ONEX

2023 Annual Report

LETTER TO SHAREHOLDERS

Dear Shareholder,

It is my privilege to address you as the CEO of Onex. Your long-term support has been integral to our success and enhancing shareholder value continues to be a top priority for our team.

The year 2023 was transformational for Onex. With the change in leadership following last year's annual general meeting, we entered a new phase at a time of great challenge and uncertainty for our industry. We are approaching the future with the same dedication and commitment we have always had. Moreover, I see opportunity for those who, like Onex, have a clear strategic vision and the financial strength to successfully see through the current challenges.

At our Investor Day, we presented a strategic plan that emphasizes the continued value of compounding our investing capital with the potential of growing fee-related earnings from our asset management business. We will create the most long-term shareholder value by executing both well, and being disciplined in how we manage to profitability, while also exploring ways to further strengthen our business in areas where we have a demonstrated right to compete.

Onex delivered solid results in 2023. Investing capital per share returned 11% for the year, driven by strong performance and value creation across our private equity and credit investments. Collectively, our teams raised a total of $3.7 billion in new fee-generating assets under management ("FGAUM"). We also embarked on an organization-wide operations and expense management initiative, which provided our business units with greater responsibility and accountability for driving profitability.

Across Private Equity, we deployed approximately $800 million into new opportunities and realized over $1.7 billion as we continued to invest actively while also providing valuable return of capital to Onex and our Limited Partners. In addition, we successfully completed our first continuation vehicle with Ryan LLC, returning capital to investors while providing a strong return to Onex and growing our FGAUM.

In Credit, we raised $2.8 billion of FGAUM largely through our successful Collateralized Loan Obligations (CLO) platform. We are a leading global issuer of CLOs, benefitting from strong portfolio management that is reflected in our first quartile ranking in both the U.S. and Europe for key risk and diversity metrics. We were the fourth-largest issuer of broadly syndicated loan CLOs in the U.S. in 2023 and fifth largest in total EURO CLOs.

Throughout our industry, fundraising was a significant challenge in 2023. We continue to position ourselves to enhance our marketing and capital raising efforts, including adding new talent and expertise to our team. As the industry continues to evolve, we are becoming increasingly selective in the areas where we have the right to compete and becoming more adaptable in how we develop and market investing solutions.

The growing penetration of alternative assets in the private wealth market represents a growth opportunity. There is significant value for private clients in diversifying their investing portfolios into private equity and credit products, and the market is in its early days of leveraging this potential. We believe we are well positioned to take advantage of this opportunity, particularly in Canada.

One of the hallmarks of Onex’ continued success has been our strong balance sheet. This is even more compelling in periods of uncertainty, allowing us to strategically support our businesses while enhancing value through share repurchases. In 2023, we bought back 3.5 million Onex shares, capturing approximately $170 million in net asset value for our continuing shareholders.

In addition to our focus on financial performance, we also made meaningful progress with our ESG and DEI initiatives. We believe that both have an important role to play in being an accountable organization, culminating in a responsibility to our employees, our communities and our partners.

For employees, this means creating an open and inclusive workplace, where everyone enjoys coming to work every day. For communities, we are acting to mitigate our climate impact and have adopted a net-zero goal. For shareholders and LPs, it means not just driving value and strong performance, but also being transparent about what we are doing well and what we can do better, as well as how we are being compensated for the results we deliver. These will continue to be some of my key priorities as CEO.

Onex relies on human capital to drive performance, and I am grateful to have such a committed and talented team. We will succeed by leveraging the best of Onex and combining that with strong execution and a drive to compete and win.

Thank you for your continued support.

[signed]

Bobby Le Blanc
Chief Executive Officer

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

This Management's Discussion and Analysis ("MD&A") provides a review of Onex Corporation's ("Onex") consolidated financial results for the year ended December 31, 2023 and assesses factors that may affect future results. The financial condition and results of operations are analyzed noting the significant factors that impacted the consolidated statements of earnings, consolidated balance sheets, consolidated statements of equity and consolidated statements of cash flows of Onex. As such, this MD&A should be read in conjunction with the 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 as issued by the International Accounting Standards Board ("IFRS Accounting Standards") to provide information about Onex and should not be considered as providing sufficient information to make an investment or lending decision regarding any Onex operating business, private equity fund, credit strategy or other investments.

The following MD&A is the responsibility of management and is as of February 22, 2024. Preparation of the MD&A includes a review of the disclosures by senior management of Onex and the Onex Disclosure Committee. The Board of Directors carries out its responsibility for the review of this disclosure through its Audit, Nominating and Governance Committee, composed exclusively of independent directors. The Audit, Nominating and Governance Committee has reviewed and recommended approval of this MD&A by the Board of Directors. The Board of Directors approved this disclosure.

Onex Corporation's financial filings, including the 2023 Annual Report, interim quarterly reports, Annual Information Form and Management Information Circular, are available on Onex' website, www.onex.com, and on the SEDAR+ website at www.sedarplus.ca.

Forward-Looking/Safe Harbour Statements

This 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 MD&A.

Non-GAAP Financial Measures and Ratios

This MD&A contains non-GAAP financial measures and ratios which have been calculated using methodologies that are not in accordance with IFRS Accounting Standards. The presentation of financial measures and ratios in this manner does not have a standardized meaning prescribed under IFRS Accounting Standards 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 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, family offices and high-net-worth individuals.

Onex has $49.6 billion in assets under management ("AUM")[(1)], of which $33.7 billion is fee-generating[(1)] and $8.4 billion is Onex' own investing capital ($107.82 or C$142.61 per fully diluted share). We generate value for our shareholders through two segments: Investing and Asset Management. Our Investing segment includes gains on our invested capital. Our Asset Management segment generates revenues from the recurring fees clients pay us to manage their capital, and also includes carried interest from our private equity and private credit funds.

Our Team and Commitment

Onex is led by the firm's CEO, Bobby Le Blanc, as well as experienced leaders at each of our businesses. We have over 160 investment professionals across all platforms, supported by approximately 200 professionals dedicated to our corporate functions and investment platforms. Consistent with our One Onex approach, the teams share and leverage sector expertise, and sourcing and origination of opportunities across all business lines.

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

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

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

Environmental, Social and Governance

Consistent with our long-held belief that responsible investing is both the right approach to investing, as well as a driver of meaningful stakeholder value, we continue to make enhancements to our environmental, social and governance ("ESG") program. We have measured and/or estimated carbon emissions associated with our investment platforms and completed the collection of other ESG metrics in select private equity funds. Two of our funds are classified as Article 8 funds under the EU Sustainable Finance Disclosure Regulation. We have completed the 2022 measurement of the Scope 1, Scope 2 and select Scope 3 emissions associated with Onex' own operations and purchased verified offsets in respect of them. We also announced the evolution of our Climate Strategy to align with climate action best practices by developing a comprehensive strategy to deliver on a net zero goal by 2050. We expect our program to continue to expand in line with this rapidly evolving area, while remaining rooted in our founding principle of responsible investing.

PRIVATE EQUITY

Onex has $24.5 billion of private equity assets under management, of which $11.4 billion is fee-generating and $6.0 billion is Onex' own investing capital.

Investments in private equity are primarily made through Onex' two main platforms: Onex Partners for middle-market and larger transactions and ONCAP for middle-market and smaller transactions. Onex' private equity funds acquire and build high-quality businesses in partnership with talented management teams and focus on execution theses rather than macroeconomic or industry trends. Each platform follows a disciplined investment process with vertical specialization where the team has considerable industry expertise, a long track record of success and a strong network of relationships. This in turn enables the teams to take a targeted approach with investment opportunities, creates a competitive informational advantage and helps shape their go-to-market strategy.

Onex has raised nine private equity funds to date and is currently fundraising for ONCAP V, which has aggregate commitments of approximately $600 million. Since inception, Onex has generated a Gross MOC(1) of 2.5 times and a 27% Gross IRR(1) on its publicly traded, realized and substantially realized private equity investments. For more information on the historical performance of Onex' private equity funds, please refer to Onex' Q4 2023 supplemental information package on Onex' website, www.onex.com.

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

Onex earns management fees from limited partners during the fee period of each fund. During the initial fee period, Onex is entitled to a management fee based on limited partners' committed capital. Once a fund is either fully invested or a successor fund starts calling fees, Onex is entitled to a management fee based on limited partners' net funded commitments. These fees are included as revenue in our asset management segment. At December 31, 2023, the run-rate management fees(1) from our private equity business were $76 million.

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

Onex is entitled to receive carried interest based on the performance of each private equity fund. Carried interest in Onex' private equity funds is typically calculated as 20% of the realized net gains of the limited partners in each fund, provided the limited partners have achieved a minimum 8% net IRR on their investment. Onex is entitled to 40% of the carried interest realized from limited partners in its private equity funds, while Onex Partners and ONCAP management are entitled to the remaining 60%. Onex' share of realized carried interest is included in the distributable earnings of our asset management segment. Currently, we have $11.4 billion of private equity assets under management eligible for carried interest. As at December 31, 2023, Onex' share of unrealized carried interest from private equity totalled $252 million. The amount of carried interest ultimately received by Onex is based on realizations, the timing of which can vary significantly from year to year.

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

CREDIT

Our Credit business includes a broad spectrum of private credit, liquid credit and public equity investing strategies that are managed by the Onex Credit team. Credit has $24.2 billion in assets under management, of which $22.3 billion is fee-generating and $936 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 FGAUM at December 31, 2023 was 0.5%. As at December 31, 2023, the run-rate management fees from our Credit business were $115 million. Onex is also entitled to earn performance fees on approximately $860 million of Credit assets under management. Performance fees range between 12.5% and 20% of net gains and may be subject to performance hurdles. Onex receives 50% of the realized performance fees while the Credit management team is allocated the remaining 50%.

Credit has $17.9 billion of assets under management eligible for carried interest, including $15.1 billion from CLOs. In most cases, Onex receives 50% of the carried interest realized, while the Credit management team is allocated the remaining 50%. Carried interest ranges between 12.5% and 20% of net gains and is generally subject to a hurdle or minimum preferred return to investors. Carried interest from our Credit strategies is generally realized near the final realizations for each fund. As at December 31, 2023, Onex' share of unrealized carried interest from Credit totalled $29 million.

2023 RESULTS & ACTIVITY

FINANCIAL RESULTS

Onex' financial results during the quarters and years ended December 31, 2023 and 2022 were as follows:

	Quarter Ended		Year Ended	
($ millions except per share amounts)	**December 31, 2023**	December 31, 2022	**December 31, 2023**	December 31, 2022
Net earnings	**$ 373**	$ 435	**$ 529**	$ 235
Net earnings per diluted share	**$ 4.81**	$ 5.32	**$ 6.65**	$ 2.77
Investing segment net earnings	**$ 326**	$ 375	**$ 815**	$ 117
Asset management segment net earnings (loss)	**46**	117	**2**	(28)
Total segment net earnings[i]	**$ 372**	$ 492	**$ 817**	$ 89
Total segment net earnings per fully diluted share[ii]	**$ 4.80**	$ 5.94	**$ 10.23**	$ 1.03
Asset management fee-related earnings (loss)[iii]	**$ 3**	$ (1)	**$ 12**	$ (12)
Total fee-related earnings (loss)[iv]	**$ (2)**	$ (4)	**$ (14)**	$ (44)
Distributable earnings[v]	**$ 139**	$ 67	**$ 797**	$ 308

($ millions except per share amounts)	**December 31, 2023**	December 31, 2022	Return[vi]
Investing capital (U.S. dollars)	**$ 8,433**	$ 7,863	
Investing capital per fully diluted share (U.S. dollars)[vii]	**$ 107.82**	$ 96.95	11%
Investing capital per fully diluted share (Canadian dollars)[vii]	**$ 142.61**	$ 131.31	9%

(i) Refer to pages 29 and 30 of this MD&A for the reconciliation of total segment net earnings to net earnings.

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

(iii) Asset management fee-related earnings (loss) excludes public company expenses and other expenses associated with managing Onex' investing capital and is a component of total fee-related earnings (loss), as outlined on page 16 of this MD&A.

(iv) Total fee-related earnings (loss) is a non-GAAP financial measure that does not have a standardized meaning prescribed under IFRS Accounting Standards. 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 Accounting Standards to fee-related earnings (loss) is Onex' net earnings. Refer to the glossary and pages 16, 18 and 19 of this MD&A for further details concerning fee-related earnings (loss), including a reconciliation to net earnings.

(v) Distributable earnings is a non-GAAP financial measure that does not have a standardized meaning prescribed under IFRS Accounting Standards. 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 Accounting Standards to distributable earnings is Onex' net earnings. Refer to the glossary and pages 17, 18 and 19 of this MD&A for further details concerning distributable earnings, including a reconciliation to net earnings.

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

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

INVESTING SEGMENT RESULTS

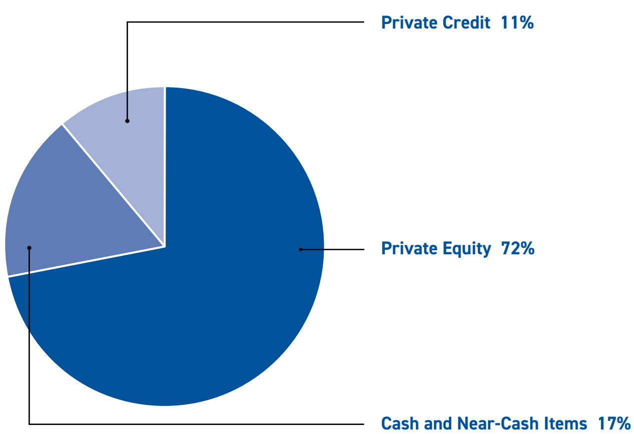
During the quarter ended December 31, 2023, Onex' investing segment generated net earnings of $326 million ($4.19 per fully diluted share) (2022 – $375 million ($4.54 per fully diluted share)), which was primarily driven by a $250 million net gain from private equity (2022 – $368 million) and a $67 million net gain from private credit strategies (2022 – $7 million), as described on pages 32, 33 and 34 of this MD&A.

During the year ended December 31, 2023, Onex' investing segment generated net earnings of $815 million ($10.20 per fully diluted share) (2022 – $117 million ($1.37 per fully diluted share)), which was primarily driven by a $620 million net gain from private equity (2022 – $172 million) and a $166 million net gain from private credit strategies (2022 – net loss of $40 million), as described on pages 32, 33 and 34 of this MD&A.

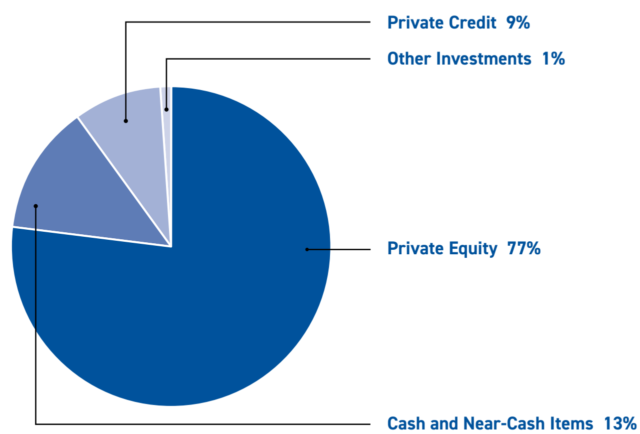
Onex' investing results contributed to its investing capital of $8.4 billion at December 31, 2023 (December 31, 2022 – $7.9 billion), which was $107.82 or C$142.61 per fully diluted share (December 31, 2022 – $96.95 or C$131.31), a return of 11%[(1)] for the year ended December 31, 2023. During the five years ended December 31, 2023, Onex' investing capital per fully diluted share had a compound annual return of 14%.

At December 31, 2023, Onex' investing capital was primarily invested in or committed to its private equity and private credit platforms.

Onex' Investment Allocation at December 31, 2023



Onex' Investment Allocation at December 31, 2022



(1) The return for the year is adjusted to exclude the impact of capital deployed in the asset management segment, where applicable, and dividends paid.

Private Equity – Capital Deployment, Realizations and Distributions

The table below presents the private equity investments made, and realizations and distributions received, by Onex during the year ended December 31, 2023.

($ millions)	Investments	Realizations and Distributions	Net Realizations and Distributions (Investments)
Fund			
Onex Partners IV	$ (54)	$ 146	$ 92
Onex Partners V	–	40	40
ONCAP II	–	23	23
ONCAP III	–	47	47
ONCAP IV	(83)	99	16
ONCAP V	(178)	3	(175)
Direct investment – Celestica	–	284	284
Direct investment – RSG	–	320	320
Other	(38)	41	3
Total	$ (353)	$ 1,003	$ 650

The following private equity investments, realizations and distributions have occurred in 2023:

- the Onex Partners IV Group sold its investment in Ryan, LLC to a single-asset continuation fund managed by Onex. Onex' share of the net proceeds from this transaction was $118 million, net of payments under the management incentive programs. Net proceeds of current Onex Partners management were reinvested in the continuation fund. Onex no longer has an ownership interest in Ryan, LLC following the sale to the continuation fund. Onex will manage the continuation fund, which has an initial term of five years, in exchange for recurring management fees and a carried interest opportunity on approximately $600 million of FGAUM, including uncalled capital available to support the continued growth of Ryan, LLC;
- $54 million invested as part of the Onex Partners IV Group's add-on investment in Parkdean Resorts;
- $28 million of net proceeds received as part of the Onex Partners IV Group's sale of approximately 4.3 million common shares of PowerSchool Group ("PowerSchool") at a price of $21.00 per share. At December 31, 2023, Onex held approximately 23.1 million common shares of PowerSchool through Onex Partners IV;
- $29 million of net proceeds received from a distribution made by PURE Canadian Gaming to the ONCAP II and ONCAP III Groups, including carried interest and net of payments under the management incentive programs;
- $41 million of net proceeds received as part of the ONCAP III Group's sale of Hopkins Manufacturing Corporation ("Hopkins"), including estimated proceeds from amounts held in escrow, and carried interest and net of payments under the management incentive programs;
- $162 million invested as part of the ONCAP IV and ONCAP V Groups' investment in Biomerics, a leading medical device contract manufacturer serving the interventional device market. As part of this transaction, Biomerics merged with the medical business of Precision Concepts International ("Precision Concepts"), an ONCAP IV operating business. Onex received net proceeds of $63 million, net of payments under the management incentive programs, from the ONCAP IV Group's sale of the medical business of Precision Concepts to Biomerics. Onex' share of the investment in Biomerics was reduced to $138 million following the syndication of the co-investment in Biomerics in January 2024 and is expected to be reduced as additional capital is raised and called by ONCAP V;

- $18 million of net proceeds received from a distribution made by Walter Surface Technologies to the ONCAP IV Group;
- $17 million of net proceeds received from a distribution made by International Language Academy of Canada Inc. ("ILAC") to the ONCAP IV Group, including carried interest and net of payments under the management incentive programs;
- $80 million invested as part of the ONCAP V Group's investment in Education Holding Corporation, a provider of before and after school care to students in the United States. Onex' share of the investment in Education Holding Corporation is expected to be reduced as additional capital is raised and called by ONCAP V and after syndication of a co-investment;
- $318 million of net proceeds received from Onex' sale of approximately 8.2 million Class A common shares of Ryan Specialty Group ("RSG") at a price of $43.45 per share, net of payments under the management incentive programs. Onex also received a $2 million distribution from RSG during the fourth quarter of 2023. At December 31, 2023, Onex held approximately 4.1 million Class A common shares of RSG; and
- $142 million of net proceeds received from Onex' sale of approximately 11.9 million subordinate voting shares of Celestica Inc. ("Celestica") at a price of $12.26 per share, net of payments under the management incentive programs. Onex also received $133 million of net proceeds from the sale of its remaining 6.7 million subordinate voting shares of Celestica at a price of $20.52 per share, net of payments under the management incentive programs. Onex also redeemed its deferred share units of Celestica during the fourth quarter of 2023 for $9 million. Onex no longer holds an investment in Celestica after these transactions.

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

In November 2023, the Onex Partners IV Group entered into an agreement to sell ASM Global. Onex' expected share of the net proceeds from this sale is approximately $275 million. The transaction is expected to close later in 2024, subject to customary closing conditions and regulatory approvals.

In February 2024, the Onex Partners V Group completed a majority investment in Morson Group, a leading engineering and technical staffing and workforce solutions business based in the United Kingdom. Onex' share of the investment in Morson Group was $46 million.

During the quarter and year ended December 31, 2023, Onex' private equity investments generated realized gains of $94 million and $720 million, respectively, from distributions and realizations, which are included in Onex' distributable earnings, as presented on page 17 of this MD&A.

Private Equity – Investment Performance

During the quarter and year ended December 31, 2023, Onex' investing segment recognized net gains from private equity investments of $250 million and $620 million, respectively. Included in Onex' net gains on corporate investments during the quarter and year ended December 31, 2023 are foreign exchange mark-to-market gains of $32 million and $39 million, respectively, in respect of private equity investments denominated in a currency other than the U.S. dollar. At December 31, 2023, Onex' private equity investments denominated in Canadian dollars and pounds sterling totalled approximately $675 million (C$890 million) and $425 million (£335 million), respectively.

The operating businesses in Onex' private equity platforms operate across a range of countries and industry segments, providing beneficial diversification. Refer to pages 45 and 46 of this MD&A for further details.

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

	Quarter Ended		Year Ended	
	December 31, 2023	December 31, 2022	**December 31, 2023**	December 31, 2022
Gross performance of Onex' private equity investments in U.S. dollars[(i)(ii)]:				
Onex Partners and co-investments	**5 %**	8%	**9%**	0%
ONCAP	**6 %**	1%	**17%**	27%
Direct investments	**(4)%**	8%	**25%**	3%
Total private equity investments	**5 %**	7%	**12%**	3%

(i) The gross performance of Onex' private equity investments represents Onex' share of investments and co-investments in each investment platform, where applicable, and as a result the performance may differ from the gross performance for the investment platforms including all investors and excluding co-investments, where applicable. The gross performance of Onex' private equity investments is a non-GAAP ratio calculated using methodologies that are not in accordance with IFRS Accounting Standards. The presentation of these ratios does not have a standardized meaning prescribed under IFRS Accounting Standards 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 quarter and year ended December 31, 2023, Onex recognized a net gain on corporate investments of $363 million and $800 million, respectively (2022 – $494 million and $130 million, respectively).

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

Credit – Capital Deployment, Realizations and Distributions

Within Credit, Onex invests in its private credit strategies and has no investments in the public equity strategies. During the year ended December 31, 2023, Onex invested an additional net $40 million in Credit investments, as outlined in the following table:

($ millions) Strategy	Net Investments (Realizations and Distributions)
Structured Credit Strategies	
U.S. CLOs	$ (64)
EURO CLOs	31
CLO warehouses	10
Other structured strategies	(5)
Opportunistic Credit Strategies	25
Liquid Strategies	36
Direct Lending	7
Total net investments in Credit Strategies	$ 40

During the year ended December 31, 2023, Onex' net investments in CLOs decreased by $33 million primarily as a result of regular quarterly distributions totalling $94 million and the partial sale of equity interests in certain U.S. CLOs and a European CLO for $103 million, partially offset by investments in four new U.S. CLOs and three new European CLOs raised by Onex Credit.

During 2023, Onex also made investments totalling $27 million in the Onex Capital Solutions Fund.

During the quarter and year ended December 31, 2023, Onex' investments in Credit strategies generated $28 million and $60 million of net realized gains, respectively, from distributions and realizations, which are included in Onex' distributable earnings, as presented on page 17 of this MD&A.

Credit – Investment Performance

During the quarter and year ended December 31, 2023, Onex had a net gain of $67 million and $166 million, respectively, on its Credit investments, representing a return of 8%[1] and 24%[1], respectively. The net gain during the quarter and year ended December 31, 2023 was primarily driven by a fair value increase in CLO investments and liquid and opportunistic strategies. The performance of Onex' credit strategies was consistent with the strengthening of the leveraged loan market (Credit Suisse Leveraged Loan Index – increase of 3% and 13%, respectively, during the quarter and year ended December 31, 2023) and structural leverage employed in CLOs.

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

ASSET MANAGEMENT SEGMENT RESULTS

For the quarter and year ended December 31, 2023, Onex' asset management segment generated net earnings of $46 million and $2 million, respectively, compared to net earnings of $117 million and a net loss of $28 million during the same periods in 2022. The asset management segment net earnings during the quarter ended December 31, 2023 were primarily driven by an increase in unrealized carried interest in Onex Partners V and the private credit funds. The asset management segment net earnings during the year ended December 31, 2023 benefited from a net increase in unrealized carried interest from ONCAP IV and the private credit funds. Refer to page 18 of this MD&A for further details concerning carried interest.

Assets Under Management

At December 31, 2023, Onex managed $41.0 billion (December 31, 2022 – $41.4 billion) of invested and committed capital on behalf of institutional investors and private clients from around the world, including FGAUM of $33.7 billion (December 31, 2022 – $34.1 billion). Assets under management by business line included the following:

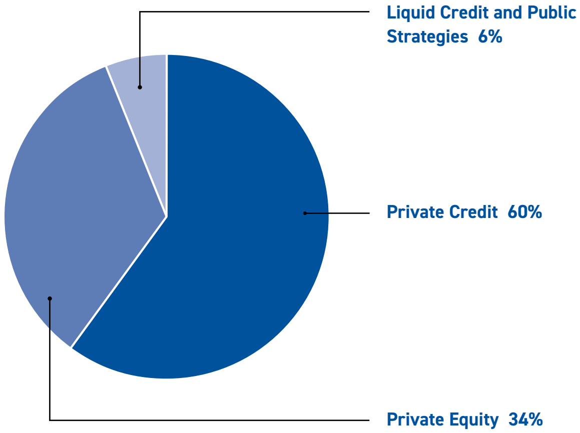
Assets Under Management[i][ii]

($ millions)	Fee-Generating			Subject to Carried Interest or Performance Fees		
	December 31, 2023	December 31, 2022	**Change in Total**	**December 31, 2023**	December 31, 2022	**Change in Total**
Credit	**$ 22,344**	$ 23,756	**(6)%**	**$ 18,780**	$ 17,698	**6%**
Private Equity	**11,393**	10,376	**10 %**	**11,393**	10,376	**10%**
Total	**$ 33,737**	$ 34,132	**(1)%**	**$ 30,173**	$ 28,074	**7%**

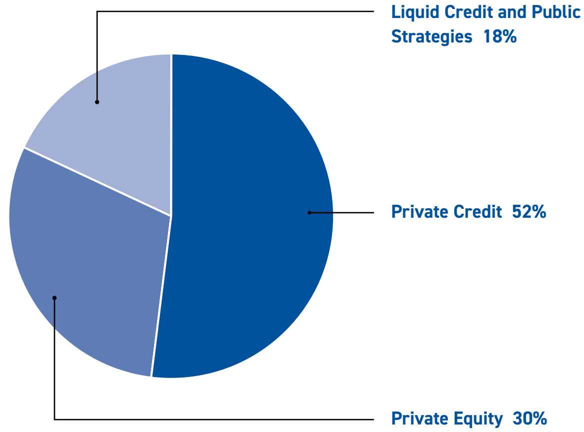
(i) Assets under management include co-investments and capital invested by the Onex management team, as applicable. Fee-generating assets under management and assets under management subject to carried interest or performance fees exclude capital from Onex. Refer to the glossary in this MD&A for further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

Onex' $33.7 billion of FGAUM at December 31, 2023



Onex' $34.1 billion of FGAUM at December 31, 2022



The decline in FGAUM from Credit since December 31, 2022 was primarily driven by client redemptions from liquid credit and public equity strategies, partially offset by capital raised for seven new CLOs. Private client redemptions from liquid credit and public equity strategies were driven by the wind-down of Gluskin Sheff's wealth management and wealth planning operations, as described on pages 36 and 37 of this MD&A. The increase in FGAUM from Private Equity since December 31, 2022 was primarily driven by net fair value increases within the Onex Partners V and ONCAP IV Funds, and capital raised for ONCAP V, partially offset by the removal of FGAUM previously raised for Onex Partners VI.

Onex' FGAUM at December 31, 2023 comprised $30.5 billion from institutional investors (December 31, 2022 – $28.5 billion) and $3.2 billion from private clients (December 31, 2022 – $6.1 billion). Run-rate management fees from Onex' FGAUM at December 31, 2023 were $191 million, consisting of $115 million from Credit and $76 million from Private Equity.

Fee-Related Earnings (Loss)

Onex' fee-related earnings for the quarter and year ended December 31, 2023 were losses of $2 million and $14 million, respectively (2022 – $4 million and $44 million, respectively). Onex' asset management fee-related earnings for the quarter and year ended December 31, 2023 were $3 million and $12 million, respectively (2022 – losses of $1 million and $12 million, respectively).

	Quarter Ended		Year Ended	
($ millions)	**December 31, 2023**	December 31, 2022	**December 31, 2023**	December 31, 2022
Private Equity				
Management and advisory fees	**$ 26**	$ 30	**$ 112**	$ 118
Total fee-related revenues from Private Equity	**$ 26**	$ 30	**$ 112**	$ 118
Compensation expense	**(24)**	(19)	**(85)**	(85)
Support and other net expenses	**(10)**	(10)	**(39)**	(41)
Net contribution	**$ (8)**	$ 1	**$ (12)**	$ (8)
Credit				
Management and advisory fees	**$ 31**	$ 37	**$ 140**	$ 152
Performance fees	**4**	1	**13**	1
Other income	**–**	2	**2**	3
Total fee-related revenues from Credit	**$ 35**	$ 40	**$ 155**	$ 156
Compensation expense	**(14)**	(23)	**(70)**	(88)
Support and other net expenses	**(10)**	(19)	**(61)**	(72)
Net contribution	**$ 11**	$ (2)	**$ 24**	$ (4)
Asset management fee-related earnings (loss)	**$ 3**	$ (1)	**$ 12**	$ (12)
Public Company and Onex Capital Investing				
Compensation recovery (expense)	**$ (1)**	$ 2	**$ (11)**	$ (12)
Other net expenses	**(4)**	(5)	**(15)**	(20)
Total expenses	**$ (5)**	$ (3)	**$ (26)**	$ (32)
Total fee-related earnings (loss)	**$ (2)**	$ (4)	**$ (14)**	$ (44)

The decrease in fee-related loss during the quarter and year ended December 31, 2023 compared to the same periods in 2022 was primarily driven by restructuring initiatives leading to lower compensation expenses in Credit and a reduction in operating costs. The decrease in fee-related losses during these periods also benefited from higher performance fee income earned from Credit products, which were offset by lower management fees, driven by the end of the initial fee period for Onex Partners V during the fourth quarter of 2023 and private client redemptions from liquid credit and public equity strategies. Private client redemptions from liquid credit and public equity strategies were driven by the wind-down of Gluskin Sheff's wealth management and wealth planning operations, as described on pages 36 and 37 of this MD&A. Private equity compensation was unchanged year-over-year reflecting savings, in part, from the 2023 Onex Partners restructuring, which were partially offset by the build-out of the Onex Transportation Partners team.

Distributable Earnings

During the quarter and year ended December 31, 2023, Onex generated distributable earnings of $139 million and $797 million, respectively (2022 – $67 million and $308 million, respectively).

	Quarter Ended		Year Ended	
($ millions)	**December 31, 2023**	December 31, 2022	**December 31, 2023**	December 31, 2022
Fee-related earnings (loss)	**$ (2)**	$ (4)	**$ (14)**	$ (44)
Realized carried interest	**7**	8	**16**	22
Net realized gain on corporate investments	**134**	63	**795**	330
Distributable earnings	**$ 139**	$ 67	**$ 797**	$ 308

Distributable earnings during the quarter and year ended December 31, 2023 were primarily driven by realizations from Onex' private equity investments (pages 10 and 11 of this MD&A) and CLO realizations and distributions (page 13 of this MD&A). The year-over-year increase in annual distributable earnings reflects the realization of Onex' direct investment in Celestica, partial realization of RSG and Onex' share of realizations and distributions as a limited partner in the Onex Partners IV, ONCAP II, ONCAP III and ONCAP IV Funds during 2023, as further described on pages 10 and 11 of this MD&A.

Carried Interest

At December 31, 2023, unrealized carried interest totalled $281 million (December 31, 2022 – $281 million) and AUM subject to carried interest totalled $29.3 billion (December 31, 2022 – $25.9 billion).

		Unrealized Carried Interest[i]		
($ millions)	As at December 31, 2022	Realizations and Distributions	Change in Fair Value	As at December 31, 2023
Onex Partners Funds[ii]	$ 225	$ –	$ (14)	$ 211
ONCAP Funds	40	(12)	13	41
Private Credit Funds	16	(4)	17	29
Total	$ 281	$ (16)	$ 16	$ 281

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

(ii) Includes unrealized carried interest from the continuation fund managed by Onex, which invests in Ryan, LLC.

