



**Fiera Capital Corporation**  
Interim Condensed Consolidated  
Financial Statements

For the Three-Month Periods ended  
March 31, 2021 and 2020  
(Unaudited)



**FIERACAPITAL**

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# Fiera Capital Corporation

## Interim Condensed Consolidated Statements of Earnings (Loss)

For the three-month periods ended March 31,

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

(Unaudited)

	Three-month periods	
	2021	2020
	\$	\$
<b>Revenues</b>		
Base management fees	156,468	154,824
Performance fees	1,432	3,251
Share of earnings (loss) in joint ventures and associates	562	(249)
Other revenues	7,149	3,831
	<b>165,611</b>	<b>161,657</b>
<b>Expenses</b>		
Selling, general and administrative expenses	121,400	118,328
Amortization and depreciation	21,402	20,321
Restructuring, acquisition related and other costs (Note 5)	6,196	3,415
	<b>148,998</b>	<b>142,064</b>
Earnings before under-noted items	16,613	19,593
(Gain) loss on investments, net	(343)	134
Interest on long-term debt, lease liabilities and other financial charges	8,326	17,274
Accretion and change in fair value of purchase price obligations and other (Note 7)	1,024	(12,461)
Gain on sale of a business and impairment of assets held for sale (Note 4)	(16,660)	—
Other losses (gains)	91	(1,000)
Earnings before income taxes	24,175	15,646
Income tax expense	1,152	3,624
<b>Net earnings</b>	<b>23,023</b>	<b>12,022</b>
<b>Net earnings (loss) attributable to:</b>		
Company's shareholders	22,234	7,581
Non-controlling interest	789	4,441
	<b>23,023</b>	<b>12,022</b>
Net earnings per share (Note 11)		
Basic	0.21	0.07
Diluted	0.20	0.07

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

# Fiera Capital Corporation

## Interim Condensed Consolidated Statements of Comprehensive Income (Loss)

For the three-month periods ended March 31,

(In thousands of Canadian, dollars)

(Unaudited)

	2021	2020
	\$	\$
Net earnings	23,023	12,022
Other comprehensive income (loss):		
Items that may be reclassified subsequently to earnings (loss):		
Cash flow hedges	737	(5,636)
Unrealized exchange differences on translating financial statements of foreign operations	(33,862)	30,378
Other	—	61
Other comprehensive income (loss)	(33,125)	24,803
<b>Comprehensive income (loss)</b>	<b>(10,102)</b>	<b>36,825</b>
<b>Comprehensive income (loss) attributable to:</b>		
Company's shareholders	(10,891)	32,384
Non-controlling interest	789	4,441
	<b>(10,102)</b>	<b>36,825</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 March 31, 2021	As at December 31, 2020
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	46,240	68,858
Restricted cash and cash equivalents	23,783	10,547
Trade and other receivables	130,881	146,012
Investments	3,645	3,512
Prepaid expenses and other assets	19,239	17,307
Assets held for sale	4,399	67,930
	<b>228,187</b>	<b>314,166</b>
Non-current assets		
Goodwill (Note 6)	640,911	645,411
Intangible assets (Note 6)	321,046	338,654
Property and equipment	26,736	26,760
Right-of-use assets	85,890	90,612
Deferred income taxes	34,614	34,121
Long-term investments	7,308	7,521
Investments in joint ventures and associates	7,693	8,817
Other non-current assets (Note 7)	40,993	42,271
	<b>1,393,378</b>	<b>1,508,333</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	99,078	159,570
Current portion of purchase price obligations and puttable financial instrument liability (Note 7)	20,276	11,870
Current portion of lease liabilities	14,531	15,642
Restructuring provisions (Note 5)	4,490	10,589
Derivative financial instruments (Note 7)	1,438	1,064
Amounts due to related parties	2,626	2,558
Dividends payable	21,775	—
Client deposits and deferred revenues	6,737	3,272
Liabilities held for sale	—	17,776
	<b>170,951</b>	<b>222,341</b>
Non-current liabilities		
Long-term debt (Note 8)	439,545	444,992
Convertible debt (Note 9)	188,848	188,279
Lease liabilities	99,554	102,518
Derivative financial instruments (Note 7)	9,396	11,508
Purchase price obligations and puttable financial instrument liability (Note 7)	33,268	48,949
Cash-settled share-based liabilities	7,153	5,074
Deferred income taxes	10,427	10,144
Other non-current liabilities (Note 7)	3,694	4,052
	<b>962,836</b>	<b>1,037,857</b>
<b>Equity attributable to:</b>		
Company's shareholders	429,319	467,975
Non-controlling interest	1,223	2,501
	<b>430,542</b>	<b>470,476</b>
	<b>1,393,378</b>	<b>1,508,333</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 three-month periods ended March 31,

(In thousands of Canadian dollars)

(Unaudited)

	Notes	Share Capital	Contributed surplus	Convertible debentures equity component	Retained earnings (deficit)	Accumulated other comprehensive income	Equity attributable to Company's shareholders	Non-Controlling Interest	Total Equity
		\$	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2020		829,588	31,334	3,339	(398,722)	2,436	467,975	2,501	470,476
Net earnings (loss)		—	—	—	22,234	—	22,234	789	23,023
Other comprehensive income (loss)		—	—	—	—	(33,125)	(33,125)	—	(33,125)
Comprehensive income (loss)		—	—	—	22,234	(33,125)	(10,891)	789	(10,102)
Share-based compensation expense	12	—	991	—	—	—	991	—	991
Deferred tax on share-based compensation expense		—	115	—	—	—	115	—	115
Performance and restricted share units settled	10	4,235	(4,235)	—	—	—	—	—	—
Stock options exercised	10	49	(12)	—	—	—	37	—	37
Dividends	10	—	—	—	(21,775)	—	(21,775)	(774)	(22,549)
Non-controlling interest capital reduction		—	—	—	—	—	—	(1,293)	(1,293)
Share repurchase and cancellation	10	(5,878)	(1,255)	—	—	—	(7,133)	—	(7,133)
<b>Balance, March 31, 2021</b>		<b>827,994</b>	<b>26,938</b>	<b>3,339</b>	<b>(398,263)</b>	<b>(30,689)</b>	<b>429,319</b>	<b>1,223</b>	<b>430,542</b>
Balance, December 31, 2019		810,509	21,943	3,339	(308,779)	15,799	542,811	1,025	543,836
Net earnings (loss)		—	—	—	7,581	—	7,581	4,441	12,022
Other comprehensive income (loss)		—	—	—	—	24,803	24,803	—	24,803
Comprehensive income (loss)		—	—	—	7,581	24,803	32,384	4,441	36,825
Share-based compensation expense	12	—	1,179	—	—	—	1,179	—	1,179
Deferred tax on share-based compensation expense		—	4,572	—	—	—	4,572	—	4,572
Shares issued as settlement of purchase price obligations	10	5,693	—	—	—	—	5,693	—	5,693
Performance and restricted share units settled	10	491	(208)	—	—	—	283	—	283
Dividends	10	—	—	—	(21,382)	—	(21,382)	(3,962)	(25,344)
<b>Balance, March 31, 2020</b>		<b>816,693</b>	<b>27,486</b>	<b>3,339</b>	<b>(322,580)</b>	<b>40,602</b>	<b>565,540</b>	<b>1,504</b>	<b>567,044</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-month periods ended March 31,

