INTERIM CONSOLIDATED BALANCE SHEETS

(Unaudited) *(in millions of U.S. dollars)*	**As at March 31, 2021**	As at December 31, 2020
Assets		
Cash and cash equivalents	**$ 427**	$ 706
Treasury investments (note 2)	**61**	234
Management and advisory fees, recoverable fund expenses and other receivables (note 3)	**289**	261
Corporate investments (including intercompany loans receivable from Onex and the Asset Managers of $3,564 (December 31, 2020 – $4,043), comprising part of the fair value of Investment Holding Companies) (note 4)	**10,268**	9,969
Other assets (note 6)	**112**	98
Property and equipment	**162**	169
Intangible assets	**161**	167
Goodwill	**265**	264
Total assets	**$ 11,745**	$ 11,868
Intercompany loans payable to Investment Holding Companies (note 5)	**(3,564)**	(4,043)
Total assets net of intercompany loans payable to Investment Holding Companies	**$ 8,181**	$ 7,825
Other liabilities		
Accounts payable and accrued liabilities	**$ 26**	$ 29
Accrued compensation	**40**	125
Stock-based compensation payable (note 6)	**318**	263
Lease liabilities	**75**	75
Contingent consideration and other liabilities	**89**	90
Total other liabilities	**$ 548**	$ 582
Net assets	**$ 7,633**	$ 7,243
Equity		
Share capital (note 7)	**$ 313**	$ 314
Retained earnings and accumulated other comprehensive earnings	**7,320**	6,929
Total equity	**$ 7,633**	$ 7,243

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

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited) *(in millions of U.S. dollars except per share data)*	Three months ended March 31 **2021**	2020
Income		
Net gain (loss) on corporate investments (including an increase in carried interest of $96 (2020 – a decrease of $62)) (note 4)	**$ 478**	$ (1,057)
Management and advisory fees (note 8)	**71**	61
Reimbursement of expenses from investment funds and operating businesses (note 8)	**7**	3
Interest and net treasury investment income (note 9)	**1**	2
Other income	**–**	1
Total income (loss)	**$ 557**	$ (990)
Expenses		
Compensation	**$ (61)**	$ (46)
Stock-based compensation recovery (expense) (note 6)	**(43)**	154
Amortization of property and equipment, and other intangible assets	**(17)**	(15)
Recoverable expenses from investment funds and operating businesses	**(7)**	(3)
Impairment of goodwill	**–**	(85)
Other expense	**(14)**	(11)
Total expenses	**$ (142)**	$ (6)
Earnings (loss) before income taxes	**$ 415**	$ (996)
Provision for income taxes	**–**	(1)
Net earnings (loss)	**$ 415**	$ (997)
Net Earnings (Loss) per Subordinate Voting Share of Onex Corporation (note 10)		
Basic	**$ 4.60**	$ (9.97)
Diluted	**$ 4.59**	$ (9.97)

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

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(Unaudited) *(in millions of U.S. dollars)*	Three months ended March 31 **2021**	2020
Net earnings (loss)	**$ 415**	$ (997)
Other comprehensive earnings (loss), net of tax		
Items that may be reclassified to net earnings (loss):		
Currency translation adjustments	**2**	(27)
Other comprehensive earnings (loss), net of tax	**$ 2**	$ (27)
Total comprehensive earnings (loss)	**$ 417**	$ (1,024)

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

INTERIM CONSOLIDATED STATEMENTS OF EQUITY

(Unaudited) *(in millions of U.S. dollars except per share data)*	Share Capital (note 7)	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)[a]	Total Equity
Balance – December 31, 2019	$ 342	$ 6,627	$ 14	$ 6,983
Dividends declared[b]	–	(7)	–	(7)
Repurchase and cancellation of shares (note 7)	(3)	(45)	–	(48)
Net loss	–	(997)	–	(997)
Currency translation adjustments included in other comprehensive loss	–	–	(27)	(27)
Balance – March 31, 2020	$ 339	$ 5,578	$ (13)	$ 5,904
Balance – December 31, 2020	$ 314	$ 6,915	$ 14	$ 7,243
Dividends declared[b]	**–**	**(7)**	**–**	**(7)**
Repurchase and cancellation of shares (note 7)	**(1)**	**(19)**	**–**	**(20)**
Net earnings	**–**	**415**	**–**	**415**
Currency translation adjustments included in other comprehensive earnings	**–**	**–**	**2**	**2**
Balance – March 31, 2021	**$ 313**	**$ 7,304**	**$ 16**	**$ 7,633**

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

(b) Dividends declared per Subordinate Voting Share were C$0.10 for the three months ended March 31, 2021 (2020 – C$0.10). There are no tax effects for Onex on the declaration or payment of dividends.

