



# Fiera Capital Corporation

## Interim Condensed Consolidated Financial Statements

For the Three and Nine-Month Periods  
ended September 30, 2023 and 2022  
(Unaudited)

# Fiera Capital Corporation

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# Fiera Capital Corporation

## Interim Condensed Consolidated Statements of Earnings

For the three and nine-month periods ended September 30,

(In thousands of Canadian dollars, except per share data)

(Unaudited)

	Three-month periods		Nine-month periods	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Revenues (Note 13)</b>				
Base management fees	147,645	145,649	444,866	455,411
Performance fees	3,268	1,960	8,126	9,728
Commitment and transaction fees	2,499	6,071	11,327	15,036
Share of earnings in joint ventures and associates	1,223	5,169	2,403	10,807
Other revenues	4,105	1,705	8,952	5,760
	<b>158,740</b>	160,554	<b>475,674</b>	496,742
<b>Expenses</b>				
Selling, general and administrative expenses	118,221	117,055	357,322	375,898
Amortization and depreciation	13,381	13,679	40,529	42,548
Restructuring, acquisition related and other costs (Note 5)	1,511	2,772	12,969	11,933
	<b>133,113</b>	133,506	<b>410,820</b>	430,379
Earnings before under-noted items	<b>25,627</b>	27,048	<b>64,854</b>	66,363
Interest on long-term debt and debentures	12,485	8,550	34,293	24,015
Interest on lease liabilities, foreign exchange revaluation and other financial charges (Note 9)	3,805	6,039	2,225	6,964
Loss (gain) on investments, net	419	(950)	(711)	554
Accretion and change in fair value of purchase price obligations and other (Note 7)	(537)	(2,626)	(3,042)	983
Gain on sale of funds (Note 4)	(5,139)	—	(5,139)	—
Other expenses (income) (Note 15)	5	14	6,179	(1,656)
Earnings before income taxes	<b>14,589</b>	16,021	<b>31,049</b>	35,503
Income tax expense	<b>2,353</b>	6,172	<b>7,640</b>	8,448
<b>Net earnings</b>	<b>12,236</b>	9,849	<b>23,409</b>	27,055
<b>Net earnings attributable to:</b>				
Company's shareholders	<b>11,067</b>	8,666	<b>19,034</b>	22,844
Non-controlling interest	<b>1,169</b>	1,183	<b>4,375</b>	4,211
	<b>12,236</b>	9,849	<b>23,409</b>	27,055
Net earnings per share (Note 11)				
Basic	<b>0.10</b>	0.08	<b>0.18</b>	0.22
Diluted	<b>0.09</b>	0.08	<b>0.18</b>	0.22

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Fiera Capital Corporation

## Interim Condensed Consolidated Statements of Comprehensive Income

For the three and nine-month periods ended September 30,

(In thousands of Canadian dollars)

(Unaudited)

	Three-month periods		Nine-month periods	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net earnings	12,236	9,849	23,409	27,055
Other comprehensive income:				
Items that may be reclassified subsequently to earnings:				
Cash flow hedges (Note 7)	1,470	—	4,597	1,065
Foreign currency translation	4,527	13,570	(174)	10,552
Other comprehensive income	5,997	13,570	4,423	11,617
<b>Comprehensive income</b>	<b>18,233</b>	<b>23,419</b>	<b>27,832</b>	<b>38,672</b>
<b>Comprehensive income attributable to:</b>				
Company's shareholders	17,064	22,236	23,457	34,461
Non-controlling interest	1,169	1,183	4,375	4,211
	<b>18,233</b>	<b>23,419</b>	<b>27,832</b>	<b>38,672</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Fiera Capital Corporation

## Interim Condensed Consolidated Statements of Financial Position

(in thousands of Canadian dollars)

(Unaudited)

	As at September 30, 2023	As at December 31, 2022
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	42,259	62,199
Restricted cash and cash equivalents	982	2,404
Trade and other receivables	122,676	146,747
Investments	7,682	6,014
Prepaid expenses and other assets (Note 14)	34,243	32,913
	<b>207,842</b>	<b>250,277</b>
Non-current assets		
Goodwill (Note 6)	650,931	650,981
Intangible assets (Note 6)	233,912	260,055
Property and equipment	20,725	23,726
Right-of-use assets	55,328	67,150
Derivative financial instruments	6,245	—
Deferred income taxes	28,713	32,164
Long-term investments	10,323	6,574
Investments in joint ventures and associates	10,819	14,606
Other non-current assets	21,185	23,798
	<b>1,246,023</b>	<b>1,329,331</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	135,083	168,419
Current portion of cash-settled share-based liabilities	3,028	10,306
Current portion of purchase price obligations and puttable financial instrument liability (Note 7)	7,954	14,725
Current portion of lease liabilities	14,168	15,989
Restructuring provisions (Note 5)	3,269	4,928
Current portion of derivative financial instruments (Note 7)	141	359
Client deposits and deferred revenues	11,852	11,167
	<b>175,495</b>	<b>225,893</b>
Non-current liabilities		
Long-term debt (Note 8)	502,718	443,998
Debentures (Note 9)	163,710	207,611
Lease liabilities	67,516	78,699
Purchase price obligations and puttable financial instrument liability (Note 7)	3,611	12,219
Cash-settled share-based liabilities	3,389	800
Deferred income taxes	6,646	9,321
Other non-current liabilities (Note 7)	2,725	3,909
	<b>925,810</b>	<b>982,450</b>
<b>Equity attributable to:</b>		
Company's shareholders	315,897	341,045
Non-controlling interest	4,316	5,836
	<b>320,213</b>	<b>346,881</b>
	<b>1,246,023</b>	<b>1,329,331</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Fiera Capital Corporation

## Interim Condensed Consolidated Statements of Changes in Equity

For the nine-month periods ended September 30,

(In thousands of Canadian dollars)

(Unaudited)

	Notes	Share Capital	Contributed surplus	Convertible debentures equity component	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Equity attributable to Company's shareholders	Non-controlling interest	Total Equity
		\$	\$	\$	\$	\$	\$	\$	\$
Balance as at December 31, 2022		813,880	19,500	—	(475,660)	(16,675)	341,045	5,836	346,881
Net earnings		—	—	—	19,034	—	19,034	4,375	23,409
Other comprehensive income		—	—	—	—	4,423	4,423	—	4,423
Comprehensive income		—	—	—	19,034	4,423	23,457	4,375	27,832
Equity settled share-based compensation expense, net of deferred tax	12	—	3,374	—	—	—	3,374	—	3,374
Shares issued as settlement of purchase price obligations	10	13,233	—	—	—	—	13,233	—	13,233
Performance and restricted share units settled	10	529	(529)	—	—	—	—	—	—
Stock options exercised	10	1,718	(62)	—	—	—	1,656	—	1,656
Dividends	10	—	—	—	(66,868)	—	(66,868)	(5,895)	(72,763)
<b>Balance as at September 30, 2023</b>		<b>829,360</b>	<b>22,283</b>	<b>—</b>	<b>(523,494)</b>	<b>(12,252)</b>	<b>315,897</b>	<b>4,316</b>	<b>320,213</b>
Balance as at December 31, 2021		835,089	17,486	3,339	(412,869)	(27,732)	415,313	2,835	418,148
Change in accounting policy	3	—	—	—	(3,499)	—	(3,499)	—	(3,499)
Net earnings		—	—	—	22,844	—	22,844	4,211	27,055
Other comprehensive income		—	—	—	—	11,617	11,617	—	11,617
Comprehensive income		—	—	—	22,844	11,617	34,461	4,211	38,672
Equity settled share-based compensation expense, net of deferred tax	12	—	13,378	—	—	—	13,378	—	13,378
Performance and restricted share units settled	10	11,928	(11,928)	—	—	—	—	—	—
Stock options exercised	10	489	(113)	—	—	—	376	—	376
Dividends	10	—	—	—	(65,916)	—	(65,916)	(3,178)	(69,094)
Share repurchase and cancellation	10	(33,626)	(489)	—	—	—	(34,115)	—	(34,115)
Convertible debenture redemption		—	—	(3,339)	3,339	—	—	—	—
<b>Balance as at September 30, 2022</b>		<b>813,880</b>	<b>18,334</b>	<b>—</b>	<b>(456,101)</b>	<b>(16,115)</b>	<b>359,998</b>	<b>3,868</b>	<b>363,866</b>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Fiera Capital Corporation