Fee-related earnings (loss) and distributable earnings are non-GAAP financial measures, as discussed on page 8 of this MD&A. The following tables include reconciliations of Onex' net earnings to fee-related earnings (loss) and distributable earnings during the quarter and year ended December 31, 2023 and 2022:

($ millions)	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022
Net Earnings	$ 373	$ 435
Recovery of income taxes	–	(1)
Earnings before income taxes	$ 373	$ 434
Stock-based compensation expense	33	18
Amortization of property, equipment and intangible assets, excluding right-of-use assets	4	24
Impairment reversal of property and equipment	(2)	–
Restructuring expenses	6	–
Unrealized carried interest included in segment net earnings – Credit	6	1
Unrealized performance fees previously recognized in segment net earnings	(5)	–
Integration expenses	1	1
Contingent consideration expense (recovery)	(42)	14
Other net income	(2)	–
Total segment net earnings	372	492
Net unrealized increase in carried interest	(41)	(113)
Net unrealized gain on corporate investments	(187)	(311)
Interest and net treasury investment income	(5)	(1)
Distributable earnings	139	67
Less: Realized carried interest	(7)	(8)
Less: Net realized gain on corporate investments	(134)	(63)
Total fee-related earnings (loss)	$ (2)	$ (4)

($ millions)	**Year Ended December 31, 2023**	Year Ended December 31, 2022
Net Earnings	**$ 529**	$ 235
Provision for (recovery of) income taxes	**3**	(1)
Earnings before income taxes	**$ 532**	$ 234
Stock-based compensation expense (recovery)	**75**	(222)
Amortization of property, equipment and intangible assets, excluding right-of-use assets	**24**	54
Impairment of goodwill, intangible assets and property and equipment	**162**	–
Restructuring expenses	**46**	–
Unrealized carried interest included in segment net earnings – Credit	**17**	2
Integration expenses	**4**	6
Contingent consideration expense (recovery)	**(42)**	14
Other net expenses (income)	**(1)**	1
Total segment net earnings	**817**	89
Net unrealized decrease in carried interest	**–**	6
Net unrealized loss (gain) on corporate investments	**(6)**	214
Interest and net treasury investment income	**(14)**	(1)
Distributable earnings	**797**	308
Less: Realized carried interest	**(16)**	(22)
Less: Net realized gain on corporate investments	**(795)**	(330)
Total fee-related earnings (loss)	**$ (14)**	$ (44)

LIQUIDITY

At December 31, 2023, Onex' cash and near-cash balance was $1.5 billion[1] or 17% of Onex' investing capital (December 31, 2022 – $1.1 billion or 13% of Onex' investing capital) and Onex' consolidated cash and cash equivalents balance was $265 million (December 31, 2022 – $111 million). The $413 million increase in cash and near-cash was primarily driven by the realizations of certain private equity investments, as described on pages 10 and 11 of this MD&A, partially offset by private equity investment activity, as described on pages 10 and 11 of this MD&A, and the repurchase and cancellation of Onex' SVS. Refer to page 39 of this MD&A for further details concerning the changes in cash and near-cash since December 31, 2022.

(1) Cash and near-cash is a non-GAAP financial measure calculated using methodologies that are not in accordance with IFRS Accounting Standards. The presentation of this measure does not have a standardized meaning prescribed under IFRS Accounting Standards and therefore may not be comparable to similar financial measures presented by other companies. Onex management believes that cash and near-cash provides helpful information to investors to assess how the Company is managing its capital. Refer to page 38 of this MD&A for further details concerning cash and near-cash items.

FINANCIAL REVIEW

This section discusses the significant changes in Onex' consolidated statement of earnings, consolidated balance sheet and consolidated statement of cash flows for the fiscal year ended December 31, 2023 compared to those for the year ended December 31, 2022 and, in selected areas, to those for the year ended 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 direct investments. These investments are held directly or indirectly through wholly-owned subsidiaries of Onex, which are referred to as **Investment Holding Companies**. While there are a number of Investment Holding Companies, these companies primarily consist of direct or indirect subsidiaries of Onex Private Equity Holdings LLC, Onex CLO Holdings LLC or Onex Credit Holdings LLC. These three companies, which are referred to as the **Primary Investment Holding Companies**, are the holding companies for the majority of Onex' investments, excluding intercompany loans receivable from Onex and the Asset Managers. The Primary Investment Holding Companies were formed in the United States.

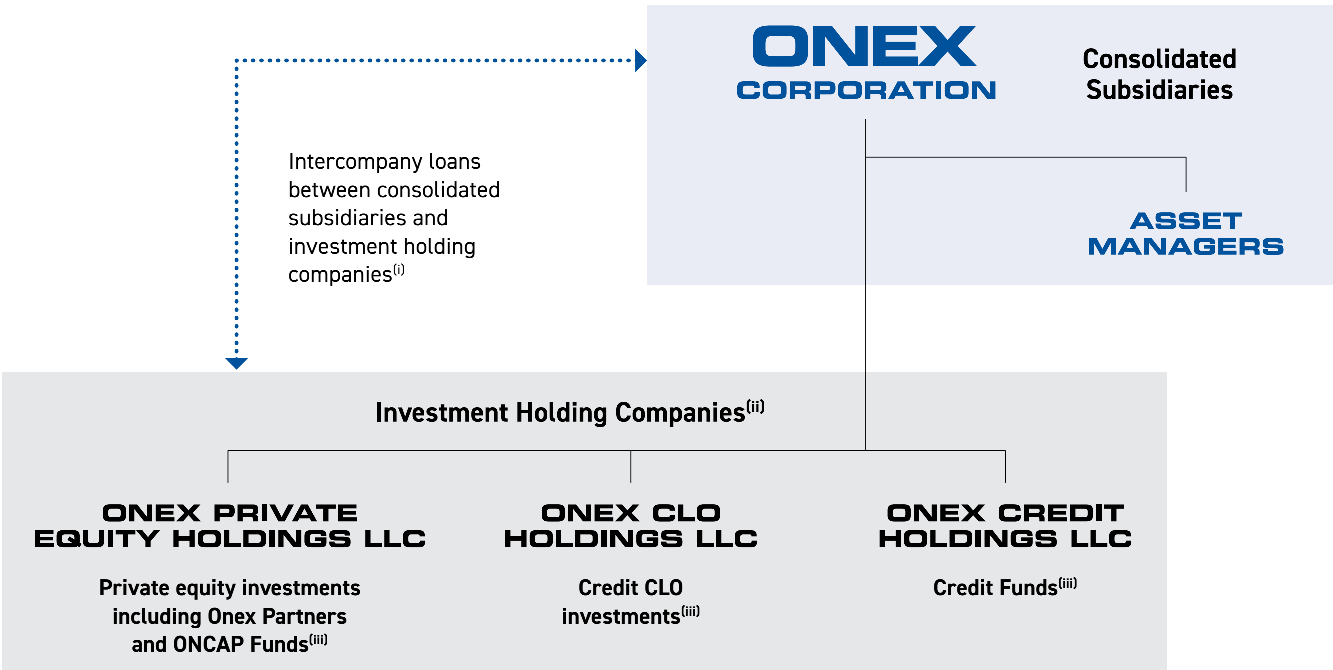
Asset management refers to the activity of managing capital in Onex' private equity funds, private credit strategies and liquid strategies. This activity is conducted through wholly-owned subsidiaries of Onex, which are the managers of the Onex Partners Funds, ONCAP Funds and Credit strategies. These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

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

- intercompany loans payable by Onex and the Asset Managers to the Investment Holding Companies are recognized as liabilities in Onex' consolidated balance sheets. A corresponding and offsetting amount is recognized within corporate investments in Onex' 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 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 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 from these intercompany loans in Onex' 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.



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

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

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

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with Onex' consolidated statements of earnings for the years ended December 31, 2023 and 2022 and the corresponding notes thereto.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

Foreign currency translation

The Company's functional currency is the U.S. dollar, as it is the currency of the primary economic environment in which it operates. For such operations, monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the year-end exchange rates. Non-monetary assets and liabilities denominated in foreign currencies are translated at historical exchange rates and revenue and expenses are translated at the average exchange rates prevailing during the relevant period of the transaction. Exchange gains and losses also arise on the settlement of foreign-currency denominated transactions. These exchange gains and losses are recognized in net earnings.

The functional currency of Onex Credit's Canadian operations is the Canadian dollar and as such, the assets and liabilities of Onex Credit's Canadian operations are translated into U.S. dollars using the year-end exchange rate and its revenues and expenses are translated at the average exchange rates prevailing during the relevant period of the transaction. Gains and losses arising from the translation of these financial results are deferred in the currency translation account included in equity.

Management and advisory fees, recoverable fund expenses and other receivables

Management and advisory fees receivable represent amounts owing to Onex and the Asset Managers from the Onex private equity funds, private credit strategies, Onex Credit pooled funds and certain operating companies of the Onex Partners and ONCAP Funds.

Recoverable fund expenses include amounts owing to the Asset Managers from the Onex private equity funds, private credit strategies and certain operating companies of the Onex private equity funds related to certain deal investigation, research and other expenses incurred by the Asset Managers, which are recoverable at cost.

The Company's receivables are recognized initially at fair value and are subsequently measured at amortized cost. The Company recognizes a loss allowance for receivables based on the 12-month expected credit losses for receivables that have not had a significant increase in credit risk since initial recognition. For receivables with a credit risk that has significantly increased since initial recognition, the Company records a loss allowance based on the lifetime expected credit losses. Significant financial difficulties of the counterparty and default in payments are considered indicators that the credit risk associated with a receivable balance may have changed since initial recognition.

Corporate investments

Corporate investments include Onex' investments in its subsidiaries, primarily consisting of Investment Holding Companies, that meet the investment entity exception to consolidation criteria under IFRS 10, *Consolidated financial statements* ("IFRS 10"). These subsidiaries primarily invest Onex' capital in the Onex Partners Funds, ONCAP Funds and certain private credit strategies. Corporate investments are measured at fair value through net earnings (loss) in accordance with IFRS 9, *Financial instruments* ("IFRS 9"). The fair value of corporate investments includes the fair value of both intercompany loans receivable from and payable to Onex and the Asset Managers. The Onex entities that are entitled to carried interest from the Onex Partners and ONCAP Funds are investment holding companies. As such, Onex' portion of the carried interest earned from Onex' private equity funds is accounted for as a financial asset under IFRS 9 and is included in the fair value of corporate investments. The liability associated with management incentive programs, including the Management Investment Plan (the "MIP") as described on page 59 of this MD&A, is also included in the fair value of corporate investments.

The Company's corporate investments, excluding intercompany loans, primarily consisted of investments made in the Primary Investment Holding Companies.

Intercompany loans with Investment Holding Companies

Intercompany loans payable to the Investment Holding Companies represent financial liabilities that are payable to subsidiaries of Onex, which are recorded at fair value in the consolidated financial statements.

Intercompany loans receivable from the Investment Holding Companies are classified as corporate investments and represent loans receivable from subsidiaries of Onex, which are recorded at fair value in the consolidated financial statements.

Onex has elected to measure these financial instruments at fair value through net earnings (loss) in accordance with IFRS 9.

Revenue recognition

The Company's significant revenue streams are as follows:

Management and advisory fees

Onex earns management fees for managing investor capital through its private equity funds, private credit strategies and public strategies. Onex also earns advisory fees for services provided directly to certain underlying operating businesses of the Onex Partners and ONCAP Funds. Asset management services are provided over time, and the amount earned is generally calculated based on a percentage of limited partners' committed capital, limited partners' net funded commitments, unfunded commitments, the collateral principal balance, invested capital, gross invested assets, net asset value or assets under management of the respective strategies. Revenues earned from management and advisory fees are recognized over time as services are provided.

Performance fees

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, or upon closure of a client account or transfer of assets to a different investment model.

Performance fees associated with the management of liquid strategies by Onex Credit are determined by applying an agreed-upon formula to the growth in the net asset value of clients' assets under management. Performance fees range between 12.5% and 20% and may be subject to performance hurdles.

Carried interest – Credit Funds

The General Partners of the Credit Funds are entitled to a carried interest of up to 20% on the realized net gains from limited partners in certain private credit funds, subject to a hurdle or minimum preferred return to investors. The Onex Falcon management team is allocated the entire carried interest for Onex Falcon Funds acquired with Onex Falcon in December 2020, with the exception of Private Credit Opportunities Fund VI ("Onex Falcon VI"), for which Onex Falcon management is entitled to approximately 80% of the carried interest and Onex is entitled to approximately 20%. In most other cases, Onex is entitled to 50% of the carried interest realized from Credit Funds, with the Onex Credit team being allocated the remaining 50% and an equivalent carried interest on Onex' capital.

The Onex entities that are entitled to carried interest from the Credit Funds are consolidated subsidiaries. As such, carried interest earned by Onex from the Credit Funds represents revenue under IFRS 15, *Revenue from contracts with customers* ("IFRS 15"), which is recognized to the extent it is highly probable it will not reverse, which typically occurs when the investments held by a given fund are substantially realized, towards the end of the fund's life. In Onex' segmented results, unrealized carried interest from third-party limited partners in the Credit Funds is recognized based on the fair values of the underlying investments and the unrealized net gain (loss) in each respective fund, as described on page 28 of this MD&A.

Reimbursement of expenses from investment funds and operating businesses

Certain deal investigation, research and other expenses incurred by the Asset Managers are recoverable at cost from the Onex private equity funds, private credit strategies and certain operating businesses of the Onex Partners and ONCAP Funds. These expense reimbursements are recognized as revenue in accordance with IFRS 15 and are excluded from Onex' segmented results, as described on page 28 of this MD&A.

Contingent consideration

Contingent consideration is established for business acquisitions where the Company has the obligation to transfer additional assets or equity interests to the former owners if specified future events occur or conditions are met. The fair value of contingent consideration liabilities is typically based on the estimated future financial performance of the acquired business. Financial targets used in the estimation process include certain defined financial targets and internal rates of return. Contingent consideration is classified as a liability when the obligation requires settlement in cash or other assets, and as equity when the obligation requires settlement in own equity instruments. Contingent consideration classified as a liability is remeasured at fair value at each reporting date, with changes in fair value recognized through net earnings (loss). Contingent consideration recorded in Onex' consolidated balance sheets relates to the acquisition of Falcon Investment Advisors by Onex in December 2020.

Significant accounting estimates and judgements

Onex prepares its consolidated financial statements in accordance with IFRS Accounting Standards. The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and equity, the related disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenses and gains (losses) on financial instruments during the reporting period. Actual results could differ materially from those estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Areas that involve critical judgements, assumptions and estimates and that have a significant influence on the amounts recognized in the consolidated financial statements are further described as follows:

Investment entity status

Judgement is required when determining whether Onex, the parent company, meets the definition of an investment entity, which IFRS 10 defines as an entity that: (i) obtains funds from one or more investors for the purpose of providing those investors with investment management services; (ii) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and (iii) measures and evaluates the performance of substantially all its investments on a fair value basis. When determining whether Onex meets the definition of an investment entity under IFRS 10, Onex management applied significant judgement when assessing whether the Company measures and evaluates the performance of substantially all its investments on a fair value basis.

Onex conducts its business primarily through controlled subsidiaries, which consist of entities providing asset management services, investment holding companies and General Partners of private equity funds, credit funds and limited partnerships. Certain of these subsidiaries were formed for legal, regulatory or similar reasons by Onex and share a common business purpose. The assessment of whether Onex, the parent company, meets the definition of an investment entity was performed on an aggregate basis with these subsidiaries.

Corporate investments

The measurement of corporate investments is significantly impacted by the fair values of the investments held by the Onex Partners Funds, ONCAP Funds, private equity investments held directly by Onex and investments in private credit strategies. The fair value of corporate investments is assessed at each reporting date with changes in fair value recognized through net earnings (loss).

The valuation of the underlying non-public investments requires significant judgement due to the absence of quoted market values, the inherent lack of liquidity, the long-term nature of such investments and heightened market uncertainty as a result of global inflationary pressures, changes in interest rates and heightened geopolitical risks. Valuation methodologies include discounted cash flows and observations of the valuation multiples implied by precedent transactions or trading multiples of public companies considered comparable to the private companies being valued. Key assumptions made in the valuations include unlevered free cash flows, including the timing of earnings projections and the expected long-term revenue growth, the weighted average costs of capital, the exit multiples, adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") and adjusted EBITDA multiples. The valuations take into consideration company-specific items, the lack of liquidity inherent in a non-public investment and the fact that precedent transactions and comparable public companies are not identical to the companies being valued. Such considerations are necessary since, in the absence of a committed buyer and completion of due diligence procedures, there may be company-specific items which are not fully known that may affect the fair value. A variety of additional factors are reviewed, including, but not limited to, financing and sales transactions with third parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third-party financing environment. In determining changes to the fair value of the underlying private equity investments, emphasis is placed on current company performance and market conditions.

For publicly traded investments, the valuation is based on closing market prices less adjustments, if any, for regulatory sale restrictions.

The fair value of underlying investments in private credit strategies that are not quoted in an active market may be determined by using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Judgement and estimates are used to determine the quantity and quality of the pricing sources used. Where limited or no market data is available, positions may be valued using models that include the use of third-party pricing information, and are usually based on valuation methods and techniques generally recognized as standard within the industry. Models use observable data to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations may require estimates to be made. Changes in assumptions about these factors could affect the reported fair value of the underlying investments in private credit strategies.

Liabilities associated with management incentive programs related to the performance of Onex' private equity investments are included in the fair value of corporate investments and are determined using an internally developed valuation model. The critical assumptions and estimates used in the valuation model include the fair value of the underlying investments, the time to expected exit from each investment, a risk-free rate of return and an industry-comparable historical volatility for each investment. The fair value of the underlying investments includes the same critical assumptions and estimates previously described.

Corporate investments are measured with significant unobservable inputs (Level 3 of the fair value hierarchy), which are further described in note 24 to the 2023 audited annual consolidated financial statements.

The changes in fair value of corporate investments are further described on pages 32, 33 and 34 of this MD&A.

The Company assessed whether its underlying subsidiaries met the definition of an investment entity, as defined under IFRS 10. In certain circumstances, this assessment was performed together with other entities that were formed in connection with each other for legal, regulatory or similar reasons. Similarly, where a subsidiary's current business purpose is to facilitate a common purpose with a group of entities, the assessment of whether those subsidiaries met the definition of an investment entity was performed on an aggregated basis.

Certain subsidiaries were formed for various business purposes that, in certain circumstances, have evolved since their formation. When the Company assessed whether these subsidiaries met the definition of an investment entity, as defined under IFRS 10, professional judgement was exercised to determine the primary business purpose of these subsidiaries and the measurement basis, which were significant factors in determining their investment entity status.

Goodwill impairment tests and recoverability of assets

The Company tests at least annually whether goodwill has suffered any impairment, in accordance with its accounting policies. The determination of the recoverable amount of a cash-generating unit to which goodwill is allocated involves the use of estimates by management. The Company generally uses discounted cash flow-based models to determine these values. These discounted cash flow calculations typically use five-year projections that are based on the operating plans approved by management. Cash flow projections take into account past experience and represent management's best estimate of future developments. Cash flows after the planning period are extrapolated using estimated growth rates. Key assumptions on which management has based its determination of fair value less costs to sell and value in use include estimated growth rates, weighted average cost of capital and tax rates. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment. Likewise, whenever property, equipment and other intangible assets are tested for impairment, the determination of the assets' recoverable amount involves the use of estimates by management and can have a material impact on the respective values and ultimately the amount of any impairment.

The Company also exercised significant judgement when testing assets for impairment and estimating the restructuring provision in connection with the transition and wind-down of Gluskin Sheff's wealth management and wealth planning operations, as described on pages 36 and 37 of this MD&A.

Income and other taxes

The Company operates and earns income in various countries and is subject to changing tax laws or application of tax laws in multiple jurisdictions within these countries. Significant judgement is necessary in determining worldwide income and other tax liabilities. Although management believes that it has made reasonable estimates concerning the final outcome of tax uncertainties, no assurance can be given that the final outcome of these tax matters will be consistent with what is reflected in historical income tax provisions. Such differences could have an effect on income and other tax liabilities and deferred tax liabilities in the period in which such determinations are made. At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgement on the part of management with respect to, among other things, benefits that could be realized from available tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available tax strategies are lowered, or if changes in current tax regulations are enacted that impose restrictions on the timing or extent of the Company's ability to utilize future tax benefits.

The Company uses significant judgement when determining whether to recognize deferred tax liabilities with respect to taxable temporary differences associated with corporate investments, in particular whether the Company is able to control the timing of the reversal of the temporary differences and whether it is probable that the temporary differences will not reverse in the foreseeable future. Judgement includes consideration of the Company's future cash requirements in its numerous tax jurisdictions.

Legal provisions and contingencies

The Company, in the normal course of operations, can become involved in various legal proceedings. While the Company cannot predict the final outcome of such legal proceedings, the outcome of these matters may have a material effect on Onex' consolidated financial position, results of operations or cash flows. Management regularly analyzes current information about such matters and provides provisions for probable contingent losses, including an estimate of legal expenses to resolve the matters. Internal and external counsel are used for these assessments. In making the decision regarding the need for provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim or the disclosure of any such suit or assertion does not automatically indicate that a provision may be appropriate.

VARIABILITY OF RESULTS

Onex' consolidated operating results may vary substantially from quarter to quarter and year to year for a number of reasons. Those reasons may be significant with respect to (i) Onex' asset management activities and the fees and carried interest associated therewith; (ii) the aggregate fair value of Onex' investments in and related to the private equity funds, including the underlying private equity operating businesses, and credit strategies, as the result of not only changes in specific underlying values but also new investments or realizations by those funds; or (iii) Onex' cash position or the amount and value of its treasury investments. More broadly, Onex' results may be materially affected by such factors as changes in the economic or political environment, the occurrence of natural disasters, incidents of war, riot or civil unrest, pandemics or outbreaks of new infectious diseases or viruses, foreign exchange rates, 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' 2023 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 CONSOLIDATED FINANCIAL STATEMENTS AND FOURTH QUARTER RESULTS

The discussion that follows identifies those material factors that affected Onex' consolidated financial results for the quarter and year ended December 31, 2023.

Consolidated net earnings

Onex recorded consolidated net earnings of $373 million and net earnings per diluted share of $4.81 during the quarter ended December 31, 2023 compared to net earnings of $435 million and net earnings per diluted share of $5.32 during the same period in 2022.

Onex recorded consolidated net earnings of $529 million and net earnings per diluted share of $6.65 during the year ended December 31, 2023 compared to net earnings of $235 million and net earnings per diluted share of $2.77 during 2022.

Tables 1 and 2 present the segmented results for the quarters and years ended December 31, 2023 and 2022. Onex' segmented results include unrealized carried interest from third-party limited partners in the Credit Funds, which is recognized based on the fair values of the underlying investments and the unrealized net gains in each respective fund, in accordance with the limited partnership agreements, and net of allocations to management. In Onex' consolidated financial statements, carried interest from the Credit Funds is recognized as revenue to the extent it is highly probable to not reverse, which typically occurs when the investments held by a given fund are substantially realized, toward the end of the fund's term, as described in note 1 to the 2023 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 2023 audited annual consolidated financial statements.

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

TABLE 1 *($ millions except per share amounts)*	Quarter Ended December 31, 2023			Quarter Ended December 31, 2022		
	Investing	**Asset Management[i]**	**Total**	Investing	Asset Management[i]	Total
Net gain on corporate investments (including an increase in carried interest)	**$ 321**	**$ 48[ii]**	**$ 369**	$ 374	$ 121[ii]	$ 495
Management and advisory fees	**–**	**57**	**57**	–	67	67
Performance fees	**–**	**4**	**4**	–	1	1
Interest and net treasury investment income	**5**	**–**	**5**	1	–	1
Other income	**–**	**–**	**–**	–	2	2
Total segment income	**326**	**109**	**435**	375	191	566
Compensation	**–**	**(48)**	**(48)**	–	(53)	(53)
Amortization of right-of-use assets	**–**	**(3)**	**(3)**	–	(3)	(3)
Other expenses	**–**	**(12)**	**(12)**	–	(18)	(18)
Segment net earnings	**$ 326**	**$ 46**	**$ 372**	$ 375	$ 117	$ 492
Stock-based compensation expense			**(33)**			(18)
Amortization of property, equipment and intangible assets, excluding right-of-use assets			**(4)**			(24)
Restructuring expenses			**(6)**			–
Unrealized carried interest included in segment net earnings – Credit			**(6)**			(1)
Unrealized performance fees previously recognized in segment net earnings			**5**			–
Impairment reversal of property and equipment			**2**			–
Integration expenses			**(1)**			(1)
Contingent consideration recovery (expense)			**42**			(14)
Other net income			**2**			–
Earnings before income taxes			**373**			434
Recovery of income taxes			**–**			1
Net earnings			**$ 373**			$ 435
Segment net earnings per fully diluted share			**$ 4.80**			$ 5.94
Net earnings per diluted share			**$ 4.81**			$ 5.32

(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 $6 million (2022 – $1 million) from third-party limited partners in the Credit Funds.

TABLE 2 ($ millions except per share amounts)	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Investing	**Asset Management**[i]	**Total**	Investing	Asset Management[i]	Total
Net gain on corporate investments (including an increase in carried interest)	**$ 801**	**$ 16**[ii]	**$ 817**	$ 116	$ 16[ii]	$ 132
Management and advisory fees	**–**	**252**	**252**	–	270	270
Performance fees	**–**	**13**	**13**	–	1	1
Interest and net treasury investment income	**14**	**–**	**14**	1	–	1
Other income	**–**	**2**	**2**	–	3	3
Total segment income	**815**	**283**	**1,098**	117	290	407
Compensation	**–**	**(214)**	**(214)**	–	(239)	(239)
Amortization of right-of-use assets	**–**	**(11)**	**(11)**	–	(12)	(12)
Other expenses	**–**	**(56)**	**(56)**	–	(67)	(67)
Segment net earnings (loss)	**$ 815**	**$ 2**	**$ 817**	$ 117	$ (28)	$ 89
Stock-based compensation recovery (expense)			**(75)**			222
Amortization of property, equipment and intangible assets, excluding right-of-use assets			**(24)**			(54)
Impairment of goodwill, intangible assets and property and equipment			**(162)**			–
Restructuring expenses			**(46)**			–
Unrealized carried interest included in segment net earnings (loss) – Credit			**(17)**			(2)
Integration expenses			**(4)**			(6)
Contingent consideration recovery (expense)			**42**			(14)
Other net income (expenses)			**1**			(1)
Earnings before income taxes			**532**			234
Recovery of (provision for) income taxes			**(3)**			1
Net earnings			**$ 529**			$ 235
Segment net earnings per fully diluted share			**$ 10.23**			$ 1.03
Net earnings per diluted share			**$ 6.65**			$ 2.77

(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 $17 million (2022 – $2 million) from third-party limited partners in the Credit Funds.

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 to assess performance and allocate resources and are therefore excluded from Onex' reportable segment results. The reportable segment results for the year ended December 31, 2021 have been restated to remove these allocations. Table 3 presents the segmented results for the years ended December 31, 2022 and 2021.

TABLE 3 *($ millions except per share amounts)*	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Investing	Asset Management[i]	Total	Investing	Asset Management[i]	Total
Net gain on corporate investments (including an increase in carried interest)	$ 116	$ 16[ii]	$ 132	$ 1,468	$ 248[ii]	$ 1,716
Management and advisory fees	–	270	270	–	277	277
Performance fees	–	1	1	–	13	13
Interest and net treasury investment income	1	–	1	1	–	1
Other income	–	3	3	–	3	3
Total segment income	117	290	407	1,469	541	2,010
Compensation	–	(239)	(239)	–	(248)	(248)
Amortization of right-of-use assets	–	(12)	(12)	–	(12)	(12)
Other expenses	–	(67)	(67)	–	(61)	(61)
Segment net earnings (loss)	$ 117	$ (28)	$ 89	$ 1,469	$ 220	$ 1,689
Stock-based compensation recovery (expense)			222			(205)
Amortization of property, equipment and intangible assets, excluding right-of-use assets			(54)			(47)
Unrealized carried interest included in segment net earnings (loss) – Credit			(2)			(18)
Integration expenses			(6)			(5)
Contingent consideration			(14)			(10)
Other net expenses			(1)			–
Earnings before income taxes			234			1,404
Recovery of income taxes			1			1
Net earnings			$ 235			$ 1,405
Segment net earnings per fully diluted share			$ 1.03			$ 18.42
Net earnings per diluted share			$ 2.77			$ 15.76

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

(ii) The asset management segment includes an increase in unrealized carried interest of $2 million (2021 – $18 million) from third-party limited partners in the Credit Funds.

Consolidated income for the quarters and years ended December 31, 2023 and 2022

Consolidated income primarily consists of net gains from corporate investments, including carried interest, and management fees on third-party capital managed through Private Equity and Credit Funds.

During the quarter and year ended December 31, 2023, Onex' investing segment recognized a net gain on corporate investments of $321 million and $801 million, respectively (2022 – $374 million and $116 million, respectively). The contribution of private equity and private credit to this performance is detailed in the following tables:

TABLE 4 | *($ millions)* | **Net Gain (Loss) on Private Equity Investments**

	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022	**Year Ended December 31, 2023**	Year Ended December 31, 2022
Onex Partners Funds[i]				
Onex Partners II	**$ (1)**	$ 1	**$ (1)**	$ (6)
Onex Partners III	**22**	24	**43**	35
Onex Partners IV	**49**	171	**(69)**	(233)
Onex Partners V	**158**	139	**413**	225
Management incentive programs	**(16)**	(38)	**(32)**	(7)
Total net gain from Onex Partners Funds	**212**	297	**354**	14
ONCAP Funds[i]				
ONCAP II	**10**	18	**14**	15
ONCAP III	**7**	(7)	**28**	(20)
ONCAP IV	**37**	–	**88**	171
ONCAP V	**9**	–	**9**	–
Management incentive programs	**(10)**	–	**(29)**	(27)
Total net gain from ONCAP Funds	**53**	11	**110**	139
Net gain (loss) from other private equity investments	**(15)**	60	**156**	19
Total net gain from private equity	**$ 250**	$ 368	**$ 620**	$ 172

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

During the quarter ended December 31, 2023, the net gain from private equity investments was primarily driven by:

- Onex Partners IV increases in fair value for its investments in Clarivate Analytics, PowerSchool and SCP Health, partially offset by the fair value decrease in Parkdean Resorts; and
- Onex Partners V increases in fair value for its investments in Emerald, OneDigital and WestJet, partially offset by the fair value decrease in Acacium Group.

During the year ended December 31, 2023, the net gain from private equity investments was primarily driven by:

- Onex Partners V increases in fair value for its investments in Convex, Emerald, Fidelity Building Services Group ("Fidelity"), OneDigital, Tes Global ("Tes"), Wealth Enhancement Group and WestJet, partially offset by the fair value decreases in Acacium Group and Resource Environmental Solutions ("RES");
- increases in fair value of Onex' investments in Celestica and RSG;
- Onex Partners IV decreases in fair value for its investments in Parkdean Resorts and Ryan, LLC, partially offset by the fair value increases in ASM Global and Clarivate Analytics; and
- ONCAP IV increases in fair value for its investments in ILAC and Walter Surface Technologies, partially offset by the fair value decrease in AutoSavvy.

During the quarter ended December 31, 2022, the net gain from private equity investments was primarily driven by:

- Onex Partners IV increases in fair value for its investments in ASM Global and PowerSchool, partially offset by the fair value decreases in Clarivate Analytics and Parkdean Resorts;
- Onex Partners V increases in fair value for its investments in Acacium Group, Convex, Fidelity, OneDigital, Tes and Wealth Enhancement Group, partially offset by the fair value decrease in RES; and
- increases in fair value of Onex' direct investments in Celestica and RSG.

During the year ended December 31, 2022, the net gain from private equity investments was primarily driven by:

- Onex Partners V increases in fair value for its investments in Acacium Group, Convex, Fidelity, Imagine Learning, Newport Healthcare and OneDigital, partially offset by the fair value decreases in Emerald and Wealth Enhancement Group;
- ONCAP IV increases in fair value for its investments in AutoSavvy, ILAC and Precision Concepts International; and
- Onex Partners IV decreases in fair value for its investments in Clarivate Analytics, Parkdean Resorts and SCP Health, partially offset by the fair value increases in PowerSchool and Ryan, LLC.

During 2022, 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, impacted the fair values of Onex' private equity investments.

TABLE 5 | *($ millions)* **Net Gain (Loss) on Investments in Private Credit Strategies**

	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022	**Year Ended December 31, 2023**	Year Ended December 31, 2022
Structured Credit Strategies				
U.S. CLOs	**$ 18**	$ 3	**$ 50**	$ (20)
EURO CLOs	**16**	6	**44**	(20)
CLO warehouses	**2**	–	**4**	5
Other structured strategies	**3**	–	**14**	(2)
Opportunistic Credit Strategies	**10**	(5)	**21**	–
Liquid Strategies	**12**	3	**19**	(3)
Direct Lending	**6**	–	**14**	–
Total net gain (loss) from Private Credit Strategies	**$ 67**	$ 7	**$ 166**	$ (40)

The net gain on investments in private credit strategies recognized during the quarter and year ended December 31, 2023 was primarily driven by the gains from CLO investments and liquid and opportunistic credit strategies. The performance of private credit is correlated with the performance of the leveraged loan market, but amplified due to structural leverage in CLO investments.

The net loss on investments in private credit strategies recognized during the year ended December 31, 2022 was primarily driven by a net loss from CLO investments as a result of a weakness in the leveraged loan market and the structural leverage employed in CLOs.