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited) *(in millions of U.S. dollars)*	Three months ended March 31 2021	2020
Operating Activities		
Net earnings (loss)	**$ 415**	$ (997)
Adjustments to net earnings (loss):		
Provision for income taxes	**–**	1
Interest and net treasury investment income	**(1)**	(2)
Interest expense	**1**	1
Earnings (loss) before interest and provision for income taxes	**415**	(997)
Investments made in and loans made to Investment Holding Companies	**(31)**	(317)
Distributions and loan repayments received from Investment Holdings Companies and sale of private equity investment	**210**	448
Items not affecting cash and cash equivalents:		
Amortization of property and equipment, and other intangible assets	**17**	15
Net loss (gain) on corporate investments (note 4)	**(478)**	1,057
Stock-based compensation (note 6)	**42**	(162)
Impairment of goodwill	**–**	85
Foreign exchange loss (gain)	**1**	(3)
Other	**(1)**	4
	175	130
Changes in non-cash working capital items:		
Management and advisory fees, recoverable fund expenses and other receivables	**(27)**	(21)
Other assets	**(1)**	(2)
Accounts payable, accrued liabilities and other liabilities	**(7)**	(13)
Accrued compensation	**(86)**	(80)
Decrease in cash and cash equivalents due to changes in non-cash working capital items	**(121)**	(116)
Cash provided by operating activities	**$ 54**	$ 14
Financing Activities		
Cash dividends paid	**$ (7)**	$ (8)
Principal elements of lease payments	**(3)**	(2)
Cash interest paid	**–**	(1)
Repurchase of share capital of Onex Corporation	**(19)**	(45)
Issuance of loans from Investment Holding Companies	**23**	10
Repayment of loans to Investment Holding Companies	**(502)**	(180)
Cash used in financing activities	**$ (508)**	$ (226)
Investing Activities		
Net sale (purchase) of treasury investments	**$ 174**	$ (398)
Cash interest received	**1**	4
Cash provided by (used in) investing activities	**$ 175**	$ (394)
Decrease in Cash and Cash Equivalents	**$ (279)**	$ (606)
Decrease in cash due to changes in foreign exchange rates	**–**	(3)
Cash and cash equivalents, beginning of the period	**706**	988
Cash and Cash Equivalents	**$ 427**	$ 379

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

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Onex also invests in Onex Credit strategies, which consist of non-investment grade debt in collateralized loan obligations, middle-market lending and other credit strategies.

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

Onex is a Canadian corporation domiciled in Canada and listed on the Toronto Stock Exchange under the symbol ONEX. Onex' shares are traded in Canadian dollars. The registered address for Onex is 161 Bay Street, Toronto, Ontario. Mr. Gerald W. Schwartz controls Onex through his ownership of all of the outstanding Multiple Voting Shares of the corporation. Mr. Schwartz also indirectly held 13% of the outstanding Subordinate Voting Shares of Onex at March 31, 2021.

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

The unaudited interim consolidated financial statements were authorized for issue by the Board of Directors on May 13, 2021.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

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

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

BASIS OF PRESENTATION

Throughout the notes to the unaudited interim consolidated financial statements, **investments** and **investing activity** of Onex' capital primarily relate to its private equity funds, credit strategies and certain investments held outside the private equity funds and credit strategies. These investments are held directly or indirectly through wholly-owned subsidiaries of Onex, which are referred to as **Investment Holding Companies**. While there are a number of Investment Holding Companies, substantially all of these companies consist of direct or indirect subsidiaries of Onex Private Equity Holdings LLC, Onex CLO Holdings LLC or Onex Credit Holdings LLC. These three companies, which are referred to as the **Primary Investment Holding Companies**, are the holding companies for substantially all of Onex' investments, excluding intercompany loans receivable from Onex and the Asset Managers, as defined below. The Primary Investment Holding Companies were formed in the United States.

