# Fiera Capital Corporation

## Interim Condensed Consolidated Financial Statements

For the Three and Six-Month Periods
ended June 30, 2022 and 2021
(Unaudited)

FIERA CAPITAL

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# Fiera Capital Corporation

## Interim Condensed Consolidated Statements of Earnings (Loss)

**For the three and six-month periods ended June 30,**
***(In thousands of Canadian, dollars, except per share data)***
**(Unaudited)**

| | Three-month periods | | Six-month periods | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **$** | $ | **$** | $ |
| **Revenues** | | | | |
| Base management fees | **150,451** | 153,959 | **309,762** | 311,027 |
| Performance fees | **4,398** | 5,373 | **7,768** | 6,805 |
| Commitment and transaction fees | **5,151** | 4,283 | **8,965** | 6,873 |
| Share of earnings in joint ventures and associates | **2,034** | 425 | **5,638** | 987 |
| Other revenues | **1,811** | 3,365 | **4,055** | 7,324 |
| | **163,845** | 167,405 | **336,188** | 333,016 |
| **Expenses** | | | | |
| Selling, general and administrative expenses | **119,219** | 119,888 | **258,843** | 241,288 |
| Amortization and depreciation | **13,512** | 16,489 | **28,869** | 37,891 |
| Restructuring, acquisition related and other costs (Note 5) | **5,328** | 6,008 | **9,161** | 12,204 |
| | **138,059** | 142,385 | **296,873** | 291,383 |
| Earnings before under-noted items | **25,786** | 25,020 | **39,315** | 41,633 |
| Loss (gain) on investments, net | **443** | (1,447) | **1,504** | (1,790) |
| Interest on long-term debt, lease liabilities and other financial charges | **10,532** | 6,237 | **16,390** | 14,563 |
| Accretion and change in fair value of purchase price obligations and other (Note 7) | **3,648** | 595 | **3,609** | 1,619 |
| Loss (gain) on sale of a business and impairment of assets held for sale (Note 4) | **—** | 733 | **—** | (15,927) |
| Other (gains) losses | **(1,262)** | 117 | **(1,670)** | 208 |
| Earnings before income taxes | **12,425** | 18,785 | **19,482** | 42,960 |
| Income tax expense | **672** | 4,988 | **2,276** | 6,140 |
| **Net earnings** | **11,753** | 13,797 | **17,206** | 36,820 |
| **Net earnings (loss) attributable to:** | | | | |
| Company’s shareholders | **10,759** | 13,310 | **14,178** | 35,544 |
| Non-controlling interest | **994** | 487 | **3,028** | 1,276 |
| | **11,753** | 13,797 | **17,206** | 36,820 |
| Net earnings per share (Note 11) | | | | |
| Basic | **0.10** | 0.13 | **0.14** | 0.34 |
| Diluted | **0.10** | 0.12 | **0.14** | 0.32 |

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 and six-month periods ended June 30,**
***(In thousands of Canadian, dollars)***
**(Unaudited)**

| | Three-month periods | | Six-month periods | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **$** | $ | **$** | $ |
| Net earnings | **11,753** | 13,797 | **17,206** | 36,820 |
| Other comprehensive income (loss): | | | | |
| Items that may be reclassified subsequently to earnings (loss): | | | | |
| Cash flow hedges (Note 7) | **313** | 681 | **1,065** | 1,418 |
| Foreign currency translation | **2,571** | (4,300) | **(3,018)** | (7,943) |
| Foreign currency translation realized on the sale of a foreign operation (Note 4) | **—** | — | **—** | (30,219) |
| Other comprehensive income (loss) | **2,884** | (3,619) | **(1,953)** | (36,744) |
| **Comprehensive income** | **14,637** | 10,178 | **15,253** | 76 |
| **Comprehensive income (loss) attributable to:** | | | | |
| Company's shareholders | **13,643** | 9,691 | **12,225** | (1,200) |
| Non-controlling interest | **994** | 487 | **3,028** | 1,276 |
| | **14,637** | 10,178 | **15,253** | 76 |

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 June 30, 2022 | As at December 31, 2021 |
|---|---|---|
| | $ | $ |
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | **49,687** | 102,594 |
| Restricted cash and cash equivalents | **3,470** | 4,484 |
| Trade and other receivables | **138,409** | 216,454 |
| Investments | **8,342** | 9,389 |
| Prepaid expenses and other assets (Note 13) | **30,399** | 16,428 |
| | **230,307** | 349,349 |
| Non-current assets | | |
| Goodwill (Note 6) | **642,359** | 641,314 |
| Intangible assets (Note 6) | **272,942** | 293,268 |
| Property and equipment | **25,153** | 26,273 |
| Right-of-use assets | **72,675** | 77,763 |
| Deferred income taxes | **26,725** | 31,179 |
| Long-term investments | **5,744** | 5,739 |
| Investments in joint ventures and associates | **9,316** | 15,322 |
| Other non-current assets (Note 7) | **22,887** | 31,921 |
| | **1,308,108** | 1,472,128 |
| **Liabilities** | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | **131,851** | 217,246 |
| Current portion of cash-settled share-based liabilities | **10,322** | 25,881 |
| Current portion of purchase price obligations and puttable financial instrument liability (Note 7) | **14,807** | 24,769 |
| Current portion of lease liabilities | **14,875** | 14,251 |
| Restructuring provisions (Note 5) | **2,714** | 2,345 |
| Derivative financial instruments (Note 7) | **393** | 7,209 |
| Amounts due to related parties | **—** | 4,723 |
| Client deposits and deferred revenues | **11,084** | 3,599 |
| | **186,046** | 300,023 |
| Non-current liabilities | | |
| Long-term debt (Note 8) | **435,739** | 412,800 |
| Convertible debt (Note 9) | **207,004** | 190,853 |
| Lease liabilities | **85,126** | 91,641 |
| Purchase price obligations and puttable financial instrument liability (Note 7) | **18,840** | 32,075 |
| Cash-settled share-based liabilities | **656** | 7,145 |
| Deferred income taxes | **8,892** | 15,517 |
| Other non-current liabilities (Note 7) | **3,564** | 3,926 |
| | **945,867** | 1,053,980 |
| **Equity attributable to:** | | |
| Company's shareholders | **359,556** | 415,313 |
| Non-controlling interest | **2,685** | 2,835 |
| | **362,241** | 418,148 |
| | **1,308,108** | 1,472,128 |

