

Interim Condensed Consolidated Financial Statements of

CGI INC.

For the three and nine months ended June 30, 2021 and 2020
(unaudited)

Interim Consolidated Statements of Earnings

For the three and nine months ended June 30
(in thousands of Canadian dollars, except per share data) (unaudited)

| | Notes | Three months ended June 30 | | Nine months ended June 30 | |
|---|-------|----------------------------|-----------|---------------------------|-----------|
| | | 2021 | 2020 | 2021 | 2020 |
| | | \$ | \$ | \$ | \$ |
| Revenue | 8 | 3,021,354 | 3,052,667 | 9,119,335 | 9,238,555 |
| Operating expenses | | | | | |
| Costs of services, selling and administrative | | 2,542,669 | 2,606,135 | 7,662,886 | 7,831,509 |
| Acquisition-related and integration costs | 6c | 615 | 20,161 | 6,202 | 71,492 |
| Restructuring costs | | — | 39,535 | — | 71,156 |
| Net finance costs | | 25,656 | 30,700 | 79,065 | 84,050 |
| Foreign exchange loss (gain) | | 1,916 | (1,499) | (2,372) | 1,663 |
| | | 2,570,856 | 2,695,032 | 7,745,781 | 8,059,870 |
| Earnings before income taxes | | 450,498 | 357,635 | 1,373,554 | 1,178,685 |
| Income tax expense | | 112,024 | 96,728 | 350,416 | 312,737 |
| Net earnings | | 338,474 | 260,907 | 1,023,138 | 865,948 |
| Earnings per share | | | | | |
| Basic earnings per share | 5c | 1.38 | 1.01 | 4.08 | 3.29 |
| Diluted earnings per share | 5c | 1.36 | 1.00 | 4.02 | 3.24 |

See Notes to the Interim Condensed Consolidated Financial Statements.

Interim Consolidated Statements of Comprehensive Income

For the three and nine months ended June 30
(in thousands of Canadian dollars) (unaudited)

| | Three months ended June 30 | | Nine months ended June 30 | |
|--|----------------------------|-----------|---------------------------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Net earnings | 338,474 | 260,907 | 1,023,138 | 865,948 |
| Items that will be reclassified subsequently to net earnings (net of income taxes): | | | | |
| Net unrealized (losses) gains on translating financial statements of foreign operations | (69,811) | (149,575) | (456,618) | 356,563 |
| Net gains (losses) on cross-currency swaps and on translating long-term debt designated as hedges of net investments in foreign operations | 28,932 | 95,234 | 189,550 | (7,695) |
| Deferred (costs) gains of hedging on cross-currency swaps | (1,458) | 2,700 | (6,437) | 19,132 |
| Net unrealized gains (losses) on cash flow hedges | 635 | (4,552) | (1,058) | (31,955) |
| Net unrealized (losses) gains on financial assets at fair value through other comprehensive income | (510) | 2,833 | (1,532) | 2,644 |
| Items that will not be reclassified subsequently to net earnings (net of income taxes): | | | | |
| Net remeasurement gains (losses) on defined benefit plans | 24,886 | (37,687) | 32,013 | (10,865) |
| Other comprehensive (loss) income | (17,326) | (91,047) | (244,082) | 327,824 |
| Comprehensive income | 321,148 | 169,860 | 779,056 | 1,193,772 |

See Notes to the Interim Condensed Consolidated Financial Statements.

Interim Consolidated Balance Sheets

(in thousands of Canadian dollars) (unaudited)