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

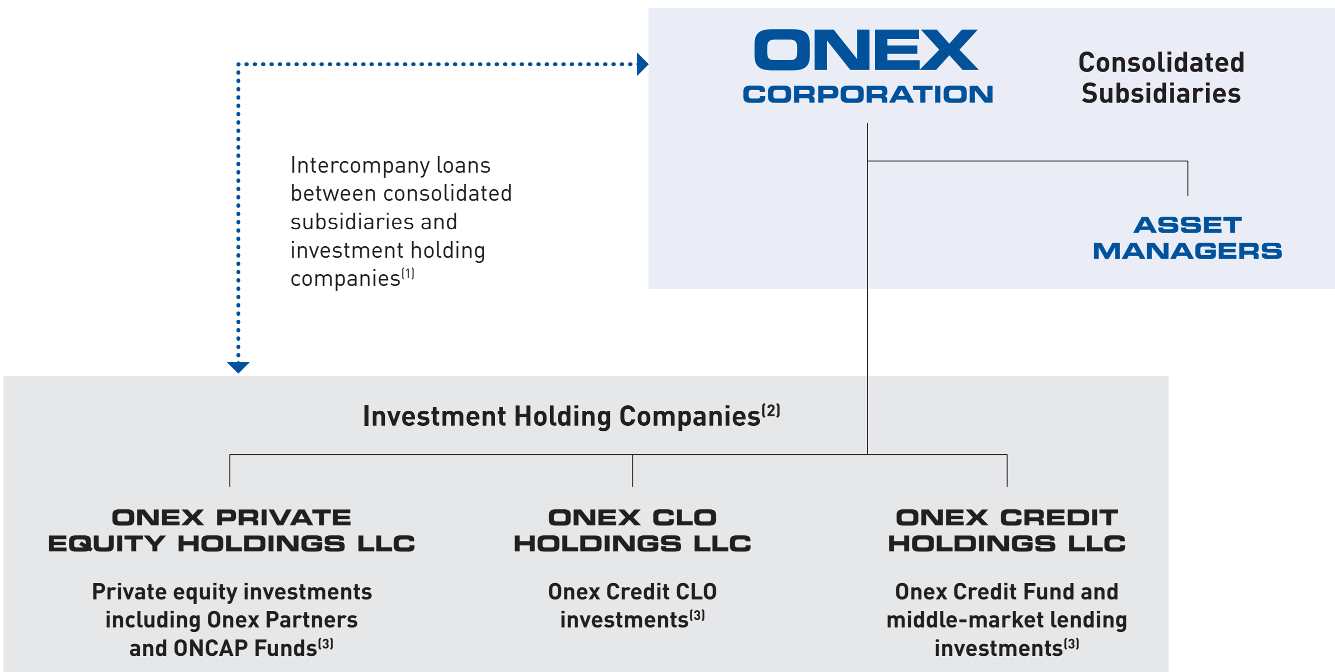
References to the Onex management team include the management of Onex, Onex Partners, ONCAP, Onex Credit and Gluskin Sheff. References to management without the use of "team" include only the relevant group. References to an Onex Partners Group represent Onex, the limited partners of the relevant Onex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

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

The Company has also performed an assessment to determine which of its subsidiaries are investment entities, as defined under IFRS 10. When performing this assessment, the Company considered the subsidiaries' current business purpose along with the business purpose of the subsidiaries' direct and indirect investments. The Company has concluded that the Primary Investment Holding Companies meet the definition of an investment entity.

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

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



(1) Onex Corporation and the consolidated asset management subsidiaries enter into intercompany loans that, in aggregate, have no net effect on Onex' financial position. Intercompany loans payable by Onex and the consolidated subsidiaries to the Investment Holding Companies are recognized as liabilities in the unaudited interim consolidated balance sheets, with the corresponding loans receivable classified as an asset 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, middle-market lending, CLOs and Onex Credit Funds are typically held directly or indirectly through wholly-owned investment holding companies, which are subsidiaries of the Primary Investment Holding Companies identified above.

SIGNIFICANT ACCOUNTING POLICIES

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

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

2. TREASURY INVESTMENTS

Treasury investments comprised the following:

	March 31, 2021	December 31, 2020
Commercial paper and corporate obligations	$ 45	$ 146
Federal debt instruments	10	49
Other	6	39
Total treasury investments	$ 61	$ 234

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

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

	March 31, 2021	December 31, 2020
Management and advisory fees	$ 172	$ 142
Recoverable fund and operating businesses' expenses	100	87
Performance fees	5	17
Other	12	15
Total	$ 289	$ 261

Management and advisory fees receivable primarily consisted of management fees receivable of $149 (December 31, 2020 – $122) from the Onex Partners and ONCAP Funds. Onex has elected to defer cash receipt of management fees from certain funds until the later stages of each fund's life. At March 31, 2021, the receivables for management and advisory fees primarily related to fees due from Onex Partners IV.

4. CORPORATE INVESTMENTS

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

	December 31, 2020	Capital Deployed	Realizations and Distributions	Change in Fair Value	March 31, 2021
Onex Partners Funds	$ 3,169	$ 285	$ (23)	$ 172	$ 3,603
ONCAP Funds	606	1	(3)	68	672
Other private equity	743	5	(2)	88	834
Carried interest	87	n/a	–	96	183
Total private equity investments[a]	4,605	291	(28)	424	5,292
Onex Credit Strategies[b]	849	306	(236)	56	975
Real estate[c]	62	–	–	1	63
Other net assets[d]	410	(587)	554	(3)	374
Total corporate investments excluding intercompany loans	5,926	10	290	478	6,704
Intercompany loans receivable from Onex and the Asset Managers[e]	4,043	23	(502)	–	3,564
Intercompany loans payable to Onex and the Asset Managers[f]	(425)	(2)	–	–	(427)
Intercompany loans receivable from Investment Holding Companies[f]	425	2	–	–	427
Total corporate investments	$ 9,969	$ 33	$ (212)	$ 478	$ 10,268

a) Private equity investments

The Company's private equity investments comprised the following:

	December 31, 2020	Capital Deployed	Realizations and Distributions	Change in Fair Value	March 31, 2021
Onex Partners Funds					
Onex Partners I	$ 1	$ –	$ –	$ –	$ 1
Onex Partners II	52	–	–	4	56
Onex Partners III	445	–	(57)	27	415
Onex Partners IV	1,834	–	–	111	1,945
Onex Partners V	1,052	285	–	64	1,401
Management incentive programs	(215)	n/a	34	(34)	(215)
Total investment in Onex Partners Funds[i]	3,169	285	(23)	172	3,603
ONCAP Funds					
ONCAP II	101	–	–	22	123
ONCAP III	246	–	(3)	62	305
ONCAP IV	322	1	–	–	323
Management incentive programs	(63)	n/a	–	(16)	(79)
Total investment in ONCAP Funds[ii]	606	1	(3)	68	672
Other private equity investments[iii]	743	5	(2)	88	834
Carried interest[iv]	87	n/a	–	96	183
Total private equity investments	$ 4,605	$ 291	$ (28)	$ 424	$ 5,292

i) Onex Partners Funds

At March 31, 2021, the Onex Partners Funds had investments in 20 operating businesses in various industry sectors and countries. Onex' investments in the Onex Partners Funds include co-investments, where applicable.

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

In March 2021, the Onex Partners III Group sold approximately 8.0 million shares of JELD-WEN Holding, Inc. ("JELD-WEN") at a price of $28.61 per share. JELD-WEN is a door and window manufacturer. Onex' share of the net proceeds from the Onex Partners III Group was $23, net of payments under the management incentive programs. At March 31, 2021, Onex' economic and voting interest in JELD-WEN was 6% and 25%, respectively.

ii) ONCAP Funds

At March 31, 2021, the ONCAP Funds had investments in 16 operating businesses. Onex' investments in the ONCAP Funds include co-investments, where applicable. During the three months ended March 31, 2021, there were no significant transactions related to Onex' investments in the ONCAP Funds.

iii) Other private equity investments

Other private equity investments primarily consist of Onex' investments in Celestica and Ryan Specialty Group ("RSG"). During the three months ended March 31, 2021, there were no significant transactions related to Onex' other private equity investments.

iv) Carried interest

Unrealized carried interest is calculated based on the current fair values of the Funds and the overall realized and unrealized gains in each Fund in accordance with its limited partnership agreements. The increase in unrealized carried interest during the three months ended March 31, 2021 was primarily due to net increases in the fair value of the underlying investments in Onex Partners IV, Onex Partners V and ONCAP III.

b) Onex Credit strategies

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

	December 31, 2020	Capital Deployed	Realizations and Distributions	Change in Fair Value	March 31, 2021
Onex Credit Strategies					
U.S. CLOs	$ 383	**$ 26**	**$ (44)**	**$ 35**	**$ 400**
EURO CLOs	112	**–**	**(7)**	**6**	**111**
Middle-market lending	89	**6**	**(18)**	**5**	**82**
Senior loan strategies	192	**98**	**(98)**	**3**	**195**
Opportunistic and special situation strategies	68	**158**	**(61)**	**5**	**170**
Structured credit and high yield strategies	5	**18**	**(8)**	**2**	**17**
Total investment in Onex Credit Strategies	$ 849	**$ 306**	**$ (236)**	**$ 56**	**$ 975**

During the three months ended March 31, 2021, Onex made investments in middle-market lending and structured credit and high yield strategies totalling $6 and $18, respectively.

In February 2021, Onex Credit completed the first close of fundraising for the Onex Capital Solutions Fund, as described in note 14, which invests primarily in loans, bonds, trade claims and credit default swaps, among other assets. Onex' commitment to the Fund was $100.

During the three months ended March 31, 2021, Onex made investments in opportunistic and special situation strategies totalling $158, including $113 of subscription financing provided to the Onex Capital Solutions Fund.

During the three months ended March 31, 2021, Onex redeemed substantially all of its investment in the Onex Credit Partners Senior Floating Income Fund, which totalled $98. The proceeds from this redemption were invested in Onex Senior Credit Fund II. Onex Senior Credit Fund II invests primarily in first-lien, senior secured loans.