## Interim Condensed Consolidated Statements of Cash Flows

For the three and nine-month periods ended September 30,

(In thousands of Canadian dollars)

(Unaudited)

	Three-month periods		Nine-month periods	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Operating activities</b>				
Net earnings	12,236	9,849	23,409	27,055
Adjustments for:				
Amortization and depreciation	13,381	13,679	40,529	42,548
Accretion and change in fair value of purchase price obligations and other (Note 7)	(537)	(2,626)	(3,042)	983
Share-based compensation (Note 12)	3,423	1,749	9,881	18,169
Interest on long-term debt and debentures	12,485	8,550	34,293	24,015
Interest on lease liabilities, foreign exchange revaluation and other financial charges	3,805	6,039	2,225	6,964
Income tax expense	2,353	6,172	7,640	8,448
Change in derivative financial instruments (Note 7)	190	(483)	547	(1,424)
Loss (Gain) on investments and other, net	424	(936)	5,468	(1,102)
Share of earnings in joint ventures and associates	(1,223)	(5,169)	(2,403)	(10,807)
Other non-current liabilities	(357)	324	(2,430)	(156)
	46,180	37,148	116,117	114,693
Changes in non-cash operating working capital items (Note 14)	33,528	(11,462)	(35,749)	(68,105)
<b>Net cash generated by operating activities</b>	<b>79,708</b>	<b>25,686</b>	<b>80,368</b>	<b>46,588</b>
<b>Investing activities</b>				
Proceeds on disposal of assets (Note 4)	713	—	713	—
Settlement of purchase price obligations and puttable financial instrument liability	—	(3,476)	(1,500)	(27,377)
Proceeds on promissory note	1,510	1,455	4,506	4,164
Investments in joint ventures and associates	(498)	(1,821)	(1,823)	(3,564)
Distributions received from joint ventures and associates	2,115	5,442	8,194	17,853
Purchase of intangible assets, property and equipment, net	(470)	(1,345)	(1,774)	(3,966)
Investments, net	(948)	(320)	(4,536)	(822)
Restricted cash and cash equivalents	393	1,251	1,427	2,275
<b>Net cash generated by (used in) investing activities</b>	<b>2,815</b>	<b>1,186</b>	<b>5,207</b>	<b>(11,437)</b>
<b>Financing activities</b>				
Dividends to the Company's shareholders (Note 10)	(22,598)	(22,068)	(66,868)	(65,916)
Dividends and other distributions to Non-controlling interest	—	—	(5,895)	(3,178)
Lease payments	(3,837)	(4,396)	(13,272)	(12,923)
Stock options exercised	—	—	1,656	376
Issuance of hybrid debentures, net of issuance costs (Note 9)	2,160	—	64,095	99,283
Redemption of debentures (Note 9)	(110,000)	—	(110,000)	(86,250)
Share repurchase and cancellation (Note 10)	—	—	—	(33,998)
Long-term debt, net (Note 7 and 8)	(34,584)	(193)	60,370	16,147
Interest paid on long-term debt and debentures	(12,174)	(8,191)	(34,572)	(23,917)
Incentive fees received (paid) related to Contingent Value Rights settlements	(739)	(12,462)	(1,128)	3,420
<b>Net cash used in financing activities</b>	<b>(181,772)</b>	<b>(47,310)</b>	<b>(105,614)</b>	<b>(106,956)</b>
Net decrease in cash and cash equivalents	(99,249)	(20,438)	(20,039)	(71,805)
Effect of exchange rate changes on cash denominated in foreign currencies	138	732	99	(808)
Cash and cash equivalents – beginning of periods	141,370	49,687	62,199	102,594
Cash and cash equivalents – end of periods	42,259	29,981	42,259	29,981

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

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### 1. Description of business

Fiera Capital Corporation (“Fiera Capital” or the “Company”) was incorporated as Fry & Company (Investment Management) Limited in 1955 and is incorporated under the laws of the Province of Ontario. The Company is a global asset management firm which delivers customized and multi-asset solutions across public and private market asset classes to institutional, financial intermediary and private wealth clients across North America, Europe and key markets in Asia.

The Company’s head office is located at 1981 McGill College Avenue, Suite 1500, Montreal, Quebec, Canada. The Company’s Class A subordinate voting shares (“Class A Shares”) are listed on the Toronto Stock Exchange (“TSX”) under the symbol “FSZ”.

The Company’s Board of Directors (the “Board”) approved the interim condensed consolidated financial statements for the three and nine-month periods ended September 30, 2023 and 2022 on November 7, 2023.

### 2. Basis of presentation

#### Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – *Interim Financial Reporting*, as issued by the International Accounting Standard Board (“IASB”) and accordingly, do not include all disclosures required under International Financial Reporting Standards (“IFRS”) for annual consolidated financial statements. The accounting policies and methods of computation applied in these interim condensed consolidated financial statements are the same as those applied by the Company in its financial statements as at and for the year ended December 31, 2022, except for the impact of the adoption of the standards, interpretations and amendments described in Note 3.

These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2022 and December 31, 2021.

The Company has prepared and presented these interim condensed consolidated financial statements in Canadian dollars.



## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

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### 3. Adoption of new IFRS and changes in accounting policies

#### Revised IFRS, interpretations and amendments

##### *Amendment to Cloud Computing Arrangements - IAS 38 Intangible Assets*

In April 2021, the International Financial Reporting Interpretations Committee ("IFRIC") finalized an agenda decision which clarified the customer's accounting for configuration and customization in a cloud computing arrangement. As a result of this decision, the Company changed its accounting policy for costs incurred on cloud computing arrangements. Configuration and customization costs related to certain cloud computing arrangements where the related intellectual property is not controlled by the Company will now be expensed. Following this change in accounting policy, intangible assets with a net book value of \$4,561 were derecognized and the opening deficit was increased by \$3,499 (net of income taxes of \$1,062) as at January 1, 2022.

##### *Other*

Revised standards are effective for annual periods beginning on January 1, 2023. Their adoption did not have a significant impact on the amounts reported or disclosures made in these financial statements.

#### New standards and interpretations not yet adopted

At the date of approval of these interim condensed consolidated financial statements, new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and interpretations not adopted in the current period are under assessment by Management and have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

### 4. Business disposition, assets held for sale and other transactions

##### *Sale of Funds to New York Life Investments*

On March 13, 2023, the Company announced that it entered into a new strategic distribution partnership with New York Life Investments ("NYLIM") through its affiliates Fiera Capital Inc., Fiera Comox Partners Inc. and Fiera Capital (UK) Ltd. In connection with this partnership and a strategic partnership between NYLIM and PineStone Asset Management Inc. ("PineStone"), on September 13, 2023 NYLIM announced that it is bringing four funds into its MainStay Funds lineup - the MainStay Fiera SMID Growth Fund (formerly the Fiera Capital Small/Mid-Cap Growth Fund), the MainStay PineStone International Equity Fund (formerly the Fiera Capital International Equity Fund), the MainStay PineStone U.S. Equity Fund (formerly the Fiera Capital U.S. Equity Long-Term Quality Fund), and the MainStay PineStone Global Equity Fund (formerly the Fiera Capital Global Equity Fund).

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 5. Restructuring, acquisition related and other costs

During the three and nine-month periods ended September 30, 2023 and 2022, the Company recorded the following:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Restructuring costs related to severance	155	2,149	8,924	8,640
Other restructuring costs	1,226	470	2,858	1,048
Acquisition related and other costs	130	153	1,187	2,245
	1,511	2,772	12,969	11,933

Restructuring charges are mainly composed of severance costs due to corporate reorganizations following business combinations, dispositions and other transactions.