Management and advisory fees for the quarters and years ended December 31, 2023 and 2022 were generated from the following sources:

TABLE 6 | *($ millions)* — Management and Advisory Fees

	Quarter Ended December 31, 2023	Quarter Ended December 31, 2022	Change in Total	
Source of management and advisory fees				
Credit	$ 31	$ 37	$ (6)	(16)%
Private Equity[i]	26	30	(4)	(13)%
Total management and advisory fees	$ 57	$ 67	$ (10)	(15)%

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

TABLE 7 | *($ millions)* — Management and Advisory Fees

	Year Ended December 31, 2023	Year Ended December 31, 2022	Change in Total	
Source of management and advisory fees				
Credit	$ 140	$ 152	$ (12)	(8)%
Private Equity[i]	112	118	(6)	(5)%
Total management and advisory fees	$ 252	$ 270	$ (18)	(7)%

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

During the quarter and year ended December 31, 2023, the management and advisory fees from Private Equity were 13% and 5% lower compared to the same periods in 2022, respectively. These decreases were primarily driven by the expiration of the initial fee period for Onex Partners V during the fourth quarter of 2023, partially offset by management fees earned by ONCAP V and the Ryan, LLC continuation fund, which began generating management fees in 2023.

During the quarter and year ended December 31, 2023, the management and advisory fees from Credit were 16% and 8% lower compared to the same periods in 2022, respectively. These decreases were primarily driven by the wind-down of Gluskin Sheff during 2023, as described on page 17 of this MD&A.

Management and advisory fees for the years ended December 31, 2022 and 2021 were generated from the following sources:

TABLE 8 | *($ millions)* — **Management and Advisory Fees**

	Year Ended December 31, 2022	Year Ended December 31, 2021	Change in Total	
Source of management and advisory fees				
Credit	$ 152	$ 152	$ –	–
Private Equity[i]	118	125	(7)	(6)%
Total management and advisory fees	$ 270	$ 277	$ (7)	(3)%

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

Management and advisory fees from Private Equity were 6% lower during the year ended December 31, 2022 compared to 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.

During the quarter and year ended December 31, 2023, Onex recognized $9 million and $13 million, respectively, in performance fees from its Credit strategies (2022 – $1 million and $1 million). The increase in performance fees was primarily driven by strengthening in equity and bond markets in North America during 2023. During 2021, Onex recognized $13 million of performance fees from its liquid strategies.

Certain deal investigation, research and other costs incurred by the Asset Managers are recoverable from the Onex private equity funds, private credit strategies and private equity portfolio companies. These cost reimbursements are recognized as revenue in accordance with IFRS 15. During the quarter and year ended December 31, 2023, Onex recognized $18 million and $43 million, respectively, in revenues and expenses associated with these reimbursements (2022 – $13 million and $35 million, respectively). During the year ended December 31, 2021, Onex recognized $42 million in revenues and expenses associated with these reimbursements.

Compensation

Compensation expense for the quarter and year ended December 31, 2023 was $48 million and $214 million, respectively, compared to $53 million and $239 million, respectively, during the same periods in 2022. Refer to pages 16 and 17 of this MD&A for further details concerning compensation expense.

Stock-based compensation expense (recovery)

During the quarter ended December 31, 2023, Onex recorded a consolidated stock-based compensation expense of $33 million compared to $18 million during the same period in 2022. The stock-based compensation expense recorded during the quarter ended December 31, 2023 was primarily due to a 16% increase in the market value of Onex' SVS to C$92.53 at December 31, 2023 from C$79.83 at September 30, 2023 and the vesting of stock options during the period.

During the year ended December 31, 2023, Onex recorded a consolidated stock-based compensation expense of $75 million compared to a stock-based compensation recovery of $222 million during 2022. The stock-based compensation expense recorded during the year ended December 31, 2023 was primarily due to a 42% increase in the market value of Onex' SVS to C$92.53 at December 31, 2023 from C$65.29 at December 31, 2022 and the vesting of stock options during the year.

Table 9 details the change in stock-based compensation expense (recovery).

Stock-Based Compensation Expense (Recovery)

TABLE 9 *($ millions)*	Quarter Ended December 31			Year Ended December 31		
	2023	2022	**Change**	**2023**	2022	**Change**
Stock Option Plan	**$ 32**	$ 18	**$ 14**	**$ 70**	$ (220)	**$ 290**
PSU and RSU Plans	**1**	–	**1**	**4**	–	**4**
Director DSU Plan	**–**	–	**–**	**1**	(2)	**3**
Total stock-based compensation expense (recovery)	**$ 33**	$ 18	**$ 15**	**$ 75**	$ (222)	**$ 297**

Amortization of property, equipment and intangible assets

Amortization of property, equipment and intangible assets for the quarter ended December 31, 2023 was $7 million (2022 – $27 million) and consisted primarily of amortization of asset management contract intangible assets, and right-of-use assets and leasehold improvements related to Onex' leased premises.

Amortization of property, equipment and intangible assets for the year ended December 31, 2023 was $35 million (2022 – $66 million) and consisted primarily of amortization of client relationship and asset management contract intangible assets, and right-of-use assets and leasehold improvements related to Onex' leased premises.

The decline in amortization expense during the quarter and year ended December 31, 2023 compared to the same periods in 2022 was primarily driven by the impairment of Gluskin Sheff client relationship intangible assets during the quarter ended March 31, 2023, as described in the following section.

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

In March 2023, following developments at Gluskin Sheff, Onex decided to change the private capital distribution strategy of its investment products. As part of this change in strategy, Onex entered into an agreement with a leading wealth management firm in Canada to offer employment to the wealth advisor team of Gluskin Sheff. Onex is winding down its wealth management and wealth planning operations and plans to grow its private capital distribution through third-party strategic relationships. As a result, during the year ended December 31, 2023, a non-cash impairment charge of $162 million was recognized on the following assets:

TABLE 10 *($ millions)*	**Year Ended December 31, 2023**
Goodwill	**$ 108**
Intangible assets – client relationships	**47**
Leasehold improvements[i]	**7**
Total impairment expense	**$ 162**

(i) Leasehold improvements that were impaired during 2023 relate to leased office space.

The impairment for Gluskin Sheff goodwill and intangible assets was calculated on a fair value less costs of disposal basis, which resulted in a negligible recoverable amount for the Gluskin Sheff cash-generating unit following the transition and wind-down of the business. As a result of the impairment charge, goodwill and client relationship intangible assets associated with the acquisition of Gluskin Sheff were reduced to nil in the December 31, 2023 consolidated balance sheet.

During 2023, restructuring expenses totalling $28 million were recognized in connection with the ongoing transition and wind-down of the wealth management business. At December 31, 2023, a restructuring provision of $11 million was included within the other liabilities financial statement line item, representing the remaining restructuring expenses to be paid. Onex expects that most of the cash outflows related to this restructuring provision will occur by the end of 2024. This restructuring provision will be revised in future periods as estimates surrounding the transition and wind-down are updated.

In addition, during 2023, restructuring expenses totalling $18 million were recognized in connection with the reorganization of the Onex Partners platform and Onex' corporate functions. At December 31, 2023, a restructuring provision of $5 million was included within the other liabilities financial statement line item, representing the remaining restructuring expenses to be paid. Onex expects that most of the cash outflows related to this restructuring provision will occur by the end of 2024.

Contingent consideration recovery (expense)

During the quarter and year ended December 31, 2023, Onex recorded a contingent consideration recovery of $42 million compared to an expense of $14 million during the same periods in 2022. Contingent consideration is recorded at fair value based on the present value of the estimated contingent consideration owed by Onex in connection with the acquisition of Falcon Investment Advisors in December 2020.

Other expenses

Other expenses for the years ended December 31, 2023 and 2022 comprised the following:

Other Expenses

TABLE 11 — *($ millions)* Year ended December 31	2023	2022	Change
Professional services	$ 12	$ 18	$ (6)
Information technology	11	14	(3)
Research subscriptions	6	5	1
Facilities	5	5	–
Integration expense	4	6	(2)
Travel	3	7	(4)
Directors' compensation	3	3	–
Interest expense from lease liabilities	2	2	–
Contract employees	2	–	2
Insurance	2	2	–
Donations	1	1	–
Administrative and other	10	13	(3)
Total other expenses	$ 61	$ 76	$ (15)

SUMMARY OF QUARTERLY INFORMATION

Table 12 summarizes Onex' key consolidated financial information for the last eight quarters.

Consolidated Quarterly Financial Information

TABLE 12 | *($ millions except per share amounts)*

	2023				2022			
	December	**September**	**June**	**March**	December	September	June	March
Total segment income (loss)	**$ 435**	**$ 342**	**$ 259**	**$ 62**	$ 566	$ (96)	$ (212)	$ 149
Total segment expenses	**(63)**	**(59)**	**(72)**	**(87)**	(74)	(83)	(79)	(82)
Segment net earnings (loss)	**372**	**283**	**187**	**(25)**	492	(179)	(291)	67
Other non-segment items	**1**	**(27)**	**(55)**	**(207)**	(57)	(1)	107	97
Net earnings (loss)	**$ 373**	**$ 256**	**$ 132**	**$ (232)**	$ 435	$ (180)	$ (184)	$ 164
Segment net earnings (loss) per fully diluted share	**$ 4.80**	**$ 3.58**	**$ 2.29**	**$ (0.32)**	$ 5.94	$ (2.08)	$ (3.35)	$ 0.76
Net earnings (loss) per share – basic	**$ 4.82**	**$ 3.24**	**$ 1.63**	**$ (2.87)**	$ 5.33	$ (2.12)	$ (2.15)	$ 1.90
Net earnings (loss) per diluted share	**$ 4.81**	**$ 3.23**	**$ 1.63**	**$ (2.87)**	$ 5.32	$ (2.12)	$ (2.15)	$ 1.89

CASH AND NEAR-CASH

At December 31, 2023, Onex' cash and near-cash balance was $1.5 billion (December 31, 2022 – $1.1 billion) and Onex' consolidated cash and cash equivalents balance was $265 million (December 31, 2022 – $111 million). Onex' cash and near-cash consisted of the following:

Cash and Near-Cash[i]

TABLE 13 *($ millions)*	**December 31, 2023**	December 31, 2022
Management fees and recoverable fund expenses receivable[ii]	**$ 615**	$ 460
Cash and cash equivalents within Investment Holding Companies[iii]	**398**	253
Treasury investments within Investment Holding Companies	**197**	271
Cash and cash equivalents – Investing segment[iv]	**142**	–
Subscription financing and short-term loan receivable[v]	**114**	69
Cash and near-cash[i]	**$ 1,466**	$ 1,053

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

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

(iii) Includes restricted cash and cash equivalents of $22 million (December 31, 2022 – $2 million) for which the Company can readily remove the external restriction or for which the restriction will be removed in the near term. Excludes cash and cash equivalents for Onex' share of uncalled expenses payable by the Investment Holding Companies of $35 million (December 31, 2022 – $27 million).

(iv) Excludes cash and cash equivalents allocated to the asset management segment related to accrued incentive compensation ($108 million (December 31, 2022 – $122 million)) and contingent consideration related to the acquisition of Onex Falcon ($15 million (December 31, 2022 – $57 million)).

(v) The balance includes $77 million of subscription financing receivable, including interest receivable, attributable to third-party investors in certain Credit Funds and ONCAP V (December 31, 2022 - $69 million) and $37 million related to a short-term loan receivable from an Onex Partners operating company (December 31, 2022 – nil) which was fully repaid during the first quarter of 2024.

Table 14 provides a reconciliation of the change in cash and near-cash at Onex from December 31, 2022 to December 31, 2023.

Change in Cash and Near-Cash

TABLE 14 *($ millions)*		Amount
Cash and near-cash at December 31, 2022		$ 1,053
Private equity realizations and distributions:		
Onex Partners		
Sale of Ryan, LLC	**118**	
PowerSchool secondary offering	**28**	
Other	**45**	
ONCAP		
Partial realization of Precision Concepts	**63**	
Sale of Hopkins	**41**	
Distribution from PURE Canadian Gaming	**29**	
Distribution from Walter Surface Technologies	**18**	
Distribution from ILAC	**17**	
Other	**4**	
Direct investments		
RSG secondary offering and distribution	**320**	
Celestica secondary offerings and DSU redemption	**284**	
Incline Aviation Fund II	**30**	
Other	**6**	**1,003**
Private equity investments:		
Onex Partners		
Parkdean Resorts add-on investment	**(54)**	
ONCAP		
Biomerics	**(162)**	
Education Holding Corporation	**(80)**	
Other	**(19)**	
Direct investments		
Incline Aviation Fund II	**(38)**	**(353)**
Net private credit strategies investment activity		**(40)**
Share repurchases, dividends and net cash paid for stock-based compensation		**(250)**
Net other, including cash flows from asset management activities, capital expenditures, operating costs and changes in working capital		**53**
Cash and near-cash at December 31, 2023		**$ 1,466**

In February 2024, Onex invested $46 million as part of the Onex Partners V Group's investment in Morson Group, as described on page 11 of this MD&A.

CONSOLIDATED FINANCIAL POSITION

Consolidated assets

Consolidated assets totalled $12.9 billion at December 31, 2023 compared to $12.2 billion at December 31, 2022. The increase in consolidated assets was primarily driven by an increase in net intercompany loans receivable from Onex and the Asset Managers, comprising part of the fair value of Investment Holdings Companies, a net gain on corporate investments recognized in 2023 and an increase in management fees receivable.

Table 15 presents consolidated assets by reportable segment as at December 31, 2023 and December 31, 2022.

Consolidated Assets by Reportable Segment

TABLE 15 *($ millions except per share amounts)*	As at December 31, 2023			As at December 31, 2022		
	Investing	Asset Management	Total	Investing	Asset Management	Total
Cash and cash equivalents	$ 142	$ 123[i]	$ 265	$ –	$ 111[i]	$ 111
Treasury investments	–	–	–	–	52[i]	52
Management and advisory fees, recoverable fund expenses and other receivables	615[ii]	68	683	460[ii]	84	544
Corporate investments	7,647	–	7,647	7,387	–	7,387
Unrealized carried interest – Credit	29	–	29	16	–	16
Other assets	–	128	128	–	91	91
Property and equipment	–	119	119	–	140	140
Intangible assets	–	34	34	–	93	93
Goodwill	–	149	149	–	257	257
Total segment assets	$ 8,433	$ 621	$ 9,054	$ 7,863	$ 828	$ 8,691
Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies			3,874			3,488
Unrealized carried interest included in segment assets – Credit			(29)			(16)
Total assets			$ 12,899			$ 12,163
Investing capital per fully diluted share (U.S. dollars)	$ 107.82			$ 96.95		
Investing capital per fully diluted share (Canadian dollars)	$ 142.61			$ 131.31		

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

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

Table 16 presents consolidated assets by reportable segment as at December 31, 2022 and December 31, 2021.

Consolidated Assets by Reportable Segment

TABLE 16 | *($ millions except per share amounts)*

	As at December 31, 2022			As at December 31, 2021		
	Investing	Asset Management	Total	Investing	Asset Management	Total
Cash and cash equivalents	$ –	$ 111[i]	$ 111	$ 357	$ 190[i]	$ 547
Treasury investments	–	52[i]	52	290	–	290
Management and advisory fees, recoverable fund expenses and other receivables	460[ii]	84	544	308[ii]	61	369
Corporate investments	7,387	–	7,387	7,239	–	7,239
Unrealized carried interest – Credit	16	–	16	18	–	18
Other assets	–	91	91	–	136	136
Property and equipment	–	140	140	–	148	148
Intangible assets	–	93	93	–	139	139
Goodwill	–	257	257	–	264	264
Total segment assets	$ 7,863	$ 828	$ 8,691	$ 8,212	$ 938	$ 9,150
Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies			3,488			3,755
Unrealized carried interest included in segment assets – Credit			(16)			(18)
Total assets			$ 12,163			$ 12,887
Investing capital per fully diluted share (U.S. dollars)	$ 96.95			$ 90.75		
Investing capital per fully diluted share (Canadian dollars)	$ 131.31			$ 115.05		

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

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

Corporate investments

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

TABLE 17 *($ millions)*	December 31, 2022	Capital Deployed	Realizations and Distributions	Change in Fair Value	December 31, 2023
Onex Partners Funds	$ 4,228	$ 54	$ (191)	$ 354	$ 4,445
ONCAP Funds	718	261	(160)	110	929
Other private equity	853	38	(640)	156	407
Carried interest	265	n/a	(12)	(1)	252
Total private equity investments	6,064	353	(1,003)	619	6,033
Private Credit Strategies	701	495	(455)	166	907
Real estate	34	–	(15)	(1)	18
Other net assets[i]	588	(977)	1,062	16	689
Total corporate investments, excluding intercompany loans	7,387	(129)	(411)	800	7,647
Intercompany loans receivable from Onex and the Asset Managers	3,488	518	(132)	–	3,874
Intercompany loans payable to Onex and the Asset Managers	(398)	(11)	35	–	(374)
Intercompany loans receivable from Investment Holding Companies	398	11	(35)	–	374
Total corporate investments	$ 10,875	$ 389	$ (543)	$ 800	$ 11,521

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

TABLE 18 ($ millions)	December 31, 2021	Capital Deployed	Realizations and Distributions	Change in Fair Value	December 31, 2022
Onex Partners Funds	$ 4,256	$ 328	$ (370)	$ 14	$ 4,228
ONCAP Funds	534	45	–	139	718
Other private equity	692	147	(5)	19	853
Carried interest	269	n/a	(18)	14	265
Total private equity investments	5,751	520	(393)	186	6,064
Private Credit Strategies	805	270	(334)	(40)	701
Real estate	52	–	(18)	–	34
Other net assets[i]	631	(1,224)	1,197	(16)	588
Total corporate investments, excluding intercompany loans	7,239	(434)	452	130	7,387
Intercompany loans receivable from Onex and the Asset Managers	3,755	639	(906)	–	3,488
Intercompany loans payable to Onex and the Asset Managers	(429)	(20)	51	–	(398)
Intercompany loans receivable from Investment Holding Companies	429	20	(51)	–	398
Total corporate investments	$ 10,994	$ 205	$ (454)	$ 130	$ 10,875

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

At December 31, 2023, Onex' corporate investments, which are more fully described in note 5 to the consolidated financial statements, totalled $11.5 billion (December 31, 2022 – $10.9 billion).

During the year ended December 31, 2023, Onex' investment of capital primarily consisted of the investments made in Onex Partners IV, ONCAP IV and ONCAP V, as described on pages 10 and 11 of this MD&A, and investments made in private credit strategies, as described on page 13 of this MD&A.

During the year ended December 31, 2023, realizations and distributions to Onex primarily consisted of a partial realization of Onex' investment in RSG, the sale of Onex' investment in Celestica and Onex' share of the Onex Partners IV Group's sale of Ryan, LLC, as described on pages 10 and 11 of this MD&A. Onex also had realizations and distributions from private credit strategies during the year, as described on page 13 of this MD&A.

During the year ended December 31, 2023, the change in fair value of Onex' corporate investments totalled an increase of $800 million, primarily driven by changes in fair value of Onex' investments in private equity, which are more fully described on page 32 of this MD&A, and changes in fair value of Onex' investments in CLOs, liquid and opportunistic credit strategies, as more fully described on pages 33 and 34 of this MD&A.

During the year ended December 31, 2022, Onex' investment of capital primarily consisted of the investments made in Onex Partners V, ONCAP IV, a direct private equity investment and investments made in private credit strategies. Investments in Onex Partners V, ONCAP IV and direct private equity investments included the following:

- $117 million invested as part of the Onex Partners V Group's investment in 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;
- $99 million invested directly by Onex in Unanet, a leading provider of enterprise resource planning solutions and customer relationship management solutions purpose-built for government contractors and architecture, engineering and construction firms;
- $98 million invested as part of the Onex Partners V Group's investment in Tes, an international provider of comprehensive software solutions for the education sector;
- $28 million invested as part of the ONCAP IV Group's investment in Image Specialty Partners (formerly Ideal Dental Management Partners), 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 year ended December 31, 2022, realizations and distributions to Onex primarily consisted of realizations and distributions from the following private equity and Credit activities:

- $154 million of proceeds received as part of the Onex Partners IV and Onex Partners V Groups' sale of Partou, including carried interest and net of payments under the management incentive programs;
- $103 million of proceeds were received as part of the Onex Partners IV Group's partial sale of Ryan, LLC;
- $85 million of net proceeds from regular quarterly distributions from Onex' investments in its U.S. and European CLOs;
- $38 million of proceeds received from a distribution made by Acacium Group to the Onex Partners V Group;
- $36 million of proceeds received as part of the Onex Partners IV Group's partial sale of Advanced Integration Technology LP ("AIT"); and
- $30 million of net proceeds from the partial sale of Onex' equity interest in certain U.S. CLOs.

During the year ended December 31, 2022, the change in fair value of Onex' corporate investments totalled an increase of $130 million, primarily driven by changes in fair value of Onex' investments in private equity, which are more fully described on pages 32 and 33 of this MD&A, partially offset by a decrease in fair value of Onex' investments in CLOs, consistent with a weakening leveraged loan market.

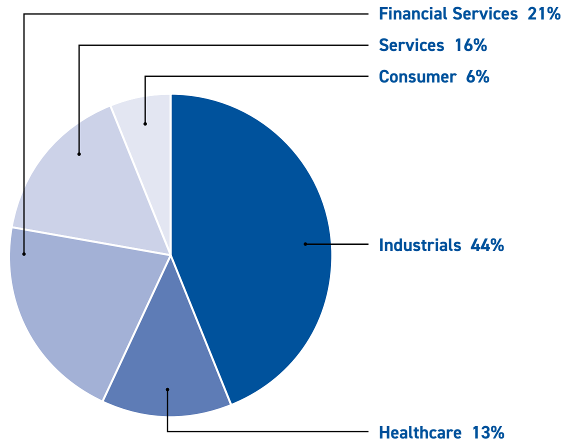
The valuation of public investments held directly by Onex or through the Onex Partners Funds and ONCAP Funds is based on their publicly traded closing prices at December 31, 2023 and December 31, 2022. For certain public investments, a discount was applied to the closing price in relation to restrictions that were in place at December 31, 2023 and December 31, 2022 relating to the securities held by Onex or the Onex Partners Funds. At December 31, 2023, these discounts resulted in a reduction of $47 million in the fair value of corporate investments (December 31, 2022 – $73 million).

Onex' private equity investments include direct and indirect investments in 40 operating businesses at December 31, 2023, which operate in a variety of industries and countries. Details of these operating businesses' revenues, assets and debt are as follows:

TABLE 19	*($ millions)* Year ended December 31, 2023	Operating Business Revenues[i]	
Industrials		$ 12,338	44%
Financial Services		5,962	21%
Services		4,601	16%
Healthcare		3,684	13%
Consumer		1,685	6%
Total		$ 28,270	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 December 31, 2023[i]

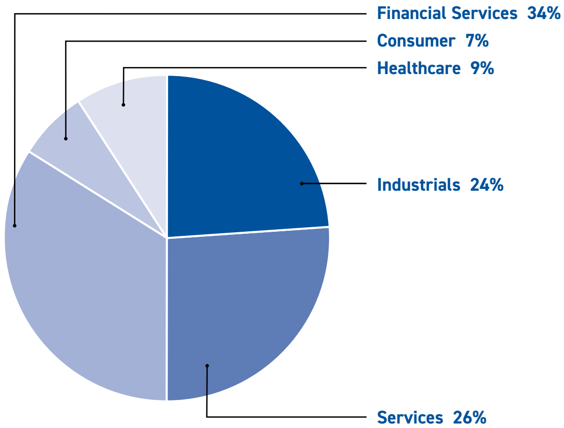


(i) Includes revenues during the period that Onex controls, jointly controls or has significant influence over the operating businesses.

TABLE 20	*($ millions)* As at December 31, 2023	Operating Business Assets[i]		Operating Business Debt[i]	
Financial Services		$ 16,143	34%	$ 3,692	23%
Services		12,478	26%	4,279	27%
Industrials		11,328	24%	4,665	30%
Healthcare		4,337	9%	2,111	13%
Consumer		3,102	7%	1,124	7%
Total		$ 47,388	100%	$ 15,871	100%

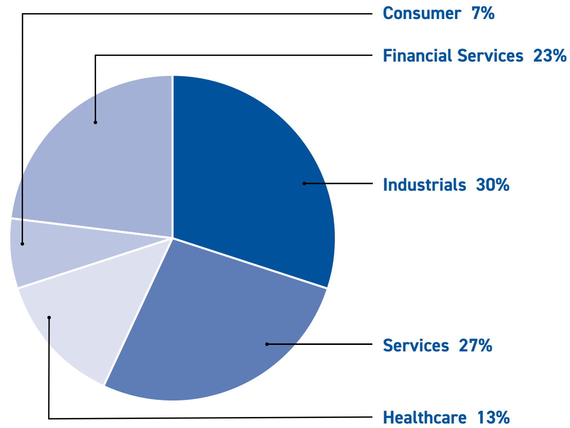
(i) Includes the assets and debt of operating businesses that Onex controls, jointly controls or has significant influence over.

Operating Business Assets by Industry Vertical – December 31, 2023(i)



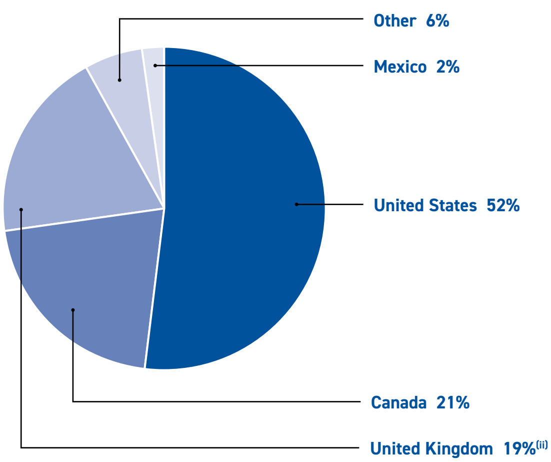
(i) Includes the assets of operating businesses that Onex controls, jointly controls or has significant influence over.

Operating Business Debt by Industry Vertical – December 31, 2023(i)



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

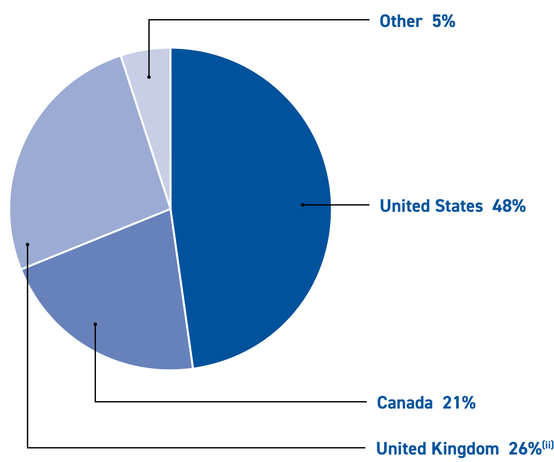
Operating Business Revenues by Country – Year Ended December 31, 2022(i)



(i) Includes revenues of operating businesses that are controlled or jointly controlled by Onex, adjusted for operating companies acquired or sold during 2023. The allocation of revenues by country is based on customer location and may not represent the currency of the revenue transactions. 2023 data will be available beginning the first quarter of 2024.

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

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



(i) Includes assets of operating businesses that are controlled or jointly controlled by Onex, adjusted for operating companies acquired or sold during 2023. 2023 data will be available beginning the first quarter of 2024.

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

Intercompany loans payable to Investment Holding Companies

Onex and the Asset Managers have intercompany loans payable to the Investment Holding Companies. The loans are primarily due on demand and non-interest bearing. At December 31, 2023, intercompany loans payable to the Investment Holding Companies totalled $3.9 billion (December 31, 2022 – $3.5 billion) and the corresponding receivable of $3.9 billion (December 31, 2022 – $3.5 billion) was included in the fair value of the Investment Holding Companies within corporate investments. There is no impact on net assets or net earnings from these intercompany loans.

Lease liabilities

Onex leases office space in Canada, the United States and the United Kingdom. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The terms of the Onex leasing agreements are generally made for fixed periods up to 2033 and in certain circumstances contain options to extend beyond the initial fixed periods. In circumstances where it is reasonably certain that Onex will exercise an option to extend a leasing agreement, the minimum lease payments to be made during the extension period are included in the determination of the lease liability to be recorded. The lease contracts do not contain any significant restrictions or covenants.

Onex' total lease liabilities were as follows.

TABLE 21	*($ millions)*	**December 31, 2023**	December 31, 2022	December 31, 2021
Total lease liabilities		**$ 61**	$ 70	$ 71

The minimum lease payment requirements are more fully described in note 14 to the consolidated financial statements. Lease payments for office space in Canada and the United Kingdom are made in Canadian dollars and pounds sterling, respectively.

Stock-based compensation payable

Onex' stock-based compensation plans include its Stock Option Plan, Management Deferred Share Unit ("DSU") Plan, Director DSU Plan, Performance Share Unit ("PSU") Plan and Restricted Share Unit ("RSU") Plan, as further described on pages 50 and 51 of this MD&A.

TABLE 22	*($ millions)*	**December 31, 2023**	December 31, 2022
Stock Option Plan		**$ 112**	$ 63
Management DSU Plan		**59**	41
Director DSU Plan		**41**	31
PSU and RSU Plans		**6**	2
Total stock-based compensation payable		**$ 218**	$ 137

The increase in stock-based compensation payable at December 31, 2023 was primarily driven by an increase in the market value of Onex' SVS and the vesting of stock options during 2023, partially offset by stock options, Director DSUs and RSUs redeemed, exercised, expired or forfeited during the year, as described on pages 51 and 52 of this MD&A. Onex has entered into forward agreements with financial institutions to economically hedge the Company's exposure to changes in the trading price of Onex shares associated with the DSU, PSU and RSU Plans. At December 31, 2023, the fair value of these instruments was $110 million (December 31, 2022 – $74 million), which is included in other assets in Onex' consolidated balance sheets.

Accrued compensation

Accrued compensation at December 31, 2023 was $108 million (December 31, 2022 – $122 million) and consisted of employee incentive compensation for the fiscal 2023 year (December 31, 2022 – fiscal 2022 year), which will mostly be paid during the first quarter of 2024 (December 31, 2022 – first quarter of 2023).

Contingent consideration

Contingent consideration of $15 million was recorded as a liability in Onex' consolidated balance sheet at December 31, 2023 compared to $57 million and $43 million at December 31, 2022 and December 31, 2021, respectively, which represents the fair value of contingent consideration owed by Onex in connection with the acquisition of Falcon Investment Advisors in December 2020. The fair value of the contingent consideration was estimated by calculating the present value of expected future cash flows. Up to $80 million in contingent consideration may be payable by Onex in connection with the acquisition of Falcon Investment Advisors, based on Onex Falcon's future financial performance from 2025 to 2027 and the size and performance of certain funds to be launched by Onex Falcon. No amounts have been paid out by Onex to date concerning this contingent consideration.

Equity

Table 23 provides a reconciliation of the change in equity from December 31, 2022 to December 31, 2023.

Change in Equity

TABLE 23 *($ millions)*	
Balance – December 31, 2022	$ 8,250
Dividends declared	**(23)**
Repurchase and cancellation of shares	**(196)**
Stock options exercised	**4**
Net earnings	**529**
Equity as at December 31, 2023	**$ 8,564**

Dividend policy

Onex has paid dividends totalling C$0.40 per share during each of the 12-month periods ending December 31, 2023, 2022 and 2021.

Shares outstanding

At December 31, 2023, Onex had 100,000 Multiple Voting Shares outstanding, which have a nominal paid-in value reflected in Onex' consolidated financial statements. Onex also had 77,399,292 SVS issued and outstanding. Note 17 to the consolidated financial statements provides additional information on Onex' share capital. There was no change in the Multiple Voting Shares outstanding during the year ended December 31, 2023.

Table 24 shows the change in the number of SVS outstanding from December 31, 2021 to January 31, 2024.

TABLE 24 *($ millions except per share amounts)*	Number of SVS	Average Price per Share (USD)	Average Price per Share (CAD)	Total Cost (USD)	Total Cost (CAD)
SVS outstanding at December 31, 2021	86,805,538				
Shares repurchased and cancelled:					
Normal Course Issuer Bids	(6,039,668)	$ 53.07	$ 69.85	$ 321	$ 422
Options exercised	42,473	$ 51.54	$ 70.35	$ 2	$ 3
SVS outstanding at December 31, 2022	80,808,343				
Shares repurchased and cancelled:					
Normal Course Issuer Bids	**(2,549,075)**	**$ 55.69**	**$ 74.78**	**$ 142**	**$ 191**
Private transaction	**(1,000,000)**	**$ 59.59**	**$ 80.76**	**$ 59**	**$ 81**
Options exercised	**70,015**	**$ 56.24**	**$ 77.28**	**$ 4**	**$ 5**
SVS outstanding at January 31, 2024	**77,329,283**				

Shares repurchased and cancelled

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

On April 18, 2023, Onex renewed its NCIB following the expiry of its previous NCIB on April 17, 2023. Under the new NCIB, Onex is permitted to purchase up to 10% of its public float of SVS, or 6,644,936 SVS. Pursuant to the rules of the TSX, Onex may purchase up to 41,409 SVS during any trading day through the facilities of the TSX, being 25% of its average daily trading volume for the six months ended March 31, 2023. Onex may also purchase SVS from time to time under the TSX's block purchase exemption, if available, or by way of private agreement pursuant to an issuer bid exemption order, if sought and received, under the new NCIB or through purchases made on alternative market trading platforms subject to daily and annual limitations established by applicable securities rules. The new NCIB commenced on April 18, 2023 and will conclude on the earlier of the date on which purchases under the NCIB have been completed and April 17, 2024. A copy of the Notice of Intention to renew the NCIB filed with the TSX is available at no charge to shareholders by contacting Onex.