During the three months ended March 31, 2021, Onex invested net capital of $4 in CLOs, and received distributions of $29 from CLO investments and $18 from middle-market lending strategies.

c) Real estate

Onex' investment in real estate is comprised of an investment in Flushing Town Center, a commercial and residential complex located in Flushing, New York. During the three months ended March 31, 2021, there were no significant transactions related to Onex' investment in real estate.

d) Other net assets

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

	March 31, 2021	December 31, 2020
Cash and cash equivalents	**$ 70**	$ 113
Treasury investments	**307**	307
Restricted cash	**22**	22
Other net liabilities	**(25)**	(32)
Total other net assets	**$ 374**	$ 410

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

	March 31, 2021	December 31, 2020
Federal debt instruments	**$ 176**	$ 167
Commercial paper and corporate obligations	**109**	117
Other	**22**	23
Total treasury investments	**$ 307**	$ 307

e) Intercompany loans receivable from Onex and the Asset Managers

The Investment Holding Companies have advanced intercompany loans to Onex and the Asset Managers. At March 31, 2021, the intercompany loans receivable from Onex and the Asset Managers of $3,564 (December 31, 2020 – $4,043) formed part of Onex' net investment in the Investment Holding Companies, which is recorded at fair value through net earnings (loss). These intercompany loans receivable are the same loans presented as intercompany loans payable to the Investment Holding Companies in the unaudited interim consolidated balance sheets, which totalled $3,564 at March 31, 2021 (December 31, 2020 – $4,043) and are described in note 5. There is no impact on net assets or net earnings (loss) from these intercompany loans.

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

At March 31, 2021, Onex and the Asset Managers had advanced intercompany loans to the Investment Holding Companies totalling $427 (December 31, 2020 – $425). The corresponding intercompany loans payable to Onex and the Asset Managers, which totalled $427 at March 31, 2021 (December 31, 2020 – $425), formed part of Onex' net investment in the Investment Holding Companies, which is recorded at fair value through net earnings (loss). There is no impact on net assets or net earnings (loss) from these intercompany loans.

5. INTERCOMPANY LOANS PAYABLE TO INVESTMENT HOLDING COMPANIES

Onex and the Asset Managers have intercompany loans payable to the Investment Holding Companies. The loans are primarily due on demand and non-interest bearing. At March 31, 2021, intercompany loans payable to the Investment Holding Companies totalled $3,564 (December 31, 2020 – $4,043) and the corresponding receivable of $3,564 (December 31, 2020 – $4,043) was included in the fair value of the Investment Holding Companies within corporate investments (note 4). There is no impact on net assets or net earnings (loss) from these intercompany loans.

6. STOCK-BASED COMPENSATION PAYABLE

Stock-based compensation payable comprised the following:

	March 31, 2021	December 31, 2020
Stock Option Plan	$ 221	$ 181
Management DSU Plan	55	44
Director DSU Plan	42	38
Total stock-based compensation payable	$ 318	$ 263

Included in other assets at March 31, 2021 was $92 (December 31, 2020 – $78) related to forward agreements to economically hedge the Company's exposure to changes in the trading price of Onex shares associated with the Management and Director DSU plans.

The increase in stock-based compensation payable at March 31, 2021 was primarily driven by a 7% increase in the market value of Onex' SVS to C$78.16 at March 31, 2021 from C$73.06 at December 31, 2020.

7. SHARE CAPITAL

a) At March 31, 2021, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (December 31, 2020 – 100,000) and 89,955,731 SVS (December 31, 2020 – 90,310,931). The Multiple Voting Shares have a nominal paid-in value in these unaudited interim consolidated financial statements.

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

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

During the three months ended March 31, 2021, the Company repurchased and cancelled 355,200 of its SVS under the Normal Course Issuer Bid for a total cost of $20 (C$26) or an average cost per share of $57.48 (C$72.60). The excess of the purchase cost of these shares over the average paid-in amount was $19 (C$24), which was charged to retained earnings.

c) During the three months ended March 31, 2021, 511,500 options were issued in connection with services provided during the year ended December 31, 2020 at a weighted average exercise price of C$72.22, 62,500 options were surrendered for total cash consideration of $2 (C$2), and 122,210 options expired. The cash consideration for options surrendered represents the difference between the market value of the SVS at the time of surrender and the exercise price, both as determined under Onex' Stock Option plan, as described in note 16(e) to the 2020 audited annual consolidated financial statements.

d) The directors have chosen to receive their directors' fees in DSUs in lieu of cash. During the three months ended March 31, 2021, no DSUs were redeemed. At March 31, 2021, 665,309 Director DSUs were outstanding (December 31, 2020 – 661,837).

Certain members of the Onex management team have chosen in prior years to apply a portion of their annual compensation earned to acquire DSUs based on the market value of Onex shares at the time. In early 2021, 111,088 DSUs were issued to certain members of the Onex management team in lieu of a portion of cash compensation for the prior fiscal year. At March 31, 2021, 882,767 Management DSUs were outstanding (December 31, 2020 – 770,540).

The Company has entered into forward agreements with a counterparty financial institution to hedge the Company's exposure to changes in the market value of Onex' SVS associated with 89% of the outstanding Director DSUs and all of the outstanding Management DSUs, as described in note 1 to the 2020 audited annual consolidated financial statements. The forward agreements, which have a fair value of $92 at March 31, 2021, are included within other assets.