Acquisition related and other costs are mainly composed of professional fees and other expenses incurred as a result of the integration of businesses and other strategic transactions.

The change in the restructuring provision for severance-related expenses during the nine-month period ended September 30, 2023 is as follows:

	Severance
	\$
Balance as at December 31, 2022	4,928
Additions during the period	8,924
Paid during the period	(10,578)
Foreign currency translation	(5)
<b>Balance as at September 30, 2023</b>	<b>3,269</b>

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 6. Goodwill and intangible assets

	Goodwill	Indefinite life		Finite-life		Total
		Asset management contracts	Asset management contracts	Customer relationships	Other	
	\$	\$	\$	\$	\$	\$
<b>For the nine-month period ended September 30, 2023</b>						
Opening carrying amount	650,981	1,708	29,695	223,960	4,692	260,055
Additions	—	—	—	—	66	66
Additions – internally developed	—	—	—	—	1,258	1,258
Dispositions	—	—	—	(561)	—	(561)
Amortization for the period	—	—	(6,277)	(18,800)	(1,566)	(26,643)
Foreign currency translation	(50)	(1)	(28)	(180)	(54)	(263)
Closing carrying amount	650,931	1,707	23,390	204,419	4,396	233,912
<b>Balance as at September 30, 2023</b>						
Cost	633,323	1,695	152,747	405,699	38,216	598,357
Accumulated amortization and impairment	(1,918)	—	(129,712)	(203,981)	(33,815)	(367,508)
Foreign currency translation	19,526	12	355	2,701	(5)	3,063
Closing carrying amount	650,931	1,707	23,390	204,419	4,396	233,912

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

*(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)*

(Unaudited)

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### 7. Financial instruments

#### *Debentures*

The fair value of the 6.0% Hybrid debenture (Note 9) is estimated at approximately \$94,432 as at September 30, 2023. As at December 31, 2022, the fair value of the 6.0% Hybrid debenture approximated its face value. The fair value of the 8.25% Hybrid debentures (Note 9), issued on June 29, 2023, is \$66,968 as at September 30, 2023.

#### *Long-term debt*

The fair value of long-term debt approximates its carrying amount, given that it is subject to terms and conditions, including variable interest rates, similar to those available to the Company for instruments with comparable terms.

#### *Derivative financial instruments*

The Company's derivative financial instruments consist of cross currency swaps, currency swaps, interest rate swaps and foreign exchange forward contracts, which are presented at fair value on the interim condensed consolidated statements of financial position.

The fair value of derivatives that are not traded on an active market are determined using valuation techniques which maximize the use of observable market inputs such as interest rate yield curves as well as available information on market transactions involving other instruments that are substantially the same, discounted cash flows analysis or other techniques, where applicable. To the extent practicable, valuation techniques incorporate all factors that market participants would consider in setting a price and are consistent with accepted economic methods for valuing financial instruments.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 7. Financial instruments (continued)

Net gains (losses), fair value and the notional amount of derivatives by term to maturity are as follows:

	For the three-month period ended September 30, 2023	For the nine-month period ended September 30, 2023	As at September 30, 2023					
			Fair value of Derivative Financial instruments		Notional amount: term to maturity			
			Net gain (loss) on derivatives	Net gain (loss) on derivatives	Asset	(Liability)	Less than 1 year	From 1 to 5 years
	\$	\$	\$	\$	\$	\$	\$	
<b>Foreign exchange contracts</b>								
a) Forward foreign exchange and currency swap contracts – held for trading	(218)	207	23	(141)	17,576	–	–	–
b) Cross currency swaps – held for trading	7,767	1,789	1,063	–	356,000	–	–	–
<b>Interest rate contracts</b>								
c) Swap contracts – cash flow hedges	–	–	6,245	–	–	250,000	–	–

	For the three-month period ended September 30, 2022	For the nine-month period ended September 30, 2022	As at December 31, 2022					
			Fair value of Derivative Financial instruments		Notional amount: term to maturity			
			Net gain (loss) on derivatives	Net gain (loss) on derivatives	Asset	(Liability)	Less than 1 year	From 1 to 5 years
	\$	\$	\$	\$	\$	\$	\$	
<b>Foreign exchange contracts</b>								
a) Forward foreign exchange and currency swap contracts – held for trading	(925)	(1,993)	–	–	–	–	–	–
b) Cross currency swaps – held for trading	20,871	25,535	2,510	(359)	276,000	–	–	–
<b>Interest rate contracts</b>								
c) Swap contracts – held for trading	–	1,613	–	–	–	–	–	–

a) Forward foreign exchange and currency swap contracts — held for trading

The Company enters into forward foreign exchange and currency swap contracts with various terms to maturity that aim to manage the currency fluctuation risk associated with up to twelve months of estimated future revenues in US dollars and financial assets and liabilities for which cash flows are denominated in foreign currencies.

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

*(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)*

(Unaudited)

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### 7. Financial instruments (continued)

These contracts are recognized at fair value at the date the contracts are entered into and are subsequently remeasured to fair value through profit or loss at the end of each reporting period. The gain or loss on these derivative financial instruments is recognized in other revenues or interest on lease liabilities, foreign exchange revaluation and other financial charges in the interim condensed consolidated statement of earnings in accordance with the nature of the hedged item. Outstanding forward foreign exchange and currency swap contracts have contractual maturity dates in less than twelve months, therefore they are presented in current assets or current liabilities on the interim condensed consolidated statement of financial position.

The Company had net gains on settlement of \$326 during the nine-month period ended September 30, 2023 (net losses on settlement of \$1,426 during the nine-month period ended September 30, 2022).

#### b) Cross currency swaps – held for trading

Under the terms of the Company's revolving Facility (Note 8), the Company can borrow either in US dollars based on the US base rate plus a spread varying from 0.0% to 1.5% or the Adjusted term SOFR rate plus a spread varying from 1.0% to 2.5%, or in Canadian dollars based on the Canadian prime rate plus a spread varying from 0.0% to 1.5% or the bankers' acceptances plus a spread varying from 1.0% to 2.5%. To benefit from interest cost savings, the Company has effectively created a synthetic equivalent to a Canadian dollar loan at CDOR plus a spread on a designated notional amount by borrowing against the US dollar tranche of the Facility, the US equivalent notional amount at SOFR plus a spread, and swapping it into CDOR plus a spread with a cross currency swap.

The objective of this strategy is to provide cost savings without currency risk since the terms of the US SOFR financing and the cross currency swap are exactly matched (US dollar notional amount, SOFR rate, trade and maturity dates). Losses (gains) on cross currency swaps are offset by equivalent gains (losses) on the translation of the US denominated economically hedged portion of the Facility since the financing terms are exactly matched.

The net gain or loss on these derivative financial instruments is recognized in the interim condensed consolidated statement of earnings in accordance with the nature of the economically hedged item, the Facility (Note 8), and therefore is presented in interest on lease liabilities, foreign exchange revaluation and other financial charges. Outstanding cross currency swap contracts have contractual maturity dates in less than twelve months, therefore they are presented in current assets or current liabilities on the interim condensed consolidated statement of financial position.

The losses (gains) on settlement of the cross currency swaps were offset by equivalent gains (losses) on long-term debt and are netted in long-term debt in the interim condensed consolidated statement of cash flows. The Company had net gains on settlement of \$7,365 and \$2,877 during the three and nine-month periods ended September 30, 2023, respectively (net gains on settlement of \$17,534 and \$18,322 during the three and nine-month periods ended September 30, 2022, respectively).