Under the previous NCIB that expired on April 17, 2023, Onex repurchased 5,085,086 SVS at a total cost of $258 million (C$343 million) or an average purchase price of $50.68 (C$67.36) per share.

The private transaction in table 24 relates to the repurchase of SVS that were held indirectly by Mr. Gerald W. Schwartz, Onex' controlling shareholder, as described on page 64 of this MD&A.

Onex' Repurchases of SVS for the Past 10 Years

TABLE 25	Shares Repurchased[i]	Total Cost of Shares Repurchased *(in C$ millions)*	Average Share Price *(in C$ per share)*
2014	2,593,986	163	62.98
2015	3,084,877	218	70.70
2016	3,114,397	250	80.14
2017	1,273,209	121	95.00
2018	1,169,733	102	86.78
2019	629,027	46	73.59
2020	9,780,411	595	60.86
2021	3,521,526	313	88.85
2022	6,039,668	422	69.85
2023	3,479,066	264	76.01
Total	34,685,900	C$ 2,494	C$ 71.90

(i) Includes SVS repurchased in private transactions (2014 – 1,310,000 SVS, 2015 – 275,000 SVS, 2016 – 1,000,000 SVS, 2017 – 750,000 SVS, 2018 – 500,000 SVS, 2021 – 1,100,000 SVS and 2023 – 1,000,000 SVS).

Stock Option Plan

Onex, the parent company, has a Stock Option Plan that provides for options and/or share appreciation rights to be granted to Onex directors, officers and employees for the acquisition of SVS of Onex, the parent company, for a term not exceeding 10 years. The options vest equally over five years. The exercise price of the options issued is at the market value of the SVS on the business day preceding the day of the grant. Vested options are not exercisable unless the average five-day market price of Onex SVS is at least 25% greater than the exercise price at the time of exercise ("hurdle price").

At December 31, 2023, Onex had 6,118,671 options outstanding to acquire SVS, of which 4,794,408 were vested, of which 387,200 options were exercisable.

Table 26 provides information on the activity from December 31, 2021 to December 31, 2023.

TABLE 26	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2021	12,116,370	C$ 70.30
Granted[i]	440,250	C$ 88.93
Surrendered for cash[ii]	(4,402,900)	C$ 56.61
Exercised for SVS	(95,000)	C$ 40.35
Expired or forfeited	(474,425)	C$ 82.23
Outstanding at December 31, 2022	7,584,295	C$ 78.94
Granted[i]	**375,438**	**C$ 70.71**
Surrendered for cash[ii]	**(1,172,008)**	**C$ 59.22**
Exercised for SVS	**(263,512)**	**C$ 57.42**
Expired or forfeited	**(405,542)**	**C$ 83.87**
Outstanding at December 31, 2023	**6,118,671**	**C$ 82.81**

(i) Options granted during 2023 primarily related to services provided by employees during the year ended December 31, 2022 (2022 – services provided by employees during the year ended December 31, 2021).

(ii) During 2023, cash consideration paid for surrendered options totalled $17 million (C$23 million) ((2022 – $53 million (C$71 million)).

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 (2023 – nil). During the year ended December 31, 2023, 2,767 Management DSUs were exercised at a weighted average exercise price of C$85.66 for aggregate cash consideration of less than $1 million (less than C$1 million). In connection with the exercised Management DSUs, Onex received less than $1 million (less than C$1 million) of proceeds from forward agreements it had entered into with a financial institution to economically hedge the Management DSUs. At December 31, 2023, there were 848,214 Management DSUs outstanding (December 31, 2022 – 846,250). Management DSUs must be held until management is no longer employed by Onex.

At December 31, 2023, Onex had economically hedged all of the outstanding Management DSUs with counterparty financial institutions.

Director Deferred Share Unit Plan

During 2023, 66,608 DSUs were issued to directors having an aggregate value of $3 million (C$4 million) in lieu of directors' fees (2022 – 45,850 DSUs with an aggregate value of $2 million (C$3 million)) and 129,061 Director DSUs were redeemed. At December 31, 2023, there were 578,994 Director DSUs outstanding (December 31, 2022 – 637,782). Director DSUs must be held until retirement from the Board.

At December 31, 2023, Onex had economically hedged substantially all of the outstanding Director DSUs with counterparty financial institutions.

Performance Share Unit and Restricted Share Unit Plans

During the year ended December 31, 2023, 251,996 units were issued primarily in connection with services provided by employees during the year ended December 31, 2022 and 106,957 units were forfeited. At December 31, 2023, there were 152,579 units outstanding under the plans (December 31, 2022 – 80,022). RSUs are redeemed annually, within 31 days of the RSU vesting date.

At December 31, 2023, Onex had economically hedged all of the outstanding PSUs and RSUs with a counterparty financial institution.

Forward agreements with a fair value of $110 million at December 31, 2023, associated with DSUs, PSUs and RSUs, were recorded within other assets in the consolidated balance sheet (December 31, 2022 – $74 million).

Table 27 outlines the DSU, PSU and RSU activity from December 31, 2021 to December 31, 2023.

Change in Outstanding Deferred Share Units, Performance Share Units and Restricted Share Units

	Management DSU Plan		Director DSU Plan		PSU and RSU Plans	
TABLE 27	Number of DSUs	Weighted Average Price	Number of DSUs	Weighted Average Price	Number of PSUs and RSUs	Weighted Average Price
Outstanding at December 31, 2021	881,943		659,955		66,405	
Granted	–	–	31,175	C$ 71.52	35,367	C$ 77.35
Redeemed	(118,843)	C$ 80.39	(71,651)	C$ 65.12	(20,059)	C$ 78.96
Forfeited	–	–	–	–	(2,077)	C$ 67.70
Additional units issued in lieu of compensation and cash dividends	83,150	C$ 85.27	18,303	C$ 68.69	386	C$ 81.30
Outstanding at December 31, 2022	846,250		637,782		80,022	
Granted	**–**	**–**	**52,519**	**C$ 61.71**	**251,996**	**C$ 71.57**
Redeemed	**(2,767)**	**C$ 85.66**	**(129,061)**	**C$ 79.22**	**(73,714)**	**C$ 77.71**
Forfeited	**–**	**–**	**–**	**–**	**(106,957)**	**C$ 72.66**
Additional units issued in lieu of compensation and cash dividends	**4,731**	**C$ 71.71**	**17,754**	**C$ 74.83**	**1,232**	**C$ 70.93**
Outstanding at December 31, 2023	**848,214**		**578,994**		**152,579**	

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 are to:

- preserve a financially strong parent company with appropriate liquidity and no, or a limited amount of, external debt so that funds are available to pursue new investments and growth opportunities, as well as support expansion of its existing businesses;
- achieve an appropriate return on capital invested commensurate with the level of assumed risk;
- build the long-term value of its corporate investments; and
- control the risk associated with capital invested in any particular strategy. Onex Corporation does not guarantee the debt of its investment funds or the underlying operating businesses of its private equity funds.

At December 31, 2023, Onex had $1.5 billion of cash and near-cash items (December 31, 2022 – $1.1 billion), as described on page 38 of this MD&A.

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

At December 31, 2023, the fair value of capital managed by a third-party investment manager, which includes treasury investments, cash yet to be deployed and net working capital, was $233 million (December 31, 2022 – $367 million), which includes capital being managed for the Investment Holding Companies. The decrease was primarily driven by the net sale of treasury investments to fund 2022 incentive compensation payments and other cash flow needs of Onex. Treasury investments are managed in a mix of short-term and long-term portfolios to fund operational cash requirements. Treasury investments primarily consist of federal debt instruments, corporate obligations and structured products with maturities of one to five years. Treasury investments have current Standard & Poor's ratings ranging from BBB to AAA. The portfolio concentration limits range from a maximum of 10% for BBB investments to 100% for AAA investments. The investments are managed to maintain an overall weighted average duration of two years or less.

Today, Onex has access to approximately $635 million of uncalled limited partner capital from Onex Partners V, which will be used to fund the pending acquisition of Accredited, as described on page 11 of this MD&A, and for possible future funding of existing businesses and funding partnership expenses. Onex also has access to approximately $155 million of uncalled committed limited partner capital for investments through ONCAP V. In addition, Onex has uncalled committed capital of approximately $240 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 consolidated statements of cash flows and the corresponding notes thereto. Table 28 summarizes the major consolidated cash flow components for the years ended December 31, 2023 and 2022.

Major Cash Flow Components

TABLE 28	*($ millions)* Year ended December 31	2023	2022
Cash provided by (used in) operating activities		**$ 68**	$ (384)
Cash provided by (used in) financing activities		**$ 30**	$ (282)
Cash provided by investing activities		**$ 55**	$ 234
Consolidated cash and cash equivalents		**$ 265**	$ 111

Cash provided by (used in) operating activities

Table 29 provides a breakdown of cash provided by (used in) operating activities by cash generated from (used in) operations and changes in working capital items for the years ended December 31, 2023 and 2022.

Components of Cash Provided by (Used in) Operating Activities

TABLE 29	*($ millions)* Year ended December 31	2023	2022
Cash generated from (used in) operations		**$ 207**	$ (188)
Changes in working capital items:			
Management and advisory fees, recoverable fund expenses and other receivables		**(139)**	(175)
Other assets		**(6)**	(3)
Accounts payable, accrued liabilities and other liabilities		**20**	7
Accrued compensation		**(14)**	(25)
Decrease due to changes in working capital items		**(139)**	(196)
Cash provided by (used in) operating activities		**$ 68**	$ (384)

Cash generated from (used in) operations includes net earnings 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 and net stock-based compensation paid.

The significant changes in working capital items for the years ended December 31, 2023 and 2022 were:

- a $139 million increase in receivables, primarily driven by management fees earned but not yet received from the limited partners of Onex Partners IV and Onex Partners V, along with an increase in recoverable fund expenses from Onex Partners IV and Onex Partners V. This compares to a $175 million increase during 2022, primarily driven by management fees earned but not yet received from certain Credit Funds, the limited partners of the Onex Partners Funds and an increase in recoverable fund expenses from the Onex Partners Funds, Onex Partners operating companies and certain Credit Funds, partially offset by the receipt of performance fees from certain Credit strategies;
- a $20 million increase in accounts payable, accrued liabilities and other liabilities primarily as a result of restructuring provisions recognized in connection with Onex' transition and wind-down of the wealth management business and the reorganization of the Onex Partners platform and Onex' corporate functions, as described on pages 36 and 37 of this MD&A; and
- a $14 million decrease in accrued compensation primarily as a result of the payment of 2022 incentive compensation during 2023, partially offset by accrued incentive compensation related to the 2023 fiscal year. This compares to a $25 million decrease during 2022, as a result of lower accrued incentive compensation related to the 2022 fiscal year and the payment of 2021 incentive compensation during 2022.

Cash provided by (used in) financing activities

Cash provided by financing activities was $30 million for the year ended December 31, 2023 compared to cash used in financing activities of $282 million in 2022. Cash provided by financing activities for the year ended December 31, 2023 primarily consisted of $262 million of net loan issuances from the Investment Holding Companies (2022 – $77 million), partially offset by $196 million of cash used to repurchase Onex SVS (2022 – $321 million), as described on page 49 of this MD&A, and $24 million of cash dividends paid (2022 – $26 million).

Cash provided by investing activities

Cash provided by investing activities totalled $55 million for the year ended December 31, 2023 compared to $234 million in 2022. Cash provided by investing activities during the year ended December 31, 2023 primarily consisted of the net sale of treasury investments totalling $53 million (2022 – $237 million).

Fourth quarter cash flows

Table 30 presents the major components of cash flow for the fourth quarters of 2023 and 2022.

Major Cash Flow Components

TABLE 30	*($ millions)* Quarter ended December 31	2023	2022
Cash used in operating activities		$ (50)	$ (93)
Cash provided by (used in) financing activities		$ (144)	$ 44
Cash provided by investing activities		$ 4	$ 9
Consolidated cash and cash equivalents		$ 265	$ 111

Cash used in operating activities during the fourth quarter of 2023 was primarily driven by negative $32 million of cash generated from operations (2022 – $73 million), and a $47 million increase in management and advisory fees, recoverable fund expenses and other receivables (2022 – $51 million), partially offset by a $27 million increase in accrued compensation (2022 – $24 million). Cash flows from working capital items during the fourth quarter of 2023 and 2022 were primarily driven by similar factors during the years ended December 31, 2023 and 2022, as described on page 54 of this MD&A.

Cash used in financing activities during the fourth quarter of 2023 primarily consisted of $102 million of net loan repayments from the Investment Holding Companies (2022 – net loan issuances of $180 million), and $33 million of cash used to repurchase Onex SVS (2022 – $126 million).

Cash provided by investing activities during the fourth quarter of 2023 consisted of $4 million of cash interest received (2022 – net sale of treasury investments totalling $13 million).

Consolidated cash resources

At December 31, 2023, consolidated cash and cash equivalents increased to $265 million from $111 million at December 31, 2022. The major components of cash and cash equivalents at December 31, 2023 included $163 million of cash and demand deposits held at financial institutions (December 31, 2022 – $59 million) and $102 million of money market funds (December 31, 2022 – $52 million).

At December 31, 2023, Onex had $1.5 billion of cash and near-cash on hand (December 31, 2022 – $1.1 billion), as described on page 38 of this MD&A. Onex management reviews the amount of cash and near-cash on hand when assessing the liquidity of the Company.

Commitments

Onex Partners Funds

The Onex Partners Funds were established to provide committed capital for Onex-sponsored acquisitions not related to Onex' direct investments or ONCAP and typically make controlling equity investments in operating companies headquartered, organized, domiciled or whose principal executive offices are in North America or Europe.

Table 31 provides information concerning Onex' commitments to the Onex Partners Funds as at December 31, 2023:

TABLE 31	Final Close Date	Total Onex Commitments	Onex Commitments Invested[(i)]	Remaining Onex Commitments[(ii)]
Onex Partners I	February 2004	$ 400	$ 346	$ 16
Onex Partners II	August 2006	$ 1,407	$ 1,164	$ 158
Onex Partners III	December 2009	$ 1,200	$ 929	$ 100
Onex Partners IV	March 2014	$ 1,700[(iii)]	$ 1,600[(iii)]	$ 69
Onex Partners V	November 2017	$ 2,000	$ 1,683	$ 282

(i) Amounts include capitalized acquisition costs and bridge financing, where applicable.

(ii) Onex' remaining commitment is calculated based on the assumption that all remaining limited partners' commitments are invested.

(iii) Excludes an additional commitment that was acquired by Onex from a limited partner in 2017.

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

The remaining commitments for Onex Partners I, Onex Partners II and Onex Partners III are for future funding of partnership expenses. The remaining commitments for Onex Partners IV are for possible follow-on investments in a remaining business and future funding of partnership expenses. The remaining commitments for Onex Partners V will be used to fund investments in Accredited and the Morson Group, as described on page 11 of this MD&A, and for possible follow-on investments and funding of partnership expenses.

ONCAP Funds

The ONCAP Funds were established to provide committed capital for acquisitions of small and medium-sized businesses and typically make controlling equity investments in operating companies organized in, headquartered in, having principal executive offices in, significantly operating in or deriving significant revenue from the United States or Canada.

Table 32 provides information concerning Onex' commitments to the ONCAP Funds as at December 31, 2023:

TABLE 32	Final Close Date	Total Onex Commitments	Onex Commitments Invested[(i)]	Remaining Onex Commitments[(ii)]
ONCAP II	May 2006	C$ 252	C$ 221	C$ 1
ONCAP III	September 2011	C$ 252	C$ 186	C$ 26
ONCAP IV	November 2016	$ 480	$ 433	$ 28
ONCAP V	n/a[(iii)]	$ 250	$ 175	$ 71

(i) Amounts include capitalized acquisition costs and bridge financing, where applicable.

(ii) Onex' remaining commitment is calculated based on the assumption that all remaining limited partners' commitments are invested.

(iii) Fundraising for ONCAP V is ongoing and Onex' investment in the Fund and remaining commitments to the Fund will decrease and increase, respectively, as additional capital is raised and called by the Fund in the future.

To date, Onex has raised aggregate commitments for ONCAP V totalling approximately $600 million, which include Onex' $250 million commitment and Onex management's minimum 2% commitment. ONCAP V will not invest more than 20% of aggregate commitments in any single operating company and its affiliates.

The remaining commitments for ONCAP II are for future funding of partnership expenses. The remaining commitments for ONCAP III and ONCAP IV are for possible follow-on investments in remaining businesses and future funding of partnership expenses. The remaining commitments for ONCAP V are primarily for the funding of future ONCAP-sponsored investments.

OCLP I

Onex Credit Lending Partners ("OCLP I") provides committed capital for investments in senior secured loans and other loan investments in middle-market, upper middle-market and large private equity sponsor-owned portfolio companies and, selectively, other corporate borrowers. Onex controls the General Partner and Manager of OCLP I and as at December 31, 2023, Onex had invested $79 million of its $100 million commitment in OCLP I, of which $5 million was invested during 2023 (2022 – nil). The investment period for OCLP I has expired and the remaining uncalled commitments to OCLP I are available for future fund expenses and to settle existing liabilities of the fund.

Onex Structured Credit Opportunities Fund

The Onex Structured Credit Opportunities Fund ("OSCO") invests primarily in U.S. and European collateralized loan obligations. Onex controls the General Partner and Manager of OSCO and as at December 31, 2023, Onex had invested $46 million of its aggregate $50 million commitment to OSCO and a separately managed account which follows a similar strategy to OSCO. The investment period for OSCO is set to expire in March 2024.

Onex Capital Solutions Fund

The Onex Capital Solutions Fund ("OCS") invests primarily in loans, bonds, trade claims and credit default swaps, among other assets. Onex controls the General Partner and Manager of OCS and as at December 31, 2023, Onex had invested $161 million of its aggregate $200 million commitment, of which $27 million was invested during 2023 (2022 – $38 million). The investment period for OCS is set to expire in March 2025.

Falcon Fund VII

Falcon Fund VII 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. During 2023 and 2022, Onex completed closes for Falcon Fund VII, reaching aggregate commitments of approximately $510 million, including $80 million from Onex. Onex controls the General Partner and Manager of Falcon Fund VII and the investment period for Falcon Fund VII is set to expire in January 2028.

Onex did not invest capital in Falcon Fund VII during 2023 or 2022 as investments made by the Fund have been financed by subscription financing to date.

Subscription financing to Credit Funds

Onex has committed to provide up to $270 million of subscription financing to certain Credit Funds. As of December 31, 2023 and 2022, no amounts were drawn from these subscription facilities.

Incline Aviation Funds, letters of guarantee and other commitments

Incline Aviation Fund and Incline Aviation Fund II are aircraft investment funds managed by BBAM, which in turn is an operating business of Onex Partners III. At December 31, 2023, Onex' uncalled commitments to Incline Aviation Fund and Incline Aviation Fund II were $15 million and $44 million, respectively (December 31, 2022 – $15 million and $54 million, respectively).

Onex has provided guarantees for credit facilities that certain members of the management team have access to in connection with personal investments made in certain Onex Partners, ONCAP, Onex Credit and Onex Falcon Funds. Borrowings under these credit facilities are collateralized by the personal assets of each participating management team member. These credit facilities had $3 million outstanding at December 31, 2023.

The Company has commitments with respect to leases, which are disclosed in note 14 to the consolidated financial statements.

RELATED-PARTY TRANSACTIONS

Investment programs

Onex' investment programs are designed to align the Onex management team's interests with those of Onex' shareholders and the limited partner investors in Onex' Funds.

The various investment programs are described in detail in the following pages and certain key aspects are summarized in table 33.

TABLE 33

Investment Program	Minimum Performance Return Hurdle	Vesting	Management Investment & Application
Management Investment Plan[i]	15% Compounded Return	6 years	• personal "at risk" equity investment required • applicable to: – Onex capital invested in Onex Partners I–IV transactions – certain Onex capital invested outside Onex Partners prior to 2020 • not applicable to: – Onex Partners V transactions – future Onex transactions
Onex Partners Carried Interest Program[ii]	8% Compounded Return	6 years	• personal "at risk" equity investment required • applicable to: – third-party capital invested in Onex Partners I–IV transactions – Onex and third-party capital invested in Onex Partners V transactions – Onex capital invested in Onex Partners originated co-investments and direct investments since 2019
ONCAP Carried Interest Program[ii]	8% Compounded Return	5 years	• personal "at risk" equity investment required • applicable to: – Onex and third-party capital invested in ONCAP transactions
Credit Carried Interest Program[iii]	7%–8% Net IRR	3–5 years	• applicable to: – Onex and third-party capital invested in certain Credit Funds
Management DSU Plan[iv]	n/a	n/a	• investment of elected portion of annual variable cash compensation in Management DSUs • value reflects changes in the Corporation's share price, including risk associated with price decrease • units not redeemable until retirement
Director DSU Plan[v]	n/a	n/a	• investment of up to 100% of annual directors' fees in Director DSUs • value reflects changes in Corporation's share price, including risk associated with price decrease • units not redeemable until retirement
Performance Share Unit Plan[vi]	Performance hurdles related to the market performance of Onex SVS or other financial measures	3 years	• value reflects changes in the Corporation's share price, including risk associated with price decrease • units are redeemed within 31 days of the vesting date
Restricted Share Unit Plan[vii]	n/a	3 years	• value reflects changes in the Corporation's share price, including risk associated with price decrease • RSUs are redeemed annually, within 31 days of the vesting date
Stock Option Plan[viii]	25% Share Price Appreciation	5 years	• satisfaction of exercise price (market value at grant date)

(i) Management Investment Plan

For all investments completed prior to 2020 and excluding all Onex Partners V investments, the 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.

Realizations under the program during 2023 were \$64 million (2022 – \$7 million) and are settled by certain Investment Holding Companies, which are accounted for as corporate investments at fair value through net earnings (loss).

(ii) Onex Partners and ONCAP carried interest programs

The General Partners of the Onex Partners and ONCAP Funds are entitled to a carried interest of 20% on the realized net gains of the limited partners in each fund, subject to an 8% compound annual preferred return to those limited partners on all amounts contributed in each individual fund. Onex is entitled to 40% of the carried interest realized in the Onex Partners and ONCAP Funds. Onex and Onex Partners management are allocated 60% of the carried interest realized in the Onex Partners Funds. For Onex Partners V and certain direct and co-investments, Onex Partners management is also entitled to a carried interest of 12% of the realized gains from Onex' capital, subject to an 8% compound annual preferred return to Onex on amounts contributed to the fund or invested directly by Onex. ONCAP management is allocated 60% of the carried interest realized in the ONCAP Funds and an equivalent carried interest on Onex' capital. If the ONCAP IV investors achieve a return of two times their aggregate capital contributions, carried interest participation increases from 20% to 25% of the realized net gains. Under the terms of the partnership agreements, the General Partners may receive carried interest as realizations occur. The ultimate amount of carried interest earned will be based on the overall performance of each fund, independently, and includes typical catch-up and clawback provisions within each fund, but not between funds.

During the year ended December 31, 2023, management's share of carried interest from realizations in Onex Partners and ONCAP was \$35 million (2022 – \$36 million). Management has the potential to receive \$580 million (December 31, 2022 – \$556 million) of carried interest on businesses in the Onex Partners Funds, ONCAP Funds and the continuation Fund that invests in Ryan, LLC, based on their fair values as determined at December 31, 2023.

(iii) Credit Carried Interest Program

The General Partners of the Onex Credit Funds are entitled to a carried interest of up to 20% on the realized net gains of the limited partners in certain private credit funds, provided the limited partners have achieved a minimum preferred rate of return on their investment. Onex Falcon management is entitled to the entire carried interest for existing Onex Falcon Funds at the date Onex acquired Onex Falcon in December 2020, with the exception of Onex Falcon VI. For Onex Falcon VI, Onex Falcon management is entitled to approximately 80% of the carried interest and Onex is entitled to the remaining approximately 20%. In most other cases, Onex is entitled to 50% of the carried interest realized from Credit Funds, with the Onex Credit team being allocated the remaining 50% and an equivalent carried interest on Onex' capital.

During the year ended December 31, 2023, management's share of carried interest from realizations in the Credit Funds was \$25 million (2022 – \$31 million). Management has the potential to receive \$110 million (December 31, 2022 – \$98 million) of carried interest from the Credit Funds based on their fair values as determined at December 31, 2023.

(iv) Management Deferred Share Unit Plan

Effective December 2007, a Management DSU Plan was established as a further means of encouraging personal and direct economic interests by the Company's senior management in the performance of the SVS. Under the Management DSU Plan, members of the Company's senior management team are given the opportunity to designate all or a portion of their annual compensation to acquire DSUs based on the market value of Onex shares at the time in lieu of cash. Holders of DSUs are entitled to receive for each DSU, upon redemption, a cash payment equivalent to the market value of an Onex SVS at the redemption date. The DSUs vest immediately, are only redeemable once the holder ceases to be an officer or employee of the Company or an affiliate, and must be redeemed by the end of the year following the year the holder ceases to be an officer or employee of the Company or an affiliate. Additional units are issued for any cash dividends paid on the SVS. To economically hedge Onex' exposure to changes in the market value of Onex' SVS, the Company enters into forward agreements with counterparty financial institutions for all grants under the Management DSU Plan. The administrative costs of those arrangements are borne by participants in the Management DSU Plan. Management DSUs are redeemable only for cash and no shares or other securities of Onex will be issued on the exercise, redemption or other settlement thereof. Table 27 on page 52 of this MD&A provides details of the change in the DSUs outstanding during 2023 and 2022.

(v) Director Deferred Share Unit Plan

Onex, the parent company, established a Director DSU Plan in 2004, which allows Onex directors to apply directors' fees earned to acquire DSUs based on the market value of Onex shares at the time. Grants of DSUs may also be made to Onex directors from time to time. Holders of DSUs are entitled to receive for each DSU, upon redemption, a cash payment equivalent to the market value of an Onex SVS at the redemption date. The DSUs vest immediately, are only redeemable once the holder retires from the Board of Directors and must be redeemed within one year following the year of retirement. Additional units are issued for any cash dividends paid on the SVS. To economically hedge Onex' exposure to changes in the market value of Onex' SVS, the Company has entered into forward agreements with counterparty financial institutions for substantially all grants under the Director DSU Plan at December 31, 2023. Director DSUs are redeemable only for cash and no shares or other securities of Onex will be issued on the exercise, redemption or other settlement thereof. Table 27 on page 52 of this MD&A provides details of the change in the DSUs outstanding during 2023 and 2022.

(vi) Performance Share Unit Plan

The Company established a PSU Plan for certain senior executives of Onex, which entitles the holder to receive, upon redemption, a cash payment equivalent to the market value of an Onex SVS at the vesting date. Units issued under the PSU Plan generally vest after three years and payments for redeemed units are conditional on certain performance targets being met with respect to the market performance of Onex' SVS or the achievement of other financial targets. Additional units are issued for any cash dividends paid on the SVS. Vested PSUs are settled within 31 days of the vesting date. PSUs are settled only for cash and no shares or other securities of Onex will be issued on the settlement of PSUs.

To economically hedge a portion of the Company's exposure to changes in the market value of Onex' SVS, the Company has entered into forward agreements with a counterparty financial institution for all grants under the PSU Plan at December 31, 2023. Table 27 on page 52 of this MD&A provides details of the change in the PSUs outstanding during 2023 and 2022.

(vii) Restricted Share Unit Plan

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

To economically hedge a portion of the Company's exposure to changes in the market value of Onex' SVS, the Company has entered into forward agreements with a counterparty financial institution for all grants under the RSU Plan at December 31, 2023. Table 27 on page 52 of this MD&A provides details of the change in the RSUs outstanding during 2023 and 2022.

(viii) Stock Option Plan

Onex has a Stock Option Plan that provides for options and/or share appreciation rights to be granted to Onex directors, officers and employees for the acquisition of SVS of Onex, the parent company, for a term not exceeding 10 years. The options vest equally over five years. The exercise price of the options is the market value of the SVS on the business day preceding the day of the grant. Vested options are not exercisable unless the average five-day market price of Onex SVS is at least 25% greater than the exercise price at the time of exercise. Table 26 on page 51 of this MD&A provides details of the change in the stock options outstanding during 2023 and 2022.

(ix) Other investments

Members of management and the Board of Directors of Onex can invest limited amounts in partnership with Onex in all acquisitions outside the Onex Partners and ONCAP Funds, including co-investment opportunities, at the same time and cost as Onex and other outside investors. During 2023, a total of $30 million (2022 – $4 million) in investments was made by the Onex management team and directors in the continuation fund that invests in Ryan, LLC (2022 – investments made primarily in Incline Aviation Fund II and Unanet).

Onex management team and directors' investments in Onex' Funds

The Onex management team and directors invest meaningfully in each operating business acquired by the Onex Partners and ONCAP Funds and in strategies managed by Onex Credit.

The structure of the Onex Partners and ONCAP Funds requires management of Onex Partners and ONCAP to invest a minimum of 2% in all acquisitions made by the Onex Partners IV, Onex Partners V, ONCAP IV and ONCAP V Funds. A minimum 1% investment was required by management in all other Onex Partners and ONCAP funds. These investments include the minimum "at risk" equity investment associated with management's carried interest participation, as described on page 59 of this MD&A.

The Onex management team and directors have committed to invest 3% of the total capital invested by Onex Partners V for new investments completed during 2024, including the minimum "at risk" equity investment. The Onex management team and directors have committed to invest 9% of the total capital invested by ONCAP V for new investments completed during 2024, including the minimum "at risk" equity investment. The Onex management team and directors invest in any add-on investments in existing businesses pro-rata with their initial investment in the relevant business.

The total amount invested during 2023 by the Onex management team and directors in acquisitions and investments completed through the Onex Partners and ONCAP Funds was $65 million (2022 – $60 million), and at December 31, 2023, investments held by the Onex management team and directors in the Onex Partners and ONCAP Funds, at fair value, totalled $777 million (December 31, 2022 – $752 million).

In addition, the Onex management team and directors may invest in strategies and funds managed by Onex Credit. The total amount invested during 2023 by the Onex management team and directors in funds managed by Onex Credit was $20 million (2022 – $41 million), and at December 31, 2023, investments at fair value held by the Onex management team and directors in strategies and funds managed by Onex Credit, excluding investments held in separately managed accounts, totalled $469 million (December 31, 2022 – $543 million).

Related-party revenues and receivables

Onex receives management fees on limited partners' and clients' capital within the Onex private equity funds and private credit strategies, and advisory fees directly from certain operating businesses. Onex also receives carried interest and performance fees from certain Credit strategies and recovers certain deal investigation, research and other expenses from the Onex private equity funds, private credit strategies and private equity portfolio companies. Onex indirectly controls the Onex private equity funds and private credit strategies, and therefore the management fees, performance fees and carried interest earned from these sources represent related-party transactions. Furthermore, Onex indirectly controls, jointly controls or has significant influence over certain operating businesses held by the Onex private equity funds and, as such, advisory fees from these operating businesses represent related-party transactions.

Onex Credit acts as an investment fund manager, portfolio manager and/or exempt market dealer for its pooled funds. In the case of those pooled funds that are organized as trusts, Onex Credit acts as a trustee, while for pooled funds organized as limited partnerships, Onex Credit or an affiliate of Onex Credit acts as the General Partner. As such, the Onex Credit pooled funds are related parties of the Company.

Related-party revenues comprised the following:

TABLE 34 *($ millions)*	Quarter Ended December 31, 2023				Year Ended December 31, 2023			
	Management and Advisory Fees	Reimbursement of Expenses	Performance Fees	Total	Management and Advisory Fees	Reimbursement of Expenses	Performance Fees	Total
Source of related-party revenues								
Private Equity Funds[i]	$ 26	$ 15	$ –	$ 41	$ 112	$ 30	$ –	$ 142
Private Credit Strategies	26	3	–	29	105	13	3	121
Onex Credit pooled funds[ii]	4	–	9	13	31	–	10	41
Total related-party revenues	$ 56	$ 18	$ 9	$ 83	$ 248	$ 43	$ 13	$ 304
Third-party revenues from separately managed accounts	1	–	–	1	4	–	–	4
Total revenues	$ 57	$ 18	$ 9	$ 84	$ 252	$ 43	$ 13	$ 308

(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 Onex Credit pooled funds is included within other income.

TABLE 35 *($ millions)*	Quarter Ended December 31, 2022				Year Ended December 31, 2022			
	Management and Advisory Fees	Reimbursement of Expenses	Performance Fees	Total	Management and Advisory Fees	Reimbursement of Expenses	Performance Fees	Total
Source of related-party revenues								
Private Equity Funds[i]	$ 30	$ 10	$ –	$ 40	$ 118	$ 21	$ –	$ 139
Private Credit Strategies	25	3	–	28	100	14	–	114
Onex Credit pooled funds[ii]	10	–	1	11	46	–	1	47
Total related-party revenues	$ 65	$ 13	$ 1	$ 79	$ 264	$ 35	$ 1	$ 300
Third-party revenues from separately managed accounts	2	–	–	2	6	–	–	6
Total revenues	$ 67	$ 13	$ 1	$ 81	$ 270	$ 35	$ 1	$ 306

(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 Onex Credit pooled funds is included within other income.