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 six-month periods ended June 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, 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 (loss)** | | **—** | **—** | **—** | **14,178** | **—** | **14,178** | **3,028** | **17,206** |
| **Other comprehensive income (loss)** | | **—** | **—** | **—** | **—** | **(1,953)** | **(1,953)** | **—** | **(1,953)** |
| **Comprehensive income (loss)** | | **—** | **—** | **—** | **14,178** | **(1,953)** | **12,225** | **3,028** | **15,253** |
| **Equity settled share-based compensation expense, net of deferred tax** | **12** | **—** | **13,104** | **—** | **—** | **—** | **13,104** | **—** | **13,104** |
| **Performance and restricted share units settled** | **10** | **11,762** | **(11,762)** | **—** | **—** | **—** | **—** | **—** | **—** |
| **Stock options exercised** | **10** | **489** | **(113)** | **—** | **—** | **—** | **376** | **—** | **376** |
| **Dividends** | **10** | **—** | **—** | **—** | **(43,848)** | **—** | **(43,848)** | **(3,178)** | **(47,026)** |
| **Share repurchase and cancellation** | **10** | **(33,626)** | **(489)** | **—** | **—** | **—** | **(34,115)** | **—** | **(34,115)** |
| **Convertible debentures redemption** | **9** | **—** | **—** | **(3,339)** | **3,339** | **—** | **—** | **—** | **—** |
| **Balance, June 30, 2022** | | **813,714** | **18,226** | **—** | **(442,699)** | **(29,685)** | **359,556** | **2,685** | **362,241** |
| | | | | | | | | | |
| Balance, December 31, 2020 | | 829,588 | 31,334 | 3,339 | (398,722) | 2,436 | 467,975 | 2,501 | 470,476 |
| Net earnings (loss) | | — | — | — | 35,544 | — | 35,544 | 1,276 | 36,820 |
| Other comprehensive income (loss) | | — | — | — | — | (36,744) | (36,744) | — | (36,744) |
| Comprehensive income (loss) | | — | — | — | 35,544 | (36,744) | (1,200) | 1,276 | 76 |
| Equity settled share-based compensation expense, net of deferred tax | 12 | — | 2,541 | — | — | — | 2,541 | — | 2,541 |
| Performance and restricted share units settled | 10 | 4,235 | (4,235) | — | — | — | — | — | — |
| Stock options exercised | 10 | 49 | (12) | — | — | — | 37 | — | 37 |
| Dividends | 10 | — | — | — | (43,551) | — | (43,551) | (1,400) | (44,951) |
| Non-controlling interest capital reduction | | — | — | — | — | — | — | (1,293) | (1,293) |
| Share repurchase and cancellation | 10 | (5,878) | (1,255) | — | — | — | (7,133) | — | (7,133) |
| Balance, June 30, 2021 | | 827,994 | 28,373 | 3,339 | (406,729) | (34,308) | 418,669 | 1,084 | 419,753 |

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 six-month periods ended June 30,**
***(In thousands of Canadian dollars)***
**(Unaudited)**

| | Three-month periods | | Six-month periods | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **$** | $ | **$** | $ |
| **Operating activities** | | | | |
| Net earnings | **11,753** | 13,797 | **17,206** | 36,820 |
| Adjustments for: | | | | |
| Amortization and depreciation | **13,512** | 16,489 | **28,869** | 37,891 |
| Loss (gain) on sale of a business and impairment of assets held for sale (Note 4) | **—** | 733 | **—** | (15,927) |
| Accretion and change in fair value of purchase price obligations and other (Note 7) | **3,648** | 595 | **3,609** | 1,619 |
| Share-based compensation (Note 12) | **1,811** | 5,179 | **16,420** | 8,468 |
| Interest on long-term debt, lease liabilities, and other financial charges | **10,532** | 6,237 | **16,390** | 14,563 |
| Income tax expense | **672** | 4,988 | **2,276** | 6,140 |
| Change in derivative financial instruments (Note 7) | **(767)** | 42 | **(941)** | 358 |
| Gain on investments and other, net | **(819)** | (1,332) | **(166)** | (1,588) |
| Share of earnings in joint ventures and associates | **(2,034)** | (425) | **(5,638)** | (987) |
| Other non-current liabilities | **136** | 341 | **(480)** | (16) |
| | **38,444** | 46,644 | **77,545** | 87,341 |
| Changes in non-cash operating working capital items (Note 13) | **8,409** | 14,808 | **(56,643)** | (50,241) |
| **Net cash generated by operating activities** | **46,853** | 61,452 | **20,902** | 37,100 |
| **Investing activities** | | | | |
| Proceeds on disposition (Note 4) | **—** | — | **—** | 51,807 |
| Settlement of purchase price adjustments and obligations and puttable financial instrument liability | **(23,901)** | (3,551) | **(23,901)** | (11,632) |
| Proceeds on promissory note | **1,375** | 1,152 | **2,709** | 2,275 |
| Investments in joint ventures and associates | **(783)** | (626) | **(1,743)** | (1,074) |
| Distributions received from joint ventures and associates | **5,121** | 404 | **12,411** | 2,504 |
| Purchase of intangible assets, property and equipment, net | **(1,406)** | (4,677) | **(2,621)** | (12,341) |
| Investments, net | **(399)** | (11,672) | **(502)** | (11,341) |
| Restricted cash and cash equivalents | **601** | 14,103 | **1,024** | 862 |
| **Net cash generated by (used in) investing activities** | **(19,392)** | (4,867) | **(12,623)** | 21,060 |
| **Financing activities** | | | | |
| Dividends to the Company's shareholders (Note 10) | **(43,848)** | (43,551) | **(43,848)** | (43,551) |
| Dividends and other distributions to Non-controlling interest | **(1,753)** | (626) | **(3,178)** | (2,693) |
| Lease payments | **(4,221)** | (4,698) | **(8,527)** | (9,177) |
| Lease inducements | **—** | — | **—** | 1,279 |
| Stock options exercised | **—** | — | **376** | 37 |
| Issuance of a hybrid debenture, net of transaction costs of $717 (Note 9) | **99,283** | — | **99,283** | — |
| Redemption of convertible debentures (Note 9) | **(86,250)** | — | **(86,250)** | — |
| Share repurchase and cancellation (Note 10) | **—** | — | **(33,998)** | (7,133) |
| Long-term debt, net (Note 7 and 8) | **1,540** | (4,265) | **16,340** | (7,570) |
| Interest paid on long-term debt and convertible debt | **(8,299)** | (6,705) | **(15,726)** | (14,474) |
| Incentive fees received related to Contingent Value Rights (note 7) | **15,882** | — | **15,882** | — |
| **Net cash used in financing activities** | **(27,666)** | (59,845) | **(59,646)** | (83,282) |
| Net decrease in cash and cash equivalents | **(205)** | (3,260) | **(51,367)** | (25,122) |
| Effect of exchange rate changes on cash denominated in foreign currencies | **(459)** | (241) | **(1,540)** | (997) |
| Cash and cash equivalents – beginning of periods | **50,351** | 46,240 | **102,594** | 68,858 |
| Cash and cash equivalents – end of periods | **49,687** | 42,739 | **49,687** | 42,739 |