(In thousands of Canadian dollars)

(Unaudited)

	Three-month periods	
	2021	2020
	\$	\$
<b>Operating activities</b>		
Net earnings	23,023	12,022
Adjustments for:		
Amortization and depreciation	21,402	20,321
Gain on sale of a business and impairment of assets held for sale (Note 4)	(16,660)	—
Other losses (gains)	87	209
Accretion and change in fair value of purchase price obligations and other	1,024	(12,461)
Share-based compensation	3,289	121
Interest on long-term debt, lease liabilities, and other financial charges	8,326	17,274
Income tax expense	1,152	3,624
Change in derivative financial instruments	316	4,001
(Gain) loss on investments, net	(343)	121
Share of earnings in joint ventures and associates	(562)	249
Other non-current liabilities	(357)	(477)
	40,697	45,004
Changes in non-cash operating working capital items (Note 13)	(65,049)	(71,929)
<b>Net cash used in operating activities</b>	<b>(24,352)</b>	<b>(26,925)</b>
<b>Investing activities</b>		
Proceeds on disposition (Note 4)	51,807	—
Settlement of purchase price adjustments and obligations	(8,081)	(11,709)
Proceeds on promissory note	1,123	—
Investments in joint ventures and associates	(448)	(1,706)
Distributions received from joint ventures and associates	2,100	551
Purchase of intangible assets, property and equipment, net	(7,664)	(1,874)
Investments, net	331	22
Restricted cash and cash equivalents	(13,241)	1,258
<b>Net cash generated by (used in) investing activities</b>	<b>25,927</b>	<b>(13,458)</b>
<b>Financing activities</b>		
Settlement of share-based compensation	—	(16,396)
Dividends and other distributions to Non-controlling interest	(2,067)	(3,962)
Lease payments	(4,479)	(4,956)
Lease inducements	1,279	500
Issuance of share capital net of issuance costs of nil (2020 - nil)	37	—
Share repurchase and cancellation	(7,133)	—
Long-term debt, net (Note 7 and 8)	(3,305)	39,421
Interest paid on long-term debt and convertible debt	(7,769)	(8,400)
<b>Net cash generated by (used in) financing activities</b>	<b>(23,437)</b>	<b>6,207</b>
Net decrease in cash and cash equivalents	(21,862)	(34,176)
Effect of exchange rate changes on cash denominated in foreign currencies	(756)	3,189
Cash and cash equivalents – beginning of periods	68,858	96,219
Cash and cash equivalents – end of periods	46,240	65,232

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-month periods ended March 31, 2021 and 2020

*(In thousands of Canadian dollars, unless noted otherwise - except per 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-month periods ended March 31, 2021 and 2020 on May 5, 2021.

### 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, 2020, 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, 2020 and December 31, 2019.

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



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

#### Revised IFRS, interpretations and amendments

Revised standards are effective for annual periods beginning on January 1, 2021. 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 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 Bel Air Investment Advisors ("Bel Air")*

On February 28, 2021, the Company completed the sale of all its equity interest in Bel Air. As a result, the Company recorded a gain of \$19,552 net of change of control expenses of \$5,467 and transaction costs. The gain on sale included the foreign currency translation gain of \$30,219 that was previously recorded in accumulated other comprehensive income which was reclassified to earnings on disposition of the foreign operation.

#### *Fiera Capital Emerging Markets Fund*

On March 2, 2021, the Company announced that Fiera Capital Inc. ("FCI"), its wholly-owned subsidiary, entered into an agreement in principle to sell its Fiera Capital Emerging Markets Fund (the "Fund") to Sunbridge Capital Partners LLC ("Sunbridge"). The sale contemplates a pre-closing reorganization of the Fund which will be subject to approval by the Fund's Board and shareholders. On March 30, 2021, FCI and Sunbridge signed the purchase agreement whereby the completion of the reorganization remains a condition for the closing of the transaction. As a result of this agreement, the Company recorded an accelerated amortization of \$3,395 (US\$2,700), and subsequently presented the intangible asset management contract as an asset "held for sale" as at March 31, 2021. Assets held for sale must be revalued at the lower of its carrying amount and its fair value less cost to sell and accordingly, an impairment charge of \$2,892 (US\$2,300) was recorded.

#### *Acquisition of Additional Global Equity Team*

On March 8, 2021, the Company announced the acquisition of an additional Global Equity team from AMP Capital. As part of the transaction, the Company acquired the team along with the related assets under management and as a result recorded an intangible asset of \$6,779 (US\$5,394). On April 1, 2021, the Company also invested seed capital related to the team's funds. As at March 31, 2021, a cash amount of \$12,569 (US\$10,000) is presented as restricted cash and cash equivalents for this purpose.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

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

During the three-month periods ended March 31, 2021, the Company recorded the following:

	For the three-month periods ended March 31,	
	2021	2020
	\$	\$
Restructuring costs related to severance	3,362	1,082
Other restructuring costs	2,662	656
Acquisition related and other costs	172	1,677
	6,196	3,415

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

Acquisition related and other costs are mainly composed of professional fees, relocation and lease related costs and other expenses incurred as a result of the integration of businesses acquired in prior periods.