8. REVENUES

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

	Management and Advisory Fees		Reimbursement of Expenses	
	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	**Three Months Ended March 31, 2021**	Three Months Ended March 31, 2020
Source of revenues				
Onex Partners Funds(i)	**$ 27**	$ 28	**$ 4**	$ 3
Onex Credit Strategies	**23**	13	**3**	–
Public Debt and Public Equity Strategies	**15**	16	**–**	–
ONCAP Funds(ii)	**6**	4	**–**	–
Total	**$ 71**	$ 61	**$ 7**	$ 3

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

(ii) Includes advisory fees and expense reimbursements from ONCAP operating businesses.

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

In addition, segment income (note 16) includes an allocation of $13 relating to management fees on Onex' private equity capital for the three months ended March 31, 2021 (2020 – $14). These management fees reduce Onex' investing segment income in the period and are included in Onex' asset and wealth management segment income.

9. INTEREST AND NET TREASURY INVESTMENT INCOME

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

10. NET EARNINGS (LOSS) PER SUBORDINATE VOTING SHARE

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

Three months ended March 31	**2021**	2020
Weighted average number of shares outstanding *(in millions)*:		
Basic	**90**	100
Diluted	**90**	100

11. FINANCIAL INSTRUMENTS

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

	Fair Value through Net Earnings (Loss)			
	Recognized	**Designated**	**Amortized Cost[i]**	**Total**
March 31, 2021				
Assets as per balance sheet				
Cash and cash equivalents	$ 427	$ –	$ –	$ 427
Treasury investments	61	–	–	61
Management and advisory fees, recoverable fund expenses and other receivables	–	–	285	285
Corporate investments	9,841	427	–	10,268
Other assets	104	–	–	104
Total	$ 10,433	$ 427	$ 285	$ 11,145

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

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

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

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

	Fair Value through Net Earnings (Loss) – Designated	Amortized Cost	Total
March 31, 2021			
Liabilities as per balance sheet			
Intercompany loans payable to Investment Holding Companies	$ 3,564	$ –	$ 3,564
Accounts payable and accrued liabilities	–	24	24
Lease liabilities	–	75	75
Contingent consideration and other liabilities	33	5	38
Total	$ 3,597	$ 104	$ 3,701

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

At March 31, 2021, intercompany loans payable to Investment Holding Companies that are recorded at fair value through net earnings (loss) had contractual amounts due on maturity of $3,564 (December 31, 2020 – $4,043).

12. FAIR VALUE MEASUREMENTS

Fair values of financial instruments

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

Financial instruments measured at fair value are allocated within the fair value hierarchy based on the lowest level of input that is significant to the fair value measurement. Transfers between the three levels of the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer. There were no significant transfers between the three levels of the fair value hierarchy during the three months ended March 31, 2021. The three levels of the fair value hierarchy are as follows:

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

The allocation of financial assets in the fair value hierarchy, excluding cash and cash equivalents, at March 31, 2021 was as follows:

As at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings (loss)				
Investments in equities	$ –	$ –	$ 9,841	$ 9,841
Investments in debt	–	61	–	61
Intercompany loans receivable from Investment Holding Companies	–	427	–	427
Restricted cash and other	9	95	–	104
Total financial assets at fair value through net earnings (loss)	$ 9	$ 583	$ 9,841	$ 10,433

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

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

Financial liabilities measured at fair value at March 31, 2021 consisted of intercompany loans payable to Investment Holding Companies totalling $3,564 (December 31, 2020 – $4,043), which are a Level 2 measurement in the fair value hierarchy, and contingent consideration of $33 (December 31, 2020 – $33), which is a Level 3 measurement in the fair value hierarchy.

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

	Financial Assets at Fair Value through Net Earnings (Loss)	Financial Liabilities at Fair Value through Net Earnings (Loss)
Balance – December 31, 2019	$ 8,736	$ –
Acquisition of Onex Falcon	–	33
Change in fair value recognized in net earnings (loss)	848	–
Net cash flows related to intercompany loans and distributions	(40)	–
Balance – December 31, 2020	$ 9,544	$ 33
Change in fair value recognized in net earnings (loss)	**478**	**–**
Net cash flows related to intercompany loans and distributions	**(181)**	**–**
Balance – March 31, 2021	**$ 9,841**	**$ 33**
Unrealized change in fair value of assets and liabilities held at the end of the reporting period	**$ 469**	**$ –**

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

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

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

The valuation of public investments held directly by Onex or through the Onex Partners Funds and ONCAP Funds is based on their publicly traded closing prices at March 31, 2021 and December 31, 2020. For certain public investments, a discount was applied to the closing price in relation to restrictions that were in place relating to the securities held by Onex, the Onex Partners Funds or the ONCAP Funds. At March 31, 2021, these discounts resulted in a reduction of $57 in the fair value of corporate investments (December 31, 2020 – $63).

