number of SVS outstanding from December 31, 2021 to October 31, 2022.

TABLE 18   (Unaudited) (\$ millions except per share amounts)	Number of SVS	Average Price per Share		Total Cost	
		(USD)	(CAD)	(USD)	(CAD)
SVS outstanding at December 31, 2021	86,805,538				
Shares repurchased and cancelled:					
Normal Course Issuer Bids	(4,732,554)	\$ 53.20	\$ 69.65	\$ 252	\$ 330
<b>SVS outstanding at October 31, 2022</b>	<b>82,072,984</b>				

### Shares repurchased and cancelled

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

On April 18, 2022, Onex renewed its NCIB following the expiry of its previous NCIB on April 17, 2022. Under the new NCIB, Onex is permitted to purchase up to 10% of its public float of SVS, or 7,167,381 SVS. Onex may purchase up to 35,172 SVS during any trading day, being 25% of its average daily trading volume for the six months ended March 31,

## Dividend policy

Table 17 presents Onex' dividends paid per share for the twelve months ended September 30 during the past five years.

	Dividend Paid per Share
Twelve months ended September 30:	
2018	C\$ 0.31
2019	C\$ 0.36
2020	C\$ 0.40
2021	C\$ 0.40
2022	C\$ 0.40

2022. Onex may also purchase SVS from time to time under the TSX's block purchase exemption, if available, or by way of private agreement pursuant to an issuer bid exemption order, if sought and received, under the new NCIB. The new NCIB commenced on April 18, 2022 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 17, 2023. A copy of the Notice of Intention to renew the NCIB filed with the TSX is available at no charge to shareholders by contacting Onex.

Under the previous NCIB that expired on April 17, 2022, Onex repurchased 4,039,408 SVS at a total cost of \$286 million (C\$360 million) or an average purchase price of \$70.80 (C\$89.10) per share.

### Stock Option Plan

At September 30, 2022, Onex had 11,906,545 options outstanding to acquire SVS, of which 251,750 options were vested and exercisable. During the nine months ended September 30, 2022, 440,250 options were issued, primarily in connection with services provided during the year ended December 31, 2021, at a weighted average exercise price of C\$88.93, 263,150 options were surrendered at a weighted average exercise price of C\$53.53 for aggregate cash consideration of \$8 million (C\$11 million) and 386,925 options expired.

### Director Deferred Share Unit Plan

During the nine months ended September 30, 2022, 41,394 DSUs were issued to directors having an aggregate value of \$2 million (C\$3 million), in lieu of Directors' fees. At September 30, 2022, there were 703,979 Director DSUs outstanding (December 31, 2021 – 659,955). At September 30, 2022, Onex had economically hedged 94% of the outstanding Director DSUs with counterparty financial institutions.

### Management Deferred Share Unit Plan

In early 2022, 78,566 DSUs were issued to the Onex management team having an aggregate value, at the date of grant, of \$5 million (C\$7 million) in lieu of that amount of cash compensation for Onex' 2021 fiscal year. During the nine months ended September 30, 2022, 104,290 Management DSUs were exercised at a weighted average exercise price of C\$82.06 for aggregate cash consideration of \$7 million (C\$9 million). In connection with the exercised Management DSUs, Onex received \$7 million (C\$9 million) of proceeds from forward agreements it had entered into with a financial institution to economically hedge the Management DSUs. At September 30, 2022, there were 859,550 Management DSUs outstanding (December 31, 2021 – 881,943).

At September 30, 2022, Onex had economically hedged 100% of the outstanding Management DSUs with counterparty financial institutions. Forward agreements with a fair value of \$70 million at September 30, 2022, associated with Director DSUs and Management DSUs, were recorded within other assets in the unaudited interim consolidated balance sheet.

### Management of capital

Onex considers the capital it manages to be the amounts it has invested in cash and cash equivalents, near-cash investments, treasury investments managed by a third-party investment manager, investments made in the Onex Partners Funds, ONCAP Funds and private credit strategies, and other investments. Onex also manages capital from other investors in the Onex Partners Funds, ONCAP Funds and Credit strategies. Onex' objectives in managing capital have not changed since December 31, 2021.

At September 30, 2022, Onex had \$1.3 billion of cash and near-cash items (December 31, 2021 – \$1.6 billion), as described on page 28 of this interim MD&A.