### 7. Financial instruments (continued)

#### c) Interest rate swap contracts – Cash flow hedges

In February and March 2023, the Company entered into interest rate swap contracts to manage its exposure to benchmark interest rate fluctuations on the variable rate loans drawn on the Facility. The Facility loans bear interest at the variable rate plus a spread, but the hedged risk is designated as only the variable component of the total interest rate exposure, excluding the spread. To manage this risk, the interest rate swaps consist of exchanging the CDOR rate for a fixed rate applied to the notional of each contract, ranging between 3.7% to 4.2%. Interest is settled quarterly.

The interest rate swaps are designated as cash flow hedges and satisfy the requirements for hedge accounting. To demonstrate that an economic relationship exists between the variable rate loans and the interest rate swaps, a prospective assessment of effectiveness was performed at inception and is performed at every quarterly reporting period. The Company has established a hedge ratio of 1:1, as the notional of the hedged variable rate loans is equal to the notional of the interest rate swaps. Hedge ineffectiveness could arise from counterparty credit risk, differences in the timing of cash flows, different tenors on the variable rate, CDOR reform, as the maturity date of the contracts extend beyond the cessation date, and any other change in reference rates impacting the hedges or hedged exposures.

The effective portion of changes in the fair value of these contracts was recognized in other comprehensive income and accumulated in a hedging reserve. The Company recorded a gain in other comprehensive income of \$1,470 and \$4,597 during the three and nine-month periods ended September 30, 2023 (net of income taxes of \$527 and \$1,648) (a gain in other comprehensive income of nil and \$1,065 during the three and nine-month periods ended September 30, 2022 (net of income taxes of \$0 and \$406, respectively)). There was no ineffective portion on these contracts for the three and nine-month periods ended September 30, 2023 and September 30, 2022. Outstanding interest rate swap contracts have contractual maturity dates greater than twelve months, therefore they are presented in non-current assets or non-current liabilities on the interim condensed consolidated statement of financial position.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 7. Financial instruments (continued)

Fair value hierarchy

The financial assets and liabilities that are recognized on the interim condensed consolidated statements of financial position at fair value are classified using a hierarchy that is based on the significance of the inputs used in making the measurements. The levels in the hierarchy are:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the financial instruments recorded at amortized cost and fair value in the interim condensed consolidated statements of financial position, classified using the fair value hierarchy:

	As at September 30, 2023			
	Amortized cost	Fair value through profit or loss		Total
	\$	Level 2	Level 3	\$
	\$	\$	\$	\$
<b>Assets</b>				
Cash and cash equivalents	42,259	—	—	42,259
Restricted cash and cash equivalents	982	—	—	982
Investments	—	7,682	—	7,682
Trade and other receivables	117,205	—	—	117,205
Promissory note <sup>(1)</sup>	—	—	24,560	24,560
Long-term investments	—	—	10,323	10,323
Derivative financial instruments <sup>(2)</sup>	—	7,331	—	7,331
	<b>160,446</b>	<b>15,013</b>	<b>34,883</b>	<b>210,342</b>
<b>Liabilities</b>				
Accounts payable and accrued liabilities <sup>(3)</sup>	135,004	—	79	135,083
Purchase price obligations	—	—	11,565	11,565
Derivative financial instruments	—	141	—	141
Client deposits	324	—	—	324
Long-term debt	502,718	—	—	502,718
Debentures	163,710	—	—	163,710
	<b>801,756</b>	<b>141</b>	<b>11,644</b>	<b>813,541</b>

<sup>(1)</sup> Includes \$5,471 presented in trade and other receivables and \$19,089 presented in other non-current assets on the interim condensed consolidated statements of financial position.

<sup>(2)</sup> Includes \$1,086 presented in prepaid expenses and other assets and \$6,245 presented in Derivative financial instruments within non-current assets on the interim condensed consolidated statements of financial position.

<sup>(3)</sup> \$79 represents the short-term portion of the CVR liability.



# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 7. Financial instruments (continued)

	As at December 31, 2022			
	Amortized cost	Fair value through profit or loss		Total
		Level 2	Level 3	
	\$	\$	\$	\$
<b>Assets</b>				
Cash and cash equivalents	62,199	—	—	62,199
Restricted cash and cash equivalents	2,404	—	—	2,404
Investments	—	6,014	—	6,014
Trade and other receivables	141,558	—	—	141,558
Promissory note <sup>(1)</sup>	—	—	26,348	26,348
Long-term investments	—	—	6,574	6,574
Derivative financial instruments <sup>(2)</sup>	—	2,510	—	2,510
	206,161	8,524	32,922	247,607
<b>Liabilities</b>				
Accounts payable and accrued liabilities <sup>(3)</sup>	167,527	—	892	168,419
Purchase price obligations	—	—	26,944	26,944
Derivative financial instruments	—	359	—	359
Client deposits	749	—	—	749
Long-term debt	443,998	—	—	443,998
Debentures	207,611	—	—	207,611
	819,885	359	27,836	848,080

<sup>(1)</sup> Includes \$5,189 presented in trade and other receivables and \$21,159 presented in other non-current assets on the interim condensed consolidated statements of financial position.

<sup>(2)</sup> Presented in prepaid expenses and other assets on the interim condensed consolidated statements of financial position.

<sup>(3)</sup> \$892 represents the the short-term portion of the CVR liability.

#### Level 3

The fair value of the promissory note, purchase price obligations, and the CVRs are Level 3 financial instruments and are determined using a discounted cash flow analysis which makes use of unobservable inputs such as expected cash flows and risk adjusted discount rates. Expected cash flows are estimated based on the terms of the contractual arrangements and the Company's knowledge of the business and how the current economic environment is likely to impact it.

Purchase price obligation – Clearwater Capital Partners, LLC ("Clearwater"):

The discounted cash flow method was used to measure the present value of the expected future cash flows to be paid to the sellers as contingent consideration. The main Level 3 inputs used by the Company to value the Clearwater purchase price obligations are derived from unobservable inputs of revenue and EBITDA (as defined in the share purchase agreement) forecasts, management's estimates of revenue generated from inflows of AUM from the Asia region, and the risk-adjusted discount rate.

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

*(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)*

(Unaudited)

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### 7. Financial instruments (continued)

The Company reduced the fair value of the purchase price obligation and recorded an adjustment of \$70 (US\$51) and \$1,177 (US\$891) during the three and nine-month periods ended September 30, 2023, respectively (\$2,567 (US\$1,868) during the three and nine-month periods ended September 30, 2022). The adjustment was driven by revised fiscal year 2023 forecasts related to revenue generated from inflows of assets under management from the Asia region. During the nine-month period ended September 30, 2023 the Company issued 2,077,429 shares for an equivalent of \$13,233 (US\$10,000), to settle the amount earned on the purchase price obligation for the year ended December 31, 2022. The fair value of the Clearwater purchase price obligation as at September 30, 2023 was \$9,246 (US\$6,838) and \$23,298 (US\$17,195) as at December 31, 2022.

Due to the unobservable nature of the inputs, there may be uncertainty about the valuation of these Level 3 financial instruments and using reasonably possible alternative assumptions would change the fair value. Moreover, the relationship between the risk-adjusted discount rate and the other unobservable inputs is not necessarily a direct relationship and different inter-relationships could be reasonably applied. The Company used discount rates ranging between 10.0% and 15.0% (2022 – between 10.0% and 15.0%). The Company varied the significant unobservable inputs such as the risk-adjusted discount rate, revenue, EBITDA, and revenue forecasts from inflows of AUM from the Asia region, and established a reasonable fair value range between \$7,882 (US\$5,830) and \$9,354 (US\$6,919) for its purchase price obligation as at September 30, 2023 compared to \$15,973 (US\$11,625) and \$23,821 (US\$17,336) as at December 31, 2022 .

Promissory Note – Wilkinson Global Asset Management LLC ("WGAM"):

On December 31, 2020, the Company completed the sale of all its equity interest in WGAM, in exchange for a promissory note issued by WGAM, for a notional amount of \$35,655 (US\$27,987). Under the terms of the agreement, the promissory note earns interest at SOFR 3M plus a premium of 3.1% as at September 30, 2023, and EURIBOR plus a premium of 3% as at December 31, 2022. The principal and interest related to the promissory note will be reimbursable to the Company through quarterly payments based on a specified revenue amount for each fiscal quarter with a minimum annual repayment of US\$1,750. The promissory note is secured by units of membership interests and the assets of WGAM.