The change in the restructuring provision for severance-related expenses during the three-month period ended March 31, 2021 is as follows:

	Severance
	\$
Balance, December 31, 2020	10,589
Additions during the period	3,362
Paid during the period	(9,375)
Foreign exchange difference	(86)
<b>Balance, March 31, 2021</b>	<b>4,490</b>

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

(In thousands of Canadian dollars, unless noted otherwise - except per 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 three-month period ended</b>						
<b>March 31, 2021</b>						
Opening carrying amount	645,411	12,508	55,683	260,452	10,011	338,654
Additions	—	—	—	6,779	22	6,801
Additions – internally developed	—	—	—	—	620	620
Reclassification to assets held for sale (Note 4)	(1,995)	(7,293)	—	—	—	(7,293)
Disposition	—	—	—	—	(38)	(38)
Amortization for the year	—	(3,395)	(5,253)	(5,926)	(1,361)	(15,935)
Foreign exchange difference	(2,505)	(146)	(306)	(1,205)	(106)	(1,763)
Closing carrying amount	640,911	1,674	50,124	260,100	9,148	321,046
<b>Balance, March 31, 2021</b>						
Cost	633,323	1,695	153,593	406,855	39,633	601,776
Accumulated amortization and impairment	(1,918)	—	(102,733)	(143,173)	(29,954)	(275,860)
Foreign exchange difference	9,506	(21)	(736)	(3,582)	(531)	(4,870)
Closing carrying amount	640,911	1,674	50,124	260,100	9,148	321,046

In relation to the Fiera Capital Emerging Markets Fund transaction (Note 4), the related indefinite life asset management contract could no longer be considered to have an indefinite useful life with no foreseeable limit to the period over which the asset was expected to generate cash inflows. As a result, \$10,688 of indefinite life asset management contracts was amortized due to a revised estimate of its remaining useful life. \$3,395 was amortized during the three-month period ended March 31, 2021 and the remaining balance of \$7,293 was reclassified to assets held for sale as at March 31, 2021.

### 7. Financial instruments

#### Fair value investments

The cost and fair value of investments recorded at fair value through profit or loss is \$10,613 and \$10,953 respectively as at March 31, 2021 (\$8,661 and \$11,033 respectively as at December 31, 2020).

An unrealized gain of \$340 and realized gain of \$3 was recognized in (gain) loss on investments, net during the three-month period ended March 31, 2021 (unrealized loss of \$74 and realized gain of \$14 during the three-month period ended March 31, 2020).

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

### 7. Financial instruments (continued)

#### Convertible and hybrid debentures

The convertible and hybrid debentures are recorded at an amortized cost of \$82,331 and \$106,517, respectively, as at March 31, 2021 (\$81,963 and \$106,316 respectively, as at December 31, 2020). The fair value based on market quotes is \$88,682 and \$113,850, respectively, as at March 31, 2021 (\$88,958 and \$111,650 as at December 31, 2020).

#### 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, 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.

The Company determines the fair value of its foreign exchange forward contracts by calculating the difference between the forward exchange rates at the measurement date and the contractual forward price for the residual maturity of the contract.

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

	For the three-month period ended March 31, 2021	As at March 31, 2021				
		Fair value	Notional amount: term to maturity			
			Asset	(Liability)	Less than 1 year	From 1 to 5 years
Net gain (loss) on derivatives	Asset	(Liability)	Less than 1 year	From 1 to 5 years	Over 5 years	
	\$	\$	\$	\$	\$	\$
<b>Foreign exchange contracts</b>						
a) Forward foreign exchange contracts – held for trading	(508)	—	(508)	61,963	—	—
b) Cross currency swaps – held for trading	(3,648)	—	(930)	252,300	—	—
<b>Interest rate contracts</b>						
c) Swap contracts – held for trading	1,110	—	(5,131)	—	250,000	—
d) Swap contracts – cash flow hedges	—	—	(4,265)	—	212,408	—

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

### 7. Financial instruments (continued)

	For the three-month period ended March 31, 2020	As at December 31, 2020				
		Fair value		Notional amount: term to maturity		
		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 contracts – held for trading	(5,054)	—	—	—	—	—
b) Cross currency swaps – held for trading	30,156	—	(1,064)	210,000	—	—
<b>Interest rate contracts</b>						
c) Swap contracts – held for trading	(6,650)	—	(6,241)	—	250,000	—
d) Swap contracts – cash flow hedges	—	—	(5,267)	—	215,306	—

Financial statement presentation:

	As at March 31, 2021	As at December 31, 2020
	\$	\$
Current derivative financial instrument liabilities	(1,438)	(1,064)
Non-current derivative financial instrument liabilities	(9,396)	(11,508)

#### a) Forward foreign exchange contracts — held for trading

The Company enters into month-end spot rate forward exchange 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.

Forward foreign exchange 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 in the interim condensed consolidated statement of earnings (loss) in accordance with the nature of the hedged item.

The Company recorded a loss of \$508 during the three-month period ended March 31, 2021 (loss of \$5,054 for the three-month period ended March 31, 2020) and paid nil as settlement of contracts that matured during the period (paid \$1,050 during the three-month period ended March 31, 2020). The fair value of the foreign exchange contracts is a liability of \$508 as at March 31, 2021 (an asset of nil as at December 31, 2020).

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

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### 7. Financial instruments (continued)

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

Under the terms of the Company's revolving facility (Note 8), the Company can borrow either in a US dollars based on US base rate plus a spread varying from 0.0% to 1.5% or the LIBOR 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%. To benefit from interest cost savings, the Company has effectively created, until April 30, 2021, a synthetic equivalent to a Canadian dollar revolving facility at CDOR plus 1.72% on \$252,300 (CDOR plus 1.43% on \$210,000 as at December 31, 2020) by borrowing against the US dollar revolving facility, the equivalent of \$252,300 (US\$200,000) (\$210,000 (US\$164,000) as at December 31, 2020) at LIBOR plus 2.00%, and swapping it into CDOR plus 1.72% with a one-month cross currency swap.

The objective of this strategy was to provide cost savings without currency risk since the terms of the US LIBOR financing and the cross currency swap are exactly matched (US dollar notional amount, LIBOR 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 revolving 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 (loss) in accordance with the nature of the economically hedged item, the revolving facility (Note 8), and therefore is presented in interest on long-term debt, lease liabilities and other financial charges.

The Company recorded a loss of \$3,648 during the three-month period ended March 31, 2021, with no net impact on earnings (loss) as described above (gain of \$30,156 during the three-month period ended March 31, 2020). A total of \$3,782 was paid during the three-month period ended March 31, 2021 as settlement of these contracts (\$26,616 was received during the three-month period ended March 31, 2020).

The fair value of the cross currency swap contracts was a liability of \$930 as at March 31, 2021 (a liability of \$1,064 as at December 31, 2020).

#### c) Interest rate swap contract – held for trading

The Company enters into interest rate swap contracts to manage the impact of the interest rate fluctuations on its credit facility denominated in Canadian dollars. Interest is settled on a monthly basis.

The contracts consist of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate applied to the notional of each contract. There were no changes to the terms of the other interest rate swap contracts (held for trading) held by the Company during the three-month period ended March 31, 2021.