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

At September 30, 2022, the fair value of treasury investments, including cash yet to be deployed and net working capital managed by a third-party investment manager, was \$388 million (December 31, 2021 – \$677 million). The decrease was primarily driven by the net sale of treasury investments to fund certain private equity investments made during the period. Treasury investments are managed in a mix of short-term and long-term portfolios and consist of commercial paper with original maturities of three months to one year, federal debt instruments, corporate obligations and structured products with maturities of one to five years. Treasury investments have current Standard & Poor's ratings ranging from BBB to AAA. The portfolio concentration limits range from a maximum of 10% for BBB investments to 100% for AAA investments. The investments are managed to maintain an overall weighted average duration of two years or less.

At September 30, 2022, Onex had access to uncalled committed limited partner capital for investments through Onex Partners V (approximately \$560 million) and ONCAP IV (approximately \$120 million). In addition, Onex has uncalled committed capital of approximately \$300 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 19 summarizes the major consolidated cash flow components for the nine months ended September 30, 2022 and 2021.

**Major Cash Flow Components**

TABLE 19	<i>(Unaudited) (\$ millions)</i>	
	Nine months ended September 30	
	2022	2021
Cash provided by (used in) operating activities	\$ (291)	\$ 217
Cash used in financing activities	\$ (326)	\$ (490)
Cash provided by investing activities	\$ 225	\$ 158
Consolidated cash and cash equivalents	\$ 151	\$ 591

**Cash provided by (used in) operating activities**

Table 20 provides a breakdown of cash provided by (used in) operating activities by cash generated from operations and changes in non-cash working capital items for the nine months ended September 30, 2022 and 2021.

**Components of Cash Provided by (Used in) Operating Activities**

TABLE 20	<i>(Unaudited) (\$ millions)</i>	
	Nine months ended September 30	
	2022	2021
Cash generated from operations	\$ (115)	\$ 335
Changes in working capital items:		
Management and advisory fees, recoverable fund expenses and other receivables	(124)	(59)
Other assets	(8)	1
Accounts payable, accrued liabilities and other liabilities	5	(46)
Accrued compensation	(49)	(14)
Decrease in cash and cash equivalents due to changes in working capital items	(176)	(118)
Cash provided by (used in) operating activities	\$ (291)	\$ 217

Cash generated from operations includes net earnings (loss) from operations before interest, adjusted for items not affecting cash and cash equivalents, in addition to cash flows from Onex' investments in and loans made to the Investment Holding Companies. The significant changes in non-cash working capital items for the nine months ended September 30, 2022 and 2021 were:

- a \$124 million increase in receivables, primarily driven by management fees earned but not yet received from certain Credit Funds and the limited partners of the Onex Partners Funds, along with an increase in recoverable fund expenses from the Onex Partners Funds, Onex Partners operating companies and certain Credit Funds. These increases were partially offset by the receipt of performance fees from certain Credit strategies. This compares to a \$59 million increase during the same period in 2021, primarily driven by management fees earned but not yet received from the limited partners of the Onex Partners and ONCAP Funds, partially offset by the receipt of performance fees from certain Credit strategies;
- a \$49 million decrease in accrued compensation primarily as a result of the payment of 2021 incentive compensation during the first quarter of 2022, partially offset by accrued incentive compensation related to the 2022 fiscal year. This compares to a \$14 million decrease during the same period in 2021, primarily as a result of the payment of 2020 incentive compensation during the first quarter of 2021, partially offset by accrued incentive compensation related to the 2021 fiscal year; and
- during the nine months ended September 30, 2021, accounts payable, accrued liabilities and other liabilities decreased by \$46 million, primarily driven by a payment made in connection with the former Onex Credit CEO's participation in the Onex Credit business.

### Cash used in financing activities

Cash used in financing activities was \$326 million for the nine months ended September 30, 2022 compared to \$490 million for the same period in 2021. Cash used in financing activities for the nine months ended September 30, 2022 primarily consisted of \$103 million of net loan repayments to the Investment Holding Companies (2021 – \$280 million),

\$195 million of cash used to repurchase Onex stock (2021 – \$178 million), as described on page 34 of this interim MD&A, and \$20 million of cash dividends paid (2021 – \$22 million).

### Cash provided by investing activities

Cash provided by investing activities totalled \$225 million for the nine months ended September 30, 2022 compared to \$158 million during the same period in 2021. Cash provided by investing activities during the nine months ended September 30, 2022 primarily consisted of the net sale of treasury investments totalling \$224 million (2021 – \$156 million).