Related-party receivables comprised the following:

TABLE 36 ($ millions) As at December 31, 2023	Management and Advisory Fees Receivable	Recoverable Fund and Operating Expenses Receivable	Performance Fees	Other Receivables	Total
Private Equity Funds	$ 379	$ 198	$ –	$ –	$ 577
Private Credit Strategies	41	24	1	–	66
Onex Partners and ONCAP operating businesses	2	7	–	–	9
Onex Credit pooled funds	–	–	10	–	10
Other related parties, including Investment Holding Companies	–	–	–	11	11
Total related-party receivables	$ 422	$ 229	$ 11	$ 11	$ 673
Third-party receivables	–	–	–	10	10
Total receivables	$ 422	$ 229	$ 11	$ 21	$ 683

TABLE 37 ($ millions) As at December 31, 2022	Management and Advisory Fees Receivable	Recoverable Fund and Operating Expenses Receivable	Performance Fees	Other Receivables	Total
Private Equity Funds	$ 295	$ 151	$ –	$ –	$ 446
Private Credit Strategies	41	25	–	–	66
Onex Partners and ONCAP operating businesses	4	13	–	–	17
Onex Credit pooled funds	5	1	1	–	7
Total related-party receivables	$ 345	$ 190	$ 1	$ –	$ 536
Third-party receivables	1	–	–	7	8
Total receivables	$ 346	$ 190	$ 1	$ 7	$ 544

Services received from operating companies

During the quarters and years ended December 31, 2023 and 2022, Onex received services from certain operating companies, the value of which was not significant.

Repurchase of shares

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

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and the Chief Financial Officer have designed, or caused to be designed under their supervision, internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with IFRS Accounting Standards. 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.

RISK ENVIRONMENT

The Company's Annual Information Form for the year ended December 31, 2023, as filed on SEDAR+, and note 25 to the 2023 annual consolidated financial statements set out certain risks that could be material to Onex and could have a material adverse effect on Onex' business, financial condition, results of operations and cash flows, and the value of the Company's shares. The risks described in these documents are not the only risks that may impact the Company's business, operations and financial results. Additional risks not currently known to the Company or that Onex management currently believes are immaterial when considered across the Company's investment and asset management activities as a whole may also have a material adverse effect on future business, operations and performance.

GLOSSARY

The following is a list of commonly used terms in Onex' MD&A and 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 and/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 Onex 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 ("FGAUM") 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" or "IFRS Accounting Standards") are a set of standards formulated by the International Accounting Standards Board. As a publicly listed entity in Canada, Onex is required to prepare its financial statements under IFRS Accounting Standards.

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

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

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

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

Management incentive programs include: (i) for all investments completed prior to 2020 and excluding all Onex Partners V investments, the management investment plan ("MIP") required Onex management team members to invest in each of the operating businesses acquired or invested in by Onex. In addition to this required investment, management was allocated 12% of Onex' realized gain from an operating business investment, subject to certain conditions. In particular, Onex must realize the full return of its investment plus a net 15% internal rate of return from the investment in order for management to be allocated the additional gain on Onex' investment. The MIP also has vesting requirements, certain limitations and voting requirements; (ii) the Onex Partners carried interest program, which allocates 60% of the carried interest realized in the Onex Partners Funds to management of Onex Partners. Management of Onex Partners is also entitled to a carried interest of 12% of the realized net gains from Onex capital in Onex Partners V and subsequent funds, subject to an 8% compounded annual preferred return to Onex on amounts contributed to the fund; (iii) the ONCAP carried interest program, which allocates to the management of ONCAP 60% of the carried interest realized in the ONCAP Funds and an equivalent carried interest on Onex' capital in the ONCAP Funds; and (iv) the Credit carried interest program, which entitles the management of Onex Falcon to 80% of the carried interest realized in Onex Falcon VI and substantially all of the carried interest realized on other existing Onex Falcon Funds as of December 31, 2020. The Credit management team is allocated 50% of the carried interest realized on Onex Falcon Funds launched after December 31, 2020 and most other Credit Funds which are eligible for carried interest.

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

Near-cash represents investment holdings in readily marketable investments that can be converted to cash in an orderly market. In addition, near-cash also includes management fees and recoverable fund expenses receivable from certain funds, and subscription financing receivable from certain Credit and Private Equity Funds attributable to third-party investors.

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

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

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

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

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

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

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

Performance fees are generated on capital managed by Onex Credit, some of which are subject to a hurdle or preferred return to investors.

Performance Share Units ("PSUs") entitle the holder to receive, upon redemption, a cash payment equivalent to the market value of Onex' SVS at the vesting date. Payments for redeemed units are conditional on certain performance targets being met with respect to the market performance of Onex' SVS or the achievement of other financial targets.

Restricted Share Units ("RSUs") entitle the holder to receive, upon redemption, a cash payment equivalent to the market value of Onex' SVS at the vesting date.

Run-rate management fees refer to a forward-looking calculation representing management fees that would be earned over a 12-month period based on the annual management fee rates and the basis or method of calculation in place at period end.

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

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

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared by management, reviewed by the Audit, Nominating and Governance Committee and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these consolidated financial statements.

The Company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The material accounting policies which management believes are appropriate for the Company are described in note 1 to the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and overseeing management's performance of its financial reporting responsibilities. An Audit, Nominating and Governance Committee of non-management independent directors is appointed by the Board of Directors.

The Audit, Nominating and Governance Committee reviews the consolidated financial statements, adequacy of internal controls, audit process and financial reporting with management and with the external auditors. The Audit, Nominating and Governance Committee reports to the Board of Directors prior to the approval of the audited consolidated financial statements for publication.

PricewaterhouseCoopers LLP, the Company's external auditors, who are appointed by the holders of Subordinate Voting Shares, audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the consolidated financial statements. Their report is set out on the following pages.

[signed]

Christopher A. Govan
Chief Financial Officer
February 22, 2024

[signed]

Derek C. Mackay
Managing Director, Finance

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Onex Corporation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Onex Corporation and its subsidiaries (together, the Company) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

What we have audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2023 and 2022;
- the consolidated statements of earnings for the years then ended;
- the consolidated statements of comprehensive earnings for the years then ended;
- the consolidated statements of equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of the non-public equity investments underlying corporate investments *Refer to note 1 – Basis of Preparation and Material Accounting Policies, note 5 – Corporate Investments and note 24 – Fair Value Measurements to the consolidated financial statements.* Corporate investments of $11,521 million as at December 31, 2023 represent the Company's investments in its Investment Holding Companies, which are measured at fair value with changes in fair value recognized through net earnings. The fair value measurement of the Investment Holding Companies utilized the adjusted net asset method to derive the fair values, by reference to the underlying fair value of the Investment Holding Companies' assets and liabilities. The measurement of the Investment Holding Companies is significantly impacted by the fair values of the underlying non-public equity investments held by the Investment Holding Companies directly or indirectly. The valuation of the underlying non-public equity investments requires significant judgement. For these investments, management used valuation methodologies such as discounted cash flow and the comparable company valuation multiple technique. Management used its own assumptions regarding unobservable inputs, where there is little, if any, market activity in the underlying investments or related observable inputs that can be corroborated as at the measurement date. For a discounted cash flow analysis, the assumptions included unlevered free cash flows, specifically the timing of earnings projections and the expected long-term revenue growth, the weighted average costs of capital (WACC) and the exit multiples. For the comparable company valuation multiple technique, the assumptions included adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) and adjusted EBITDA multiples. We considered this a key audit matter due to the significant judgments used by management when determining the fair values of the non-public equity investments and the high degree of complexity in assessing audit evidence related to the assumptions made by management. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	Our approach to addressing the matter included the following procedures, among others: • Tested management's process of estimating the fair values of underlying non-public equity investments underlying corporate investments by: – testing the appropriateness of the methodologies used by management; – evaluating the reasonableness of the assumptions related to unlevered free cash flows including the timing of earnings projections and expected long-term revenue growth, and adjusted EBITDA by considering the current and past performance of the particular investment; – agreeing certain data included in the unlevered free cash flows and adjusted EBITDA used in the valuations to confirmations obtained independently from the particular investment's management teams; – evaluating the ability of management to estimate unlevered free cash flows and adjusted EBITDA by assessing management's comparison of actual results to the budgeted unlevered free cash flows and adjusted EBITDA used in the prior year's valuations; – utilizing professionals with specialized skill and knowledge in the field of valuation to assist in assessing the reasonability of the adjusted EBITDA multiples, the WACC and exit multiples; and – testing the mathematical accuracy of the valuations. • Tested the disclosures made in the consolidated financial statements, particularly with regard to the sensitivity of the WACC, exit multiples, and adjusted EBITDA multiples assumptions used.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Alaina Tennison.

[signed]

PricewaterhouseCoopers LLP
Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
February 22, 2024

CONSOLIDATED BALANCE SHEETS

(in millions of U.S. dollars)	**As at December 31, 2023**	As at December 31, 2022
Assets		
Cash and cash equivalents (note 2)	**$ 265**	$ 111
Treasury investments (note 3)	**–**	52
Management and advisory fees, recoverable fund expenses and other receivables (note 4)	**683**	544
Corporate investments (including intercompany loans receivable from Onex and the Asset Managers of $3,874 (December 31, 2022 – $3,488), comprising part of the fair value of Investment Holding Companies) (note 5)	**11,521**	10,875
Other assets (note 6)	**128**	91
Property and equipment (notes 7 and 9)	**119**	140
Intangible assets (notes 8 and 9)	**34**	93
Goodwill (notes 8 and 9)	**149**	257
Total assets	**$ 12,899**	$ 12,163
Intercompany loans payable to Investment Holding Companies (notes 10 and 15)	**(3,874)**	(3,488)
Total assets net of intercompany loans payable to Investment Holding Companies	**$ 9,025**	$ 8,675
Other liabilities		
Accounts payable and accrued liabilities	**$ 24**	$ 28
Accrued compensation (note 11)	**108**	122
Stock-based compensation payable (note 12)	**218**	137
Contingent consideration (note 13)	**15**	57
Lease liabilities (notes 14 and 15)	**61**	70
Other liabilities (notes 9 and 16)	**35**	11
Total other liabilities	**$ 461**	$ 425
Net assets	**$ 8,564**	$ 8,250
Equity		
Share capital (note 17)	**$ 281**	$ 287
Retained earnings and accumulated other comprehensive earnings	**8,283**	7,963
Total equity	**$ 8,564**	$ 8,250

See accompanying notes to the consolidated financial statements.

Signed on behalf of the Board of Directors

[signed]

Director

[signed]

Director

CONSOLIDATED STATEMENTS OF EARNINGS

(in millions of U.S. dollars except per share data) Year ended December 31	**2023**	2022
Income		
Net gain on corporate investments (including a decrease in carried interest of $1 (2022 – increase of $14)) (note 5)	**$ 800**	$ 130
Management and advisory fees (note 18)	**252**	270
Performance fees (note 18)	**13**	1
Reimbursement of expenses from investment funds and operating businesses (note 18)	**43**	35
Interest and net treasury investment income (note 19)	**14**	1
Other income	**4**	5
Total income	**$ 1,126**	$ 442
Expenses		
Compensation	**$ (214)**	$ (239)
Stock-based compensation recovery (expense) (note 20)	**(75)**	222
Amortization of property, equipment and intangible assets (notes 7 and 8)	**(35)**	(66)
Recoverable expenses from investment funds and operating businesses	**(43)**	(35)
Impairment of goodwill, intangible assets and property and equipment (note 9)	**(162)**	–
Restructuring expenses (note 9)	**(46)**	–
Contingent consideration recovery (expense) (note 13)	**42**	(14)
Other expenses (note 21)	**(61)**	(76)
Total expenses	**$ (594)**	$ (208)
Earnings before income taxes	**$ 532**	$ 234
Recovery of (provision for) income taxes (note 16)	**(3)**	1
Net earnings	**$ 529**	$ 235
Net Earnings per Subordinate Voting Share of Onex Corporation (note 22)		
Basic	**$ 6.66**	$ 2.77
Diluted	**$ 6.65**	$ 2.77

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(in millions of U.S. dollars) Year ended December 31	**2023**	2022
Net earnings	**$ 529**	$ 235
Other comprehensive loss, net of tax		
Items that may be reclassified to net earnings:		
Currency translation adjustments	**–**	(14)
Other comprehensive loss, net of tax	**$ –**	$ (14)
Total comprehensive earnings	**$ 529**	$ 221

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF EQUITY

(in millions of U.S. dollars except per share data)	Share Capital (note 17)	Retained Earnings	Accumulated Other Comprehensive Earnings[i]	Total Equity
Balance – December 31, 2021	$ 304	$ 8,055	$ 15	$ 8,374
Dividends declared[ii]	–	(26)	–	(26)
Options exercised	2	–	–	2
Repurchase and cancellation of shares (note 17)	(19)	(302)	–	(321)
Net earnings	–	235	–	235
Currency translation adjustments included in other comprehensive loss	–	–	(14)	(14)
Balance – December 31, 2022	$ 287	$ 7,962	$ 1	$ 8,250
Dividends declared[ii]	**–**	**(23)**	**–**	**(23)**
Options exercised	**4**	**–**	**–**	**4**
Repurchase and cancellation of shares (note 17)	**(10)**	**(186)**	**–**	**(196)**
Net earnings	**–**	**529**	**–**	**529**
Balance – December 31, 2023	**$ 281**	**$ 8,282**	**$ 1**	**$ 8,564**

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

(ii) Dividends declared per Subordinate Voting Share were C$0.40 for the year ended December 31, 2023 (2022 – C$0.40). There are no tax effects for Onex on the declaration or payment of dividends.

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of U.S. dollars) Year ended December 31	**2023**	2022
Operating Activities		
Net earnings	**$ 529**	$ 235
Adjustments to net earnings:		
Provision for (recovery of) income taxes	**3**	(1)
Interest and net treasury investment income	**(14)**	(1)
Interest expense	**2**	2
Earnings before interest and income taxes	**520**	235
Net stock-based compensation paid	**(22)**	(57)
Cash taxes paid	**(2)**	(1)
Investments made in and loans made to Investment Holding Companies	**(199)**	(119)
Distributions and loan repayments received from Investment Holding Companies and operating companies	**479**	25
Items not affecting cash and cash equivalents:		
Amortization of property, equipment and intangible assets (notes 7 and 8)	**35**	66
Net gain on corporate investments (note 5)	**(800)**	(130)
Stock-based compensation expense (recovery) (note 20)	**75**	(222)
Impairment of goodwill, intangible assets and property and equipment (note 9)	**162**	–
Contingent consideration expense (recovery) (note 13)	**(42)**	14
Other	**1**	1
	207	(188)
Changes in working capital items:		
Management and advisory fees, recoverable fund expenses and other receivables	**(139)**	(175)
Other assets	**(6)**	(3)
Accounts payable, accrued liabilities and other liabilities	**20**	7
Accrued compensation	**(14)**	(25)
Decrease due to changes in working capital items	**(139)**	(196)
Cash provided by (used in) operating activities	**$ 68**	$ (384)
Financing Activities		
Repurchase of share capital of Onex Corporation (note 17)	**$ (196)**	$ (321)
Repayment of loans to Investment Holding Companies	**(73)**	(481)
Issuance of loans from Investment Holding Companies	**335**	558
Cash dividends paid	**(24)**	(26)
Principal elements of lease payments (note 14)	**(10)**	(10)
Cash interest paid (note 14)	**(2)**	(2)
Cash provided by (used in) financing activities	**$ 30**	$ (282)
Investing Activities		
Net sale of treasury investments	**$ 53**	$ 237
Purchase of property and equipment	**(8)**	(8)
Sale of property and equipment	**–**	4
Cash interest received	**10**	1
Cash provided by investing activities	**$ 55**	$ 234
Increase (decrease) in Cash and Cash Equivalents	**$ 153**	$ (432)
Increase (decrease) in cash due to changes in foreign exchange rates	**1**	(4)
Cash and cash equivalents, beginning of the year	**111**	547
Cash and Cash Equivalents	**$ 265**	$ 111

See accompanying notes to the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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

Onex invests in its two private equity platforms: Onex Partners for middle-market and larger transactions and ONCAP for middle-market and smaller transactions. Onex also invests in private credit strategies, which primarily consist of non-investment grade debt in collateralized loan obligations, and structured, opportunistic and direct lending strategies.

Throughout these statements, the terms "Onex" and the "Company" refer to Onex Corporation, the ultimate parent company and its wholly-owned subsidiaries.

Onex Corporation is a Canadian corporation domiciled in Canada and listed on the Toronto Stock Exchange under the symbol ONEX. Onex' shares are traded in Canadian dollars. The registered address for Onex is 161 Bay Street, Toronto, Ontario. Mr. Gerald W. Schwartz controls Onex through his ownership of all outstanding Multiple Voting Shares of the corporation. Mr. Schwartz also indirectly held 12% of the outstanding Subordinate Voting Shares of Onex at December 31, 2023.

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

The consolidated financial statements were authorized for issue by the Board of Directors on February 22, 2024.

1. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). These 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 consolidated financial statements, **investments** and **investing activity** of Onex' capital primarily relate to its private equity funds, private credit strategies and certain investments held outside the private equity funds and private credit strategies. These investments are held directly or indirectly through wholly-owned subsidiaries of Onex, which are referred to as **Investment Holding Companies**. While there are a number of Investment Holding Companies, these companies primarily consist of direct or indirect subsidiaries of Onex Private Equity Holdings LLC, Onex CLO Holdings LLC or Onex Credit Holdings LLC. These three companies, which are referred to as the **Primary Investment Holding Companies**, are the holding companies for the majority of Onex' investments, excluding intercompany loans receivable from Onex and the Asset Managers, as defined below. The Primary Investment Holding Companies were formed in the United States.

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

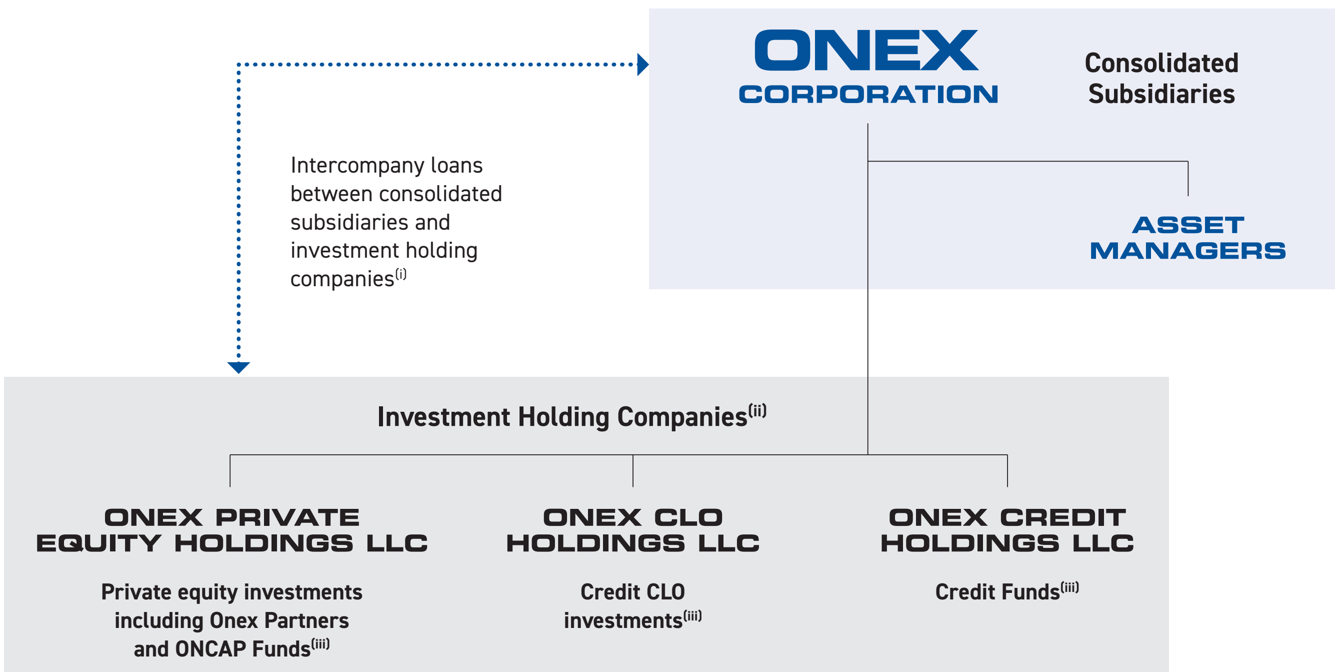
References to an **Onex Partners Group** represent Onex, the limited partners of the relevant Onex Partners Fund, the Onex management team and, where applicable, certain other limited partners as co-investors. References to an **ONCAP Group** represent Onex, the limited partners of the relevant ONCAP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

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

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

Throughout these 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.



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

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

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

The following table presents the material unconsolidated subsidiaries, as well as associates and joint ventures of the Investment Holding Companies at December 31, 2023.

	Headquarters[i]	Onex' Economic Interest	Voting Interest[ii]
Onex Partners III			
BBAM Limited Partnership	United States	9%	35%[iii]
Meridian Aviation Partners Limited and affiliates	Ireland	25%	100%
Onex Partners III and Onex Partners V			
Emerald Expositions Events, Inc[iv]	United States	24%	89%
Onex Partners IV			
Advanced Integration Technology LP	United States	9%	37%[iii]
ASM Global	United States	16%	50%[iii]
Parkdean Resorts	United Kingdom	30%	100%
PowerSchool Group LLC	United States	11%	35%[iii]
SCP Health	United States	22%	68%
WireCo WorldGroup	United States	22%	71%
Onex Partners V			
Acacium Group	United Kingdom	19%	79%
Analytic Partners, Inc.	United States	15%	54%
Convex Group Limited	United Kingdom	13%	96%
Fidelity Building Services Group	United States	21%	80%
Imagine Learning	United States	10%	40%[iii]
Newport Healthcare	United States	23%	93%
OneDigital	United States	12%	53%
Resource Environmental Solutions, LLC	United States	20%	76%
Tes Global	United Kingdom	26%	88%
Wealth Enhancement Group	United States	10%	36%[iii]
WestJet Airlines Ltd.	Canada	20%	76%

(i) Certain entities were legally formed in a different jurisdiction than where they are headquartered.

(ii) Onex controls the General Partner and Manager of the Onex Partners Funds and as such, the voting interests in each Onex Partners investment includes voting securities held by the related Onex Partners Fund Group. The voting interests include shares that Onex has the right to vote through contractual arrangements or through multiple voting rights attached to certain shares.

(iii) Onex exerts joint control or significant influence over these investments through its right to appoint members to the boards of directors of these entities.

(iv) Economic and voting interests are presented on an as-converted basis.

MATERIAL ACCOUNTING POLICIES

Several amendments and interpretations of the IFRS Accounting Standards apply for the first time in 2023; however, these items do not have a material impact on the consolidated financial statements of the Company.

Foreign currency translation

The Company's functional currency is the U.S. dollar, as it is the currency of the primary economic environment in which it operates. For such operations, monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at the year-end exchange rates. Non-monetary assets and liabilities denominated in foreign currencies are translated at historical exchange rates and revenues and expenses are translated at the average exchange rates prevailing during the relevant period of the transaction. Exchange gains and losses also arise on the settlement of foreign-currency denominated transactions. These exchange gains and losses are recognized in net earnings.

The functional currency of Onex Credit's Canadian operations is the Canadian dollar and as such, the assets and liabilities of Onex Credit's Canadian operations are translated into U.S. dollars using the year-end exchange rate and its revenues and expenses are translated at the average exchange rates prevailing during the relevant period of the transaction. Gains and losses arising from the translation of these financial results are deferred in the currency translation account included in equity.

Cash and cash equivalents

Cash and cash equivalents include liquid investments such as term deposits, money market instruments and commercial paper with original maturities of less than three months. These investments are carried at cost plus accrued interest, which approximates fair value.

Treasury investments

Treasury investments include commercial paper, federal debt instruments, corporate obligations and structured products. Treasury investments are measured at fair value through net earnings (loss) in accordance with IFRS 9, *Financial instruments* ("IFRS 9").

Purchases and sales of treasury investments are recognized on the settlement date of the transactions.

Management and advisory fees, recoverable fund expenses and other receivables

Management and advisory fees receivable represent amounts owing to Onex and the Asset Managers from the Onex private equity funds, private credit strategies, Onex Credit pooled funds and certain operating companies of the Onex Partners and ONCAP Funds.

Recoverable fund expenses include amounts owing to the Asset Managers from the Onex private equity funds, private credit strategies and certain operating companies of the Onex private equity funds related to certain deal investigation, research and other expenses incurred by the Asset Managers which are recoverable at cost.

The Company's receivables are recognized initially at fair value and are subsequently measured at amortized cost. The Company recognizes a loss allowance for receivables based on the 12-month expected credit losses for receivables that have not had a significant increase in credit risk since initial recognition. For receivables with a credit risk that has significantly increased since initial recognition, the Company records a loss allowance based on the lifetime expected credit losses. Significant financial difficulties of the counterparty and default in payments are considered indicators that the credit risk associated with a receivable balance may have changed since initial recognition.

Corporate investments

Corporate investments include Onex' investments in its subsidiaries, primarily consisting of Investment Holding Companies, that meet the investment entity exception to consolidation criteria under IFRS 10. These subsidiaries primarily invest Onex' capital in the Onex Partners Funds, ONCAP Funds and certain private credit strategies. Corporate investments are measured at fair value through net earnings (loss) in accordance with IFRS 9. The fair value of corporate investments includes the fair value of both intercompany loans receivable from and payable to Onex and the Asset Managers. The Onex entities that are entitled to carried interest from the Onex Partners and ONCAP Funds are investment holding companies. As such, Onex' portion of the carried interest earned from Onex' private equity funds is accounted for as a financial asset under IFRS 9 and is included in the fair value of corporate investments. The liability associated with management incentive programs, including the Management Investment Plan (the "MIP") as described in note 27(f), is also included in the fair value of corporate investments.

The Company's corporate investments, excluding intercompany loans, primarily consisted of investments made in the Primary Investment Holding Companies.

Leases

Leases are recognized as a right-of-use asset with a corresponding lease liability at the date at which the leased asset is available for use, with the exception of leases of low-value assets and leases with a term of 12 months or less, which are recognized on a straight-line basis as an expense. Each lease payment is allocated between the repayment of the lease liability and finance cost. The finance cost is charged to the consolidated statements of earnings over the lease period to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is amortized on a straight-line basis over the shorter of the asset's useful life and the lease term. Right-of-use assets and liabilities arising from a lease are initially measured on a present value basis. Right-of-use assets are included within property and equipment in the consolidated balance sheets.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization and provisions for impairment, if any. Cost consists of expenditures directly attributable to the acquisition of the asset. Subsequent expenditures for maintenance and repairs are expensed as incurred, while costs related to betterments and improvements that extend the useful lives of property and equipment are capitalized.

Amortization is provided for other property and equipment on a straight-line basis over the estimated useful lives of the assets as follows:

Aircraft	20 years
Leasehold improvements	up to the term of the lease
Furniture and equipment	up to 10 years

Residual values, useful lives and methods of amortization are reviewed at each fiscal year end and adjusted prospectively as required.

Property and equipment are reviewed for impairment when events or changes in circumstances suggest that the carrying amount of the asset may not be recoverable. Judgement is required in determining whether events or changes in circumstances are indicators that a review for impairment should be conducted. An impairment loss is recognized when the carrying value of an asset or cash generating unit ("CGU") exceeds the recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use or its fair value less costs to sell.

Impairment losses for property and equipment are reversed in future periods if the circumstances that led to the impairment no longer exist. The reversal is limited to restoring the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized in prior periods.

Goodwill and intangible assets

Goodwill and intangible assets are recorded at their fair value at the date of acquisition of the related subsidiary or at cost if purchased. Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the fair value of any contingent consideration, the amount of any non-controlling interest in the acquired company and, for a business combination achieved in stages, the fair value at the acquisition date of the Company's previously held interest in the acquired company compared to the net fair value of the identifiable assets and liabilities acquired. Goodwill is not amortized and is tested for impairment annually, or more frequently if conditions exist which indicate that goodwill may be impaired. After initial recognition, goodwill is recorded at cost less accumulated impairment losses, if any. Intangible assets that are not amortized are also tested for impairment annually, or more frequently if conditions exist which indicate that the intangible assets may be impaired. Intangible assets that are amortized are reviewed for impairment when events or changes in circumstances suggest that the carrying amount of the asset may not be recoverable. Judgement is required in determining whether events or changes in circumstances during the year are indicators that a review for impairment should be conducted prior to the annual impairment test for goodwill and intangible assets that are not amortized.

Impairment of goodwill is tested at the level where goodwill is monitored for internal management purposes. The determination of CGUs and the level at which goodwill is monitored requires judgement by management. The carrying amount of a CGU or a group of CGUs is compared to its recoverable amount, which is the higher of its value in use or fair value less costs to sell, to determine if an impairment exists. Impairment losses for goodwill are not reversed in future periods. Impairment losses for intangible assets are reversed in future periods if the circumstances that led to the impairment no longer exist. The reversal is limited to restoring the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized in prior periods.

Amortization is provided for intangible assets with a limited life on a straight-line basis over their estimated useful lives as follows:

Client relationships and asset management contracts	up to 15 years
Trade names	10 years

Residual values, useful lives and methods of amortization are reviewed at each fiscal year end and adjusted prospectively as required.

Intercompany loans with Investment Holding Companies

Intercompany loans payable to the Investment Holding Companies represent financial liabilities that are payable to subsidiaries of Onex, which are recorded at fair value in the consolidated financial statements.

Intercompany loans receivable from the Investment Holding Companies are classified as corporate investments and represent loans receivable from subsidiaries of Onex, which are recorded at fair value in the consolidated financial statements.

Onex has elected to measure these financial instruments at fair value through net earnings (loss) in accordance with IFRS 9.

Income taxes

Income taxes are recorded using the asset and liability method of income tax allocation. Under this method, assets and liabilities are recorded for the future income tax consequences attributable to differences between the financial statement carrying values of assets and liabilities and their respective income tax bases, and on tax loss and tax credit carryforwards. Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, as well as tax loss and tax credit carryforwards, can be utilized. These deferred income tax assets and liabilities are recorded using substantively enacted income tax rates. The effect of a change in income tax rates on these deferred income tax assets or liabilities is included in net earnings (loss) in the period in which the rate change occurs. Certain of these differences are estimated based on current tax legislation and the Company's interpretation thereof.

Income tax expense or recovery is based on the income earned or loss incurred in each tax jurisdiction and the enacted or substantively enacted tax rate applicable to that income or loss. Tax expense or recovery is recognized in the consolidated statements of earnings, except to the extent that it relates to items recognized directly in equity, in which case the tax effect is also recognized in equity.

Deferred tax liabilities for taxable temporary differences associated with investments in subsidiaries are recognized, except when the Company is able to control the timing of the reversal of temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

In the ordinary course of business, there are transactions for which the ultimate tax outcome is uncertain. The final tax outcome of these matters may be different from the judgements and estimates originally made by the Company in determining its income tax provisions. The Company periodically evaluates the positions taken with respect to situations in which applicable tax rules and regulations are subject to interpretation. Provisions related to tax uncertainties are established where appropriate based on the most likely amount or expected value that will ultimately be paid to or received from tax authorities. Accrued interest and penalties relating to tax uncertainties are recorded in current income tax expense in accordance with IAS 12, *Income Taxes*.

Note 16 provides further details on income taxes.

Revenue recognition

Revenues from management fees, advisory fees, performance fees, carried interest from Credit Funds and the reimbursement of expenses from investment funds and the private equity operating businesses are recognized using the following five-step model in accordance with IFRS 15, *Revenue from contracts with customers* ("IFRS 15"): 1) identify the contract or contracts with the client; 2) identify the separate performance obligations in the contract; 3) determine the transaction price; 4) allocate the transaction price to separate performance obligations; and 5) recognize revenue when or as each performance obligation is satisfied, collection of consideration is probable and control of the good or service has been transferred to the client.

The transaction price represents the amount of consideration that the Company expects to be entitled to and may include variable components such as performance fees and carried interest from the Credit Funds. Management estimates the amount of variable consideration to be included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. This estimate is updated at each reporting date until the uncertainty is resolved.

The Company transfers the benefit of its services to clients and limited partners as it performs the asset management services, and therefore satisfies its performance obligations over time.

A receivable is recognized when the transfer of control for services to a client occurs prior to the client paying consideration and the right to the consideration is unconditional. A contract liability is recognized when the client's payment of consideration precedes the completion of a performance obligation.

Revenue recognition requires management to make certain judgements and estimates, including the identification of performance obligations, the allocation and amount of the transaction price, and the collectability of cash consideration.

The significant revenue recognition streams of the Company are as follows:

Management and advisory fees

Onex earns management fees for managing investor capital through its private equity funds, private credit strategies and public strategies. Onex also earns advisory fees for services provided directly to certain underlying operating businesses of the Onex Partners and ONCAP Funds. Asset management services are provided over time, and the amount earned is generally calculated based on a percentage of limited partners' committed capital, limited partners' net funded commitments, unfunded commitments, the collateral principal balance, invested capital, gross invested assets, net asset value or assets under management of the respective strategies. Revenues earned from management and advisory fees are recognized over time as services are provided.

Performance fees

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, or upon closure of a client account or transfer of assets to a different investment model.