The net gain or loss on these derivative financial instruments is recognized in the interim condensed consolidated statement of earnings (loss) with interest on long-term debt, lease liabilities and other financial charges. The Company recorded a gain of \$1,110 during the three-month period ended March 31, 2021 (loss of \$6,650 during the three-month period ended March 31, 2020).



## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

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### 7. Financial instruments (continued)

The fair value of the interest rate swap contracts is a liability of \$5,131 as at March 31, 2021 (a liability of \$6,241 as at December 31, 2020).

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

The Company holds interest rate swap contracts designated as cash flows hedges and which satisfy the requirements for hedge accounting. There were no changes to the terms of the contracts held by the Company during the three-month period ended March 31, 2021.

The effective portion of changes in the fair value of these contracts is recognized in other comprehensive income and accumulated in a hedging reserve. The Company recorded another comprehensive gain of \$737 (net of income taxes of \$265) during the three-month period ended March 31, 2021 (loss of \$5,636 (net of income taxes of \$859) during the three-month period ended March 31, 2020).

The ineffective portion of changes in fair value is recognized immediately in profit or loss in the interim condensed consolidated statement of earnings (loss). There is no ineffective portion on these contracts for the three-month periods ended March 31, 2021 and 2020. The fair value of the interest rate swap contracts designated as cash flow hedges is a liability of \$4,265 as at March 31, 2021 (a liability of \$5,267 as at December 31, 2020).

The Company remains exposed to fluctuations in the US base or LIBOR rates on the difference between the US dollar credit facility and the notional amounts of the US dollar interest rate swap contracts. The drawings in US dollars on the Credit Facility (Note 8) are US\$351,000 as at March 31, 2021 (US\$315,000 as at December 31, 2020).

#### e) Contingent value rights related to Integrated Asset Management ("IAM")

Through the acquisition of IAM during the year ended December 31, 2019, IAM shareholders received Contingent Value Rights ("CVRs"). The Company accounted for the CVR asset at fair value on the acquisition date, and subsequently revalued the instrument at amortized cost. The short-term portion of the CVR asset is recorded within Trade and other receivables, while the long-term portion is recorded in Other non-current assets. The CVR liability, on the acquisition date, was recorded at fair value and subsequently revalued at fair value through profit and loss. The short-term portion of the CVR liability was recorded in Trade accounts payable and accrued liabilities, while the long-term portion was recorded in Other non-current liabilities.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

### 7. Financial instruments (continued)

Financial instruments by category:

	As at March 31, 2021		
	Amortized cost	Fair value through profit or loss	Total
	\$	\$	\$
<b>Assets</b>			
Cash and cash equivalents	46,240	—	46,240
Restricted cash and cash equivalents	23,783	—	23,783
Investments	—	3,645	3,645
Trade and other receivables	130,881	—	130,881
Long-term receivable <sup>(1)</sup>	—	32,398	32,398
Long-term investments	—	7,308	7,308
Other non-current assets <sup>(2)</sup>	3,380	—	3,380
<b>Total</b>	<b>204,284</b>	<b>43,351</b>	<b>247,635</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	99,078	—	99,078
Purchase price obligations	—	37,526	37,526
Puttable financial instrument liability	—	16,018	16,018
Other non-current liabilities <sup>(3)</sup>	—	1,851	1,851
Derivative financial instruments	—	10,834	10,834
Amounts due to related parties	2,626	—	2,626
Client deposits and deferred revenues	1,422	—	1,422
Long-term debt	439,545	—	439,545
Convertible debt	188,848	—	188,848
<b>Total</b>	<b>731,519</b>	<b>66,229</b>	<b>797,748</b>

<sup>(1)</sup> Presented in other non-current assets on the interim condensed consolidated statements of financial position. Represents the promissory note balance.

<sup>(2)</sup> Represents the long-term portion of the CVR asset.

<sup>(3)</sup> Represents the long-term portion of the CVR liability.

# Fiera Capital Corporation

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

(Unaudited)

### 7. Financial instruments (continued)

	As at December 31, 2020		
	Amortized cost	Fair value through profit or loss	Total
	\$	\$	\$
<b>Assets</b>			
Cash and cash equivalents	68,858	—	68,858
Restricted cash and cash equivalents	10,547	—	10,547
Investments	—	3,512	3,512
Trade and other receivables	146,012	—	146,012
Long-term receivable <sup>(1)</sup>	3,758	33,659	37,417
Long-term investments	—	7,521	7,521
Other non-current assets <sup>(2)</sup>	3,380	—	3,380
<b>Total</b>	<b>232,555</b>	<b>44,692</b>	<b>277,247</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	159,570	—	159,570
Purchase price obligations	—	45,874	45,874
Puttable financial instrument liability	—	14,945	14,945
Other non-current liabilities <sup>(3)</sup>	—	1,851	1,851
Derivative financial instruments	—	12,572	12,572
Amounts due to related parties	2,558	—	2,558
Client deposits and deferred revenues	162	—	162
Long-term debt	444,992	—	444,992
Convertible debt	188,279	—	188,279
<b>Total</b>	<b>795,561</b>	<b>75,242</b>	<b>870,803</b>

<sup>(1)</sup> Presented in other non-current assets on the interim condensed consolidated statements of financial position. Represents the promissory note balance.

<sup>(2)</sup> Represents the long-term portion of the CVR asset.

<sup>(3)</sup> Represents the long-term portion of the CVR liability.

#### 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).

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

### 7. Financial instruments (continued)

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

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
Investments	—	3,645	—	3,645
Long-term receivable	—	—	32,398	32,398
Long-term investments	—	—	7,308	7,308
<b>Total financial assets</b>	<b>—</b>	<b>3,645</b>	<b>39,706</b>	<b>43,351</b>
<b>Financial liabilities</b>				
Purchase price obligations	—	—	37,526	37,526
Puttable financial instrument liability	—	—	16,018	16,018
Other non-current liabilities	—	—	1,851	1,851
Derivative financial instruments	—	10,834	—	10,834
<b>Total financial liabilities</b>	<b>—</b>	<b>10,834</b>	<b>55,395</b>	<b>66,229</b>

	As at December 31, 2020			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial assets</b>				
Investments	—	3,512	—	3,512
Long-term receivable	—	—	33,659	33,659
Long-term investments	—	—	7,521	7,521
<b>Total financial assets</b>	<b>—</b>	<b>3,512</b>	<b>41,180</b>	<b>44,692</b>
<b>Financial liabilities</b>				
Purchase price obligations	—	—	45,874	45,874
Puttable financial instrument liability	—	—	14,945	14,945
Other non-current liabilities	—	—	1,851	1,851
Derivative financial instruments	—	12,572	—	12,572
<b>Total financial liabilities</b>	<b>—</b>	<b>12,572</b>	<b>62,670</b>	<b>75,242</b>

## Notes to the Interim Condensed Consolidated Financial Statements

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

(Unaudited)

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### 7. Financial instruments (continued)

#### Level 3

The fair value of the promissory note, purchase price obligations, the puttable financial instrument liability 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 – City National Rochdale ("CNR"):

During the three-month period ended March 31, 2021, the Company settled an amount of \$8,081 in cash (\$9,309 during the three-month period ended March 31, 2020). The fair value of the CNR purchase price obligation as at March 31, 2021 was \$2,323 (US\$1,850) and \$10,263 (US\$8,058) as at December 31, 2020. The balance as at March 31, 2021 represents the final amount expected to be settled in the second quarter of 2021.