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

## 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 six-month periods ended June 30, 2022 and 2021 on August 10, 2022.

## 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, 2021, 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, 2021 and December 31, 2020.

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**

*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, 2022. 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 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 ("Fund")*

On March 30, 2021, Fiera Capital Inc., a wholly-owned subsidiary of the Company, sold its Fund to Sunbridge Capital Partners LLC. As a result of the sale, the Company recorded 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 $3,625 (US$2,900) was recorded. The transaction closed on July 9, 2021.

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

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

*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 ("AUM") and as a result recorded an intangible asset of $6,701 (US$5,331).

## 5. Restructuring, acquisition related and other costs

During the three and six-month periods ended June 30, 2022 and 2021, the Company recorded the following:

| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **$** | $ | **$** | $ |
| Restructuring costs related to severance | **4,488** | 2,149 | **6,491** | 5,511 |
| Other restructuring costs | **160** | 2,599 | **578** | 5,261 |
| Acquisition related and other costs | **680** | 1,260 | **2,092** | 1,432 |
| | **5,328** | 6,008 | **9,161** | 12,204 |

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, 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 six-month period ended June 30, 2022 is as follows:

| | Severance |
|---|---|
| | **$** |
| Balance, December 31, 2021 | **2,345** |
| Additions during the period | **6,491** |
| Paid during the period | **(6,121)** |
| Foreign currency translation | **(1)** |
| **Balance, June 30, 2022** | **2,714** |

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

## 6. Goodwill and intangible assets

| | | Indefinite life | Finite-life | | | |
|---|---|---|---|---|---|---|
| | Goodwill | Asset management contracts | Asset management contracts | Customer relationships | Other | Total |
| | $ | $ | $ | $ | $ | $ |
| **For the six-month period ended June 30, 2022** | | | | | | |
| Opening carrying amount | **641,314** | **1,676** | **39,268** | **242,586** | **9,738** | **293,268** |
| Additions | — | — | — | — | **552** | **552** |
| Additions – internally developed | — | — | — | — | **717** | **717** |
| Change in accounting policy (Note 3) | — | — | — | — | **(4,561)** | **(4,561)** |
| Dispositions | — | — | — | — | **(32)** | **(32)** |
| Amortization for the period | — | — | **(5,511)** | **(12,237)** | **(1,466)** | **(19,214)** |
| Foreign currency translation | **1,045** | **12** | **160** | **1,739** | **301** | **2,212** |
| Closing carrying amount | **642,359** | **1,688** | **33,917** | **232,088** | **5,249** | **272,942** |
| | | | | | | |
| **Balance, June 30, 2022** | | | | | | |
| Cost | **633,323** | **1,695** | **152,747** | **406,776** | **36,206** | **597,424** |
| Accumulated amortization and impairment | **(1,918)** | — | **(118,434)** | **(173,218)** | **(30,655)** | **(322,307)** |
| Foreign currency translation | **10,954** | **(7)** | **(396)** | **(1,470)** | **(302)** | **(2,175)** |
| Closing carrying amount | **642,359** | **1,688** | **33,917** | **232,088** | **5,249** | **272,942** |

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

## 7. Financial instruments

*Convertible debt*

The fair value of the 5.6% Hybrid debentures (Note 9) based on market quotes is $110,231 as at June 30, 2022 ($112,750 as at December 31, 2021). The fair value of the 6.0% Hybrid debenture (Note 9), issued on June 23, 2022, approximates its face value plus accrued and unpaid interest.

*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.

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

| | For the three-month period ended June 30, 2022 | For the six-month period ended June 30, 2022 | As at June 30, 2022 | | | | |
|---|---|---|---|---|---|---|---|
| | | | Fair value | | 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 | Over 5 years |
| | $ | $ | $ | $ | $ | $ | $ |
| **Foreign exchange contracts** | | | | | | | |
| a) Forward foreign exchange and currency swap contracts – held for trading | **(1,093)** | **(1,068)** | **18** | **(393)** | **41,923** | **—** | **—** |
| b) Cross currency swaps – held for trading | **5,421** | **4,664** | **—** | **—** | **—** | **—** | **—** |
| **Interest rate contracts** | | | | | | | |
| c) Swap contracts – held for trading | **511** | **1,613** | **—** | **—** | **—** | **—** | **—** |

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

## 7. Financial instruments (continued)

| | For the three-month period ended June 30, 2021 | For the six-month period ended June 30, 2021 | As at December 31, 2021 | | | | |
|---|---|---|---|---|---|---|---|
| | | | Fair value | | 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 | Over 5 years |
| | $ | $ | $ | $ | $ | $ | $ |
| **Foreign exchange contracts** | | | | | | | |
| a) Forward foreign exchange contracts – held for trading | 795 | 287 | — | (250) | 10,989 | — | — |
| b) Cross currency swaps – held for trading | 56 | (3,592) | — | (3,877) | 228,000 | — | — |
| **Interest rate contracts** | | | | | | | |
| c) Swap contracts – held for trading | 1,145 | 2,255 | — | (1,613) | 250,000 | — | — |
| d) Swap contracts – cash flow hedges | — | — | — | (1,469) | 213,472 | — | — |

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

The Company enters into month-end spot rate forward 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.