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

The Company utilized the adjusted net asset method to derive the fair values of its investments in its Investment Holding Companies by reference to the underlying fair value of the Investment Holding Companies' assets and liabilities, along with assessing any required discount or premium to be applied to the net asset values. The discount or premium applied to the net asset values of the Investment Holding Companies was a significant unobservable input. The Company determined that the adjusted net asset method was the appropriate valuation technique to be used, considering the value of the Investment Holding Companies is primarily derived from the assets they hold, which primarily consist of investments in private equity, investments in Onex Credit strategies, treasury investments and intercompany loans receivable from Onex and the Asset Managers. The Company has determined that no discount or premium was required for the net asset values of its Investment Holding Companies at March 31, 2021 and December 31, 2020. If a discount of 1% or a premium of 1% were applied to all of the net asset values of the Investment Holding Companies, with all other variables remaining constant, the total fair value of the Company's corporate investments at March 31, 2021 would decrease or increase by $98, respectively.

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

Investment Platform	Valuation Technique	Significant Unobservable Inputs	Inputs at March 31, 2021	Inputs at December 31, 2020
Onex Partners Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	9.3x – 15.2x	9.3x – 13.7x
Onex Partners Funds	Discounted cash flow	Weighted average costs of capital	11.0% – 15.7%	10.2% – 15.5%
		Exit multiples	4.2x – 19.0x	4.2x – 18.0x
ONCAP Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	7.3x – 9.5x	7.3x – 12.0x
ONCAP Funds	Discounted cash flow	Weighted average costs of capital	10.0% – 25.0%	10.0% – 25.0%
		Exit multiples	7.0x – 10.0x	7.0x – 10.0x

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

The impact on the fair value of corporate investments as at March 31, 2021 from changes in the significant unobservable inputs used to value the private equity funds' underlying private securities included the following:

Investment Platform	Valuation Technique	Significant Unobservable Inputs	Multiple Increase by 0.5	Multiple Decrease by 0.5
Onex Partners Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	$ 88	$ (90)
ONCAP Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	$ 34	$ (35)

Investment Platform	Valuation Technique	Significant Unobservable Inputs	Multiple Increase by 0.5	Multiple Decrease by 0.5
Onex Partners Funds	Discounted cash flow	Exit multiples	$ 87	$ (84)
ONCAP Funds	Discounted cash flow	Exit multiples	$ 25	$ (25)

Investment Platform	Valuation Technique	Significant Unobservable Inputs	Decrease of 0.5 Percentage Point	Increase of 0.5% Percentage Point
Onex Partners Funds	Discounted cash flow	Weighted average costs of capital	$ 24	$ (24)
ONCAP Funds	Discounted cash flow	Weighted average costs of capital	$ 10	$ (10)

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

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

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

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

The impact on the fair value of corporate investments as at March 31, 2021 from changes in the significant unobservable inputs used to value Onex' investments in the CLOs included the following:

Investment Platform	Significant Unobservable Inputs	Decrease of 1.5 Percentage Points	Increase of 1.5 Percentage Points
U.S. CLOs	Default rate	$ 58	$ (59)
EURO CLOs	Default rate	$ 18	$ (22)

Investment Platform	Significant Unobservable Inputs	Decrease of 3.0 Percentage Points	Increase of 3.0 Percentage Points
U.S. CLOs	Discount rate	$ 32	$ (29)
EURO CLOs	Discount rate	$ 10	$ (9)

Investment Platform	Significant Unobservable Inputs	Decrease of 15.0 Percentage Points	Increase of 15.0 Percentage Points
U.S. CLOs	Recovery rate	$ (28)	$ 28
EURO CLOs	Recovery rate	$ (9)	$ 8

13. RELATED-PARTY TRANSACTIONS

Onex receives management fees on limited partners' and clients' capital within the Onex Partners Funds, ONCAP Funds and Onex Credit strategies, and advisory fees directly from certain operating businesses. Onex also receives performance fees from the Onex Credit strategies and recovers certain deal investigation, research and other expenses from the Onex Partners Funds, ONCAP Funds, Onex Credit strategies and the operating businesses of Onex Partners and ONCAP. Onex indirectly controls the Onex Partners Funds, ONCAP Funds and Onex 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 Partners and ONCAP Funds, and as such, advisory fees from these operating businesses represent related-party transactions.

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

Related-party revenues included the following:

Three months ended March 31, 2021	Management and Advisory Fees	Reimbursement of Expenses	Total
Source of related-party revenues			
Onex Partners Funds[i]	$ 27	$ 4	$ 31
Onex Credit Strategies	23	3	26
Gluskin Sheff pooled fund vehicles[ii]	14	–	14
ONCAP Funds[iii]	6	–	6
Total related-party revenues	$ 70	$ 7	$ 77
Gluskin Sheff third-party revenues	1	–	1
Total revenues	$ 71	$ 7	$ 78

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

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

(iii) Includes advisory fees and expense reimbursements from ONCAP operating businesses.