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 Company reduced the fair value of the purchase price obligation and recorded an adjustment of \$836 (US\$665) during the three-month period ended March 31, 2021 (expense of \$3,969 (US\$2,788) during the three-month period ended March 31, 2020). In connection with the share purchase agreement of Clearwater, the Company issued nil Class A Shares for \$nil during the three-month period ended March 31, 2021 (971,053 Class A Shares for \$5,693 during the three-month period ended March 31, 2020) as settlement of the purchase price obligation. The fair value of the Clearwater purchase price obligation as at March 31, 2021 was \$29,279 (US\$23,293) and \$29,695 (US\$23,306) as at December 31, 2020.

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 (earnings before interest, taxes, depreciation and amortization) forecasts, management's estimates of revenue generated from inflows of AUM from the Asia region, and the risk-adjusted discount rate. The Company used discount rates ranging between 10.0% and 15.0% (2020 – Between 10.0% and 15.0%).

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 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 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 \$19,156 (US\$15,241) and \$30,523 (US\$24,285) for its purchase price obligation as at March 31, 2021.

### 7. Financial instruments (continued)

Puttable financial instrument liability and call option – Palmer Capital Partners limited ("Palmer Capital"):

The Company has the right but not the obligation to acquire the 20% non-controlling interest in Palmer Capital. This call right can be exercised by the Company on April 30, 2022 or on April 30 of any year thereafter. The non-controlling interest shareholders of Palmer Capital have the right but not the obligation to exercise their put right on the 20% non-controlling interest of Palmer Capital on March 31, 2022 or on March 31 of any year thereafter. If exercised, both the put and the call right would require the Company to acquire the 20% non-controlling interest in Palmer Capital.

The exercise price is the same for both the put and the call rights. The exercise price is a prescribed price calculated based on a multiplier of EBITDA as defined in the Sale and Purchase Agreement.

The Company increased the fair value of the puttable financial instrument liability and recorded an adjustment of \$963 (GBP552) during the three-month period ended March 31, 2021 (a decrease of (\$2,145) ((GBP1,244)) during the three-month period ended March 31, 2020). The fair value of the puttable financial instrument liability as at March 31, 2021 was \$16,018 (GBP9,237) and \$14,945 (GBP8,582) as at December 31, 2020.

The discounted cash flow method was used to measure the present value of the expected future cash flows to be paid to the non-controlling interest shareholders. The main Level 3 inputs used by the Company to value the puttable financial instrument liability are derived from unobservable inputs of EBITDA forecasts, and the risk-adjusted discount rate. The Company used discount rates ranging between 3.0% and 10.0% (2020 - 3.0% and 10.0%).

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 does not necessarily have direct relationship and different inter-relationships could be reasonably applied. The Company varied the significant unobservable inputs such as the risk-adjusted discount rate and EBITDA and established a reasonable fair value range between \$15,924 (GBP9,183) and \$16,113 (GBP9,292) for its purchase price obligation as at March 31, 2021.



## Notes to the Interim Condensed Consolidated Financial Statements

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

(Unaudited)

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### 7. Financial instruments (continued)

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 Wilkinson Global Asset Management LLC for a notional amount of \$35,655 (US\$27,987). Under the terms of the agreement, the promissory note will earn interest at EURIBOR plus a premium of 3% and 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 revenue forecasts and the risk-adjusted discount rate reflecting the estimated maturity of the promissory note. The Company used a discount rate of 5.0% (2020 – 5.0%). The fair value of the instrument was \$32,398 (US\$25,777) as at March 31, 2021 (\$33,659 (US\$26,420) as at December 31, 2020).

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 risk-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 risk-adjusted discount rate and revenue forecasts and established a reasonable fair value range between \$31,115 (US\$24,756) and \$32,903 (US\$26,179) as at March 31, 2021 (\$32,207 (US\$25,280) and \$34,843 (US\$27,349) as at December 31, 2020).

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

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(Unaudited)

### 7. Financial instruments (continued)

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

	Other non-current assets	Long-term investments	Purchase price obligations	Puttable financial instrument liability	Other non-current liabilities	Total
	\$	\$	\$	\$	\$	\$
Fair value as at December 31, 2020	33,659	7,521	(45,874)	(14,945)	(1,851)	(21,490)
Additional investments	—	298	—	—	—	298
Disposition of investments	—	(627)	—	—	—	(627)
Proceeds received	(1,123)	—	—	—	—	(1,123)
Gain on investments, net	—	159	—	—	—	159
Settlement of purchase price obligations	—	—	8,081	—	—	8,081
Revaluation <sup>1</sup>	—	—	1,373	(963)	—	410
Accretion <sup>1</sup>	315	—	(1,570)	(179)	—	(1,434)
Foreign exchange difference	(453)	(43)	464	69	—	37
<b>Fair value as at March 31, 2021</b>	<b>32,398</b>	<b>7,308</b>	<b>(37,526)</b>	<b>(16,018)</b>	<b>(1,851)</b>	<b>(15,689)</b>

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

	Investments	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, 2019	4	5,743	(7,131)	(127,374)	(13,997)	(3,703)	(146,458)
Additional investments	—	241	—	—	—	—	241
Disposition of investments	—	(345)	—	—	—	—	(345)
Gain on investments, net	—	20	—	—	—	—	20
Settlement of purchase price obligations	—	—	—	17,402	—	—	17,402
Revaluation <sup>1</sup>	—	—	—	17,742	2,145	—	19,887
Accretion <sup>1</sup>	—	—	—	(7,080)	(346)	—	(7,426)
Revaluation of CVRs	—	—	(255)	—	—	1,125	870
Foreign exchange difference	—	147	—	(10,966)	(338)	—	(11,157)
<b>Fair value as at March 31, 2020</b>	<b>4</b>	<b>5,806</b>	<b>(7,386)</b>	<b>(110,276)</b>	<b>(12,536)</b>	<b>(2,578)</b>	<b>(126,966)</b>