The promissory note is a financial asset recorded at fair value through profit and loss and has been categorized as a Level 3 fair value instrument. The discounted cash flow method was used to measure the present value of the promissory note. The main Level 3 inputs used by the Company to value the promissory note are derived from unobservable inputs of assets under management forecasts, revenue forecasts and the credit-adjusted discount rate reflecting the estimated maturity of the promissory note. The Company uses a discount rate ranging between 8.0% - 9.5% for the three and nine-month periods ended September 30, 2023 and the year ended December 31, 2022. The fair value of the instrument was \$24,560 (US\$18,166) as at September 30, 2023, and (\$26,348 (US\$19,445) as at December 31, 2022).

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

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(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 7. Financial instruments (continued)

Due to the unobservable nature of the inputs, there may be uncertainty about the valuation of this Level 3 financial instrument and using reasonably possible alternative assumptions would change the fair value. Moreover, the relationship between the credit-adjusted discount rate and the other unobservable inputs does not necessarily have a direct relationship and different inter-relationships could be reasonably applied. The Company varied the significant unobservable inputs such as the credit-adjusted discount rate, assets under management and revenue forecasts and established a reasonable fair value range between \$23,640 (US\$17,486) and \$24,881 (US\$18,403) as at September 30, 2023, (\$25,190 (US\$18,590) and \$26,668 (US\$19,681) as at December 31, 2022).

The reconciliation of Level 3 fair value measurements is presented as follows:

	Promissory note	Long-term investments	Accounts payable and accrued liabilities	Purchase price obligations	Total
		\$	\$	\$	\$
Fair value as at December 31, 2022	26,348	6,574	(892)	(26,944)	5,086
Additional investments	—	4,155	—	—	4,155
Disposition of investments	—	(494)	—	—	(494)
Proceeds received	(4,506)	—	—	—	(4,506)
Gain on investments, net	—	70	—	—	70
Settlement of purchase price obligations	—	—	—	14,733	14,733
Revaluation <sup>(1)</sup>	891	—	—	1,177	2,068
Accretion <sup>(1)</sup>	1,866	—	—	(892)	974
Revaluation and settlement of CVRs	—	—	813	—	813
Foreign currency translation	(39)	18	—	361	340
<b>Fair value as at September 30, 2023</b>	<b>24,560</b>	<b>10,323</b>	<b>(79)</b>	<b>(11,565)</b>	<b>23,239</b>

<sup>(1)</sup> Accounted in Accretion and change in fair value of purchase price obligations and other in the interim condensed consolidated statements of Earnings

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 7. Financial instruments (continued)

	Promissory note	Long-term investments	Accounts payable and accrued liabilities	Purchase price obligations	Puttable financial instrument liability	Other non-current liabilities	Total
		\$	\$	\$	\$	\$	\$
Fair value as at December 31, 2021	28,198	5,739	(9,120)	(33,359)	(23,485)	(253)	(32,280)
Additional investments	—	1,467	—	—	—	—	1,467
Disposition of investments	—	(778)	—	—	—	—	(778)
Proceeds received	(4,164)						(4,164)
Settlement of purchase price obligations and puttable financial instruments liability	—	—	—	5,718	21,659	—	27,377
Loss on investments, net	—	(47)	—	—	—	—	(47)
Revaluation <sup>(1)</sup>	(5,225)	—	—	2,567	566	—	(2,092)
Accretion <sup>(1)</sup>	4,218	—	—	(2,881)	(228)	—	1,109
Revaluation of CVRs	—	—	8,546	—	—	(62)	8,484
Foreign currency translation	2,109	(281)	—	(2,405)	1,488	—	911
Fair value as at September 30, 2022	25,136	6,100	(574)	(30,360)	—	(315)	(13)

<sup>(1)</sup> Accounted in Accretion and change in fair value of purchase price obligations and other in the interim condensed consolidated statements of Earnings

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 8. Long-term debt

	As at September 30, 2023	As at December 31, 2022
	\$	\$
Revolving credit facility	503,761	445,490
Deferred financing charges	(1,043)	(1,492)
	502,718	443,998

#### Credit facility

On April 20, 2022, the Company entered into the Seventh Amended and Restated Credit Agreement (“Credit Agreement”) comprised of a \$700,000 senior unsecured revolving facility (“Facility”) which can be drawn in Canadian or US dollars at the discretion of the Company.

Under the terms of the Credit Agreement, the maturity date is April 20, 2026. A one-year extension can be requested annually subject to the acceptance of a group of lenders within the banking syndicate whose commitments amount to more than 66 2/3% of the Facility. The Company may request an increase in the available Facility by an amount of up to \$200,000 subject to the acceptance by the lenders.

The Facility bears interest, payable monthly, at variable rates based on the currency in which an amount is drawn. The interest rates are based on either the Canadian prime rate, bankers’ acceptances, the US base rate or Adjusted term SOFR rate, plus a spread as a function of the quarterly Funded Debt to EBITDA ratio as defined in the Credit Agreement.

As at September 30, 2023, the total amount drawn on the Facility was \$503,761 (December 31, 2022 - \$445,490) of which \$499,023 (US\$369,100) was drawn in US dollars (December 31, 2022 - (US\$328,787)) and \$4,738 was drawn in Canadian Dollars (December 31, 2022 - nil).

Under the terms of the Credit Agreement, the Company must satisfy certain restrictive covenants including minimum financial ratios. All restrictive covenants under the Credit Agreement were met as at September 30, 2023 and December 31, 2022.

During the three and nine-month periods ended September 30, 2023 the Company repaid \$41,949 and borrowed \$57,493 (repaid \$17,727 and \$2,175 during the three and nine-month periods ended September 30, 2022) of its long-term debt.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 9. Debentures

The balance of the debentures consists of the following:

	As at September 30, 2023	As at December 31, 2022
	\$	\$
5.6% Hybrid debentures – Due on July 31, 2024 <sup>(1)</sup>	—	108,260
6.0% Hybrid debenture – Due on June 30, 2027	99,436	99,351
8.25% Hybrid debentures – Due on December 31, 2026	64,274	—
	<b>163,710</b>	<b>207,611</b>

#### a) 5.6% Hybrid debentures – Due on July 31, 2024<sup>(1)</sup>

	As at September 30, 2023	As at December 31, 2022
	\$	\$
Face value	—	110,000
Less:		
Issuance costs	—	(5,007)
Cumulative accretion expense on liability component	—	3,267
	—	108,260

<sup>(1)</sup> The original maturity date of the debentures was July 31, 2024 but they were redeemed on July 31, 2023.