Performance fees associated with the management of liquid strategies by Onex Credit are determined by applying an agreed-upon formula to the growth in the net asset value of clients' assets under management. Performance fees range between 12.5% and 20% and may be subject to performance hurdles.

Carried interest – Credit Funds

The General Partners of the Credit Funds are entitled to a carried interest of up to 20% on the realized net gains from limited partners in certain private credit funds, subject to a hurdle or minimum preferred return to investors. The Onex Falcon management team is allocated the entire carried interest for Onex Falcon Funds acquired with Onex Falcon in December 2020, with the exception of Private Credit Opportunities Fund VI ("Onex Falcon VI"), for which Onex Falcon management is entitled to approximately 80% of the carried interest and Onex is entitled to approximately 20%. In most other cases, Onex is entitled to 50% of the carried interest realized from Credit Funds, with the Onex Credit team being allocated the remaining 50% and an equivalent carried interest on Onex' capital.

The Onex entities that are entitled to carried interest from the Credit Funds are consolidated subsidiaries. As such, carried interest earned by Onex from the Credit Funds represents revenue under IFRS 15, which is recognized to the extent it is highly probable it will not reverse, which typically occurs when the investments held by a given fund are substantially realized, towards the end of the fund's life. In Onex' segmented results, unrealized carried interest from third-party limited partners in the Credit Funds is recognized based on the fair values of the underlying investments and the unrealized net gain (loss) in each respective fund, as described in note 29.

Reimbursement of expenses from investment funds and operating businesses

Certain deal investigation, research and other expenses incurred by the Asset Managers are recoverable at cost from the Onex private equity funds, private credit strategies and certain operating businesses of the Onex Partners and ONCAP Funds. These expense reimbursements are recognized as revenue in accordance with IFRS 15 and are excluded from Onex' segmented results, as described in note 29.

Stock-based compensation

The Company follows the fair value method of accounting for all stock-based compensation plans, which include the following:

a) The Company's Stock Option Plan provides that in certain situations the Company has the right, but not the obligation, to settle any exercisable option under the plan by the payment of cash to the option holder. The Company has recorded a liability for the potential future settlement of the vested options at the balance sheet date by reference to the fair value of the liability. The liability is adjusted each reporting period for changes in the fair value of the options, with the corresponding amount reflected in the consolidated statements of earnings.

b) The Company's Director Deferred Share Unit ("DSU") Plan entitles the holder to receive, upon redemption, a cash payment equivalent to the market value of an Onex Subordinate Voting Share ("SVS") at the redemption date. The Director DSU Plan enables Onex directors to apply directors' fees earned to acquire DSUs based on the market value of Onex shares at the time. Grants of DSUs may also be made to Onex directors from time to time. The DSUs vest immediately, are redeemable only when the holder retires and must be redeemed within one year following the year of retirement. Additional units are issued for any cash dividends paid on the SVS. The Company has recorded a liability for the future settlement of the DSUs by reference to the value of the underlying SVS at the balance sheet date. On a quarterly basis, the liability is adjusted for the change in the market value of the underlying shares, with the corresponding amount reflected in the consolidated statements of earnings. To economically hedge a portion of the Company's exposure to changes in the market value of Onex' SVS, the Company enters into forward agreements with counterparty financial institutions. The change in value of the forward agreements is recorded to partially offset the amounts recorded as stock-based compensation under the Director DSU Plan. Director DSUs are redeemable only for cash and no shares or other securities of Onex will be issued on the exercise, redemption or other settlement thereof.

c) The Company's Management DSU Plan enables the Onex management team to apply all or a portion of their annual compensation earned to acquire DSUs based on the market value of Onex shares at the time in lieu of cash. Holders of DSUs are entitled to receive for each DSU, upon redemption, a cash payment equivalent to the market value of an Onex SVS at the redemption date. The DSUs vest immediately, are only redeemable once the holder ceases to be an officer or employee of the Company or an affiliate, and must be redeemed by the end of the year following the year the holder ceases to be an officer or employee of the Company or an affiliate. Additional units are issued for any cash dividends paid on the SVS. The Company has recorded a liability for the future settlement of the DSUs by reference to the value of the underlying SVS at the balance sheet date. On a quarterly basis, the liability is adjusted for the change in the market value of the underlying shares, with the corresponding amount reflected in the consolidated statements of earnings. To economically hedge the Company's exposure to changes in the market value of Onex' SVS, the Company enters into forward agreements with counterparty financial institutions for all grants under the Management DSU Plan. The change in value of the forward agreements is recorded to offset the amounts recorded as stock-based compensation under the Management DSU Plan. The administrative costs of those arrangements are borne by participants in the plan. Management DSUs are redeemable only for cash and no shares or other securities of Onex will be issued on the exercise, redemption or other settlement thereof.

d) The Company's Performance Share Unit ("PSU") Plan was established for certain senior executives of Onex, which entitles the holder to receive, upon redemption, a cash payment equivalent to the market value of an Onex SVS at the vesting date. Units issued under the PSU Plan generally vest after three years and payments for redeemed units are conditional on certain performance targets being met with respect to the market performance of Onex' SVS or the achievement of other financial targets. Additional units are issued for any cash dividends paid on the SVS. Vested PSUs are settled within 31 days of the vesting date. PSUs are settled only for cash and no shares or other securities of Onex will be issued on the settlement of PSUs. The Company has recorded a liability for the potential future settlement of the vested PSUs at the balance sheet date by reference to the fair value of the liability. On a quarterly basis, the liability is adjusted each reporting period for changes in the fair value of the units, with the corresponding amount reflected in the consolidated statements of earnings. To economically hedge a portion of the Company's exposure to changes in the market value of Onex' SVS, the Company enters into forward agreements with a counterparty financial institution. The change in value of the forward agreements is recorded to offset the amounts recorded as stock-based compensation under the PSU Plan.

e) The Company's Restricted Share Unit ("RSU") Plan entitles the holder to receive, upon redemption, a cash payment equivalent to the market value of an Onex SVS at the vesting date. Units issued under the RSU Plan generally vest over a three-year period. Additional units are issued for any cash dividends paid on the SVS. Vested RSUs are settled within 31 days of the vesting date. RSUs are settled only for cash and no shares or other securities of Onex will be issued on the settlement of RSUs. The Company has recorded a liability for the future settlement of the vested RSUs by reference to the value of the underlying SVS at the balance sheet date. On a quarterly basis, the liability is adjusted for the change in the market value of the underlying shares, with the corresponding amount reflected in the consolidated statements of earnings. To economically hedge a portion of the Company's exposure to changes in the market value of Onex' SVS, the Company enters into forward agreements with a counterparty financial institution. The change in value of the forward agreements is recorded to offset the amounts recorded as stock-based compensation under the RSU Plan.

Financial assets and financial liabilities

Financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification, as described below. Transaction costs in respect of an asset or liability not recorded at fair value through net earnings (loss) are added to the initial carrying amount. Gains and losses on financial instruments recognized through net earnings (loss) are primarily recognized in net gain on corporate investments and interest and net treasury investment income in the consolidated statements of earnings. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. The classification of financial liabilities depends on the purpose for which the financial liabilities were incurred and their characteristics. Except in very limited circumstances, the classification of financial assets and financial liabilities is not changed after initial recognition.

a) Financial assets – amortized cost

Financial assets with the following characteristics are accounted for at amortized cost using the effective interest rate method:

- The financial asset is held within a business model whose objective is achieved by collecting contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest.

The Company recognizes loss allowances for financial assets accounted for at amortized cost based on the financial assets' expected credit losses, which are assessed on a forward-looking basis.

b) Financial assets – fair value through net earnings (loss)

Financial assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through net earnings (loss). Financial assets may also be designated as fair value through net earnings (loss) on initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Intercompany loans receivable from Investment Holding Companies, which are presented within Corporate Investments, are designated as fair value through net earnings (loss).

c) Financial liabilities measured at fair value through net earnings (loss)

Contingent consideration in connection with the acquisition of Onex Falcon is measured at fair value through net earnings (loss).

Financial liabilities may also be designated as fair value through net earnings (loss) on initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency, or the group of financial liabilities is managed, and its performance is evaluated, on a fair value basis. Intercompany loans payable to Investment Holding Companies are designated as fair value through net earnings (loss).

d) Financial liabilities measured at amortized cost

Financial liabilities not classified as fair value through net earnings (loss) are accounted for at amortized cost using the effective interest rate method.

e) Interest income

Interest income recognized by the Company primarily relates to interest earned from investments recognized at fair value through net earnings (loss).

Derecognition of financial instruments

A financial asset is derecognized if substantially all the risks and rewards of ownership and, in certain circumstances, control of the financial asset are transferred. A financial liability is derecognized when it is extinguished, with any gain or loss on extinguishment recognized in other expense in the consolidated statements of earnings.

Contingent consideration

Contingent consideration is established for business acquisitions where the Company has the obligation to transfer additional assets or equity interests to the former owners if specified future events occur or conditions are met. The fair value of contingent consideration liabilities is typically based on the estimated future financial performance of the acquired business. Financial targets used in the estimation process include certain defined financial targets and internal rates of return. Contingent consideration is classified as a liability when the obligation requires settlement in cash or other assets, and as equity when the obligation requires settlement in own equity instruments. Contingent consideration classified as a liability is remeasured at fair value at each reporting date, with changes in fair value recognized through net earnings (loss). Contingent consideration recorded in Onex' consolidated balance sheets relates to the acquisition of Falcon Investment Advisors by Onex in December 2020.

Earnings per share

Basic earnings per share is based on the weighted average number of SVS outstanding during the year. Diluted earnings per share is calculated using the treasury stock method, which includes the impact of converting certain limited partnership units of an Onex subsidiary into 144,579 Onex SVS, and excludes the impact of converting outstanding stock options into Onex SVS, given Onex accounts for the liability associated with outstanding stock options issued under its Stock Option Plan as a liability at fair value through net earnings (loss).

Dividend distributions

Dividend distributions to the shareholders of Onex Corporation are recognized as a liability in the consolidated balance sheets in the periods in which the dividends are declared and authorized by the Board of Directors.

Use of judgements and estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and equity, the related disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenses and gains (losses) on financial instruments during the reporting period. Actual results could differ materially from those estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Areas that involve critical judgements, assumptions and estimates and that have a significant influence on the amounts recognized in the consolidated financial statements are further described as follows:

Investment entity status

Judgement is required when determining whether Onex, the parent company, meets the definition of an investment entity, which IFRS 10 defines as an entity that: (i) obtains funds from one or more investors for the purpose of providing those investors with investment management services; (ii) commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and (iii) measures and evaluates the performance of substantially all its investments on a fair value basis. When determining whether Onex meets the definition of an investment entity under IFRS 10, Onex management applied significant judgement when assessing whether the Company measures and evaluates the performance of substantially all its investments on a fair value basis.

Onex conducts its business primarily through controlled subsidiaries, which consist of entities providing asset management services, investment holding companies and General Partners of private equity funds, credit funds and limited partnerships. Certain of these subsidiaries were formed for legal, regulatory or similar reasons by Onex and share a common business purpose. The assessment of whether Onex, the parent company, meets the definition of an investment entity was performed on an aggregate basis with these subsidiaries.

Corporate investments

The measurement of corporate investments is significantly impacted by the fair values of the investments held by the Onex Partners Funds, ONCAP Funds, private equity investments held directly by Onex and investments in private credit strategies. The fair value of corporate investments is assessed at each reporting date with changes in fair value recognized through net earnings (loss).

The valuation of the underlying non-public investments requires significant judgement due to the absence of quoted market values, the inherent lack of liquidity, the long-term nature of such investments and heightened market uncertainty as a result of global inflationary pressures, changes in interest rates and heightened geopolitical risks. Valuation methodologies include discounted cash flows and observations of the valuation multiples implied by precedent transactions or trading multiples of public companies considered comparable to the private companies being valued. Key assumptions made in the valuations include unlevered free cash flows, including the timing of earnings projections and the expected long-term revenue growth, the weighted average costs of capital, the exit multiples, adjusted earnings before interest, taxes, depreciation and amortization ("adjusted EBITDA") and adjusted EBITDA multiples. The valuations take into consideration company-specific items, the lack of liquidity inherent in a non-public investment and the fact that precedent transactions and comparable public companies are not identical to the companies being valued. Such considerations are necessary since, in the absence of a committed buyer and completion of due diligence procedures, there may be company-specific items which are not fully known that may affect the fair value. A variety of additional factors are reviewed, including, but not limited to, financing and sales transactions with third parties, current operating performance and future expectations of the particular investment, changes in market outlook and the third-party financing environment. In determining changes to the fair value of the underlying private equity investments, emphasis is placed on current company performance and market conditions.

For publicly traded investments, the valuation is based on closing market prices less adjustments, if any, for regulatory sale restrictions.

The fair value of underlying investments in private credit strategies that are not quoted in an active market may be determined by using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Judgement and estimates are used to determine the quantity and quality of the pricing sources used. Where limited or no market data is available, positions may be valued using models that include the use of third-party pricing information, and are usually based on valuation methods and techniques generally recognized as standard within the industry. Models use observable data to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations may require estimates to be made. Changes in assumptions about these factors could affect the reported fair value of the underlying investments in private credit strategies.

Liabilities associated with management incentive programs related to the performance of Onex' private equity investments are included in the fair value of corporate investments and are determined using an internally developed valuation model. The critical assumptions and estimates used in the valuation model include the fair value of the underlying investments, the time to expected exit from each investment, a risk-free rate of return and an industry-comparable historical volatility for each investment. The fair value of the underlying investments includes the same critical assumptions and estimates previously described.

Corporate investments are measured with significant unobservable inputs (Level 3 of the fair value hierarchy), which are further described in note 24.

The changes in fair value of corporate investments are further described in note 5.

The Company assessed whether its underlying subsidiaries met the definition of an investment entity, as defined under IFRS 10. In certain circumstances, this assessment was performed together with other entities that were formed in connection with each other for legal, regulatory or similar reasons. Similarly, where a subsidiary's current business purpose is to facilitate a common purpose with a group of entities, the assessment of whether those subsidiaries met the definition of an investment entity was performed on an aggregated basis.

Certain subsidiaries were formed for various business purposes that, in certain circumstances, have evolved since their formation. When the Company assessed whether these subsidiaries met the definition of an investment entity, as defined under IFRS 10, professional judgement was exercised to determine the primary business purpose of these subsidiaries and the measurement basis, which were significant factors in determining their investment entity status.

Goodwill impairment tests and recoverability of assets

The Company tests at least annually whether goodwill has suffered any impairment, in accordance with its accounting policies. The determination of the recoverable amount of a CGU to which goodwill is allocated involves the use of estimates by management. The Company generally uses discounted cash flow-based models to determine these values. These discounted cash flow calculations typically use five-year projections that are based on the operating plans approved by management. Cash flow projections take into account past experience and represent management's best estimate of future developments. Cash flows after the planning period are extrapolated using estimated growth rates. Key assumptions on which management has based its determination of fair value less costs to sell and value in use include estimated growth rates, weighted average cost of capital and tax rates. These estimates, including the methodology used, can have a material impact on the respective values and ultimately the amount of any goodwill impairment. Likewise, whenever property, equipment and other intangible assets are tested for impairment, the determination of the assets' recoverable amount involves the use of estimates by management and can have a material impact on the respective values and ultimately the amount of any impairment.

The Company also exercised significant judgement when testing assets for impairment and estimating the restructuring provision in connection with the transition and wind-down of Gluskin Sheff's wealth management and wealth planning operations, as described in note 9.

Income and other taxes

The Company operates and earns income in various countries and is subject to changing tax laws or application of tax laws in multiple jurisdictions within these countries. Significant judgement is necessary in determining worldwide income and other tax liabilities. Although management believes that it has made reasonable estimates concerning the final outcome of tax uncertainties, no assurance can be given that the final outcome of these tax matters will be consistent with what is reflected in historical income tax provisions. Such differences could have an effect on income and other tax liabilities and deferred tax liabilities in the period in which such determinations are made. At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the exercise of judgement on the part of management with respect to, among other things, benefits that could be realized from available tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available tax strategies are lowered, or if changes in current tax regulations are enacted that impose restrictions on the timing or extent of the Company's ability to utilize future tax benefits.

The Company uses significant judgement when determining whether to recognize deferred tax liabilities with respect to taxable temporary differences associated with corporate investments, in particular whether the Company is able to control the timing of the reversal of the temporary differences and whether it is probable that the temporary differences will not reverse in the foreseeable future. Judgement includes consideration of the Company's future cash requirements in its numerous tax jurisdictions.

Legal provisions and contingencies

The Company, in the normal course of operations, can become involved in various legal proceedings. While the Company cannot predict the final outcome of such legal proceedings, the outcome of these matters may have a material effect on Onex' consolidated financial position, results of operations or cash flows. Management regularly analyzes current information about such matters and provides provisions for probable contingent losses, including an estimate of legal expenses to resolve the matters. Internal and external counsel are used for these assessments. In making the decision regarding the need for provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim or the disclosure of any such suit or assertion does not automatically indicate that a provision may be appropriate.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following:

	December 31, 2023	December 31, 2022
Cash and demand deposits held at financial institutions	**$ 163**	$ 59
Money market funds	**102**	52
Total cash and cash equivalents	**$ 265**	$ 111

3. TREASURY INVESTMENTS

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

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

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

The Company's receivables comprised the following:

	December 31, 2023	December 31, 2022
Management and advisory fees	**$ 422**	$ 346
Recoverable fund and operating businesses' expenses	**229**	190
Performance fees	**11**	1
Other	**21**	7
Total	**$ 683**	$ 544

Receivables primarily consisted of management fees and recoverable expenses receivable of $577 from the Onex private equity funds (December 31, 2022 – $446) and $38 from the Credit Funds (December 31, 2022 – $30), which Onex elected to defer cash receipt of. The majority of receivables outstanding at December 31, 2023 and 2022 consisted of management fees and recoverable expenses receivable from the Onex Partners IV and Onex Partners V Funds.

5. CORPORATE INVESTMENTS

The Company's interests in its Investment Holding Companies are recorded at fair value through net earnings (loss) in accordance with IFRS 9 and IFRS 10, as described in note 1. The Investment Holding Companies directly or indirectly invest the Company's capital in the Onex Partners Funds, ONCAP Funds, private credit strategies and other investments. The Company's corporate investments comprised the following:

	December 31, 2022	**Capital Deployed**	**Realizations and Distributions**	**Change in Fair Value**	**December 31, 2023**
Onex Partners Funds	$ 4,228	**$ 54**	**$ (191)**	**$ 354**	**$ 4,445**
ONCAP Funds	718	**261**	**(160)**	**110**	**929**
Other private equity	853	**38**	**(640)**	**156**	**407**
Carried interest	265	**n/a**	**(12)**	**(1)**	**252**
Total private equity investments[a]	6,064	**353**	**(1,003)**	**619**	**6,033**
Private Credit Strategies[b]	701	**495**	**(455)**	**166**	**907**
Real estate[c]	34	**–**	**(15)**	**(1)**	**18**
Other net assets[d]	588	**(977)**	**1,062**	**16**	**689**
Total corporate investments, excluding intercompany loans	7,387	**(129)**	**(411)**	**800**	**7,647**
Intercompany loans receivable from Onex and the Asset Managers[e]	3,488	**518**	**(132)**	**–**	**3,874**
Intercompany loans payable to Onex and the Asset Managers[f]	(398)	**(11)**	**35**	**–**	**(374)**
Intercompany loans receivable from Investment Holding Companies[f]	398	**11**	**(35)**	**–**	**374**
Total corporate investments	$ 10,875	**$ 389**	**$ (543)**	**$ 800**	**$ 11,521**

	December 31, 2021	Capital Deployed	Realizations and Distributions	Change in Fair Value	December 31, 2022
Onex Partners Funds	$ 4,256	$ 328	$ (370)	$ 14	$ 4,228
ONCAP Funds	534	45	–	139	718
Other private equity	692	147	(5)	19	853
Carried interest	269	n/a	(18)	14	265
Total private equity investments[a]	5,751	520	(393)	186	6,064
Private Credit Strategies[b]	805	270	(334)	(40)	701
Real estate[c]	52	–	(18)	–	34
Other net assets[d]	631	(1,224)	1,197	(16)	588
Total corporate investments, excluding intercompany loans	7,239	(434)	452	130	7,387
Intercompany loans receivable from Onex and the Asset Managers[e]	3,755	639	(906)	–	3,488
Intercompany loans payable to Onex and the Asset Managers[f]	(429)	(20)	51	–	(398)
Intercompany loans receivable from Investment Holding Companies[f]	429	20	(51)	–	398
Total corporate investments	$ 10,994	$ 205	$ (454)	$ 130	$ 10,875

a) Private equity investments

The Company's private equity investments comprised the following:

	December 31, 2022	**Capital Deployed**	**Realizations and Distributions**	**Change in Fair Value**	**December 31, 2023**
Onex Partners Funds					
Onex Partners I	$ 1	**$ –**	**$ –**	**$ –**	**$ 1**
Onex Partners II	5	**–**	**–**	**(1)**	**4**
Onex Partners III	304	**–**	**(5)**	**43**	**342**
Onex Partners IV	1,585	**54**	**(161)**	**(69)**	**1,409**
Onex Partners V	2,521	**–**	**(40)**	**413**	**2,894**
Management incentive programs	(188)	**n/a**	**15**	**(32)**	**(205)**
Total investment in Onex Partners Funds[i]	4,228	**54**	**(191)**	**354**	**4,445**
ONCAP Funds					
ONCAP II	118	**–**	**(30)**	**14**	**102**
ONCAP III	64	**–**	**(50)**	**28**	**42**
ONCAP IV	616	**83**	**(101)**	**88**	**686**
ONCAP V	–	**178**	**(3)**	**9**	**184**
Management incentive programs	(80)	**n/a**	**24**	**(29)**	**(85)**
Total investment in ONCAP Funds[ii]	718	**261**	**(160)**	**110**	**929**
Other private equity investments[iii]	853	**38**	**(640)**	**156**	**407**
Carried interest[iv]	265	**n/a**	**(12)**	**(1)**	**252**
Total private equity investments	$ 6,064	**$ 353**	**$ (1,003)**	**$ 619**	**$ 6,033**

	December 31, 2021	Capital Deployed	Realizations and Distributions	Change in Fair Value	December 31, 2022
Onex Partners Funds					
Onex Partners I	$ 1	$ –	$ –	$ –	$ 1
Onex Partners II	11	–	–	(6)	5
Onex Partners III	293	–	(24)	35	304
Onex Partners IV	2,014	1	(197)	(233)	1,585
Onex Partners V	2,130	327	(161)	225	2,521
Management incentive programs	(193)	n/a	12	(7)	(188)
Total investment in Onex Partners Funds[i]	4,256	328	(370)	14	4,228
ONCAP Funds					
ONCAP II	103	–	–	15	118
ONCAP III	84	–	–	(20)	64
ONCAP IV	400	45	–	171	616
Management incentive programs	(53)	n/a	–	(27)	(80)
Total investment in ONCAP Funds[ii]	534	45	–	139	718
Other private equity investments[iii]	692	147	(5)	19	853
Carried interest[iv]	269	n/a	(18)	14	265
Total private equity investments	$ 5,751	$ 520	$ (393)	$ 186	$ 6,064

i) Onex Partners Funds

The Onex Partners Funds typically make controlling equity investments in operating companies headquartered, organized, domiciled or whose principal executive offices are in North America or Europe. Onex Partners V will not invest more than 20% of aggregate commitments in any single operating company and its affiliates. Certain Onex Partners Funds also have limits on the amount of aggregate commitments that can be invested in operating companies whose headquarters or principal executive offices are located outside North America.

At December 31, 2023, the Onex Partners Funds had investments in 21 operating businesses (December 31, 2022 – 22) in various industry sectors and countries, of which three were publicly traded companies (December 31, 2022 – three). The fair value of Onex' investments in the Onex Partners publicly traded companies at December 31, 2023 was $969 (December 31, 2022 – $871).

Onex' investments in the Onex Partners Funds include co-investments, where applicable.

Onex Partners IV – 2023

In March 2023, the Onex Partners IV Group sold approximately 4.3 million common shares of PowerSchool Group ("PowerSchool") at a price of $21.00 per share. Onex' share of the net proceeds was $28. At December 31, 2023, Onex held approximately 23.1 million common shares of PowerSchool through Onex Partners IV.

In August 2023, the Onex Partners IV Group sold its investment in Ryan, LLC ("Ryan") to a single-asset continuation fund managed by Onex. Onex' share of the net proceeds from this transaction was $118, net of payments under the management incentive programs. Net proceeds of current Onex Partners management were reinvested into the continuation fund. Onex no longer has an ownership interest in Ryan following the sale to the continuation fund. Onex will manage the continuation fund, which has an initial term of five years, in exchange for recurring management fees and a carried interest opportunity.

In November 2023, the Onex Partners IV Group entered into an agreement to sell ASM Global. Onex' expected share of the net proceeds from this sale is approximately $275. The transaction is expected to close later in 2024, subject to customary closing conditions and regulatory approvals.

In December 2023, Onex invested $54 as part of the Onex Partners IV Group's add-on investment in Parkdean Resorts.

Onex Partners V – 2023

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

In February 2024, the Onex Partners V Group completed a majority investment in Morson Group, as described in note 28.

Onex Partners IV – 2022

In August 2022, the Onex Partners IV Group sold a portion of its interest in Advanced Integration Technology LP ("AIT"). Onex' share of the proceeds from this sale was $36.

In August 2022, the Onex Partners IV Group sold a portion of its interest in Ryan. Onex' share of the proceeds from this sale was $103.

Onex Partners IV and Onex Partners V – 2022

In August 2022, the Onex Partners IV and Onex Partners V Groups completed the sale of Partou. Onex' share of the net proceeds from this sale was $154, including carried interest of $13 and net of payments under the management incentive programs.

Onex Partners V – 2022

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

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

In April 2022, Onex invested $108 as part of the Onex Partners V Group's 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.

In November 2022, Onex received $38 of proceeds in connection with a distribution made by Acacium Group to the Onex Partners V Group.

ii) ONCAP Funds

The ONCAP Funds typically make controlling equity investments in operating companies organized in, headquartered in, having principal executive offices in, significantly operating in or deriving significant revenue from the United States or Canada. ONCAP V will not invest more than 20% of aggregate commitments in any single operating company and its affiliates.

At December 31, 2023, the ONCAP Funds had investments in 17 operating businesses (December 31, 2022 – 16). Onex' investments in the ONCAP Funds include co-investments, where applicable.

ONCAP II and ONCAP III – 2023

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

In November 2023, the ONCAP III Group sold its investment in Hopkins Manufacturing Corporation ("Hopkins"). Onex' share of the net proceeds from this sale was $41, including estimated proceeds from amounts held in escrow, carried interest and net of payments under the management incentive programs.

ONCAP IV and ONCAP V – 2023

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

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

During the third quarter of 2023, Onex invested $162 as part of the ONCAP IV and V Groups' investment in Biomerics, a leading medical device contract manufacturer serving the interventional device market. As part of this transaction, Biomerics merged with the medical business of Precision Concepts International ("Precision Concepts"), an ONCAP IV operating business. Onex received net proceeds of $63, net of payments under the management incentive programs, from the ONCAP IV Group's sale of the medical business of Precision Concepts to Biomerics. Onex' share of the investment in Biomerics was reduced to $138 following the syndication of the co-investment in Biomerics in January 2024 and is expected to be reduced as additional capital is raised and called by ONCAP V.

In December 2023, Onex received $18 of proceeds in connection with a distribution made by Walter Surface Technologies to the ONCAP IV Group.

ONCAP IV – 2022

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

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

iii) Other private equity investments

Other private equity investments primarily consist of Onex' investments in Incline Aviation Funds I and II, Ryan Specialty Group ("RSG") and Unanet. At December 31, 2022, other private equity investments also included Onex' investment in Celestica Inc. ("Celestica").

In May 2023, Onex sold approximately 8.2 million Class A common shares of RSG at a price of $43.45 per share. Total proceeds received by Onex were $318, net of payments under the management incentive programs. Onex also received a $2 distribution from RSG during the fourth quarter of 2023. At December 31, 2023, Onex held approximately 4.1 million Class A common shares of RSG.

In June 2023, Onex sold approximately 11.9 million subordinate voting shares of Celestica at a price of $12.26 per share. Total proceeds received by Onex were $142, net of payments under the management incentive programs. In August 2023, Onex sold its remaining 6.7 million subordinate voting shares of Celestica at a price of $20.52 per share. Total proceeds received by Onex were $133, net of payments under the management incentive programs. Onex also redeemed its deferred share units of Celestica during the fourth quarter of 2023 for $9. Onex no longer holds an investment in Celestica after these transactions.

In December 2022, Onex invested $99 in Unanet, a leading provider of enterprise resource planning solutions and customer relationship management solutions purpose-built for government contractors and architecture, engineering and construction firms.

iv) Carried interest

The General Partner of each Onex Partners and ONCAP Fund is entitled to 20% of the realized net gains of the limited partners in such fund provided the limited partners have achieved a minimum 8% net compound annual return on their investment. This performance-based capital allocation of realized net gains is referred to as carried interest. Onex is entitled to 40% of the carried interest realized in the Onex Partners and ONCAP Funds. If the ONCAP IV investors achieve a net return of two times their aggregate capital contributions, carried interest participation increases from 20% to 25% of the realized net gains. The amount of carried interest ultimately received by Onex is based on realizations, the timing of which can vary significantly from period to period.

During 2023, Onex received $12 of carried interest, primarily from the sale of Hopkins and the distribution from PURE, as described earlier in this note.

During 2022, Onex received $18 of carried interest, primarily from the sale of Partou, as described earlier in this note.

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.

b) Private credit strategies

Collateralized Loan Obligations ("CLOs") are leveraged structured vehicles that hold a widely diversified asset portfolio funded through the issuance of long-term debt in a series of rated and unrated tranches of secured notes and equity. The Onex Credit U.S. CLOs invest only in securities denominated in U.S. dollars, while the Onex Credit EURO CLOs invest only in securities denominated in euros. The Company primarily invests in the equity tranches of the Onex Credit CLOs. Other structured strategies invest primarily in U.S. and European CLOs.

The Opportunistic Credit Strategies invest primarily in North American and European first-lien senior secured loans, second-lien loans, bonds, trade claims, credit default swaps and other debt investments having similar characteristics.

The Liquid Strategies hold investments in first-lien senior secured loans and may employ leverage.

The Direct Lending strategies primarily hold investments in senior secured loans and other loan investments in private equity sponsor-owned portfolio companies and, selectively, other corporate borrowers. Investments may also include warrants, payment-in-kind preferred stock with warrants and non-control common equity in conjunction with subordinated debt or preferred stock. The investments are predominantly with borrowers in the United States and, selectively, in Canada and Europe.

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

	December 31, 2022	**Capital Deployed**	**Realizations and Distributions**	**Change in Fair Value**	**December 31, 2023**
Structured Credit Strategies					
U.S. CLOs	$ 248	**$ 121**	**$ (185)**	**$ 50**	**$ 234**
EURO CLOs	61	**61**	**(30)**	**44**	**136**
CLO warehouses	21	**204**	**(194)**	**4**	**35**
Other structured strategies	46	**13**	**(18)**	**14**	**55**
Opportunistic Credit Strategies	135	**29**	**(4)**	**21**	**181**
Liquid Strategies	100	**36**	**–**	**19**	**155**
Direct Lending	90	**31**	**(24)**	**14**	**111**
Total investment in Private Credit Strategies	$ 701	**$ 495**	**$ (455)**	**$ 166**	**$ 907**

	December 31, 2021	Capital Deployed	Realizations and Distributions	Change in Fair Value	December 31, 2022
Structured Credit Strategies					
U.S. CLOs	$ 313	$ 49	$ (94)	$ (20)	$ 248
EURO CLOs	101	23	(43)	(20)	61
CLO warehouses	27	86	(97)	5	21
Other structured strategies	41	21	(14)	(2)	46
Opportunistic Credit Strategies	103	76	(44)	–	135
Liquid Strategies	101	2	–	(3)	100
Direct Lending	119	13	(42)	–	90
Total investment in Private Credit Strategies	$ 805	$ 270	$ (334)	$ (40)	$ 701

During 2023, Onex' net investments in the CLOs decreased by $33 primarily as a result of regular quarterly distributions totalling $94 and the partial sale of equity interests in certain U.S. CLOs and a European CLO for $103, partially offset by investments in four new U.S. CLOs and three new European CLOs raised by Onex Credit.

During 2023, Onex also made investments totalling $27 in the Onex Capital Solutions Fund, as described in note 27(n).

During 2022, Onex' net investments in CLOs decreased by $65 primarily as a result of regular quarterly distributions totalling $85 and the sale of a portion of Onex' equity interest in certain U.S. CLOs for $30, partially offset by investments in new CLOs, including its twenty-fourth and twenty-fifth CLOs denominated in U.S. dollars.

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 2023, Onex received distributions of $15 from Flushing Town Center, which were primarily funded by the sale of residential condominium units (2022 – $18).

d) Other net assets

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

	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 411	$ 278
Treasury investments	197	271
Restricted cash	22	2
Other net assets[i]	59	37
Total other net assets	$ 689	$ 588

(i) Other net assets at December 31, 2023 included $77 (December 31, 2022 – $69) of subscription financing receivable, including interest receivable, attributable to third-party investors in certain Credit Funds and ONCAP V, and a $37 short-term loan receivable from an Onex Partners operating company, partially offset by $35 (December 31, 2022 – $27) of uncalled expenses payable to the consolidated Asset Managers.