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

There were no transfers between levels during the three-month periods ended March 31, 2021 and 2020.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

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### 8. Long-term debt

	As at March 31, 2021	As at December 31, 2020
	\$	\$
Credit facility		
Revolving facility	441,154	446,880
Deferred financing charges	(1,609)	(1,888)
Non-current portion	439,545	444,992

#### Credit Facility

On November 14, 2019, the Company entered into the Sixth Amended and Restated Credit Agreement (“Credit Agreement”) comprised of a \$600,000 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 the earlier of (i) June 30, 2023 and (ii) April 23, 2023 if the unsecured convertible debentures (Note 9) have not been repaid or refinanced (i.e. two months prior to their maturity date). 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 Credit Agreement provides for an annual extension which can be requested each year between April 1 and April 30 which is 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 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 the LIBOR, plus a margin as a function of the quarterly Funded Debt to EBITDA ratio as defined in the Credit Agreement.

As at March 31, 2021, the total amount drawn on the Facility was nil (December 31, 2020 – \$45,569) and US\$351,000 (\$441,154) (December 31, 2020 – US\$315,000 (\$401,310)).

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 March 31, 2021 and December 31, 2020.

During the three-month period ended March 31, 2021, the Company borrowed \$477 (reimbursed \$12,805 during three-month period ended March 31, 2020) on its long-term-debt.

# Fiera Capital Corporation

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### 9. Convertible debt

The balance of the convertible debt consists of the following:

	As at March 31, 2021	As at December 31, 2020
	\$	\$
Convertible debentures – 5.00% due June 23, 2023	82,331	81,963
Hybrid debentures – 5.60% due July 31, 2024	106,517	106,316
Non-current portion	188,848	188,279

#### a) Convertible debentures – 5.00% due June 23, 2023

	As at March 31, 2021	As at December 31, 2020
	\$	\$
Face value	86,250	86,250
Less:		
Issuance costs	(4,031)	(4,031)
Equity component (net of issuance costs of \$224)	(4,568)	(4,568)
Cumulative accretion expense on liability component	4,680	4,312
Non-current portion	82,331	81,963

On December 21, 2017, the Company issued 86,250 unsecured convertible debentures at 5% maturing on June 23, 2023, with interest payable semi-annually in arrears on June 30 and December 31 of each year starting June 30, 2018, for gross proceeds of \$86,250. The convertible debentures are convertible at the option of the holder at a conversion price of \$18.85 per Class A Shares. The convertible debentures are not redeemable by the Company before June 30, 2021. The convertible debentures are redeemable by the Company at a price of \$1 per convertible debenture, plus accrued and unpaid interest, on or after June 30, 2021 and prior to June 30, 2022 (provided that the weighted average trading price of the Class A Shares on the TSX for the 20 consecutive trading days ending five days preceding the date on which the notice of redemption is given, is not less than 125% of the conversion price of \$18.85 per share). On or after June 30, 2022 but prior to the maturity date, the Company may redeem on not more than 60 days and not less than 30 days prior notice, at a price of \$1 per convertible debenture, plus accrued and unpaid interest.

# Fiera Capital Corporation

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### 9. Convertible debt (continued)

#### b) Hybrid debentures – 5.60% due July 31, 2024

	As at March 31, 2021	As at December 31, 2020
	\$	\$
Face value	110,000	110,000
Less:		
Issuance costs	(5,007)	(5,007)
Cumulative accretion expense on liability component	1,524	1,323
Non-current portion	106,517	106,316

On July 4, 2019, the Company issued \$100,000 senior subordinated unsecured hybrid debentures due July 31, 2024 and on July 9, 2019 the Company issued \$10,000 senior subordinated unsecured hybrid debentures related to the over allotment option, due July 31, 2024 (together, the “Hybrid debentures”). The Hybrid debentures bear interest at a rate of 5.60% per annum, payable semi-annually in arrears on January 31 and July 31 of each year, with the first interest payment on January 31, 2020. The Hybrid debentures will not be redeemable before July 31, 2022, except upon the satisfaction of certain conditions after a change of control of the Company. On and after July 31, 2022 and prior to July 31, 2023, the Hybrid debentures 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 102.80% of the principal amount redeemed plus accrued and unpaid interest. On and after July 31, 2023 and prior to the maturity date on July 31, 2024, the 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 price of \$1 per Hybrid debenture plus accrued and unpaid interest. The Company will have the option to repay the principal amount of the Hybrid debentures due at redemption or at maturity on July 31, 2024 either by paying in cash or by issuing Class A Shares in accordance with the terms of the trust indenture. The Hybrid debentures will not be, at any time, convertible into Class A Shares at the option of the holders. The Hybrid debentures are recorded at amortized cost, net of issuance costs, using the effective interest rate method.

# Fiera Capital Corporation

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

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

	Class A		Class B			Total
	Number	\$	Number	\$	Number	\$
As at December 31, 2020	84,299,775	798,697	19,412,401	30,891	103,712,176	829,588
Issuance of shares						
Performance and restricted share units settled	595,263	4,235	—	—	595,263	4,235
Stock options exercised	5,000	49	—	—	5,000	49
Share repurchase and cancellations	(620,263)	(5,878)	—	—	(620,263)	(5,878)
<b>As at March 31, 2021 <sup>(1)</sup></b>	<b>84,279,775</b>	<b>797,103</b>	<b>19,412,401</b>	<b>30,891</b>	<b>103,692,176</b>	<b>827,994</b>
As at December 31, 2019	81,362,603	779,618	19,412,401	30,891	100,775,004	810,509
Issuance of shares						
Shares issued as settlement of purchase price obligations	971,053	5,693	—	—	971,053	5,693
Performance and restricted share units settled	74,784	491	—	—	74,784	491
As at March 31, 2020	82,408,440	785,802	19,412,401	30,891	101,820,841	816,693

<sup>(1)</sup> Includes nil Class A Shares held in escrow in relation with the Apex acquisition (2,475,034 as at December 31, 2020) and nil Class A Shares held in escrow in relation with the Clearwater acquisition (356,884 as at December 31, 2020).

#### 2021

##### Share repurchase and cancellation

During the year ended December 31, 2020, the Company entered into a normal course issuer bid for its Class A Shares from July 15, 2020 to no later than July 14, 2021. On March 17, 2021, the TSX approved an amendment to the Company's previously announced NCIB in order to increase the number of Class A Shares which the Company may purchase for cancellation from 2,000,000 Class A Shares, or 2.4% of the Company's issued and outstanding Class A Shares as of July 8, 2020, to 4,000,000 Class A Shares, representing 4.8% of the Company's issued and outstanding Class A Shares as of July 8, 2020 (date of filing with the TSX).