On July 4, 2019, the Company issued 100,000 senior subordinated unsecured hybrid debentures maturing on July 31, 2024 and on July 9, 2019 the Company issued 10,000 senior subordinated unsecured hybrid debentures following the exercise of the over-allotment option, maturing on July 31, 2024 (together, the “5.6% Hybrid debentures”) for total gross proceeds of \$110,000. On July 31, 2023, the Company redeemed all issued and outstanding convertible debentures at 100% of the principal amount, with the last interest payment made on July 31, 2023. As a result, unamortized deferred financing charges of \$1,242 were reclassified to net earnings within Interest on lease liabilities, foreign exchange revaluation and other financial charges.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

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(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 9. Debentures (continued)

#### b) 6.0% Hybrid debenture – Due on June 30, 2027

	As at September 30, 2023	As at December 31, 2022
	\$	\$
Face value	100,000	100,000
Less:		
Issuance costs	(717)	(717)
Cumulative accretion expense on liability component	153	68
	<b>99,436</b>	99,351

On June 23, 2022, the Company completed a private placement of a \$100,000 senior subordinated unsecured hybrid debenture with the Fonds de solidarité FTQ maturing on June 30, 2027 (the "6.0% Hybrid debenture"). The 6.0% Hybrid debenture bears interest at a rate of 6.0% per annum, payable semi-annually in arrears on June 30 and December 31 of each year starting December 31, 2022. Prior to June 30, 2025, the 6.0% Hybrid debenture will be redeemable in whole or in part from time to time at the Company's option, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to the greater of a) 100% of the principal amount redeemed and b) the Canada Yield Price as defined in the debenture plus accrued and unpaid interest. On and after June 30, 2025 and prior to June 30, 2026, the 6.0% Hybrid debenture will be redeemable, in whole or in part, and from time to time, at the Company's option, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to 103% of the principal amount redeemed plus accrued and unpaid interest. On and after June 30, 2026 and prior to the maturity date on June 30, 2027, the 6.0% Hybrid debenture will be redeemable, in whole or in part, and from time to time, at the Company's option, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest. The Company will have the option to repay the principal amount of the 6.0% Hybrid debenture due at redemption or at maturity on June 30, 2027 either by paying in cash or by issuing Class A Shares in accordance with the terms of the trust indenture. The 6.0% Hybrid debenture will not be, at any time, convertible into Class A Shares at the option of the holders. The 6.0% Hybrid debenture is recorded at amortized cost, net of issuance costs, using the effective interest rate method.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 9. Debentures (continued)

#### c) 8.25% Hybrid debentures – Due on December 31, 2026

	As at September 30, 2023	As at December 31, 2022
	\$	\$
Face value	67,250	—
Less:		
Issuance costs	(3,155)	—
Cumulative accretion expense on liability component	179	—
	64,274	—

On June 29, 2023 the Company issued 65,000 senior subordinated unsecured hybrid debentures maturing on December 31, 2026 (the “8.25% Hybrid debentures”) for gross proceeds of \$65,000. On July 28, 2023, the Company issued 2,250 senior subordinated unsecured hybrid debentures following the exercise of the over allotment option for gross proceeds of \$2,250, also maturing on December 31, 2026. The 8.25% Hybrid debentures bear interest at a rate of 8.25% per annum, payable semi-annually in arrears on June 30 and December 31 of each year, with the first interest payment on December 31, 2023. The 8.25% Hybrid debentures will not be redeemable before December 31, 2025, except upon the satisfaction of certain conditions after a change of control of the Company. On and after December 31, 2025 and prior to the maturity date on December 31, 2026, the 8.25% Hybrid debentures will be redeemable, in whole or in part, and from time to time, at the Company’s option, on not more than 60 days and not less than 30 days prior notice, at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest. The Company will have the option to repay the principal amount of the 8.25% Hybrid debentures due at redemption or at maturity on December 31, 2026 either by paying in cash or by issuing Class A Shares in accordance with the terms of the trust indenture. The 8.25% Hybrid debentures will not be, at any time, convertible into Class A Shares at the option of the holders. The 8.25% Hybrid debentures are recorded at amortized cost, net of issuance costs, using the effective interest rate method.



# Fiera Capital Corporation

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(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 10. Share capital and accumulated other comprehensive income

The following table provides details of the issued, fully paid and outstanding common shares:

	Class A shares		Class B shares			Total
	Number	\$	Number	\$	Number	\$
As at December 31, 2022	83,228,078	782,989	19,412,401	30,891	102,640,479	813,880
Issuance of shares						
Shares issued as settlement of purchase price obligations	2,077,429	13,233	—	—	2,077,429	13,233
Performance and restricted share units settled	113,739	529	—	—	113,739	529
Stock options exercised	275,000	1,718	—	—	275,000	1,718
<b>As at September 30, 2023</b>	<b>85,694,246</b>	<b>798,469</b>	<b>19,412,401</b>	<b>30,891</b>	<b>105,106,647</b>	<b>829,360</b>
As at December 31, 2021	85,432,361	804,198	19,412,401	30,891	104,844,762	835,089
Issuance of shares						
Performance and restricted share units settled	1,305,127	11,928	—	—	1,305,127	11,928
Stock options exercised	50,590	489	—	—	50,590	489
Share repurchase and cancellation	(3,560,000)	(33,626)	—	—	(3,560,000)	(33,626)
As at September 30, 2022	83,228,078	782,989	19,412,401	30,891	102,640,479	813,880

#### 2023

##### Shares repurchase and cancellation

On August 10, 2023, the Toronto Stock Exchange approved the renewal of the Company's normal course issuer bid ("NCIB") to purchase for cancellation up to a maximum of 4,000,000 Class A Shares, representing approximately 4.7% of its issued and outstanding Class A Shares as at August 1, 2023. The NCIB began on August 16, 2023 and will end at the latest on August 15, 2024.

During the three and nine-month periods ended September 30, 2023, there were no purchases and cancellations of Class A Shares under the normal course issuer bid.

##### Dividends

During the three and nine-month periods ended September 30, 2023, the Company declared dividends on Class A Shares and Class B special voting shares ("Class B Shares") totaling \$22,598 (\$0.215 per share) and \$66,868 (\$0.645 per share), respectively. During the three and nine-month periods ended September 30, 2023, 117,085 and 309,767 Class A shares were purchased on the open market for \$646 and \$1,996 to settle dividends under the dividend reinvestment plan.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 10. Share capital and accumulated other comprehensive income (continued)

#### 2022

##### Shares repurchase and cancellation

On January 12, 2022, the Company and Natixis Investment Managers (“Natixis IM”) announced Natixis IM’s intention to sell all of its 10,680,000 Class A Shares held in the Company through an indirect wholly-owned subsidiary. Fiera Capital and Natixis IM entered into an agreement for the repurchase for cancellation of 3,560,000 Class A Shares for an aggregate repurchase price of \$34,888. In addition, Natixis IM paid Fiera Capital a transaction fee. In a separate transaction, Natixis IM sold the remaining 7,120,000 Class A Shares indirectly held by it through a syndicate of underwriters by way of a prospectus-exempt bought deal block trade. These transactions closed on January 14, 2022. Immediately following the transactions, Natixis IM no longer held any shares of the Company.

The share repurchase counted towards the maximum number of Class A Shares that may be repurchased under the Company’s NCIB. In connection with the share repurchase, Fiera Capital amended the NCIB in order to increase the maximum number of Class A Shares that may be repurchased to 6,335,600 Class A Shares (representing 10% of the public float of the Class A shares on August 2, 2021), effective on January 17, 2022.

On August 11, 2022, the Toronto Stock Exchange approved the renewal of the Company’s normal course issuer bid (“NCIB”) to purchase for cancellation up to a maximum of 4,000,000 Class A Shares, representing approximately 4.8% of its issued and outstanding Class A Shares as at August 1, 2022. The NCIB began on August 16, 2022 and will end at the latest on August 15, 2023.

During the nine-month ended September 30, 2022, the Company paid \$33,998, to purchase and cancel 3,560,000 Class A Shares under the normal course issuer bid which reduced share capital by \$33,626 (including income taxes of \$117) and the excess paid of \$489 was charged to contributed surplus.

##### Dividends

During the three and nine-month periods ended September 30, 2022, the Company declared dividends on Class A Shares and Class B shares totaling \$22,068 (\$0.215 per share) and \$65,916 (\$0.65 per share). During the three and nine-month periods ended September 30, 2022, 64,712 and 266,211 Class A shares were purchased on the open market for \$584 and \$2,499 to settle dividends under the dividend reinvestment plan.