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 long term debt, lease liabilities and other financial charges in the interim condensed consolidated statement of earnings (loss) in accordance with the nature of the hedged item.

The Company paid $944 during the six-month period ended June 30, 2022 as settlement of contracts that matured during the period (received $357 during the six-month period ended June 30, 2021).

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%, SOFR rate plus a spread varying from 1.1% to 2.75%, 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 June 30, 2022, a synthetic equivalent to a Canadian dollar revolving facility at CDOR plus 1.57% on $365,250 (CDOR plus 1.39% on $228,000 as at December 31, 2021) by borrowing against the US dollar revolving facility, the equivalent of $365,250 (US$284,240) ($228,000 (US$177,432) as at December 31, 2021) at SOFR plus 1.85%, and swapping it into CDOR plus 1.57% with a one-month cross currency swap.

## 7. Financial instruments (continued)

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 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.

A total of $788 was received during the six-month period ended June 30, 2022 as settlement of these contracts ($4,713 was paid during the six-month period ended June 30, 2021) presented in long-term debt, net in the interim condensed consolidated statements of cash flow.

c) Interest rate swap contract – held for trading

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

The contracts consisted of exchanging the variable interest rate based on a one-month CDOR rate for a fixed rate applied to the notional of each contract. During the three-month period ended June 30, 2022, the interest rate swap contracts matured and were not renewed.

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.

d) Interest rate swap contracts – Cash flow hedges

The Company held interest rate swap contracts designated as cash flows hedges and which satisfied the requirements for hedge accounting. During the three-month period ended June 30, 2022, the interest rate swap contracts matured and were not renewed.

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 comprehensive income of $313 and $1,065 during the three and six-month periods ended June 30, 2022 (net of income taxes of $137 and $406) (a gain in other comprehensive income of $681 and $1,418 during the three and six-month periods ended June 30, 2021 (net of income taxes of $248 and $513, respectively)).

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 was no ineffective portion on these contracts for the three and six-month periods ended June 30, 2022 and 2021.

## 7. **Financial instruments** (continued)

e) Contingent value rights related to Integrated Asset Management Corp. ("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 represents the residual amount of the CVR asset after the deduction for bonus, payroll taxes and corporate taxes. 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 is recorded in Trade accounts payable and accrued liabilities, while the long-term portion was recorded in Other non-current liabilities. During the three-month period ended June 30, 2022, $15,882 of incentive fees were received by the Company. Payment of the incentive fee to CVR holders, net of bonus, payroll taxes and corporate taxes, occured in the third quarter of 2022.

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

## 7. Financial instruments (continued)

Financial instruments by category:

| | | | As at June 30, 2022 |
|---|---|---|---|
| | Amortized cost | Fair value through profit or loss | Total |
| | $ | $ | $ |
| **Assets** | | | |
| Cash and cash equivalents | 49,687 | — | 49,687 |
| Restricted cash and cash equivalents | 3,470 | — | 3,470 |
| Investments | — | 8,342 | 8,342 |
| Trade and other receivables | 138,409 | — | 138,409 |
| Promissory note(1) | — | 23,989 | 23,989 |
| Long-term investments | — | 5,744 | 5,744 |
| Derivative financial instruments(2) | — | 18 | 18 |
| Other non-current assets(3) | 575 | — | 575 |
| Total | 192,141 | 38,093 | 230,234 |
| **Liabilities** | | | |
| Accounts payable and accrued liabilities(4) | 122,579 | 9,272 | 131,851 |
| Purchase price obligations | — | 30,241 | 30,241 |
| Puttable financial instrument liability | — | 3,406 | 3,406 |
| Other non-current liabilities(5) | 147 | 315 | 462 |
| Derivative financial instruments | — | 393 | 393 |
| Client deposits and deferred revenues | 267 | — | 267 |
| Long-term debt | 435,739 | — | 435,739 |
| Convertible debt | 207,004 | — | 207,004 |
| Total | 765,736 | 43,627 | 809,363 |

(1) Includes $4,131 presented in prepaid expenses and other asset and $19,858 presented in other non-current assets on the interim condensed consolidated statements of financial position.
(2) Presented in prepaid expenses and other assets on the interim condensed consolidated statements of financial position.
(3) Represents the long-term portion of the CVR asset.
(4) $9,272 represents the short-term portion of the CVR liability.
(5) Represents the long-term portion of the CVR liability.

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

## 7. Financial instruments (continued)

| | | | As at December 31, 2021 |
|---|---|---|---|
| | Amortized cost | Fair value through profit or loss | Total |
| | $ | $ | $ |
| **Assets** | | | |
| Cash and cash equivalents | 102,594 | — | 102,594 |
| Restricted cash and cash equivalents | 4,484 | — | 4,484 |
| Investments | — | 9,389 | 9,389 |
| Trade and other receivables | 216,454 | — | 216,454 |
| Promissory note(1) | — | 28,198 | 28,198 |
| Long-term investments | — | 5,739 | 5,739 |
| Other non-current assets(2) | 462 | — | 462 |
| Total | 323,994 | 43,326 | 367,320 |
| **Liabilities** | | | |
| Accounts payable and accrued liabilities(3) | 208,126 | 9,120 | 217,246 |
| Purchase price obligations | — | 33,359 | 33,359 |
| Puttable financial instrument liability | — | 23,485 | 23,485 |
| Other non-current liabilities(4) | 118 | 253 | 371 |
| Derivative financial instruments | — | 7,209 | 7,209 |
| Amounts due to related parties | 4,723 | — | 4,723 |
| Client deposits and deferred revenues | 382 | — | 382 |
| Long-term debt | 412,800 | — | 412,800 |
| Convertible debt | 190,853 | — | 190,853 |
| Total | 817,002 | 73,426 | 890,428 |

(1) Presented in other non-current assets on the interim condensed consolidated statements of financial position.
(2) Represents the long-term portion of the CVR asset.
(3) $9,120 represents the the short-term portion of the CVR liability.
(4) 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).