### Consolidated cash resources

At September 30, 2022, consolidated cash and cash equivalents decreased to \$151 million from \$547 million at December 31, 2021. The major components of cash and cash equivalents at September 30, 2022 included \$71 million of cash on hand (December 31, 2021 – \$188 million) and \$71 million of money market funds (December 31, 2021 – \$353 million).

At September 30, 2022, Onex had \$1.3 billion of cash and near-cash on hand (December 31, 2021 – \$1.6 billion), as described on page 28 of this interim MD&A. Onex management reviews the amount of cash and near-cash on hand when assessing the liquidity of the Company.

### Commitments

#### *Onex Capital Solutions Fund*

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

#### *Falcon Fund VII*

In November 2022, Onex completed the first close for Falcon Fund VII, reaching aggregate commitments of approximately \$460 million, including \$30 million from Onex. The fund aims to make junior capital investments in the U.S. lower middle market and primarily invests in subordinated debt or second-lien debt with warrants, payment-in-kind preferred stock with warrants and non-control common equity in conjunction with subordinated debt or preferred stock.

*Onex Partners VI*

In November 2022, Onex completed the first close for Onex Partners VI, reaching aggregate commitments of approximately \$2.0 billion, including Onex' commitment of \$1.5 billion and Onex management's minimum 2% commitment. Onex Partners VI will invest in middle-market and/or larger operating companies headquartered in, organized in, having principal executive offices in or primarily operating in North America or Europe. The fund will not invest more than 20% of aggregate commitments in any single operating company and its affiliates.

**RELATED-PARTY TRANSACTIONS****Related-party revenues**

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

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

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

Related-party revenues comprised the following:

TABLE 21	<i>(Unaudited) (\$ millions)</i>		Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
			Management and Advisory Fees	Reimbursement of Expenses	Total	Management and Advisory Fees	Reimbursement of Expenses	Total
<b>Source of related-party revenues</b>								
Private Equity Funds <sup>(i)</sup>	\$ 29	\$ 3	\$ 32	\$ 88	\$ 11	\$ 99		
Private Credit Strategies	25	5	30	75	11	86		
Gluskin Sheff pooled fund vehicles <sup>(ii)</sup>	12	-	12	36	-	36		
Total related-party revenues	\$ 66	\$ 8	\$ 74	\$ 199	\$ 22	\$ 221		
Third-party revenues from Gluskin Sheff funds	1	-	1	4	-	4		
Total revenues	\$ 67	\$ 8	\$ 75	\$ 203	\$ 22	\$ 225		

(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 fund vehicles is included within other income.

Related-party receivables comprised the following:

TABLE 22	<i>(Unaudited) (\$ millions)</i> As at September 30, 2022	<b>Management and Advisory Fees Receivable</b>	<b>Recoverable Fund and Operating Expenses Receivable</b>	<b>Other Receivables</b>	<b>Total</b>
		\$ 268	\$ 138	\$ -	\$ 406
		37	22	-	59
		3	12	-	15
		3	1	-	4
		<b>\$ 311</b>	<b>\$ 173</b>	<b>\$ -</b>	<b>\$ 484</b>
		1	-	7	8
		<b>\$ 312</b>	<b>\$ 173</b>	<b>\$ 7</b>	<b>\$ 492</b>

### Services received from operating companies

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

### DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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

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

## GLOSSARY

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

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

- (i) The fair value of private equity invested assets and uncalled committed capital to the private equity funds, including Onex' own uncalled committed capital in excess of cash and cash equivalents, as applicable;
- (ii) The par value of invested assets and cash available for reinvestment of the collateralized loan obligations;
- (iii) The fair value of gross invested and uncalled commitments in close-ended Credit Funds; and
- (iv) The gross invested assets or net asset value of the open-ended Credit Funds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Liquid Strategies** are managed by Onex Credit and primarily hold investments in public equities, 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, subject to an 8% compounded annual preferred return to Onex on amounts contributed to the fund; (iii) the ONCAP carried interest program, which allocates to the management of ONCAP 60% of the carried interest realized in the ONCAP Funds and an equivalent carried interest on Onex' capital in the ONCAP Funds; and (iv) the Onex Falcon carried interest program, which entitles the management of Onex Falcon to 80% of the carried interest realized in Onex Falcon VI and substantially all of the carried interest realized on other existing Onex Falcon Funds up to December 31, 2020. The Credit management team is allocated 50% of the carried interest realized on Onex Falcon Funds launched after December 31, 2020.

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

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

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

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

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

**Onex or the Company** represents Onex Corporation.

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

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

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

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

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

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

**Structured Credit Strategies** are managed by Onex Credit and primarily hold investments in 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.