##### Accumulated other comprehensive income (loss)

The components of accumulated other comprehensive income (loss) include:

	As at September 30, 2023	As at December 31, 2022
	\$	\$
Cash flow hedges	4,597	—
Unrealized foreign currency translation on foreign operations	(16,849)	(16,675)
	(12,252)	(16,675)

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 11. Earnings per share

Basic and diluted earnings per share and the reconciliation of the number of shares used to calculate basic and diluted earnings per share are as follows:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net earnings attributable to shareholders	<b>11,067</b>	8,666	<b>19,034</b>	22,844
Weighted average shares outstanding – basic	<b>105,921,419</b>	102,906,336	<b>103,646,451</b>	102,382,074
Effect of dilutive share-based awards, purchase price obligations payable in shares and debentures	<b>35,372,739</b>	1,605,530	<b>4,092,423</b>	1,622,667
<b>Weighted average shares outstanding – diluted</b>	<b>141,294,158</b>	104,511,866	<b>107,738,874</b>	104,004,741
Basic earnings per share	<b>0.10</b>	0.08	<b>0.18</b>	0.22
Diluted earnings per share	<b>0.09</b>	0.08	<b>0.18</b>	0.22

For the three-month period ended September 30, 2023, the share-based awards payable in 4,050,154 shares were dilutive. In addition, the 6% Hybrid debenture and 8.25% Hybrid debentures were dilutive and accordingly, the net earnings attributable to shareholders was increased by its interest (net of tax) of \$1,120 and \$1,151 respectively. The share-based awards payable in 2,623,000 shares were anti-dilutive. For the nine-month period ended September 30, 2023, the share-based awards payable in 4,092,423 shares were dilutive. The share-based awards payable in 2,857,351 shares, the 6% Hybrid debenture and 8.25% Hybrid debentures with face values of \$100,000 and \$67,250, respectively, were anti-dilutive.

For the three-month period ended September 30, 2022, the share-based awards payable in 1,605,530 shares were dilutive. The share-based awards payable in 3,397,679 shares, the 6% Hybrid debenture, and the 5.6% Hybrid debentures with a face value of \$100,000 and \$110,000, respectively, were anti-dilutive. For the nine-month period ended September 30, 2022, the share-based awards payable in 1,622,667 shares were dilutive. The share-based awards payable in 3,618,945 shares, the convertible debentures, the 6.0% Hybrid debenture, and the 5.6% Hybrid debentures with face values of \$86,250, \$100,000, and \$110,000, respectively, were anti-dilutive.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 12. Share-based payments

#### a) Stock option plan

A summary of the changes that occurred in the Company's stock option plans during the nine-month periods ended September 30, 2023, and 2022, is presented below:

	2023		2022	
	Number of Class A Share options	Weighted-average exercise price	Number of Class A Share options	Weighted-average exercise price
		\$		\$
Outstanding – beginning of periods	3,865,505	11.33	4,361,095	11.29
Granted	100,000	8.76	—	—
Exercised	(275,000)	6.02	(50,590)	7.44
Expired	(842,505)	11.88	(425,000)	11.40
Outstanding – end of periods	2,848,000	11.59	3,885,505	11.33
Options exercisable – end of periods	1,093,000	12.97	1,045,505	13.06

The Company recorded an expense of \$94 and \$1,005 for stock options during the three and nine-month periods ended September 30, 2023 (an expense of \$130 and \$640 during the three and nine-month periods ended September 30, 2022).

The following table presents the assumptions under the Black-Scholes option pricing model used to determine the fair value of options granted during the nine-month periods ended September 30, 2023, and 2022 :

	2023	2022
Dividend yield (%)	10.01	—
Risk-free interest rate (%)	3.32	—
Expected life (years)	7.00	—
Expected volatility of the share price (%)	30.26	—
Weighted-average fair value (\$)	0.73	—

The expected volatility is based on the historical volatility of the Company's share price. The risk-free interest rate used is equal to the yield available on government of Canada bonds at the date of grant with a term that approximates the expected life of options.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 12. Share-based payments (continued)

#### b) Deferred share unit (“DSU”) plan

One DSU unit is equivalent to one Class A Share of the Company. The Company recorded an expense of \$102 and \$324 for this plan during the three and nine-month periods ended September 30, 2023, respectively (an expense of \$60 and \$52 during the three and nine-month periods ended September 30, 2022, respectively).

The total award value granted under the Company's DSU plan was \$513 and \$68 during the nine-month periods ended September 30, 2023 and 2022, respectively. As at September 30, 2023, the Company had a liability for an amount of \$535 for the 95,256 units outstanding under the DSU plan (\$342 for 39,383 units as at December 31, 2022).

#### c) Restricted share unit (“RSU”) plan

The following table presents transactions that occurred in the Company's RSU plan during the nine-month periods ended September 30, 2023, and 2022:

	2023	2022
Outstanding units – beginning of periods	105,941	422,024
Settled	(91,574)	(330,740)
Reinvested in lieu of dividends	1,867	13,294
Forfeited/Cancelled	—	(1,186)
Outstanding units – end of periods	16,234	103,392

One RSU unit is equivalent to one Class A Share of the Company. The Company recorded an expense of \$2 and \$103 for these grants during the three and nine-month periods ended September 30, 2023, respectively (\$84 and \$2,007 during the three and nine-month periods ended September 30, 2022, respectively).

During the nine-month period ended September 30, 2023, nil Class A Shares were issued and \$769 was paid in cash as settlement of vested RSUs (nil Class A Shares were issued and \$3,150 cash paid as settlement of vested RSUs during the nine-month period ended September 30, 2022). As at September 30, 2023, the Company had a liability in the amount of \$56 for the 16,234 units outstanding under the RSU plan (\$731 for 105,941 units as at December 31, 2022).

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 12. Share-based payments (continued)

d) Restricted share unit plan — cash (“RSU cash”)

The following table presents transactions that occurred in the Company’s RSU cash plan during the nine-month periods ended September 30, 2023, and 2022:

	2023	2022
Outstanding units – beginning of periods	2,093,957	2,310,885
Settled	(1,013,777)	(332,456)
Forfeited/Cancelled	(774,044)	—
Reinvested in lieu of dividends	82,531	153,230
Granted	203,371	93,784
Outstanding units – end of periods	592,038	2,225,443

RSU cash units are equivalent to one Class A Share of the Company. The Company recorded an expense of \$1,014 and \$2,829 for these grants during the three and nine-month periods ended September 30, 2023, respectively (\$927 and \$915 during the three and nine-month periods ended September 30, 2022, respectively).

During the nine-month period ended September 30, 2023, 1,013,777 units were settled (2022 – 332,456) and an amount of \$9,066 was paid as settlement of vested units (2022 – \$3,155). As at September 30, 2023, the Company had a liability in the amount of \$1,275 for the 592,038 units outstanding under the RSU cash plan (\$9,794 for the 2,093,957 units as at December 31, 2022).

e) PSU and UAR plan applicable to Business Units (“BU”)

PSU applicable to BU

The Company recorded the following expense relating to the PSU plan applicable to BU during the three and nine-month periods ended September 30, 2023 and 2022:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Equity-settled grants	414	72	1,426	12,749
Cash-settled grants	1,347	178	3,020	780
	1,761	250	4,446	13,529

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 12. Share-based payments (continued)

The total award value granted under the Company's PSU plan applicable to BU was \$10,046 and \$14,302 during the nine-month periods ended September 30, 2023 and 2022, respectively. During the nine-month period ended September 30, 2023, nil Class A Shares were issued and \$1,237 was paid in cash as settlement of vested PSU applicable to BU (1,201,799 Class A Shares were issued and \$21,257 paid in cash during the nine-month period ended September 30, 2022).

On January 31, 2022, the Company closed a previously announced agreement to establish a sub-advisory partnership with PineStone, a new firm to be controlled and led by the former Head of Fiera Capital's Montreal-based Global Equity Team. Upon closing of the agreement, all PSU applicable to BU grants previously awarded to the Global Equity team vested immediately and were settled in cash. In addition, during the six-month period ended June 30, 2022, the Company granted additional PSU applicable to BU awards to the former Global Equity team for the remaining service period ending January 31, 2022, with immediate vesting. This was settled through the issuance of Class A Shares.