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

## 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 June 30, 2022 |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | $ | $ | $ | $ |
| **Financial assets** | | | | |
| Investments | — | 8,342 | — | 8,342 |
| Promissory note | — | — | 23,989 | 23,989 |
| Long-term investments | — | — | 5,744 | 5,744 |
| Derivative financial instruments | — | 18 | — | 18 |
| Total financial assets | — | 8,360 | 29,733 | 38,093 |
| **Financial liabilities** | | | | |
| Accounts payable and accrued liabilities | — | — | 9,272 | 9,272 |
| Purchase price obligations | — | — | 30,241 | 30,241 |
| Puttable financial instrument liability | — | — | 3,406 | 3,406 |
| Other non-current liabilities | — | — | 315 | 315 |
| Derivative financial instruments | — | 393 | — | 393 |
| Total financial liabilities | — | 393 | 43,234 | 43,627 |

| | | | | As at December 31, 2021 |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| | $ | $ | $ | $ |
| **Financial assets** | | | | |
| Investments | — | 9,389 | — | 9,389 |
| Promissory note | — | — | 28,198 | 28,198 |
| Long-term investments | — | — | 5,739 | 5,739 |
| Total financial assets | — | 9,389 | 33,937 | 43,326 |
| **Financial liabilities** | | | | |
| Accounts payable and accrued liabilities | — | — | 9,120 | 9,120 |
| Purchase price obligations | — | — | 33,359 | 33,359 |
| Puttable financial instrument liability | — | — | 23,485 | 23,485 |
| Other non-current liabilities | — | — | 253 | 253 |
| Derivative financial instruments | — | 7,209 | — | 7,209 |
| Total financial liabilities | — | 7,209 | 66,217 | 73,426 |

## 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 – Clearwater Capital Partners, LLC ("Clearwater"):

The fair value of the Clearwater purchase price obligation as at June 30, 2022 was $26,783 (US$20,763) and $28,574 (US$22,621) as at December 31, 2021. 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. The Company used discount rates ranging between 15.0% and 20.0% (2021 – Between 15.0% and 20.0%).

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 is not necessarily 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 $25,729 (US$19,946) and $27,713 (US$21,484) for its purchase price obligation as at June 30, 2022.

Puttable financial instrument liability and call option – Fiera Real Estate UK Limited ("Fiera Real Estate UK"):

The Company had the right but not the obligation to acquire the 20% non-controlling interest in Fiera Real Estate UK. This call right could be exercised by the Company on April 30, 2022 or on April 30 of any year thereafter. The non-controlling interest shareholders of Fiera Real Estate UK had the right but not the obligation to exercise their put right on up to 16.72% of their non-controlling interest of Fiera Real Estate UK on March 31, 2022 and March 31 of any year thereafter, and the remaining 3.28% on March 31, 2023 and March 31 of any year thereafter. If exercised, both the put and the call right would require the Company to acquire the exercised percentage of non-controlling interest in Fiera Real Estate UK.

The exercise price is a prescribed price calculated based on a multiplier of EBITDA as defined in the Sale and Purchase Agreement. During the year ended December 31, 2021, the Company amended the put liability agreement to establish a minimum exercise price to the remaining 3.28% non-controlling interest, for both the put and the call rights. This minimum exercise price shall be equal to the exercise price per share of the non-controlling interests exercised in the first quarter of 2022.

## 7. Financial instruments (continued)

On April 13, 2022, the non-controlling interest shareholders of Fiera Real Estate UK gave notice of their intention to exercise their put right to sell 16.72% of their non-controlling interest of Fiera Real Estate UK to the Company. This resulted in the Company owning 96.7% of the shares in Fiera Real Estate UK following the exercise of the put right. The total cost of the shares acquired by the Company and puttable financial instrument liability settled in the second quarter of 2022 was $18,183 (GBP11,285).

On June 30, 2022, The Company entered into an agreement with the non-controlling interest shareholders of Fiera Real Estate UK to exercise the remaining call option to acquire 3.28% of Fiera Real Estate UK shares. This will result in the Company owning 100.0% of the shares in Fiera Real Estate UK. The purchase price was based on the exercise price per share related to the purchase of the initial 16.72% in the current quarter. The purchase price related to the acquisition of the 3.28% Fiera Real Estate UK shares is subject to an adjustment if the financial performance of Fiera Real Estate UK in fiscal 2022 results in a higher exercise price per share.

The total cost of the shares being acquired by the Company is $3,406 (GBP2,180) and was completed in the third quarter of 2022.

The Company decreased the fair value of the puttable financial instrument liability and recorded an adjustment of nil and ($639) (GBP nil and (GBP390)) during the three and six-month periods ended June 30, 2022 (nil and $963 (GBP nil and GBP552) during the three and six-month periods ended June 30, 2021). The fair value of the puttable financial instrument liability as at June 30, 2022 was $3,406 (GBP2,180) and $23,485 (GBP13,727) as at December 31, 2021.

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%. 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 used a discount rate of 8.0% (2021 – 5.0%). The fair value of the instrument was $23,989 (US$18,596) as at June 30, 2022 ($28,198 (US$22,322) as at December 31, 2021).

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

## 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 $19,477 (US$15,098) and $24,760 (US$19,194) as at June 30, 2022 ($27,614 (US$21,860) and $28,781 (US$22,784) as at December 31, 2021).

Purchase price obligation – City National Rochdale ("CNR"):

During the three and six-month periods ended June 30, 2021, the Company settled an amount of $2,051 and $10,132 in cash following the termination of the revenue sharing agreement with CNR.