| | Notes | As at June 30, 2021 | As at September 30, 2020 |
|---|----------|------------------------|-----------------------------|
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 7c and 9 | 1,266,957 | 1,707,985 |
| Accounts receivable | | 1,193,458 | 1,219,302 |
| Work in progress | | 1,035,637 | 1,075,252 |
| Current financial assets | 9 | 23,111 | 18,500 |
| Prepaid expenses and other current assets | | 189,296 | 160,406 |
| Income taxes | | 3,743 | 29,363 |
| Total current assets before funds held for clients | | 3,712,202 | 4,210,808 |
| Funds held for clients | | 633,052 | 725,178 |
| Total current assets | | 4,345,254 | 4,935,986 |
| Property, plant and equipment | | 348,015 | 372,946 |
| Right-of-use assets | | 596,989 | 666,865 |
| Contract costs | | 230,173 | 239,376 |
| Intangible assets | | 504,332 | 521,462 |
| Other long-term assets | | 210,836 | 163,739 |
| Long-term financial assets | | 154,992 | 156,569 |
| Deferred tax assets | | 106,161 | 113,484 |
| Goodwill | | 8,102,595 | 8,379,931 |
| | | 14,599,347 | 15,550,358 |
| Liabilities | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | | 1,048,956 | 1,025,963 |
| Accrued compensation | | 852,697 | 672,775 |
| Current portion of long-term debt | | 578,555 | 310,764 |
| Deferred revenue | | 443,115 | 426,393 |
| Income taxes | | 175,870 | 136,928 |
| Current portion of lease liabilities | | 170,001 | 178,720 |
| Provisions | | 67,665 | 175,632 |
| Current derivative financial instruments | 9 | 18,919 | 8,328 |
| Total current liabilities before clients' funds obligations | | 3,355,778 | 2,935,503 |
| Clients' funds obligations | | 630,189 | 720,322 |
| Total current liabilities | | 3,985,967 | 3,655,825 |
| Long-term debt | | 2,750,792 | 3,276,331 |
| Long-term income taxes | | 5,597 | 6,720 |
| Long-term lease liabilities | | 625,401 | 697,650 |
| Long-term provisions | | 27,867 | 23,888 |
| Other long-term liabilities | | 198,326 | 185,374 |
| Long-term derivative financial instruments | 9 | 76,800 | 56,622 |
| Deferred tax liabilities | | 112,454 | 158,341 |
| Retirement benefits obligations | | 206,726 | 225,447 |
| | | 7,989,930 | 8,286,198 |
| Equity | | | |
| Retained earnings | | 4,401,516 | 4,703,642 |
| Accumulated other comprehensive income | 4 | 301,628 | 545,710 |
| Capital stock | 5a | 1,622,168 | 1,761,873 |
| Contributed surplus | | 284,105 | 252,935 |
| | | 6,609,417 | 7,264,160 |
| | | 14,599,347 | 15,550,358 |

See Notes to the Interim Condensed Consolidated Financial Statements.

Interim Consolidated Statements of Changes in Equity

For the nine months ended June 30
(in thousands of Canadian dollars) (unaudited)

| | Notes | Retained earnings | Accumulated other comprehensive income | Capital stock | Contributed surplus | Total equity |
|--|-------|-------------------|--|------------------|---------------------|------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| Balance as at September 30, 2020 | | 4,703,642 | 545,710 | 1,761,873 | 252,935 | 7,264,160 |
| Net earnings | | 1,023,138 | — | — | — | 1,023,138 |
| Other comprehensive loss | | — | (244,082) | — | — | (244,082) |
| Comprehensive income | | 1,023,138 | (244,082) | — | — | 779,056 |
| Share-based payment costs | | — | — | — | 35,061 | 35,061 |
| Income tax impact associated with stock options | | — | — | — | 13,782 | 13,782 |
| Exercise of stock options | 5a | — | — | 62,383 | (10,797) | 51,586 |
| Exercise of performance share units | 5a | — | — | 6,876 | (6,876) | — |
| Purchase for cancellation of Class A subordinate voting shares | 5a | (1,325,264) | — | (177,560) | — | (1,502,824) |
| Purchase of Class A subordinate voting shares held in trusts | 5a | — | — | (31,404) | — | (31,404) |
| Balance as at June 30, 2021 | | 4,401,516 | 301,628 | 1,622,168 | 284,105 | 6,609,417 |

| | Notes | Retained earnings | Accumulated other comprehensive income | Capital stock | Contributed surplus | Total equity |
|--|-------|-------------------|--|------------------|---------------------|------------------|
| | | \$ | \$ | \$ | \$ | \$ |
| Balance as at September 30, 2019 | | 4,557,855 | 176,694 | 1,903,977 | 245,577 | 6,884,103 |
| Adoption of IFRS 16 | | (93,873) | — | — | — | (93,873) |
| Balance as at October 1, 2019 | | 4,463,982 | 176,694 | 1,903,977 | 245,577 | 6,790,230 |
| Net earnings | | 865,948 | — | — | — | 865,948 |
| Other comprehensive income | | — | 327,824 | — | — | 327,824 |
| Comprehensive income | | 865,948 | 327,824 | — | — | 1,193,772 |
| Share-based payment costs | | — | — | — | 28,258 | 28,258 |
| Income tax impact associated with stock options | | — | — | — | (11,138) | (11,138) |
| Exercise of stock options | 5a | — | — | 56,276 | (9,857) | 46,419 |
| Exercise of performance share units | 5a | — | — | 9,078 | (9,078) | — |
| Purchase for cancellation of Class A subordinate voting shares | 5a | (878,202) | — | (165,315) | — | (1,043,517) |
| Purchase of Class A subordinate voting shares held in trusts | 5a | — | — | (55,287) | — | (55,287) |
| Balance as at June 30, 2020 | | 4,451,728 | 504,518 | 1,748,729 | 243,762 | 6,948,737 |