UAR applicable to BU

The Company recorded the following expense relating to the UAR plan applicable to BU during the three and nine-month periods ended September 30, 2023 and 2022:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Equity-settled grants	170	304	509	788
Cash-settled grants	278	423	652	897
Total expense	448	727	1,161	1,685

Under the UAR plan applicable to BUs, eligible employees are entitled to receive an amount equivalent to the difference between the business value per unit on the vesting date and the exercise price determined on the grant date. Depending on the grant, vested awards are settled in Class A Shares of the Company, or can be settled in Class A Shares or cash at the discretion of the Company. The total award value granted under the Company's UAR plan applicable to BU was nil and \$1,028 during the nine-month periods ended September 30, 2023 and 2022, respectively.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 12. Share-based payments (continued)

#### f) PSU plan

There were no awards granted under the Company's PSU plan for the nine-month periods ended September 30, 2023 and 2022. The Company recorded an expense of nil and \$5 during the three and nine-month periods ended September 30, 2023, respectively related to Equity-settled grants (recovery of \$(185) and expense of \$109 during the three and nine-month periods ended September 30, 2022, respectively related to Equity-settled grants). The Company recorded an expense of \$2 and \$8 during the three and nine-month periods ended September 30, 2023, respectively related to Cash-settled grants (expense of \$11 and \$41 during the three and nine-month periods ended September 30, 2022, respectively related to Cash-settled grants). The Company issued 113,739 Class A Shares and nil was paid in cash during the nine-month period ended September 30, 2023 as settlement of vested PSUs (2022 - 91,509 Class A shares issued and nil paid in cash).

### 13. Revenues

The Company's client servicing activities are organized on a global basis and are distributed to clients based on three Distribution Channels: Institutional, Financial Intermediaries, and Private Wealth. Each channel represents a distinct subset of the client base and informs Management and investors of the current composition of its asset under management, and how it may change over time based on the Company's distribution efforts. The Distribution Channels are the primary categories to organize the Company's client servicing activities as it continues to be an efficient allocator of capital. Management believes that revenue by distribution channel provides additional insight into factors that could impact the nature, amount, timing and uncertainty of revenue from customers.

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Institutional	80,636	83,435	249,422	252,612
Financial Intermediaries	45,560	43,226	133,798	148,878
Private Wealth	27,216	27,019	81,099	78,685
Other revenues and Share of earnings in joint ventures and associates <sup>(1)</sup>	5,328	6,874	11,355	16,567
	158,740	160,554	475,674	496,742

(1) Other revenues and Share of earnings in joint ventures and associates are not allocated to a distribution channel



# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 14. Additional information relating to interim condensed consolidated statements of cash flows

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Changes in non-cash operating working capital items</b>				
Accounts receivable	4,329	(5,222)	22,112	63,078
Prepaid expenses and other assets	4,651	4,321	(2,211)	(9,067)
Accounts payable and accrued liabilities	17,425	(9,570)	(47,436)	(108,617)
Current portion of cash-settled share based liabilities (Note 12)	175	(829)	(7,278)	(16,388)
Restructuring provisions	(955)	(978)	(1,654)	(608)
Amounts due to related parties	—	—	—	(4,723)
Client deposits and deferred revenues	7,903	816	718	8,220
	33,528	(11,462)	(35,749)	(68,105)

Income taxes received and paid during the three and nine-month periods ended September 30, 2023 were \$3,125 and \$9,229 respectively (\$4,250 and \$20,648 paid for the three and nine-month periods ended September 30, 2022). Prepaid expenses and other assets includes \$13,576 of income taxes receivables as at September 30, 2023 (\$10,540 as at December 31, 2022).

### 15. Commitments, Contingent liabilities and Provisions for Claims

#### Contingent liabilities and provisions for claims

Given the nature of the Company's business, the Company may be involved in and potentially subject to claims, proceedings, and investigations, including, legal, regulatory and tax. There are a number of uncertainties involved in such matters, individually or in aggregate, and as such, it is not currently possible to predict the final outcome with certainty. Management believes that the defense or resolution of these matters, individually or in aggregate, will not have a material adverse effect on the Company's financial condition. Management regularly assesses its position on the adequacy of accruals or provisions related to such matters. Based on current information and probable resolution related to certain claims, the company recognized an additional provision of \$106 and \$6,262 during the three and nine-month periods ended September 30, 2023, respectively (nil for the three and nine-month periods ended September 30, 2022), which is presented in Other expenses (income) on the interim condensed consolidated statements of Earnings. As at September 30, 2023, the total liability in respect of these matters was \$12,788 (\$15,994 as at December 31, 2022).

The Company maintains insurance policies that may provide coverage against these claims, however these are not accrued unless realization of income is virtually certain. During the three and nine-month periods ended September 30, 2023 and December 31, 2022, there were no insurance proceeds received related to the settlement of these claims.

### 16. Capital management

The Company's capital comprises share capital, retained earnings (deficit), long-term debt, and hybrid debentures, less cash and cash equivalents. The Company manages its capital to ensure there are adequate capital resources while maximizing the return to shareholders through the optimization of the debt and equity balance and to maintain compliance with regulatory requirements and certain restrictive covenants required by the lender of the debt. The Company is required to maintain minimum working capital, calculated in accordance with National Instrument 31-103 *Registration Requirements and Exemptions*, on a non-consolidated basis. As at September 30, 2023 and December 31, 2022 it has complied with such requirements. The Company has also complied with the restrictive debt covenants under the terms of the credit facility.

In order to maintain or adjust its capital structure, the Company may issue shares, repurchase and cancel shares under the NCIB, proceed to the issuance or repayment of debt or issue shares to satisfy payment obligations of the 6.0% Hybrid debenture and 8.25% Hybrid debentures.

### 17. Related party transactions

In the normal course of business, the Company carries out transactions with related parties which include related shareholders or entities under the same common control as these related shareholders.

At September 30, 2023, a shareholder indirectly owns Class B Shares representing approximately 6.9% of the Company's issued and outstanding shares (7.1% as at December 31, 2022). This shareholder is the administrative agent and is part of the syndicate of lenders to the Company's Facility. Prior to April 13, 2022, the shareholder had the right to appoint two representatives of the eight directors of the Company that the holders of Class B Shares are entitled to elect. Since April 13, 2022, this shareholder no longer has the right to appoint any representative on the Board of Directors and therefore is no longer considered a related party.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)

(Unaudited)

### 18. Segment reporting

The Company has determined that there is one reportable segment, asset management services. Geographical information for the Company is provided in the following table:

Revenues:

	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Canada	103,261	99,742	311,215	305,338
United States of America	33,262	35,544	103,695	117,555
Europe and other	22,217	25,268	60,764	73,849
	158,740	160,554	475,674	496,742

Comparative amounts in the above table have been reclassified in order to conform to the 2023 financial statement presentation.

Non-current assets:

	As at	As at
	September 30, 2023	December 31, 2022
	\$	\$
Canada	659,171	680,532
United States of America	176,736	189,832
Europe and other	137,904	148,793
	973,811	1,019,157

Revenues are attributed to countries on the basis of the client's location. As at September 30, 2023, non-current assets presented above exclude long-term investments of \$10,323, deferred income taxes of \$28,713, other non-current assets of \$19,089 and derivative financial instruments of \$6,245 (\$6,574, \$32,164, \$21,159, and \$0) respectively as at December 31, 2022).

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine-month periods ended September 30, 2023 and 2022

*(In thousands of Canadian dollars, unless noted otherwise - except share and per share information)*

(Unaudited)

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### 19. Subsequent events

#### Dividends declared

On November 7, 2023, the Board declared a quarterly dividend of \$0.215 per Class A Share and Class B Share, payable on December 18, 2023 to shareholders of record at the close of business on November 20, 2023. The dividend is an eligible dividend for income tax purposes.

### 20. Comparative information

Certain comparative amounts in the interim condensed consolidated financial statements have been reclassified in order to conform to the 2023 financial statement presentation.

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