Related-party receivables included the following:

As at March 31, 2021	Management and Advisory Fees Receivable	Recoverable Fund and Operating Expenses Receivable	Performance Fees	Other Receivables	Total
Onex Partners Funds	$ 141	$ 84	$ –	$ 2	$ 227
Onex Credit Strategies	11	8	–	–	19
Gluskin Sheff pooled fund vehicles	6	1	5	1	13
ONCAP Funds	8	4	–	–	12
Onex Partners and ONCAP operating businesses	6	3	–	–	9
Total related-party receivables	$ 172	$ 100	$ 5	$ 3	$ 280
Third-party receivables	–	–	–	9	9
Total	$ 172	$ 100	$ 5	$ 12	$ 289

During the three months ended March 31, 2021, Onex received services from certain operating companies, the value of which was not significant.

14. COMMITMENTS

In February 2021, Onex Credit completed the first close for the Onex Capital Solutions Fund, which included a $100 commitment from Onex and a $32 commitment from the Onex management team, as described in note 4. During the three months ended March 31, 2021, Onex provided $113 as subscription financing for the Onex Capital Solutions Fund and made no investments directly in the fund.

15. SUBSEQUENT EVENT

In May 2021, the Onex Partners III Group sold approximately 10.0 million shares of JELD-WEN at a price of $28.80 per share. Onex' share of the net proceeds from the Onex Partners III Group was $63, net of payments under management incentive programs. Onex' economic and voting interest in JELD-WEN upon completion of this transaction is approximately 4% and 15%, respectively.

16. INFORMATION BY REPORTABLE SEGMENT

The Company has two reportable segments:

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

Onex' segmented results include allocations of management fees and carried interest that would have been recognized on Onex' private equity capital in the Onex Partners and ONCAP Funds, as this presentation is used by Onex management, in part, to assess Onex' performance. During the three months ended March 31, 2021, these allocations, on a net basis, decreased Onex' investing segment income (2020 – decreased Onex' investing segment loss) and increased Onex' asset and wealth management segment income (2020 – increased Onex' asset and wealth management segment loss), with no net impact to total segment net earnings (loss).

Onex' segmented results exclude revenues and expenses associated with recoverable expenses from the Onex Partners, ONCAP and Onex Credit Funds, 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.

	Three Months Ended March 31, 2021			Three Months Ended March 31, 2020		
(Unaudited)	Investing	Asset and Wealth Management	Total	Investing	Asset and Wealth Management	Total
Net gain (loss) on corporate investments (including an increase (decrease) in carried interest and incentive fees)	$ 323(i)(ii)	$ 142(i)	$ 465(i)(ii)	$ (987)(i)(ii)	$ (84)(i)	$ (1,071)(i)(ii)
Management and advisory fees	–	84(ii)	84(ii)	–	75(ii)	75(ii)
Interest and net treasury investment income	1	–	1	2	–	2
Other income	–	–	–	–	1	1
Total segment income (loss)	324	226	550	(985)	(8)	(993)
Compensation	–	(61)	(61)	–	(46)	(46)
Amortization of right-of-use assets	–	(3)	(3)	–	(3)	(3)
Other expense	–	(14)	(14)	–	(10)	(10)
Segment net earnings (loss)	$ 324	$ 148	$ 472	$ (985)	$ (67)	$ (1,052)
Stock-based compensation recovery (expense)			(43)			154
Amortization of property and equipment, and other intangible assets, excluding right-of-use assets			(14)			(12)
Integration expense			–			(1)
Impairment of goodwill			–			(85)
Earnings (loss) before income taxes			$ 415			$ (996)
Provision for income taxes			–			(1)
Net earnings (loss)			$ 415			$ (997)

(i) The asset and wealth management segment includes an allocation of $46 (2020 – net reversal of $22) from the investing segment, representing carried interest that would have been earned by the asset and wealth management segment had Onex' private equity capital been subject to carried interest under the same terms as third-party limited partners of the Onex Partners and ONCAP Funds.

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

Segmented assets included the following:

	As at March 31, 2021			As at December 31, 2020		
	Investing	Asset and Wealth Management	Total	Investing	Asset and Wealth Management	Total
Cash and cash equivalents	$ 313	$ 114[(i)]	$ 427	$ 505	$ 201[(i)]	$ 706
Treasury investments	61	–	61	234	–	234
Management and advisory fees, recoverable fund expenses and other receivables	149[(ii)]	140	289	122[(ii)]	139	261
Corporate investments	6,704	–	6,704	5,926	–	5,926
Other assets	–	112	112	–	98	98
Property and equipment	–	162	162	–	169	169
Intangible assets	–	161	161	–	167	167
Goodwill	–	265	265	–	264	264
Total segment assets	$ 7,227	$ 954	$ 8,181	$ 6,787	$ 1,038	$ 7,825
Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies			3,564			4,043
Total assets			$ 11,745			$ 11,868

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

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