See Notes to the Interim Condensed Consolidated Financial Statements.

Interim Consolidated Statements of Cash Flows

For the three and nine months ended June 30
(in thousands of Canadian dollars) (unaudited)

| | Notes | Three months ended June 30 | | Nine months ended June 30 | |
|--|-------|----------------------------|------------------|---------------------------|------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| | | \$ | \$ | \$ | \$ |
| Operating activities | | | | | |
| Net earnings | | 338,474 | 260,907 | 1,023,138 | 865,948 |
| Adjustments for: | | | | | |
| Amortization, depreciation and impairment | | 125,787 | 150,158 | 382,951 | 413,233 |
| Deferred income taxes (recovery) | | 3,355 | 2,058 | (38,295) | (8,215) |
| Foreign exchange loss (gain) | | 5,179 | (6,811) | 1,036 | (6,162) |
| Share-based payment costs | | 11,494 | 8,373 | 35,061 | 28,258 |
| Net change in non-cash working capital items | 7a | (65,385) | 170,113 | 185,103 | 153,494 |
| Cash provided by operating activities | | 418,904 | 584,798 | 1,588,994 | 1,446,556 |
| Investing activities | | | | | |
| Net change in short-term investments | | (147) | 5,656 | 1,326 | 4,065 |
| Business acquisitions (considering the bank overdraft assumed and cash acquired) | | (65,830) | (1,435) | (94,430) | (274,021) |
| Purchase of property, plant and equipment | | (39,534) | (27,422) | (89,814) | (96,965) |
| Additions to contract costs | | (14,949) | (17,951) | (49,800) | (53,679) |
| Additions to intangible assets | | (30,101) | (33,872) | (85,298) | (84,702) |
| Purchase of long-term investments | | (356) | (3,486) | (2,822) | (8,345) |
| Proceeds from sale of long-term investments | | 214 | 3,810 | 3,400 | 9,190 |
| Cash used in investing activities | | (150,703) | (74,700) | (317,438) | (504,457) |
| Financing activities | | | | | |
| Net change in unsecured committed revolving credit facility | | — | (99,748) | — | (334,371) |
| Increase of long-term debt | | 3,401 | 710,244 | 33,265 | 1,799,113 |
| Repayment of long-term debt | | (713) | (13,192) | (43,075) | (40,829) |
| Payment of lease liabilities | | (39,053) | (46,093) | (130,829) | (135,500) |
| Repayment of debt assumed in business acquisitions | | — | (5,011) | — | (28,243) |
| Payment for remaining shares of Acando ¹ | | — | — | — | (23,123) |
| Purchase of Class A subordinate voting shares held in trusts | 5a | — | — | (31,404) | (55,287) |
| Purchase and cancellation of Class A subordinate voting shares | 5a | (319,701) | — | (1,502,824) | (1,043,517) |
| Issuance of Class A subordinate voting shares | | 22,795 | 6,577 | 51,635 | 46,653 |
| Cash (used in) provided by financing activities | | (333,271) | 552,777 | (1,623,232) | 184,896 |
| Effect of foreign exchange rate changes on cash and cash equivalents | | (7,767) | (83) | (89,352) | 24,453 |
| Net (decrease) increase in cash and cash equivalents | | (72,837) | 1,062,792 | (441,028) | 1,151,448 |
| Cash and cash equivalents, beginning of period | | 1,339,794 | 302,487 | 1,707,985 | 213,831 |
| Cash and cash equivalents, end of period | | 1,266,957 | 1,365,279 | 1,266,957 | 1,365,279 |

¹ Related to a business acquisition made during the year ended September 30, 2019.