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 | 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 | — | 1,043 | — | — | — | — | 1,043 |
| Disposition of investments | — | (726) | — | — | — | — | (726) |
| Proceeds received | (2,709) | — | — | — | — | — | (2,709) |
| Loss on investments, net | — | (72) | — | — | — | — | (72) |
| Settlement of purchase price obligations and puttable financial instruments liability | — | — | — | 5,718 | 18,183 | — | 23,901 |
| Revaluation[(1)] | (3,432) | — | — | — | 639 | — | (2,793) |
| Accretion[(1)] | 1,374 | — | — | (1,962) | (228) | — | (816) |
| Revaluation of CVRs | — | — | (152) | — | — | (62) | (214) |
| Foreign currency translation | 558 | (240) | — | (638) | 1,485 | — | 1,165 |
| **Fair value as at June 30, 2022** | **23,989** | **5,744** | **(9,272)** | **(30,241)** | **(3,406)** | **(315)** | **(13,501)** |

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

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

## 7. Financial instruments (continued)

| | Promissory note | 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 | — | 530 | — | — | — | 530 |
| Disposition of investments | — | (1,420) | — | — | — | (1,420) |
| Proceeds received | (2,275) | | | | | (2,275) |
| Gain on investments, net | — | 642 | — | — | — | 642 |
| Settlement of purchase price obligations | — | — | 11,632 | — | — | 11,632 |
| Revaluation[(1)] | — | — | 1,567 | (963) | — | 604 |
| Accretion[(1)] | 625 | — | (2,478) | (370) | — | (2,223) |
| Revaluation of CVRs | — | — | — | — | (830) | (830) |
| Foreign currency translation | (942) | (117) | 969 | 287 | — | 197 |
| Fair value as at June 30, 2021 | 31,067 | 7,156 | (34,184) | (15,991) | (2,681) | (14,633) |

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

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

## 8. Long-term debt

| | As at June 30, 2022 | As at December 31, 2021 |
|---|---|---|
| | **$** | $ |
| Credit facility | | |
| Revolving facility | **437,521** | 413,621 |
| Deferred financing charges | **(1,782)** | (821) |
| Non-current portion | **435,739** | 412,800 |

**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 SOFR, plus a margin as a function of the quarterly Funded Debt to EBITDA ratio as defined in the Credit Agreement.

As at June 30, 2022, the total amount drawn on the Facility was $437,521 of which $258,218 (December 31, 2021 – $17,709) and US$139,000 ($179,303) (December 31, 2021 – US$313,432 ($395,912)) was denominated in Canadian and US dollars, respectively.

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 June 30, 2022 and December 31, 2021.

During the three and six-month periods ended June 30, 2022 the Company reimbursed (drew) $2,861 and ($15,552) ($3,334 and $2,857 during the three and six-month periods ended June 30, 2021) of its long-term debt.

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

# 9. Convertible debt

The balance of the convertible debt consists of the following:

| | **As at June 30, 2022** | As at December 31, 2021 |
|---|---|---|
| | **$** | $ |
| 5.0% Convertible debentures – Due on June 30, 2023 | — | 83,597 |
| 5.6% Hybrid debentures – Due on July 31, 2024 | **107,721** | 107,256 |
| 6.0% Hybrid debenture – Due on June 30, 2027 | **99,283** | — |
| Non-current portion | **207,004** | 190,853 |

*a) 5.0% Convertible debentures – Due on June 30, 2023*

| | **As at June 30, 2022** | As at December 31, 2021 |
|---|---|---|
| | **$** | $ |
| Face value | — | 86,250 |
| Less: | | |
| Issuance costs | — | (4,030) |
| Equity component (net of issuance costs of $224) | — | (4,568) |
| Cumulative accretion expense on liability component | — | 5,945 |
| Non-current portion | — | 83,597 |

On December 21, 2017, the Company issued 86,250 5% convertible unsecured subordinated debentures maturing on June 30, 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. On June 30, 2022, the Company redeemed all issued and outstanding convertible debentures at a price of $1 per convertible debenture, plus accrued and unpaid interest. On redemption, the convertible debentures equity component of $3,339 was reclassified, within equity, to retained earnings (deficit) and unamortized deferred financing charges of $1,819 were reclassified to net earnings within Interest on long-term debt, lease liabilities and other financial charges.

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

## 9. Convertible debt (continued)

*b) 5.6% Hybrid debentures – Due on July 31, 2024*

| | **As at June 30, 2022** | As at December 31, 2021 |
|---|---|---|
| | **$** | $ |
| Face value | **110,000** | 110,000 |
| Less: | | |
| Issuance costs | **(5,007)** | (5,007) |
| Cumulative accretion expense on liability component | **2,728** | 2,263 |
| Non-current portion | **107,721** | 107,256 |

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. The 5.6% Hybrid debentures bear interest at a rate of 5.6% 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 5.6% 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 5.6% 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 5.6% 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 5.6% 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 5.6% Hybrid debentures will not be, at any time, convertible into Class A Shares at the option of the holders. The 5.6% Hybrid debentures are recorded at amortized cost, net of issuance costs, using the effective interest rate method.

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

## 9. Convertible debt (continued)

*c) 6.0% Hybrid debenture – Due on June 30, 2027*

| | As at June 30, 2022 | As at December 31, 2021 |
|---|---|---|
| | $ | $ |
| Face value | **100,000** | — |
| Less: | | |
| Issuance costs | **(717)** | — |
| Non-current portion | **99,283** | — |

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% 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.

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

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

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, 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** | **11,762** | **—** | **—** | **1,305,127** | **11,762** |
| 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 June 30, 2022** | **83,228,078** | **782,823** | **19,412,401** | **30,891** | **102,640,479** | **813,714** |
| | | | | | | |
| 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 cancellation | (620,263) | (5,878) | — | — | (620,263) | (5,878) |
| As at June 30, 2021 | 84,279,775 | 797,103 | 19,412,401 | 30,891 | 103,692,176 | 827,994 |

**2022**

**Share repurchase and cancellation**

On August 12, 2021, 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 2, 2021. The NCIB began on August 16, 2021 and will end at the latest on August 15, 2022.

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 Subordinate Voting 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.

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

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

During the six-month period ended June 30, 2022, the Company paid $33,998 to purchase and cancel 3,560,000 Class A Shares under the normal course issued 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 six-month period ended June 30, 2022, the Company declared dividends on Class A Shares and Class B Shares totaling $43,848 ($0.43 per share). During the six-month period ended June 30, 2022, 201,499 Class A shares were purchased on the open market for $1,424 to settle dividends under the dividend reinvestment plan.