During the three-month period ended March 31, 2021, the Company paid \$7,133 to purchase and cancel 620,263 Class A Shares under the normal course issuer bid which reduced share capital by \$5,878 and the excess paid of \$1,255 was charged to contributed surplus.

##### Dividends

During the three-month period ended March 31, 2021, the Company declared dividends on Class A Shares and Class B Shares totaling \$21,775 (\$0.21 per share).



# Fiera Capital Corporation

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

2020

#### Issuance of shares

*Shares issued as settlement of purchase price obligations*

During the three-month period ended March 31, 2020, in connection with the asset purchase agreement of Clearwater, the Company issued 971,053 Class A Shares for \$5,693, net of issuance costs, as settlement of the purchase price obligation.

#### Dividends

During the three-month period ended March 31, 2020, the Company declared dividends on Class A Shares and Class B shares totalling \$21,382 (\$0.21 per share).

#### Accumulated other comprehensive income

The components of accumulated other comprehensive income include:

	As at March 31, 2021	As at December 31, 2020
	\$	\$
Cash flow hedges	(3,119)	(3,856)
Unrealized exchange differences on translating financial statements of foreign operations	(27,570)	6,292
	(30,689)	2,436

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

### 11. Earnings (loss) per share

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

	For the three-month periods ended March 31,	
	2021	2020
	\$	\$
Net earnings attributable to shareholders	22,234	7,581
Weighted average shares outstanding – basic	104,425,366	102,715,291
Effect of dilutive share-based awards, contingent consideration payable in shares and convertible debt	14,542,375	4,574,079
<b>Weighted average shares outstanding – diluted</b>	<b>118,967,741</b>	<b>107,289,370</b>
Basic earnings per share	0.21	0.07
Diluted earnings per share	0.20	0.07

For the three-month period ended March 31, 2021, the hybrid debentures were dilutive and accordingly, the net earnings attributable to shareholders was increased by its interest (net of tax) of \$1,280 for the purpose of calculating the diluted earnings per share.

For the three-month period ended March 31, 2021, the share-based awards payable in 2,989,283 shares, as well as the convertible debentures with a face value of \$86,250 were all anti-dilutive. For the three-month period ended March 31, 2020, the share-based awards payable in 3,870,699 shares, as well as the convertible and hybrid debentures with a face value of respectively \$86,250 and \$110,000 were all anti-dilutive.

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

(In thousands of Canadian dollars, unless noted otherwise - except per 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 three-month periods ended March 31, 2021, and 2020, is presented below:

	2021		2020	
	Number of Class A Share options	Weighted-average exercise price	Number of Class A Share options	Weighted-average exercise price
		\$		\$
Outstanding – beginning of period	3,901,645	11.25	4,526,769	12.32
Granted	—	—	475,000	5.79
Exercised	(5,000)	7.56	—	—
Forfeited	—	—	—	—
Expired	(100,000)	12.25	—	—
Outstanding – end of period	3,796,645	11.23	5,001,769	11.70
Options exercisable – end of period	1,389,645	11.80	1,482,510	11.73

The Company recorded an expense of \$118 for stock options during the three-month period ended March 31, 2021 (an expense of \$282 during the three-month period ended March 31, 2020). There were no stock options issued during the three-month period ended March 31, 2021. The following table presents the weighted average assumptions used to determine the fair value of options granted using the Black-Scholes option pricing model during the three-month period ended March 31, 2020 :

	For the three-month periods ended March 31,	
	2021	2020
Dividend yield (%)	—	13.38
Risk-free interest rate (%)	—	0.67
Expected life (years)	—	7.50
Expected volatility of the share price (%)	—	29.11
Weighted-average fair value (\$)	—	0.15

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-month periods ended March 31, 2021 and 2020

(In thousands of Canadian dollars, unless noted otherwise - except per 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 a (recovery) expense of (\$7) for this plan during the three-month period ended March 31, 2021 (a recovery of \$47 during the three-month period ended March 31, 2020).

As at March 31, 2021, the Company had a liability for an amount of \$98 for the 9,848 units outstanding under the DSU plan (\$105 for 9,848 units as at December 31, 2020).

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

The following table presents transactions that occurred in the Company’s RSU Plan during the three-month periods ended March 31, 2021, and 2020:

	2021	2020
Outstanding units – beginning of period	404,985	242,738
Vested	(150,364)	(56,111)
Reinvested in lieu of dividends	5,362	—
Granted	—	215,785
Outstanding units – end of period	259,983	402,412

One RSU is equivalent to one Class A Share of the Company. The Company recorded an expense (recovery) of \$557 and (\$842) for these grants during the three-month periods ended March 31, 2021, and 2020, respectively.

During the three-month period ended March 31, 2021, nil Class A Shares were issued and \$1,727 was paid in cash as settlement of vested RSUs (nil Class A Shares were issued and nil cash paid as settlement of vested RSUs during the three-month period ended March 31, 2020). As at March 31, 2021, the Company had a liability in the amount of \$897 for the 259,983 units outstanding under the RSU Plan (\$2,044 for 404,985 units as at December 31, 2020).

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

The following table presents transactions that occurred in the Company’s RSU cash Plan during the three-month periods ended March 31, 2021, and 2020.

	2021	2020
Outstanding units – beginning of period	2,104,224	368,614
Vested	(9,496)	—
Reinvested in lieu of dividends	44,122	—
Outstanding units – end of period	2,138,850	368,614

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

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

RSU cash units are equivalent to one Class A Share of the Company. The Company recorded an expense of \$1,421 and \$474 for these grants during the three-month periods ended March 31, 2021, and 2020, respectively.

During the three-month period ended March 31, 2021, 9,496 units vested (2020 – nil) and an amount of nil was paid as settlement of these units (2020 – nil). In addition, a total of \$782 was paid during the three-month period ended March 31, 2021 as settlement of 73,200 units vested in 2020.

As at March 31, 2021, the Company had a liability in the amount of \$6,251 for the 2,138,850 units outstanding under the RSU cash Plan (\$5,711 for the 2,104,224 units as at December 31, 2020).

e) PSU and UAR plan applicable to Business Units

PSU applicable to BU

The Company recorded the following expense relating to the PSU plan applicable to BU during the three-month periods ended March 31, 2021 and 2020:

	For the three-month periods ended March 31,	
	2021	2020
	\$	\$
Equity-settled grants	408	1,256
Cash-settled grants	607	—
Total expense	1,015	1,256

The total award value granted under the Company's PSU plan applicable to BU was nil and \$853 during the three-month periods ended March 31, 2021 and 2020, respectively. During the three-month period ended March 31, 2021, 595,263 Class A Shares were issued as settlement of vested PSU applicable to BU (nil Class A Shares were issued during the three-month period ended March 31, 2020).