In connection with the investments made by ONCAP V in Biomerics and Education Holding Corporation, Onex provided subscription line financing to ONCAP V for $63 on financial terms consistent with the fund's third-party subscription facility. A receivable for this loan is included within other net assets as of December 31, 2023.

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

	December 31, 2023	December 31, 2022
Federal debt instruments	$ 111	$ 143
Commercial paper and corporate obligations	78	108
Asset-backed securities	3	13
Other	5	7
Total treasury investments	$ 197	$ 271

e) Intercompany loans receivable from Onex and the Asset Managers

The Investment Holding Companies have intercompany loans receivable from Onex and the Asset Managers. At December 31, 2023, the intercompany loans receivable from Onex and the Asset Managers of $3,874 (December 31, 2022 – $3,488) formed part of Onex' net investment in the Investment Holding Companies, which is recorded at fair value through net earnings (loss). These intercompany loans receivable are the same loans presented as intercompany loans payable to the Investment Holding Companies in the consolidated balance sheets, which totalled $3,874 at December 31, 2023 (December 31, 2022 – $3,488) and are described in note 10. There is no impact on net assets or net earnings from these intercompany loans.

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

At December 31, 2023, Onex and the Asset Managers had intercompany loans receivable from the Investment Holding Companies totalling $374 (December 31, 2022 – $398). The corresponding intercompany loans payable to Onex and the Asset Managers, which totalled $374 at December 31, 2023 (December 31, 2022 – $398), formed part of Onex' net investment in the Investment Holding Companies, which is recorded at fair value through net earnings (loss). There is no impact on net assets or net earnings from these intercompany loans.

6. OTHER ASSETS

Other assets comprised the following:

	December 31, 2023	December 31, 2022
Forward agreements	$ 110	$ 74
Restricted cash	11	9
Prepaid expenses and other	7	8
Total other assets	**$ 128**	$ 91

Forward agreements represent the fair value of hedging arrangements entered into with financial institutions to economically hedge the Company's exposure to changes in the market value of Onex SVS associated with the DSU, PSU and RSU Plans, as described in notes 1, 12 and 17.

7. PROPERTY AND EQUIPMENT

The Company's property and equipment comprised the following:

	Right-of-Use Assets	Aircraft	Leasehold Improvements	Furniture and Equipment	Total
Year ended December 31, 2022					
Opening net book amount	$ 64	$ 46	$ 33	$ 5	$ 148
Additions	11	–	7	1	19
Disposals	–	(2)	–	–	(2)
Amortization charge	(12)	(3)	(7)	(2)	(24)
Foreign exchange	(1)	–	–	–	(1)
Closing net book amount	$ 62	$ 41	$ 33	$ 4	$ 140
At December 31, 2022					
Cost	$ 104	$ 64	$ 75	$ 19	$ 262
Accumulated amortization	(42)	(23)	(42)	(15)	(122)
Net book amount	$ 62	$ 41	$ 33	$ 4	$ 140
Year ended December 31, 2023					
Opening net book amount	**$ 62**	**$ 41**	**$ 33**	**$ 4**	**$ 140**
Additions	**–**	**–**	**7**	**2**	**9**
Amortization charge	**(11)**	**(4)**	**(6)**	**(2)**	**(23)**
Impairment	**–**	**–**	**(7)**	**–**	**(7)**
Closing net book amount	**$ 51**	**$ 37**	**$ 27**	**$ 4**	**$ 119**
At December 31, 2023					
Cost	**$ 96**	**$ 64**	**$ 72**	**$ 21**	**$ 253**
Accumulated amortization and impairment losses	**(45)**	**(27)**	**(45)**	**(17)**	**(134)**
Net book amount	**$ 51**	**$ 37**	**$ 27**	**$ 4**	**$ 119**

Right-of-use assets primarily consist of leased office space.

During 2023, certain leasehold improvements related to leased office space were impaired as a result of the ongoing transition and wind-down of Gluskin Sheff's wealth management and wealth planning operations, as described in note 9.

8. GOODWILL AND INTANGIBLE ASSETS

The Company's goodwill and intangible assets consisted of the following:

	Goodwill	Trade Name	Client Relationships and Asset Management Contracts	Total Intangible Assets
Year ended December 31, 2022				
Opening net book amount	$ 264	$ 17	$ 122	$ 139
Amortization charge	–	(15)	(27)	(42)
Foreign exchange	(7)	–	(4)	(4)
Closing net book amount	$ 257	$ 2	$ 91	$ 93
As at December 31, 2022				
Cost	$ 341	$ 17	$ 189	$ 206
Accumulated amortization and impairment losses	(84)	(15)	(98)	(113)
Net book amount	$ 257	$ 2	$ 91	$ 93
Year ended December 31, 2023				
Opening net book amount	**$ 257**	**$ 2**	**$ 91**	**$ 93**
Amortization charge	**–**	**–**	**(12)**	**(12)**
Impairment	**(108)**	**–**	**(47)**	**(47)**
Closing net book amount	**$ 149**	**$ 2**	**$ 32**	**$ 34**
As at December 31, 2023				
Cost	**$ 149**	**$ 3**	**$ 80**	**$ 83**
Accumulated amortization and impairment losses	**–**	**(1)**	**(48)**	**(49)**
Net book amount	**$ 149**	**$ 2**	**$ 32**	**$ 34**

Goodwill is attributable to: 1) the acquisition of Onex Falcon in 2020, primarily attributable to Onex Falcon's competitive position in the U.S. private credit market and the skills and competence of its workforce; and 2) goodwill recognized as a result of the acquisition of the Onex Credit asset management platform in 2015, primarily attributable to the acquired workforce and industry relationships at Onex Credit. At December 31, 2022, goodwill was also attributable to the acquisition of Gluskin Sheff in 2019, which was primarily attributable to its leading position in the Canadian private client market and the skills and competence of its workforce.

Management tested goodwill and certain intangible assets for impairment in 2023 and concluded that goodwill and client relationships associated with the acquisition of Gluskin Sheff were impaired, as described in note 9.

9. RESTRUCTURING EXPENSES AND IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS AND PROPERTY AND EQUIPMENT

In March 2023, following developments at Gluskin Sheff, Onex decided to change the private capital distribution strategy of its investment products. As part of this change in strategy, Onex entered into an agreement with a leading wealth management firm in Canada to offer employment to the wealth advisor team of Gluskin Sheff. Onex is winding down its wealth management and wealth planning operations and plans to grow its private capital distribution through third-party strategic relationships. As a result, during the year ended December 31, 2023, a non-cash impairment charge of $162 was recognized on the following assets:

	Year Ended December 31, 2023
Goodwill	$ 108
Intangible assets – client relationships	47
Leasehold improvements[i]	7
Total impairment expense	$ 162

(i) Leasehold improvements that were impaired during 2023 relate to leased office space.

The impairment for Gluskin Sheff goodwill and intangible assets was calculated on a fair value less costs of disposal basis, which resulted in a negligible recoverable amount for the Gluskin Sheff cash-generating unit following the transition and wind-down of the business. The recoverable amount was a Level 3 measurement in the fair value hierarchy due to significant unobservable inputs used in determining the recoverable amount, which was based on a discounted cash flow projection. Significant assumptions included in the discounted cash flow projection were i) a 16.7% discount rate; and ii) the expected amount of fee-generating assets under management. As a result of the impairment charge, goodwill and client relationship intangible assets associated with the acquisition of Gluskin Sheff were reduced to nil in the December 31, 2023 consolidated balance sheet.

During 2023, restructuring expenses totalling $28 were recognized in connection with the ongoing transition and wind-down of the wealth management business. At December 31, 2023, a restructuring provision of $11 was included within the other liabilities financial statement line item, representing the remaining restructuring expenses to be paid in connection with the wind-down. Onex expects that most of the cash outflows related to this restructuring provision will occur by the end of 2024. This restructuring provision will be revised in future periods as estimates surrounding the transition and wind-down are updated.

In addition, during 2023, restructuring expenses totalling $18 were recognized in connection with the reorganization of the Onex Partners platform and Onex' corporate functions. At December 31, 2023, a restructuring provision of $5 was included within the other liabilities financial statement line item, representing the remaining restructuring expenses to be paid for these reorganizations. Onex expects that most of the cash outflows related to this restructuring provision will occur by the end of 2024.

10. 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 December 31, 2023, intercompany loans payable to the Investment Holding Companies totalled $3,874 (December 31, 2022 – $3,488) and the corresponding receivable of $3,874 (December 31, 2022 – $3,488) was included in the fair value of the Investment Holding Companies within corporate investments (note 5). There is no impact on net assets or net earnings from these intercompany loans.

11. ACCRUED COMPENSATION

Accrued compensation at December 31, 2023 consisted primarily of cash incentive compensation related to the fiscal 2023 year (December 31, 2022 – fiscal 2022 year), which will mostly be paid to employees of the Company during the first quarter of 2024 (December 31, 2022 – first quarter of 2023).

12. STOCK-BASED COMPENSATION PAYABLE

Stock-based compensation payable comprised the following:

	December 31, 2023	December 31, 2022
Stock Option Plan	$ 112	$ 63
Management DSU Plan	59	41
Director DSU Plan	41	31
PSU and RSU Plans	6	2
Total stock-based compensation payable	$ 218	$ 137

Included in other assets (note 6) at December 31, 2023 was $110 (December 31, 2022 – $74) related to forward agreements to economically hedge the Company's exposure to changes in the trading price of Onex shares associated with the DSU, PSU and RSU Plans.

The increase in stock-based compensation payable at December 31, 2023 was primarily driven by a 42% increase in the market value of Onex' SVS to C$92.53 at December 31, 2023 from C$65.29 at December 31, 2022, and the vesting of stock options during 2023, partially offset by stock options, Director DSUs and RSUs redeemed, exercised, expired or forfeited during 2023, as described in note 17.

13. CONTINGENT CONSIDERATION

Contingent consideration of $15 was recorded as a liability in Onex' consolidated balance sheet at December 31, 2023 compared to $57 at December 31, 2022, which represents the fair value of contingent consideration owed by Onex in connection with the acquisition of Falcon Investment Advisors in December 2020. The fair value of the contingent consideration was estimated by calculating the present value of the estimated future cash flows. Up to $80 in contingent consideration may be payable by Onex in connection with the acquisition of Falcon Investment Advisors, based on Onex Falcon's future financial performance from 2025 to 2027 and the size and performance of certain funds to be launched by Onex Falcon.

14. LEASES

The Company leases office space in Canada, the United States and the United Kingdom and lease payments are made in Canadian dollars, U.S. dollars and pounds sterling. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The terms of the Company's leasing agreements are generally made for fixed periods up to 2033 and in certain circumstances contain options to extend beyond the initial fixed periods. In circumstances where it is reasonably certain that the Company will exercise an option to extend a leasing agreement, the minimum lease payments to be made during the extension period are included in the value of the lease liability to be recorded. The lease contracts do not contain any significant restrictions or covenants.

The Company's lease liabilities at December 31, 2023 totalled $61 (December 31, 2022 – $70) and the annual minimum payment requirements for these liabilities were as follows:

For the year:	
2024	$ 13
2025	12
2026	13
2027	11
2028	7
Thereafter	13
Total minimum lease payments	$ 69
Less: imputed interest	(8)
Balance of obligations under lease	$ 61

During 2023, the Company recognized $2 (2022 – $2) in interest expense related to its lease liabilities, which was included in other expenses. The Company had total cash disbursements of $12 (2022 – $12) related to lease liabilities.

Information concerning right-of-use assets is disclosed in note 7.

15. LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following tables provide an analysis of liabilities arising from financing activities:

	December 31, 2023	December 31, 2022
Principal balance of intercompany loans payable to Investment Holding Companies	$ 3,874	$ 3,488
Principal balance of lease liabilities	69	80
Accrued and imputed interest	(8)	(10)
Net financing obligations	$ 3,935	$ 3,558

	Intercompany Loans Payable to Investment Holding Companies	Lease Liabilities	Total
Balance – December 31, 2021	$ 3,755	$ 71	$ 3,826
Issuance of loans[i]	639	–	639
Interest accrued	–	2	2
New office leases	–	10	10
Lease amendments	–	1	1
Repayment of financing obligations	(481)	(10)	(491)
Non-cash settlements	(425)	–	(425)
Cash interest paid	–	(2)	(2)
Foreign exchange	–	(2)	(2)
Balance – December 31, 2022	$ 3,488	$ 70	$ 3,558
Issuance of loans[i]	515	–	515
Interest accrued	3	2	5
Repayment of financing obligations	(73)	(10)	(83)
Non-cash settlement	(59)	–	(59)
Cash interest paid	–	(2)	(2)
Foreign exchange	–	1	1
Balance – December 31, 2023	$ 3,874	$ 61	$ 3,935

(i) Includes non-cash issuances of $180 in exchange for certain equity investments (December 31, 2022 – $81).

16. INCOME TAXES

The reconciliation of statutory income tax rates to the Company's effective tax rate is as follows:

Year ended December 31	2023	2022
Income tax expense at statutory rate	$ 141	$ 62
Changes related to:		
Non-taxable net losses (gains) on corporate investments	(110)	78
Utilization of tax loss carryforwards not previously benefited	(45)	–
Non-taxable dividends	(14)	(94)
Non-deductible (taxable) stock-based compensation expense (recovery)	20	(59)
Other, including permanent differences	11	12
Provision for (recovery of) income taxes	$ 3	$ (1)
Classified as:		
Current	$ 1	$ 2
Deferred	2	(3)
Provision for (recovery of) income taxes	$ 3	$ (1)

The Company's deferred income tax assets and liabilities, which are included in other liabilities, are presented after taking into consideration the offsetting of balances within the same tax jurisdiction. Deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, comprised the following:

Deferred Income Tax Assets	Tax Losses	Property, Equipment, Right-of-Use Assets and Intangibles	Total
Balance – December 31, 2021	$ 20	$ 2	$ 22
Charged to net earnings	(6)	–	(6)
Balance – December 31, 2022	$ 14	$ 2	$ 16
Charged to net earnings	**(14)**	**(2)**	**(16)**
Balance – December 31, 2023	**$ –**	**$ –**	**$ –**

Deferred Income Tax Liabilities	Property, Equipment, Right-of-Use Assets and Intangibles
Balance – December 31, 2021	$ 24
Credited to net earnings	(9)
Balance – December 31, 2022	$ 15
Credited to net earnings (loss)	**(14)**
Foreign exchange	**(1)**
Balance – December 31, 2023	**$ –**

As at December 31, 2023, Onex and the Asset Managers had $802 of non-capital loss carryforwards and $68 of capital loss carryforwards that were available to offset current and future taxable income when realized. However, a net deferred tax asset has not been recognized in respect of these income tax losses since it is not probable, as of December 31, 2023, that sufficient taxable income or taxable temporary differences will arise in the future to utilize these losses prior to their expiry. The Company will continue to assess the likelihood of sufficient future taxable income being recognized to utilize available tax losses.

During 2022 and 2023, no deferred tax provision was recognized on income from Onex' investments in foreign Investment Holding Companies since the Company had determined, as of December 31, 2023 and December 31, 2022, that it is probable these earnings will be indefinitely reinvested. In addition, foreign realized and unrealized gains are typically not subject to taxation in the foreign tax jurisdictions.

At December 31, 2023, the aggregate amount of taxable temporary differences not recognized in association with investments in subsidiaries was $1,638 (December 31, 2022 – $1,610).

During 2019, the Canada Revenue Agency reassessed Onex' 2011 taxation year, the impact of which, if sustained, would have resulted in a decrease in Onex' non-capital losses and an increase in Onex' capital losses. In June 2023, Onex reached an agreement with the Minister of National Revenue to resolve this matter, resulting in no impact on Onex' available capital and non-capital loss carryforwards.

In accordance with the anticipated enactment of Pillar Two legislation in 2024, as outlined in the proposed Global Minimum Tax Act, Onex has conducted a comprehensive review of its existing organizational structure and has determined that it meets the requisite revenue threshold in the Act and anticipates it will be subject to the regulatory framework of Pillar Two once enacted. As the rules are not yet enacted or substantively enacted as of December 31, 2023, Onex has applied the exception to recognizing and disclosing information concerning deferred tax assets and liabilities as they relate to Pillar Two legislation.

17. SHARE CAPITAL

a) The authorized share capital of the Company consists of the following:

i) 100,000 Multiple Voting Shares, which entitle their holders to elect 60% of the Company's directors and carry such number of votes in the aggregate as represents 60% of the aggregate votes attached to all shares of the Company carrying voting rights. The Multiple Voting Shares have no entitlement to a distribution on winding up or dissolution other than the payment of their nominal paid-in value.

ii) An unlimited number of SVS, which carry one vote per share and as a class are entitled to 40% of the aggregate votes attached to all shares of the Company carrying voting rights to elect 40% of the Company's directors and to appoint the Company's auditors. These shares are entitled, subject to the prior rights of other classes, to distributions of the residual assets on winding up and to any declared but unpaid cash dividends. The shares are entitled to receive cash dividends, dividends in kind and stock dividends as and when declared by the Board of Directors.

The Multiple Voting Shares and SVS are subject to provisions whereby, if an event of change occurs the Multiple Voting Shares will thereupon be entitled to elect only 20% of the Company's directors and otherwise will cease to have any general voting rights. The SVS would then carry 100% of the general voting rights and be entitled to elect 80% of the Company's directors. An event of change would occur if Mr. Gerald W. Schwartz ceases to hold directly or indirectly more than 5,000,000 of Onex' SVS. An event of change may also occur if Mr. Gerald W. Schwartz ceases to hold the role of Chairman of Onex. Notwithstanding the preceding events, an event of change will be deemed to have occurred in May 2026.

iii) An unlimited number of Senior and Junior Preferred Shares issuable in series. The Company's directors are empowered to fix the rights to be attached to each series.

b) At December 31, 2023, the issued and outstanding share capital consisted of 100,000 Multiple Voting Shares (December 31, 2022 – 100,000) and 77,399,292 SVS (December 31, 2022 – 80,808,343). The Multiple Voting Shares have a nominal paid-in value in these consolidated financial statements.

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

c) Onex renewed its Normal Course Issuer Bid in April 2023 for one year, permitting the Company to purchase on the Toronto Stock Exchange up to 10% of the public float of its SVS. The 10% limit represents approximately 6.6 million shares.

During 2023, the Company repurchased and cancelled 3,479,066 of its SVS for a total cost of $196 (C$264) or an average cost per share of $56.44 (C$76.01). The excess of the purchase cost of these shares over the average paid-in amount was $186 (C$250), which was charged to retained earnings. The shares repurchased were comprised of: (i) 2,479,066 SVS repurchased under the Normal Course Issuer Bid for a total cost of $137 (C$184) or an average cost per share of $55.17 (C$74.09); and (ii) 1,000,000 SVS repurchased in a private transaction for a total cost of $59 (C$81) or a weighted average cost per share of $59.59 (C$80.76). As at December 31, 2023, the Company had the capacity under the current Normal Course Issuer Bid to repurchase 3,165,870 shares.

During 2022, the Company repurchased and cancelled 6,039,668 of its SVS for a total cost of $321 (C$422) or an average cost per share of $53.07 (C$69.85). The excess of the purchase cost of these shares over the average paid-in amount was $302 (C$397), which was charged to retained earnings.

During 2023, 70,015 SVS were issued upon the exercise of stock options at an average price per share of C$77.28. During 2022, 42,473 SVS were issued upon the exercise of stock options at an average price per share of C$70.35.

d) The Company has DSU, PSU and RSU Plans, as described in note 1.

Details of DSUs outstanding under the plans were as follows:

	Management DSU Plan		Director DSU Plan		PSU and RSU Plans	
	Number of DSUs	Weighted Average Price	Number of DSUs	Weighted Average Price	Number of PSUs and RSUs	Weighted Average Price
Outstanding at December 31, 2021	881,943		659,955		66,405	
Granted	–		31,175	C$ 71.52	35,367	C$ 77.35
Redeemed	(118,843)	C$ 80.39	(71,651)	C$ 65.12	(20,059)	C$ 78.96
Forfeited	–	–	–	–	(2,077)	C$ 67.70
Additional units issued in lieu of compensation and cash dividends	83,150	C$ 85.27	18,303	C$ 68.69	386	C$ 81.30
Outstanding at December 31, 2022	846,250		637,782		80,022	
Granted	**–**	**–**	**52,519**	**C$ 61.71**	**251,996**	**C$ 71.57**
Redeemed	**(2,767)**	**C$ 85.66**	**(129,061)**	**C$ 79.22**	**(73,714)**	**C$ 77.71**
Forfeited	**–**	**–**	**–**	**–**	**(106,957)**	**C$ 72.66**
Additional units issued in lieu of compensation and cash dividends	**4,731**	**C$ 71.71**	**17,754**	**C$ 74.83**	**1,232**	**C$ 70.93**
Outstanding at December 31, 2023[i]	**848,214**		**578,994**		**152,579**	

(i) Substantially all outstanding DSUs, PSUs and RSUs at December 31, 2023 are hedged with counterparty financial institutions.

At December 31, 2023, all the Director DSUs and Management DSUs were vested and none of the PSUs and RSUs were vested.

e) The Company has a Plan under which options and/or share appreciation rights for a term not exceeding 10 years may be granted to directors, officers and employees for the acquisition of SVS of the Company at a price not less than the market value of the shares on the business day preceding the day of the grant. Under the Plan, no options or share appreciation rights may be exercised unless the average market price of the SVS for the five previous business days exceeds the exercise price of the options or the share appreciation rights by at least 25% (the "hurdle price"). At December 31, 2023, 15,376,562 SVS (December 31, 2022 – 15,446,577) were reserved for issuance under the Plan, against which options representing 6,118,671 shares (December 31, 2022 – 7,584,295) were outstanding, of which 4,794,408 options were vested. The Plan provides that the number of options issued to certain individuals in aggregate may not exceed 10% of the shares outstanding at the time the options are issued.

Options granted vest at a rate of 20% per year from the date of grant. When an option is exercised, the employee has the right to request that the Company repurchase the option for an amount equal to the difference between the fair value of the stock under the option and its exercise price. Upon receipt of such request, the Company has the right to settle its obligation to the employee by the payment of cash, the issuance of shares or a combination of cash and shares.

Details of the options outstanding were as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2021	12,116,370	C$ 70.30
Granted	440,250	C$ 88.93
Surrendered for cash	(4,402,900)	C$ 56.61
Exercised for SVS	(95,000)	C$ 40.35
Expired or forfeited	(474,425)	C$ 82.23
Outstanding at December 31, 2022	7,584,295	C$ 78.94
Granted	**375,438**	**C$ 70.71**
Surrendered for cash	**(1,172,008)**	**C$ 59.22**
Exercised for SVS	**(263,512)**	**C$ 57.42**
Expired or forfeited	**(405,542)**	**C$ 83.87**
Outstanding at December 31, 2023	**6,118,671**	**C$ 82.81**

During 2023 and 2022, the total cash consideration paid on options surrendered was $17 (C$23) and $53 (C$71), respectively. These amounts represent the difference between the market value of the Onex SVS at the time of surrender and the exercise price, both as determined under the Plan. The weighted average share price at the date of exercise was C$78.83 per share (2022 – C$72.55).

Options outstanding at December 31, 2023 consisted of the following:

Exercise Prices	Number of Options Outstanding	Number of Options Exercisable	Hurdle Prices	Weighted Average Remaining Life (Years)
C$ 62.93 – C$ 69.99	270,300	217,900	C$ 78.66 – C$ 85.08	3.0
C$ 70.00 – C$ 79.99	1,430,663	169,300	C$ 88.86 – C$ 98.28	6.5
C$ 80.00 – C$ 89.99	2,787,833	–	C$ 102.09 – C$ 107.11	5.4
C$ 90.00 – C$ 101.62	1,629,875	–	C$ 114.48 – C$ 127.03	4.1
Total	6,118,671	387,200		

18. REVENUES

The Company generates revenues by providing asset management and advisory services from the following sources:

Year ended December 31, 2023	**Management and Advisory Fees**	**Performance Fees**	**Reimbursement of Expenses**	**Total**
Credit	**$ 140**	**$ 13**	**$ 13**	**$ 166**
Private Equity[i]	**112**	**–**	**30**	**142**
Total	**$ 252**	**$ 13**	**$ 43**	**$ 308**

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

Year ended December 31, 2022	Management and Advisory Fees	Performance Fees	Reimbursement of Expenses	Total
Credit	$ 152	$ 1	$ 14	$ 167
Private Equity[i]	118	–	21	139
Total	$ 270	$ 1	$ 35	$ 306

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

19. INTEREST AND NET TREASURY INVESTMENT INCOME

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

20. STOCK-BASED COMPENSATION EXPENSE (RECOVERY)

Stock-based compensation expense (recovery) comprised the following:

Year ended December 31	2023	2022
Stock Option Plan	$ 70	$ (220)
PSU and RSU Plans	4	–
Director DSU Plan	1	(2)
Total stock-based compensation expense (recovery)	$ 75	$ (222)

The fair value of Onex' Stock Option Plan is determined using an option valuation model. The significant inputs into the model were the share price at December 31, 2023 of C$92.53 (December 31, 2022 – C$65.29), the exercise price of the options, the remaining life of each option issuance, the volatility of each option issuance ranging from 21.39% to 31.91% (December 31, 2022 – 23.85% to 34.63%), the average dividend yield of 0.43% (December 31, 2022 – 0.61%) and an average risk-free rate of 3.29% (December 31, 2022 – 3.51%). The volatility is measured as the historical volatility based on the remaining life of each respective option issuance.

The fair values of the DSU, PSU and RSU Plans are determined by reference to the market value of Onex' SVS at the balance sheet dates, as described in note 1. Onex economically hedges its exposure to changes in the trading price of Onex SVS associated with these plans, as described in notes 1 and 6.

21. OTHER EXPENSES

Other expenses comprised the following:

Year ended December 31	2023	2022
Professional services	$ 12	$ 18
Information technology	11	14
Research subscriptions	6	5
Facilities	5	5
Integration expense	4	6
Travel	3	7
Directors' compensation	3	3
Interest expense from lease liabilities	2	2
Contract employees	2	–
Insurance	2	2
Donations	1	1
Administrative and other	10	13
Total other expenses	$ 61	$ 76

22. NET EARNINGS PER SUBORDINATE VOTING SHARE

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

Year ended December 31	2023	2022
Weighted average number of shares outstanding *(in millions)*:		
Basic	79	85
Diluted	79	85

23. 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
December 31, 2023				
Financial assets				
Cash and cash equivalents	$ 265	$ –	$ –	$ 265
Management and advisory fees, recoverable fund expenses and other receivables	–	–	679	679
Corporate investments	11,147	374	–	11,521
Forward agreements and other assets	122	–	–	122
Total	$ 11,534	$ 374	$ 679	$ 12,587

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

	Fair Value through Net Earnings (Loss)			
	Recognized	Designated	Amortized Cost(i)	Total
December 31, 2022				
Financial assets				
Cash and cash equivalents	$ 111	$ –	$ –	$ 111
Treasury investments	52	–	–	52
Management and advisory fees, recoverable fund expenses and other receivables	–	–	541	541
Corporate investments	10,477	398	–	10,875
Forward agreements and other assets	85	–	–	85
Total	$ 10,725	$ 398	$ 541	$ 11,664

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

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

	Fair Value through Net Earnings (Loss)			
	Recognized	Designated	Amortized Cost	Total
December 31, 2023				
Financial liabilities				
Intercompany loans payable to Investment Holding Companies	$ –	$ 3,874	$ –	$ 3,874
Accounts payable and accrued liabilities	–	–	23	23
Contingent consideration	15	–	–	15
Lease liabilities	–	–	61	61
Other liabilities	–	–	7	7
Total	$ 15	$ 3,874	$ 91	$ 3,980

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

At December 31, 2023, intercompany loans payable to Investment Holding Companies that are recorded at fair value through net earnings (loss) had contractual amounts due on maturity of $3,874 (2022 – $3,488).

The gains (losses) recognized by the Company related to financial assets and liabilities during the years ended December 31, 2023 and 2022 were as follows:

Year ended December 31	2023	2022
Financial assets recognized at fair value through net earnings (loss)		
Net gain on corporate investments	$ 800	$ 130
Net gain and interest income from treasury investments	14	1
Net gain (loss) from forward agreements[i]	35	(44)
Financial liabilities recognized at fair value through net earnings (loss)		
Contingent consideration recovery (expense)	42	(14)
Financial liabilities at amortized cost		
Interest expense	(2)	(2)
Total net gain recognized	$ 889	$ 71

(i) Onex has entered into forward agreements related to its DSU, PSU and RSU Plans, as described in note 1. The net gain (loss) from forward agreements is recognized within stock-based compensation recovery (expense).

24. FAIR VALUE MEASUREMENTS

Fair values of financial instruments

The estimated fair values of financial instruments as at December 31, 2023 and December 31, 2022 were 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 approximated 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 2023 and 2022. The three levels of the fair value hierarchy are as follows:

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

The allocation of financial assets in the fair value hierarchy, excluding cash and cash equivalents which are a Level 1 measurement, was as follows:

As at December 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through net earnings (loss)				
Investments in equities[i]	$ –	$ –	$ 11,147	$ 11,147
Intercompany loans receivable from Investment Holding Companies	–	374	–	374
Forward agreements and other assets	11	111	–	122
Total financial assets at fair value through net earnings (loss)	$ 11	$ 485	$ 11,147	$ 11,643

(i) Onex' investments in the Investment Holding Companies are further described in note 5.

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

(i) Onex' investments in the Investment Holding Companies are further described in note 5.

Financial liabilities measured at fair value at December 31, 2023 consisted of intercompany loans payable to Investment Holding Companies totalling $3,874 (December 31, 2022 – $3,488), which are a Level 2 measurement in the fair value hierarchy, and contingent consideration payable of $15 (December 31, 2022 – $57), which is a Level 3 measurement in the fair value hierarchy.

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

	Financial Assets at Fair Value through Net Earnings (Loss)	Financial Liabilities at Fair Value through Net Earnings (Loss)
Balance – December 31, 2021	$ 10,565	$ 43
Change in fair value recognized in net earnings (loss)	130	14
Net distributions made by the Investment Holding Companies	(218)	–
Balance – December 31, 2022	$ 10,477	$ 57
Change in fair value recognized in net earnings (loss)	**800**	**(42)**
Net distributions made by the Investment Holding Companies	**(130)**	**–**
Balance – December 31, 2023	**$ 11,147**	**$ 15**
Unrealized change in fair value of assets and liabilities recognized in net earnings (loss) during 2023	**$ 685**	**$ (42)**

Financial assets measured at fair value with significant unobservable inputs (Level 3) were recognized in the consolidated statements of earnings in the net gain on corporate investments line item. Financial liabilities measured at fair value with significant unobservable inputs (Level 3) were recognized in the consolidated statements of earnings in the contingent consideration recovery (expense) line item.

The valuation of financial assets and liabilities measured at fair value with significant unobservable inputs (Level 3) is determined quarterly using company-specific considerations and available market data of comparable public companies. The fair value measurements for corporate investments were primarily driven by the underlying net asset values of Onex' investments in the Onex Partners Funds, ONCAP Funds and private credit strategies. The valuation of underlying non-public investments requires significant judgement due to the absence of quoted market values, the inherent lack of liquidity, the long-term nature of such investments and heightened market uncertainty as a result of global inflationary pressures, changes in interest rates and heightened geopolitical risks. A change to reasonably possible alternative estimates and assumptions in the valuation of non-public investments in the Onex Partners Funds and ONCAP Funds, as well as investments held in private credit strategies, may have a significant impact on the fair values calculated for these financial assets.

The Company used the adjusted net asset method to derive the fair values of its investments in its Investment Holding Companies by reference to the underlying fair value of the Investment Holding Companies' assets and liabilities, along with assessing any required discount or premium to be applied to the net asset values. The discount or premium applied to the net asset values of the Investment Holding Companies was a significant unobservable input. The Company determined that the adjusted net asset method was the appropriate valuation technique to be used, considering the value of the Investment Holding Companies is primarily derived from the assets they hold, which primarily consists of investments in private equity and private credit strategies, treasury investments and intercompany loans receivable from Onex and the Asset Managers. The Company has determined that no discount or premium was required for the net asset values of its Investment Holding Companies at December 31, 2023 and December 31, 2022. If a discount of 1% or a premium of 1% were applied to all of the net asset values of the Investment Holding Companies, with all other variables remaining constant, the total fair value of the Company's corporate investments at December 31, 2023 would decrease or increase by $111 (December 31, 2022 – $105).

Private equity investments

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

The valuation of public investments held directly by Onex or through the Onex Partners Funds is based on their publicly traded closing prices at December 31, 2023 and December 31, 2022. For certain public investments, a discount is applied to the closing price in relation to restrictions that were in place relating to the securities held by Onex or the Onex Partners Funds. At December 31, 2023, these discounts resulted in a reduction of $47 in the fair value of corporate investments (December 31, 2022 – $73).