**2021**

**Shares repurchase and cancellation**

During the six-month period ended June 30, 2021, the Company paid $7,133, to purchase and cancel 620,263 Class A Shares through the facilities of the TSX which reduced share capital by $5,878 and the excess paid of $1,255 was charged to contributed surplus.

**Dividends**

During the six-month period ended June 30, 2021, the Company declared dividends on Class A Shares and Class B shares totalling $43,551 ($0.42 per share). During the six-month period ended June 30, 2021, 117,496 Class A shares were purchased on the open market for $1,255 to settle dividends under the dividend reinvestment plan.

**Accumulated other comprehensive income (loss)**

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

| | **As at June 30, 2022** | As at December 31, 2021 |
|---|---|---|
| | **$** | $ |
| Cash flow hedges | **—** | (1,065) |
| Unrealized foreign currency translation on foreign operations | **(29,685)** | (26,667) |
| | **(29,685)** | (27,732) |

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

## 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 June 30, | | For the six-month periods ended June 30, | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **$** | $ | **$** | $ |
| Net earnings attributable to shareholders | **10,759** | 13,310 | **14,178** | 35,544 |
| Weighted average shares outstanding – basic | **103,169,837** | 104,454,515 | **102,250,627** | 104,481,895 |
| Effect of dilutive share-based awards, contingent consideration payable in shares and convertible debt | **1,323,584** | 14,176,113 | **1,335,626** | 14,176,113 |
| **Weighted average shares outstanding – diluted** | **104,493,421** | 118,630,628 | **103,586,253** | 118,658,008 |
| Basic earnings per share | **0.10** | 0.13 | **0.14** | 0.34 |
| Diluted earnings per share | **0.10** | 0.12 | **0.14** | 0.32 |

For the three and six-month periods ended June 30, 2022, the share-based awards payable in 3,664,527 and 3,731,411 shares, the convertible debentures, the 6% Hybrid debenture, and the 5.6% Hybrid debentures with face values of $86,250, $100,000, and $110,000, respectively, were all anti-dilutive.

For the three and six-month periods ended June 30, 2021, the 5.6% Hybrid debentures were dilutive and accordingly, the net earnings attributable to shareholders was increased by its interest (net of tax) of $1,303 and $2,584 for the purpose of calculating the diluted earnings per share.

For the three and six-month periods ended June 30, 2021, the share-based awards payable in 2,882,494 and 2,935,593 shares and the convertible debentures with a face value of $86,250 were all anti-dilutive.

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

## 12. Share-based payments

a) Stock option plan

A summary of the changes that occurred in the Company's stock option plans during the six-month periods ended June 30, 2022, and 2021, is presented below:

| | **2022** | | 2021 | |
|---|---|---|---|---|
| | **Number of Class A Share options** | **Weighted-average exercise price** | Number of Class A Share options | Weighted-average exercise price |
| | | **$** | | $ |
| Outstanding – beginning of period | **4,361,095** | **11.29** | 3,901,645 | 11.25 |
| Exercised | **(50,590)** | **7.44** | (5,000) | 7.56 |
| Expired | **(405,000)** | **11.35** | (120,000) | 12.11 |
| Outstanding – end of period | **3,905,505** | **11.33** | 3,776,645 | 11.23 |
| Options exercisable – end of period | **1,035,505** | **13.00** | 1,369,645 | 11.80 |

The Company recorded an expense of $387 and $510 for stock options during the three and six-month periods ended June 30, 2022 (an expense of $118 and $236 during the three and six-month periods ended June 30, 2021). There were nil stock options issued during the three and six-month periods ended June 30, 2022.

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) and ($8) for this plan during the three and six-month periods ended June 30, 2022, respectively (an expense (recovery) of $13 and $6 during the three and six-month periods ended June 30, 2021, respectively).

As at June 30, 2022, the Company had a liability for an amount of $104 for the 11,140 units outstanding under the DSU plan ($112 for 10,663 units as at December 31, 2021).

c) Restricted share unit ("RSU") plan

The following table presents transactions that occurred in the Company's RSU Plan during the six-month periods ended June 30, 2022, and 2021:

| | **2022** | 2021 |
|---|---|---|
| Outstanding units – beginning of period | **422,024** | 404,985 |
| Vested | **(330,740)** | (150,364) |
| Reinvested in lieu of dividends | **10,878** | 10,507 |
| Forfeited | **(1,457)** | — |
| Outstanding units– end of period | **100,705** | 265,128 |

One RSU unit is equivalent to one Class A Share of the Company. The Company recorded an expense of $1,427 and $1,923 for these grants during the three and six-month periods ended June 30, 2022, respectively ($620 and $1,177 during the three and six-month periods ended June 30, 2021, respectively).

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

## 12. Share-based payments (continued)

During the six-month period ended June 30, 2022, nil Class A Shares were issued and $3,150 was paid in cash as settlement of vested RSUs (nil Class A Shares were issued and $1,727 cash paid as settlement of vested RSUs during the six-month period ended June 30, 2021). As at June 30, 2022, the Company had a liability in the amount of $523 for the 100,705 units outstanding under the RSU Plan ($1,751 for 422,024 units as at December 31, 2021).

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

The following table presents transactions that occurred in the Company’s RSU cash Plan during the six-month periods ended June 30, 2022, and 2021.

| | **2022** | 2021 |
|---|---|---|
| Outstanding units – beginning of period | **2,310,885** | 2,104,224 |
| Vested | **(150,792)** | (87,359) |
| Reinvested in lieu of dividends | **99,930** | 87,637 |
| Granted | **93,784** | 59,713 |
| Outstanding units – end of period | **2,353,807** | 2,164,215 |

RSU cash units are equivalent to one Class A Share of the Company. The Company recorded a (recovery) expense of ($2,000) and ($12) for these grants during the three and six-month periods ended June 30, 2022, respectively ($2,462 and $3,889 during the three and six-month periods ended June 30, 2021, respectively).

During the six-month period ended June 30, 2022, 150,792 units vested (2021 – 87,359) and an amount of $786 was paid as settlement vested units (2021 – $3,095). As at June 30, 2022, the Company had a liability in the amount of $10,802 for the 2,353,807 units outstanding under the RSU cash Plan ($11,600 for the 2,310,885 units as at December 31, 2021).