On January 16, 2020, the Company paid \$16,396 for the settlement of performance share units applicable to a Business Unit ("PSU BU"). Following the Company's acquisition of all issued and outstanding shares of Charlemagne Capital Limited ("CCL") on December 14, 2016, the Company granted these PSU BUs on November 17, 2017 to an executive of CCL in connection with their previous equity arrangement which existed prior to the acquisition by the Company.

UAR applicable to BU

Under the UAR plan applicable to BUs, eligible employees are entitled to receive Class A Shares of the Company for 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. The total award value granted under the Company's UAR plan applicable to BU was nil and nil during the three-month periods ended March 31, 2021 and 2020. The Company recorded an expense of \$337 and \$405 during the three-month periods ended March 31, 2021, and 2020, respectively.

# Fiera Capital Corporation

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For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

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

#### f) PSU plan

One PSU is equivalent to one Class A Share of the Company. The Company recorded the following expense (recovery) relating to the PSU plan during the three-month periods ended March 31, 2021 and 2020:

	For the three-month periods ended March 31,	
	2021	2020
	\$	\$
Equity-settled grants	129	(764)
Cash-settled grants	(29)	(169)
Total expense	100	(933)

The total award value granted to eligible employees under the Company's PSU plan for the three-month periods ended March 31, 2021 and 2020 was nil and \$540, respectively. No Class A Shares were issued and nil was paid in cash during the three-month period ended March 31, 2021 as settlement of PSU vested (2020 — 18,673). During the three-month period ended March 31, 2021, the Company recorded an expense of \$2,300 related to accelerated vesting provision related to key management personnel.

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

	For the three-month periods ended March 31,	
	2021	2020
	\$	\$
<b>Changes in non-cash operating working capital items</b>		
Accounts receivable	13,289	18,838
Prepaid expenses and other assets	(2,058)	(3,615)
Accounts payable and accrued liabilities	(73,800)	(86,511)
Restructuring provisions	(6,013)	(1,529)
Amounts due to related parties	68	(468)
Client deposits and deferred revenues	3,465	1,356
	(65,049)	(71,929)

Income taxes paid during the three-month period ended March 31, 2021 were \$2,963 (\$5,282 for the three-month period ended March 31, 2020).



# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

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### 14. Contingent liabilities

In the ordinary course of 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. The Company intends to defend these actions and Management believes that the resolution of these matters 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.

### 15. Capital management

The Company's capital comprises share capital, retained earnings (deficit), long-term debt, convertible debentures 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 March 31, 2021 and December 31, 2020 it has complied with such requirements. The Company and its subsidiaries have also complied with their restrictive debt covenants under the various credit facilities.

In order to maintain or adjust its capital structure, the Company may issue shares, proceed to the issuance or repayment of debt or redeem convertible debentures (as applicable under the terms of the respective final short-term prospectuses for these convertible debt).

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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

(Unaudited)

### 16. 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 March 31, 2021, a related shareholder indirectly owns Class B Shares representing approximately 7.0% of the Company's issued and outstanding shares (7.0% as at December 31, 2020). The related shareholder currently has two representatives of the eight directors of the Company that the holders of Class B Shares are entitled to elect. This related shareholder is one of the two co-lead arrangers and one of the lenders in the syndicate of lenders to the Company's Credit Facility and effective June 2019 took on the role as administrative agent of the Credit Agreement.

Another related shareholder owns 10.3% Class A Shares (10.3% as at December 31, 2020) and is entitled to propose one nominee for election to the Company's Board.

The following table presents transactions either directly with the two related shareholders or with entities under the same common control as these related shareholders:

	For the three-month periods ended March 31,	
	2021	2020
	\$	\$
Base management fees	2,493	2,327
Other revenues	8	(3,018)
Interest on long-term debt	2,685	4,592
Net loss (gain) in fair value of derivative financial instruments included in interest on long-term debt, lease liabilities and other financial charges	3,648	(30,156)

# Fiera Capital Corporation

## Notes to the Interim Condensed Consolidated Financial Statements

For the three-month periods ended March 31, 2021 and 2020

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(Unaudited)

### 17. 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 March 31,	
	2021	2020
	\$	\$
Canada	88,589	79,132
United States of America	53,894	58,445
Europe and other	23,128	24,080
	165,611	161,657

Non-current assets:

	As at	As at
	March 31, 2021	December 31, 2020
	\$	\$
Canada	733,280	685,232
United States of America	204,759	278,117
Europe and other	149,452	148,379
	1,087,491	1,111,728

Revenues are attributed to countries on the basis of the client's location. As at March 31, 2021, non-current assets presented above exclude long-term investments of \$7,308, deferred income taxes of \$34,614, derivative financial instruments of nil and other non-current assets of \$35,778 (\$7,521, \$34,121, nil and \$40,797 respectively as at December 31, 2020).

### 18. COVID-19

The COVID-19 pandemic has created a period of unprecedented volatility and uncertainty with regards to global economic and market conditions. The Company continues to monitor the financial impact of the COVID-19 pandemic and related market risk on its capital position and profitability should the duration, spread or intensity of the pandemic further develop. It is not possible to forecast with certainty the duration and full scope of the economic impact of COVID-19 both in the short and long term as well as the unknown additional government and central bank interventions and the timeline of the transition to a fully reopened economy. The Company maintains sufficient liquidity to satisfy all of its financial obligations for the foreseeable future. Despite this liquidity, the Company may see an impact to the cost of capital in the future as a result of disrupted credit markets or potential credit rating actions in relation to the Company's debt if the timing and pace of economic recovery is slow. Furthermore, a sustained period of significant market volatility could negatively impact the Company's investment performance, could have a negative effect on the value of the Company's assets and investment strategies (and consequently the AUM), could negatively impact the market price or value of the Company's securities and could result in a write-down of the Company's goodwill and intangible assets in subsequent periods. The valuation of the Company's purchase price obligations could also be impacted if expected results from operations change significantly from current assumptions.

### 19. Subsequent events

#### Dividends declared

On May 5, 2021, the Board declared a quarterly dividend of \$0.21 per Class A Share and Class B Share, payable on June 15, 2021 to shareholders of record at the close of business on May 18, 2021. 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 2021 financial statement presentation.

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