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

Investment Platform	Valuation Technique	Significant Unobservable Inputs	Inputs at December 31, 2023	Inputs at December 31, 2022
Onex Partners Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	8.5x – 20.4x	7.7x – 19.3x
Onex Partners Funds	Discounted cash flow	Weighted average costs of capital	15.0% – 21.3%	15.0% – 22.9%
		Exit multiples	4.0x – 19.5x	4.0x – 19.5x
ONCAP Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	8.3x – 20.0x	7.4x – 9.8x
ONCAP Funds	Discounted cash flow	Weighted average costs of capital	12.2% – 21.0%	12.5% – 20.4%
		Exit multiples	5.0x – 13.0x	5.0x – 12.0x

In addition, at December 31, 2023 and 2022, the Onex Partners Funds had one investment that was valued using the adjusted net assets approach, one investment that was valued using a convertible bond model and one investment that was valued based on a multiple of book value. At December 31, 2023, the Onex Partners Funds also had one investment that was valued based on estimated sales proceeds.

The impact on the fair value of corporate investments as at December 31, 2023 from changes in the significant unobservable inputs used to value the private equity funds' underlying private securities included the following:

Investment Platform	Valuation Technique	Significant Unobservable Inputs	Multiple Increase by 0.5	Multiple Decrease by 0.5
Onex Partners Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	$ 144	$ (145)
ONCAP Funds	Comparable company valuation multiple	Adjusted EBITDA multiples	$ 20	$ (16)

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	$ 77	$ (78)
ONCAP Funds	Discounted cash flow	Exit multiples	$ 48	$ (48)

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	$ 30	$ (29)
ONCAP Funds	Discounted cash flow	Weighted average costs of capital	$ 18	$ (17)

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 Accounting Standards.

During 2023, Onex' investments in publicly traded companies generated a net gain of $256, and the underlying securities held in private companies generated a net gain of $433. Onex' net gain on private equity investments during 2023 included a foreign exchange mark-to-market gain of $39 in respect of private equity investments denominated in a currency other than the U.S. dollar. At December 31, 2023, Onex' private equity investments denominated in Canadian dollars and pounds sterling totalled approximately $675 (C$890) and $425 (£335), respectively.

Private credit investments

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

The valuation of certain investments held by the Liquid Strategies is measured by obtaining quoted market prices or dealer quotes for identical or similar instruments in inactive markets, or other inputs that are observable or can be corroborated by observable market data.

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

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

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

Investment Platform	Significant Unobservable Inputs	Inputs at December 31, 2023	Inputs at December 31, 2022
U.S. CLOs	Default rate	2%	2%
	Discount rate	16% – 21%	15% – 20%
	Recovery rate	55%	55%
EURO CLOs	Default rate	2%	2%
	Discount rate	16% – 21%	15% – 20%
	Recovery rate	55%	55%

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

The impact on the fair value of corporate investments as at December 31, 2023 from changes in the significant unobservable inputs used to value Onex' investments in the CLOs included the following:

Investment Platform	Significant Unobservable Inputs	Decrease of 1.5 Percentage Points	Increase of 1.5 Percentage Points
U.S. CLOs	Default rate	$ 29	$ (31)
EURO CLOs	Default rate	$ 15	$ (17)

Investment Platform	Significant Unobservable Inputs	Decrease of 3.0 Percentage Points	Increase of 3.0 Percentage Points
U.S. CLOs	Discount rate	$ 9	$ (8)
EURO CLOs	Discount rate	$ 6	$ (5)

Investment Platform	Significant Unobservable Inputs	Increase of 15.0 Percentage Points	Decrease of 15.0 Percentage Points
U.S. CLOs	Recovery rate	$ 11	$ (11)
EURO CLOs	Recovery rate	$ 6	$ (6)

25. FINANCIAL INSTRUMENT RISKS

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to perform its obligation and cause the Company to incur a loss.

Cash, cash equivalents and treasury investments include investments in debt securities which are subject to credit risk. Certain underlying assets within corporate investments are also debt securities which are subject to credit risk.

At December 31, 2023, Onex, including its Investment Holding Companies, had cash, cash equivalents and treasury investments held by a third-party investment manager at market value of $233 and cash held at financial institutions or invested in money market funds of $639. Cash and cash equivalents are held with financial institutions having a current Standard & Poor's short-term deposits rating of A-1 or above. 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 Company's management and advisory fees receivable, recoverable fund expenses receivable and other receivables, including those held by the Investment Holding Companies, are also subject to credit risk.

Liquidity risk

Liquidity risk is the risk that Onex will have insufficient funds on hand to meet its obligations as they come due. Onex needs to be in a position to support the operating businesses its private equity funds invest in when and if it is appropriate and reasonable for Onex, as an equity owner with paramount duties to act in the best interests of Onex shareholders, to do so. Maintaining sufficient liquidity at Onex is important given Onex, as a holding company, generally does not have guaranteed sources of meaningful cash flow to support its investing activities.

Accounts payable are generally due within 90 days. The repayment schedule for leases is disclosed in note 14. Onex has no external debt and does not guarantee the debt of the operating businesses of the Onex Partners and ONCAP Funds or any other operating business Onex invests in directly. Onex has provided guarantees for credit facilities that certain members of the management team have access to in connection with personal investments made in certain Onex Partners, ONCAP and Onex Falcon Funds, as more fully described in note 27(a). Onex has also made commitments to invest in certain private equity and private credit strategies that it manages, as described in note 27.

Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices. The Company is primarily exposed to fluctuations in the foreign currency exchange rates associated with the Canadian dollar, U.S. dollar, pound sterling and euro, as well as fluctuations in EURIBOR, SOFR and the U.S. prime interest rate.

Foreign currency exchange rates

The functional currency of Onex is the U.S. dollar; however, certain cash and cash equivalents, receivables, corporate investments, forward hedging agreements, accounts payable and lease liabilities are denominated in Canadian dollars, while certain private credit corporate investments and receivables are denominated in euros. In addition, the Company has cash and cash equivalents, corporate investments, receivables, accounts payable and a lease liability denominated in pounds sterling. As a result, Onex is exposed to currency risk related to these financial instruments. At December 31, 2023, had the U.S. dollar strengthened by 5% relative to the Canadian dollar, euro and pound sterling, with all other variables held constant, the net decrease in net earnings from financial instruments would have been $18. Conversely, had the U.S. dollar weakened by 5% relative to the Canadian dollar, euro and pound sterling, with all other variables held constant, the net increase in net earnings from financial instruments would have been $20. Certain underlying investments held by the Onex Partners and ONCAP Funds may be denominated in Canadian dollars, euros or pounds sterling, while Onex' investments in these funds are denominated in U.S. dollars, with the exception of investments made in the ONCAP II and ONCAP III Funds, which are denominated in Canadian dollars. As such, Onex is also indirectly exposed to foreign currency exchange risk associated with these underlying investments. Refer to note 24 for further information concerning Onex' private equity investments denominated in Canadian dollars and pounds sterling.

Interest rates

The Company is exposed to changes in future cash flows as a result of changes in the interest rate environment, primarily through the cash and cash equivalents held in money market funds, short-term term deposits and commercial paper. Assuming no significant changes in cash balances held by the Company from those at December 31, 2023, a 1% increase (1% decrease) in the interest rate (including the Canadian and U.S. prime rates) would not result in a material impact on interest income recognized.

Onex also has exposure to interest rate risk through its treasury investments managed by a third-party investment manager. As interest rates change, the fair values of fixed income investments are inversely impacted. Investments with shorter durations are less impacted by changes in interest rates compared to investments with longer durations. At December 31, 2023, Onex' treasury investments, including those held by the Investment Holding Companies, had $173 of fixed income securities measured at fair value, which are subject to interest rate risk. These securities had a weighted average duration of 0.8 years. Other factors, including general economic and political conditions, may also affect the value of fixed income securities. These risks are monitored on an ongoing basis and the treasury investments may be repositioned in response to changes in market conditions.

Price risk

Price risk is the risk of variability in fair value as a result of movements in equity prices. Onex is exposed to price risk in relation to the equity interests in its private equity investments held within its corporate investments. At December 31, 2023, had the price of equity securities held within corporate investments related to private equity investments decreased by 5%, with all other variables held constant, the decrease in net earnings would have been $304. Conversely, had the price increased by 5%, with all other variables held constant, the increase in net earnings would have been $304. Onex' investments in private credit strategies are primarily held in underlying debt instruments. Onex is not exposed to significant price risks associated with its interest in these investments.

Regulatory risk

Onex is subject to government regulations and oversight with respect to its business activities. Failure to comply with applicable regulations, obtain applicable regulatory approvals or maintain those approvals may subject Onex to civil penalties, suspension or withdrawal of any regulatory approval obtained, injunctions, operating restrictions and criminal prosecutions and penalties, which could, individually or in the aggregate, have a material adverse effect on Onex' consolidated financial position.

26. CAPITAL DISCLOSURES

Onex considers the capital it manages to be the amounts it has in cash and cash equivalents, near-cash investments, treasury investments managed by a third-party investment manager and the investments made in its private equity funds, credit strategies and other investments. Onex also manages the capital of other investors in the Onex Partners and ONCAP Funds, and Credit strategies. Onex' objectives in managing capital are to:

- preserve a financially strong parent company with appropriate liquidity and no, or a limited amount of, external debt so that funds are available to pursue new investments and growth opportunities, as well as support expansion of its existing businesses;
- achieve an appropriate return on capital invested commensurate with the level of assumed risk;
- build the long-term value of its corporate investments; and
- control the risk associated with capital invested in any particular strategy. Onex Corporation does not guarantee the debt of its investment funds or the underlying operating businesses of its private equity funds.

A portion of the Company's capital is managed by a third-party investment manager. At December 31, 2023, the fair value of investments, including cash yet to be deployed, managed by the third-party investment manager was $233, which includes investments held by the Investment Holding Companies. The investments are managed in a mix of short- and long-term portfolios and include liquid investments, including money market instruments and commercial paper with original maturities of three months to one year, in addition to longer-term investments, which can include federal and municipal debt instruments, corporate obligations and structured products with maturities of one year to five years. The investments are managed to maintain an overall weighted average duration of two years or less.

At December 31, 2023, Onex had access to uncalled committed limited partner capital for acquisitions through Onex Partners V (approximately $755) and ONCAP V (approximately $155).

The strategy for risk management of capital has not changed significantly since December 31, 2022.

27. COMMITMENTS AND RELATED-PARTY TRANSACTIONS

a) Incline Aviation Funds, letters of guarantee and other commitments

Incline Aviation Fund and Incline Aviation Fund II are aircraft investment funds managed by BBAM, which in turn is an operating business of Onex Partners III. At December 31, 2023, Onex' uncalled commitments to Incline Aviation Fund and Incline Aviation Fund II were $15 and $44, respectively (December 31, 2022 – $15 and $54, respectively).

Onex has provided guarantees for credit facilities that certain members of the management team have access to in connection with personal investments made in certain Onex Partners, ONCAP and Onex Credit. Borrowings under these credit facilities are collateralized by the personal assets of each participating management team member. These credit facilities had $3 outstanding at December 31, 2023 (December 31, 2022 – $4).

The Company has commitments with respect to leases, as described in note 14.

b) Legal contingencies

Onex is or may become a party to legal claims arising in the ordinary course of business. Onex has not recorded any legal provision as of December 31, 2023 or December 31, 2022 and does not believe that the resolution of known claims would reasonably be expected to have a material adverse impact on Onex' consolidated financial position. However, the final outcome with respect to outstanding, pending or future actions cannot be predicted with certainty, and therefore there can be no assurance that their resolution will not have an adverse effect on Onex' consolidated financial position.

c) Commitments to Onex Partners Funds

Onex Partners I, Onex Partners II, Onex Partners III, Onex Partners IV and Onex Partners V (the "Onex Partners Funds") were established to provide committed capital for Onex-sponsored acquisitions not related to Onex' direct investments or ONCAP. Onex controls the General Partner and Manager of the Onex Partners Funds. The following table provides information concerning Onex' commitments to the Onex Partners Funds:

	Final Close Date	Total Onex Commitments	Onex Commitments Invested[i]	Remaining Onex Commitments[ii]
Onex Partners I	February 2004	$ 400	$ 346	$ 16
Onex Partners II	August 2006	$ 1,407	$ 1,164	$ 158
Onex Partners III	December 2009	$ 1,200	$ 929	$ 100
Onex Partners IV	March 2014	$ 1,700[iii]	$ 1,600[iii]	$ 69
Onex Partners V	November 2017	$ 2,000	$ 1,683	$ 282

(i) Amounts include capitalized acquisition costs and bridge financing, where applicable.

(ii) Onex' remaining commitment is calculated based on the assumption that all remaining limited partners' commitments are invested.

(iii) Excludes the impact of an additional commitment that was acquired by Onex from a limited partner in 2017.

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

The remaining commitments for Onex Partners I, Onex Partners II and Onex Partners III are for future funding of partnership expenses. The remaining commitments for Onex Partners IV are for possible follow-on investments in a remaining business and future funding of partnership expenses. The remaining commitments for Onex Partners V will be used to fund investments in Accredited and the Morson Group, as described in notes 5 and 28, and for possible follow-on investments and funding of partnership expenses.

Onex management has committed, as a group, to invest a minimum percentage in each of the Onex Partners Funds. The minimum commitment to Onex Partners V from Onex management is 2%, which may be adjusted annually to a maximum of 10%. At December 31, 2023, Onex management and directors have committed 3% to Onex Partners V for new investments completed in 2024. During 2023, Onex management and its directors invested $7 in the Onex Partners Funds, including bridge financing, where applicable (2022 – $49). The investments held by the Onex management team and directors, at fair value, in the Onex Partners Funds totalled $622 at December 31, 2023 (December 31, 2022 – $597).

d) Commitments to ONCAP Funds

ONCAP II, ONCAP III, ONCAP IV and ONCAP V (the "ONCAP Funds") were established to provide committed capital for acquisitions of small and medium-sized businesses. Onex controls the General Partner and Manager of the ONCAP Funds. The following table provides information concerning Onex' commitments to the ONCAP Funds:

	Final Close Date	Total Onex Commitments	Onex Commitments Invested[i]	Remaining Onex Commitments[ii]
ONCAP II	May 2006	C$ 252	C$ 221	C$ 1
ONCAP III	September 2011	C$ 252	C$ 186	C$ 26
ONCAP IV	November 2016	$ 480	$ 433	$ 28
ONCAP V	n/a[iii]	$ 250	$ 175	$ 71

(i) Amounts include capitalized acquisition costs and bridge financing, where applicable.

(ii) Onex' remaining commitment is calculated based on the assumption that all remaining limited partners' commitments are invested.

(iii) Fundraising for ONCAP V is ongoing and Onex' investment in the Fund and remaining commitments to the Fund will decrease and increase, respectively, as additional capital is raised and called by the Fund in the future.

To date, Onex has raised aggregate commitments of approximately $600 for ONCAP V, including Onex' commitment of $250 and Onex management's minimum 2% commitment. ONCAP V invests in operating companies organized in, headquartered in, having principal executive offices in, significantly operating in or deriving significant revenue from the United States or Canada. ONCAP V will not invest more than 20% of aggregate commitments in any single operating company and its affiliates.

The remaining commitments for ONCAP II are for future funding of partnership expenses. The remaining commitments for ONCAP III and ONCAP IV are for possible follow-on investments in remaining businesses and future funding of partnership expenses. The remaining commitments for ONCAP V are primarily for the funding of future ONCAP-sponsored investments.

ONCAP management has committed, as a group, to invest a minimum percentage in each of the ONCAP Funds. The minimum commitment to ONCAP V from ONCAP management is 2%. The commitment from management of Onex and ONCAP and directors may be increased to a maximum of 10% of ONCAP V. At December 31, 2023, management of Onex and ONCAP and directors have committed 9% to ONCAP V for new investments completed in 2024. During 2023, Onex management and its directors invested $58 (2022 – $11). The investments in the ONCAP Funds held by the Onex management team and directors, at fair value, totalled $155 at December 31, 2023 (December 31, 2022 – $155).

e) Carried interest participation

The General Partners of the Onex Partners and ONCAP Funds are entitled to a carried interest of 20% on the realized net gains of the limited partners in each fund, subject to an 8% compound annual preferred return to those limited partners on all amounts contributed in each individual fund. Onex is entitled to 40% of the carried interest realized in the Onex Partners and ONCAP Funds. Onex and Onex Partners management are allocated 60% of the carried interest realized in the Onex Partners Funds. For Onex Partners V and certain direct and co-investments, Onex Partners management is also entitled to a carried interest of 12% of the realized gains from Onex' capital, subject to an 8% compound annual preferred return to Onex on amounts contributed to the fund or invested directly by Onex. ONCAP management is allocated 60% of the carried interest realized in the ONCAP Funds and an equivalent carried interest on Onex' capital. If the ONCAP IV investors achieve a return of two times their aggregate capital contributions, carried interest participation increases from 20% to 25% of the realized net gains. Under the terms of the partnership agreements, the General Partners may receive carried interest as realizations occur. The ultimate amount of carried interest earned will be based on the overall performance of each fund, independently, and includes typical catch-up and clawback provisions within each fund, but not between funds.

Carried interest received from Onex Partners I, Onex Partners II, Onex Partners III and Onex Partners IV has fully vested for Onex management. Carried interest received from Onex Partners V for management will vest equally over six years from November 2018. Carried interest received from ONCAP II, ONCAP III and ONCAP IV has fully vested for ONCAP management. Carried interest received from ONCAP V for management will vest equally over five years from July 2023.

During the year ended December 31, 2023, management's share of carried interest from realizations in Onex Partners and ONCAP was $35 (2022 – $36). Management has the potential to receive $580 (December 31, 2022 – $556) of carried interest on businesses in the Onex Partners Funds, ONCAP Funds and the continuation Fund that invests in Ryan, LLC, based on their fair values as determined at December 31, 2023.

The General Partners of the Onex Credit Funds are entitled to a carried interest of up to 20% on the realized net gains of the limited partners in certain private credit funds, provided the limited partners have achieved a minimum preferred rate of return on their investment. Onex Falcon management is entitled to the entire carried interest for existing Onex Falcon Funds at the date Onex acquired Onex Falcon in December 2020, with the exception of Onex Falcon VI. For Onex Falcon VI, Onex Falcon management is entitled to approximately 80% of the carried interest and Onex is entitled to the remaining approximately 20%. In most other cases, Onex is entitled to 50% of the carried interest realized from Credit Funds, with the Onex Credit team being allocated the remaining 50% and an equivalent carried interest on Onex' capital.

During the year ended December 31, 2023, management's share of carried interest from realizations in the Credit Funds was $25 (2022 – $31). Management has the potential to receive $110 (December 31, 2022 – $98) of carried interest from the Credit Funds based on their fair values as determined at December 31, 2023.

f) Management Investment Plan

For all investments completed prior to 2020 and excluding all Onex Partners V investments, the 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.

Realizations under the program during 2023 were $64 (2022 – $7) and were settled by certain Investment Holding Companies, which are accounted for as corporate investments at fair value through net earnings (loss), as described in note 1.

g) Stock Option Plan

Onex has a Stock Option Plan that provides for options and/or share appreciation rights to be granted to Onex directors, officers and employees for the acquisition of SVS of Onex, as more fully described in note 17(e).

h) Management Deferred Share Unit Plan

Onex has a Management Deferred Share Unit Plan, which enables the Onex management team to apply all or a portion of their annual compensation earned to acquire DSUs based on the market value of Onex shares at the time, in lieu of cash, as more fully described in note 1.

i) Director Deferred Share Unit Plan

Onex has a Director Deferred Share Unit Plan, which entitles Onex directors to apply directors' fees earned to acquire DSUs based on the market value of Onex shares at the time, as more fully described in note 1.

j) Performance Share Unit Plan

Onex has a Performance Share Unit Plan, which entitles the holder to receive, upon redemption, a cash payment equivalent to the market value of an Onex SVS at the vesting date, as more fully described in note 1.

k) Restricted Share Unit Plan

Onex has a Restricted Share Unit Plan, which entitles Onex employees to receive, upon redemption, a cash payment equivalent to the market value of an Onex SVS at the vesting date, as more fully described in note 1.

l) OCLP I

Onex Credit Lending Partners ("OCLP I") provides committed capital for investments in senior secured loans and other loan investments in middle-market, upper middle-market and large private equity sponsor-owned portfolio companies and, selectively, other corporate borrowers. Onex controls the General Partner and Manager of OCLP I and as at December 31, 2023, Onex had invested $79 of its $100 commitment in OCLP I, of which $5 was invested during 2023 (2022 – nil). As at December 31, 2023, the Onex management team had invested $62 of its $80 commitment in OCLP I, of which $3 was invested during 2023 (2022 – nil). The investment period for OCLP I has expired and the remaining uncalled commitments to the fund will be used for future fund expenses and to settle existing liabilities of the fund.

m) Onex Structured Credit Opportunities Fund

The Onex Structured Credit Opportunities Fund ("OSCO") invests primarily in U.S. and European collateralized loan obligations. Onex controls the General Partner and Manager of OSCO and as at December 31, 2023, Onex had invested $46 of its aggregate $50 commitment to OSCO and a separately managed account which follows a similar strategy to OSCO. The investment period for OSCO is set to expire in March 2024. As at December 31, 2023, the Onex management team had invested $40 of its $49 commitment in OSCO, of which $1 was invested during 2023 (2022 – $16).

n) Onex Capital Solutions Fund

The Onex Capital Solutions Fund ("OCS") invests primarily in loans, bonds, trade claims and credit default swaps, among other assets. Onex controls the General Partner and Manager of OCS and as at December 31, 2023, Onex had invested $161 of its aggregate $200 commitment to OCS, of which $27 was invested during 2023 (2022 – $38). The investment period for OCS is set to expire in March 2025. As at December 31, 2023, the Onex management team had invested $27 (December 31, 2022 – $14) of its $34 commitment in OCS, of which $13 was invested during 2023 (2022 – $8).

o) Falcon Fund VII

During 2023 and 2022, Onex completed closes for Falcon Fund VII, reaching aggregate commitments of approximately $510, including $80 from Onex and $35 from the Onex management team. 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 controls the General Partner and Manager of Falcon Fund VII and the investment period for Falcon Fund VII is set to expire in January 2028. Onex did not invest capital in Falcon Fund VII during 2023 or 2022 as investments made by the Fund have been financed by subscription financing to date.

p) Subscription financing to Credit Funds

Onex has committed to provide up to $270 of subscription financing to certain Credit Funds. As of December 31, 2023 and 2022, no amounts were drawn from these subscription facilities.

q) Management and directors' investment in Onex Credit

The Onex management team and directors may invest in strategies and funds managed by Onex Credit. During 2023, the Onex management team and directors invested $20 (2022 – $41) in funds managed by Onex Credit. At December 31, 2023, investments at fair value held by the Onex management team and directors in strategies and funds managed by Onex Credit, excluding investments held in separately managed accounts, totalled $469 (December 31, 2022 – $543), which included investments held in OCLP I, OSCO and OCS.

r) Management and directors' investment in other investments

Members of management and the Board of Directors of Onex can invest limited amounts in partnership with Onex in all acquisitions outside the Onex Partners and ONCAP Funds, including co-investment opportunities, at the same time and cost as Onex and other outside investors. During 2023, a total of $30 (2022 – $4) in investments was made by the Onex management team and directors in the continuation fund that invests in Ryan, LLC (2022 – investments made primarily in Incline Aviation Fund II and Unanet).

s) Remuneration to key management

Remuneration to key management includes amounts recognized in the consolidated statements of earnings as compensation and stock-based compensation expenses. Stock-based compensation associated with Onex stock options is included in the table below based on the cash ultimately paid to key management or the value of SVS issued to key management for options exercised for SVS, while DSUs issued to Onex directors are included at the grant date fair value. Payments received by key management from investment holding companies related to management incentive programs, including their carried interest participation and the MIP, are excluded, and are described in notes 27(e) and 27(f), respectively. Aggregate payments to the Company's key management were as follows:

Year ended December 31	2023	2022
Short-term employee benefits and costs	$ 15	$ 21
Share-based payments[i]	16	43
Total	$ 31	$ 64

(i) Share-based payments include $13 (2022 – $41) paid on the exercise of Onex stock options (note 17).

t) Related-party revenues and receivables

Onex receives management fees on limited partners' and clients' capital within the Onex private equity funds and private credit strategies, and advisory fees directly from certain operating businesses. Onex also receives carried interest and performance fees from certain Credit strategies and recovers certain deal investigation, research and other expenses from the Onex private equity funds, private credit strategies and private equity portfolio companies. Onex indirectly controls the Onex private equity funds and private credit strategies, and therefore the management fees, performance fees and carried interest earned from these sources represent related-party transactions. Furthermore, Onex indirectly controls, jointly controls or has significant influence over certain operating businesses held by the Onex private equity funds and, as such, advisory fees from these operating businesses represent related-party transactions.

Onex Credit acts as an investment fund manager, portfolio manager and/or exempt market dealer for its pooled funds. In the case of those pooled funds that are organized as trusts, Onex Credit acts as a trustee, while for pooled funds organized as limited partnerships, Onex Credit or an affiliate of Onex Credit acts as the General Partner. As such, the Onex Credit pooled funds are related parties of the Company.

Related-party revenues included the following:

Year ended December 31, 2023	Management and Advisory Fees	Reimbursement of Expenses	Performance Fees	Total
Source of related-party revenues				
Private Equity Funds[i]	$ 112	$ 30	$ –	$ 142
Private Credit Strategies	105	13	3	121
Onex Credit pooled funds[ii]	31	–	10	41
Total related-party revenues	$ 248	$ 43	$ 13	$ 304
Third-party revenues from separately managed accounts	4	–	–	4
Total revenues	$ 252	$ 43	$ 13	$ 308

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

(ii) Revenues associated with the reimbursement of expenses from the Onex Credit pooled funds are included within other income.

Year ended December 31, 2022	Management and Advisory Fees	Reimbursement of Expenses	Performance Fees	Total
Source of related-party revenues				
Private Equity Funds[i]	$ 118	$ 21	$ –	$ 139
Private Credit Strategies	100	14	–	114
Onex Credit pooled funds[ii]	46	–	1	47
Total related-party revenues	$ 264	$ 35	$ 1	$ 300
Third-party revenues from separately managed accounts	6	–	–	6
Total revenues	$ 270	$ 35	$ 1	$ 306

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

(ii) Revenues associated with the reimbursement of expenses from the Onex Credit pooled funds are included within other income.

Related-party receivables included the following:

As at December 31, 2023	**Management and Advisory Fees Receivable**	**Recoverable Fund and Operating Expenses Receivable**	**Performance Fees**	**Other Receivables**	**Total**
Private Equity Funds	**$ 379**	**$ 198**	**$ –**	**$ –**	**$ 577**
Private Credit Strategies	**41**	**24**	**1**	**–**	**66**
Onex Partners and ONCAP operating businesses	**2**	**7**	**–**	**–**	**9**
Onex Credit pooled funds	**–**	**–**	**10**	**–**	**10**
Other related parties, including Investment Holding Companies	**–**	**–**	**–**	**11**	**11**
Total related-party receivables	**$ 422**	**$ 229**	**$ 11**	**$ 11**	**$ 673**
Third-party receivables	**–**	**–**	**–**	**10**	**10**
Total	**$ 422**	**$ 229**	**$ 11**	**$ 21**	**$ 683**

As at December 31, 2022	Management and Advisory Fees Receivable	Recoverable Fund and Operating Expenses Receivable	Performance Fees	Other Receivables	Total
Private Equity Funds	$ 295	$ 151	$ –	$ –	$ 446
Private Credit Strategies	41	25	–	–	66
Onex Partners and ONCAP operating businesses	4	13	–	–	17
Onex Credit pooled funds	5	1	1	–	7
Total related-party receivables	$ 345	$ 190	$ 1	$ –	$ 536
Third-party receivables	1	–	–	7	8
Total	$ 346	$ 190	$ 1	$ 7	$ 544

u) Services received from operating companies

During the years ended December 31, 2023 and 2022, Onex received services from certain operating companies, the value of which was not significant.

v) Repurchase of shares

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

28. SUBSEQUENT EVENT

In February 2024, the Onex Partners V Group completed a majority investment in Morson Group, a leading engineering and technical staffing and workforce solutions business based in the United Kingdom. Onex' share of the investment in Morson Group was $46.

29. INFORMATION BY REPORTABLE SEGMENT

The Company has two reportable segments:

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

Onex' segmented results include unrealized carried interest from third-party limited partners in the Credit Funds, which is recognized based on the fair values of the underlying investments and the unrealized net gain (loss) 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 to the extent it is highly probable it will 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.

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.

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

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Investing	**Asset Management**	**Total**	Investing	Asset Management	Total
Net gain on corporate investments (including an increase in carried interest)	**$ 801**	**$ 16[i]**	**$ 817**	$ 116	$ 16[i]	$ 132
Management and advisory fees	**–**	**252**	**252**	–	270	270
Performance fees	**–**	**13**	**13**	–	1	1
Interest and net treasury investment income	**14**	**–**	**14**	1	–	1
Other income	**–**	**2**	**2**	–	3	3
Total segment income	**815**	**283**	**1,098**	117	290	407
Compensation	**–**	**(214)**	**(214)**	–	(239)	(239)
Amortization of right-of-use assets	**–**	**(11)**	**(11)**	–	(12)	(12)
Other expense	**–**	**(56)**	**(56)**	–	(67)	(67)
Segment net earnings (loss)	**$ 815**	**$ 2**	**$ 817**	$ 117	$ (28)	$ 89
Stock-based compensation recovery (expense)			**(75)**			222
Amortization of property, equipment and intangible assets, excluding right-of-use assets			**(24)**			(54)
Impairment of goodwill, intangible assets and property and equipment			**(162)**			–
Restructuring expenses			**(46)**			–
Unrealized carried interest included in segment net earnings (loss) – Credit			**(17)**			(2)
Integration expenses			**(4)**			(6)
Contingent consideration recovery (expense)			**42**			(14)
Other net income (expenses)			**1**			(1)
Earnings before income taxes			**$ 532**			$ 234
Recovery of (provision for) income taxes			**(3)**			1
Net earnings			**$ 529**			$ 235

(i) The asset management segment includes an increase in unrealized carried interest of $17 (2022 – $2) from third-party limited partners in the Credit Funds.

Segmented assets included the following:

	As at December 31, 2023			As at December 31, 2022		
	Investing	Asset Management	Total	Investing	Asset Management	Total
Cash and cash equivalents	$ 142	$ 123[i]	$ 265	$ –	$ 111[i]	$ 111
Treasury investments	–	–	–	–	52[i]	52
Management and advisory fees, recoverable fund expenses and other receivables	615[ii]	68	683	460[ii]	84	544
Corporate investments	7,647	–	7,647	7,387	–	7,387
Unrealized carried interest – Credit	29	–	29	16	–	16
Other assets	–	128	128	–	91	91
Property and equipment	–	119	119	–	140	140
Intangible assets	–	34	34	–	93	93
Goodwill	–	149	149	–	257	257
Total segment assets	$ 8,433	$ 621	$ 9,054	$ 7,863	$ 828	$ 8,691
Net intercompany loans receivable, comprising part of the fair value of Investment Holding Companies			3,874			3,488
Unrealized carried interest included in segment assets – Credit			(29)			(16)
Total assets			$ 12,899			$ 12,163

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

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

Geographic Segments

	As at December 31, 2023				As at December 31, 2022			
	Canada	United States	United Kingdom	Total	Canada	United States	United Kingdom	Total
Year-to-date revenues[i]	$ 62	$ 246	$ –	$ 308	$ 72	$ 234	$ –	$ 306
Property and equipment	$ 74	$ 35	$ 10	$ 119	$ 85	$ 42	$ 13	$ 140
Intangible assets	$ –	$ 34	$ –	$ 34	$ 53	$ 40	$ –	$ 93
Goodwill	$ –	$ 149	$ –	$ 149	$ 107	$ 150	$ –	$ 257

(i) Revenues attributed to geographic areas are based on the location of the asset management entities.

SHAREHOLDER INFORMATION

Year-End Closing Share Price

As at December 31 *(in Canadian dollars)*	**2023**	2022	2021	2020	2019
Toronto Stock Exchange	**$ 92.53**	$ 65.29	$ 99.28	$ 73.06	$ 82.17

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

Share Symbol
ONEX

Dividends
Dividends on the Subordinate Voting Shares are payable quarterly on or about January 31, April 30, July 31 and October 31 of each year. At December 31, 2023, the indicated dividend rate for each Subordinate Voting Share was C$0.40 per annum. Registered shareholders can elect to receive dividend payments in U.S. dollars by submitting a completed currency election form to TSX Trust Company five business days before the record date of the dividend. Non-registered shareholders who wish to receive dividend payments in U.S. dollars should contact their broker to submit their currency election.

Corporate Governance Policies
Onex' corporate governance policies are available on Onex' website.

Registrar and Transfer Agent
TSX Trust Company
P.O. Box 700
Postal Station B
Montreal, Quebec H3B 3K3
(416) 682-3860
or call toll-free throughout Canada and the United States
1-800-387-0825
www.tsxtrust.com
or shareholderinquiries@tmx.com

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

Electronic Communications with Shareholders
We encourage individuals to receive Onex' shareholder communications electronically. You can submit your request online by visiting the TSX Trust Company website, www.tsxtrust.com, or contacting them at 1-800-387-0825.

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

Website
www.onex.com

Auditor
PricewaterhouseCoopers LLP
Chartered Professional Accountants

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

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

Annual Meeting of Shareholders
Onex Corporation's Annual Meeting of Shareholders will be held virtually on May 9, 2024 at 10:00 am (Eastern Daylight Time).

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