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 six-month periods ended June 30, 2022 and 2021:

| | **For the three-month periods ended June 30,** | | **For the six-month periods ended June 30,** | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **$** | $ | **$** | $ |
| Equity-settled grants | **1,030** | 737 | **12,677** | 1,145 |
| Cash-settled grants | **228** | 1,257 | **602** | 1,864 |
| Total expense | **1,258** | 1,994 | **13,279** | 3,009 |

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

## 12. Share-based payments (continued)

The total award value granted under the Company's PSU plan applicable to BU was $12,532 and $9,539 during the six-month periods ended June 30, 2022 and 2021, respectively. During the six-month period ended June 30, 2022, 1,201,799 Class A Shares were issued and $21,257 was paid in cash as settlement of vested PSU applicable to BU (595,263 Class A Shares were issued and nil paid in cash during the six-month period ended June 30, 2021).

On January 31, 2022, the Company closed a previously announced agreement to establish a sub-advisory partnership with StonePine Asset Management Inc. (“StonePine”), 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 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 six-month periods ended June 30, 2022 and 2021:

| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **$** | $ | **$** | $ |
| Equity-settled grants | **232** | 334 | **484** | 671 |
| Cash-settled grants | **474** | — | **474** | — |
| Total expense | **706** | 334 | **958** | 671 |

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 $748 and nil during the six-month periods ended June 30, 2022 and 2021, respectively. The Company recorded an expense of $706 and $958 during during the three and six-month periods ended June 30, 2022 ($334 and $671 during the three and six-month periods ended June 30, 2021).

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

## 12. Share-based payments (continued)

f) PSU plan

The Company recorded the following expense relating to the PSU plan during the three and six-month periods ended June 30, 2022 and 2021:

| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **$** | $ | **$** | $ |
| Equity-settled grants | **222** | 129 | **294** | 259 |
| Cash-settled grants | **12** | 68 | **30** | 38 |
| Total expense | **234** | 197 | **324** | 297 |

There were no awards granted under the Company's PSU plan for the six-month periods ended June 30, 2022 and 2021. The Company issued 91,509 Class A Shares and nil was paid in cash during the six-month period ended June 30, 2022 as settlement of vested PSUs (2021: nil Class A shares issued and nil paid in cash).

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

| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **$** | $ | **$** | $ |
| **Changes in non-cash operating working capital items** | | | | |
| Accounts receivable | **4,676** | (19,718) | **68,300** | (6,429) |
| Prepaid expenses and other assets | **(2,466)** | (153) | **(13,388)** | (2,211) |
| Accounts payable and accrued liabilities | **6,149** | 36,605 | **(99,047)** | (35,886) |
| Current portion of cash-settled share based liabilities (Note 12) | **1,099** | 734 | **(15,559)** | (575) |
| Restructuring provisions | **1,078** | (1,675) | **370** | (7,688) |
| Amounts due to related parties | **(5,246)** | 515 | **(4,723)** | 583 |
| Client deposits and deferred revenues | **3,119** | (1,500) | **7,404** | 1,965 |
| | **8,409** | 14,808 | **(56,643)** | (50,241) |

Income taxes paid during the three and six-month periods ended June 30, 2022 were $5,021 and $16,398 ($2,764 and $5,727 for the three and six-month periods ended June 30, 2021).

## 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 June 30, 2022 and December 31, 2021 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 5.6% Hybrid debentures and 6.0% Hybrid debenture.

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

## 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 June 30, 2022, a shareholder indirectly owns Class B Shares representing approximately 7.1% of the Company's issued and outstanding shares (6.9% as at December 31, 2021). This shareholder is the administrative agent and is part of the syndicate of lenders to the Company's Credit 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.

Following the Natixis transaction in January 2022 (note 10), this shareholder was no longer considered a related party as it no longer held any shares of the Company. The shareholder owned 10.2% of Class A Shares as of December 31, 2021.

The following table presents transactions with related parties:

| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **$** | $ | **$** | $ |
| Base management fees | **—** | 2,233 | **2,150** | 4,726 |
| Other revenues | **—** | 12 | **27** | 20 |
| Selling, general & administrative expenses | | | | |
| Other | **—** | 5 | **—** | 5 |
| Interest on long-term debt | **—** | 2,516 | **2,423** | 5,201 |
| Net (gain) loss in fair value of derivative financial instruments included in interest on long-term debt, lease liabilities and other financial charges | **—** | 112 | **658** | 3,760 |

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

## 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 June 30, | | For the six-month periods ended June 30, | |
|---|---|---|---|---|
| | **2022** | 2021 | **2022** | 2021 |
| | **$** | $ | **$** | $ |
| Canada | **102,148** | 94,690 | **205,573** | 183,279 |
| United States of America | **37,584** | 43,829 | **79,849** | 97,723 |
| Europe and other | **24,113** | 28,886 | **50,766** | 52,014 |
| | **163,845** | 167,405 | **336,188** | 333,016 |

Non-current assets:

| | **As at June 30, 2022** | As at December 31, 2021 |
|---|---|---|
| | **$** | $ |
| Canada | **694,187** | 711,242 |
| United States of America | **188,032** | 191,791 |
| Europe and other | **142,680** | 154,168 |
| | **1,024,899** | 1,057,201 |

Revenues are attributed to countries on the basis of the client's location. As at June 30, 2022, non-current assets presented above exclude long-term investments of $5,744, deferred income taxes of $26,725 and other non-current assets of $20,433 ($5,739, $31,179 and $28,660 respectively as at December 31, 2021).

## 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 closely 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 August 10, 2022, the Board declared a quarterly dividend of $0.215 per Class A Share and Class B Share, payable on September 20, 2022 to shareholders of record at the close of business on August 23, 2022. The dividend is an eligible dividend for income tax purposes.

**Normal course issuer bid**

On August 11, 2022, the Company announced that the Toronto Stock Exchange approved the renewal of the Company’s NCIB to purchase for cancellation up to a maximum of 4,000,000 Class A Shares over the twelve-month period commencing on August 16, 2022 and ending no later than August 15, 2023, and representing approximately 4.8% of its 83,228,078 issued and outstanding Class A Shares as at August 1, 2022.

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