See Notes to the Interim Condensed Consolidated Financial Statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020
(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

1. Description of business

CGI Inc. (the Company), directly or through its subsidiaries, provides managed information technology (IT) and business process services (BPS), systems integration and consulting, as well as the sale of software solutions to help clients effectively realize their strategies and create added value. The Company was incorporated under Part IA of the Companies Act (Québec), predecessor to the Business Corporations Act (Québec) which came into force on February 14, 2011 and its Class A subordinate voting shares are publicly traded. The executive and registered office of the Company is situated at 1350 René-Lévesque Blvd. West, Montréal, Québec, Canada, H3G 1T4.

2. Basis of preparation

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 Standards Board (IASB). In addition, the interim condensed consolidated financial statements have been prepared in accordance with the accounting policies set out in Note 3, Summary of significant accounting policies, of the Company's consolidated financial statements for the year ended September 30, 2020 which were consistently applied to all periods presented.

These interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Company for the year ended September 30, 2020.

The Company's interim condensed consolidated financial statements for the three and nine months ended June 30, 2021 and 2020 were authorized for issue by the Board of Directors on July 27, 2021.

3. Accounting policies

USE OF JUDGEMENTS AND ESTIMATES

For the period ended June 30, 2021, the Company assessed the impact of the uncertainties around the outbreak of the novel strain of the coronavirus, specifically identified as the COVID-19 pandemic, on its balance sheet carrying amounts. This review required the use of judgements and estimates and resulted in no material impacts.

The future impact of COVID-19 uncertainties could generate, in future reporting periods, a significant risk of material adjustments to the following: revenue recognition, deferred tax assets, estimated losses on revenue-generating contracts, impairment of property, plant and equipment, right-of-use assets, intangible assets and goodwill as well as litigation and claims.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020
(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

3. Accounting policies (continued)

FUTURE ACCOUNTING STANDARD CHANGES

The following standards have been issued but are not yet effective as of June 30, 2021:

LIBOR reform with amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16

In August 2020, the IASB issued Interest Rate Benchmark Reform-Phase 2, which amends IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures* and IFRS 16 *Leases*. The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform.

For financial instruments at amortized cost, the amendment introduces a practical expedient such that if a change to contractual cash flow occurs as a direct consequence of the interbank offered rates (IBORs) reform and on economically equivalent terms to the previous basis, it will not result in an immediate gain or loss recognition. As for hedge accounting, the practical expedient allows hedge instruments relationship directly affected by the reform to continue. However, additional ineffectiveness might need to be recorded.

The Company has financial instruments exposed to the 1 month USD Libor rate which is planned to expire in June 2023. As at June 30 2021, the only instruments with a maturity date subsequent to June 2023 directly impacted by the IBORs reform are the unsecured committed term loan credit facility and the related cross-currency interest rate swaps (the hedging instruments) expiring in December 2023.

The standard will be effective on October 1, 2021 for the Company. The implementation of this amendment will result in no impact on the Company's consolidated financial statements on adoption date. The Company is currently managing the process to transition the existing impacted agreements to an alternative rate.

4. Accumulated other comprehensive income

| | As at June 30, 2021 | As at September 30, 2020 |
|--|------------------------|-----------------------------|
| | \$ | \$ |
| Items that will be reclassified subsequently to net earnings: | | |
| Net unrealized gains on translating financial statements of foreign operations, net of accumulated income tax expense of \$40,627 (\$56,239 as at September 30, 2020) | 546,186 | 1,002,804 |
| Net losses on cross-currency swaps and on translating long-term debt designated as hedges of net investments in foreign operations, net of accumulated income tax recovery of \$34,741 (\$63,692 as at September 30, 2020) | (227,912) | (417,462) |
| Deferred gains of hedging on cross-currency swaps, net of accumulated income tax expense of \$2,747 (\$4,049 as at September 30, 2020) | 7,616 | 14,053 |
| Net unrealized losses on cash flow hedges, net of accumulated income tax recovery of \$3,087 (\$2,554 as at September 30, 2020) | (6,993) | (5,935) |
| Net unrealized gains on financial assets at fair value through other comprehensive income, net of accumulated income tax expense of \$793 (\$1,291 as at September 30, 2020) | 2,808 | 4,340 |
| Items that will not be reclassified subsequently to net earnings: | | |
| Net remeasurement losses on defined benefit plans, net of accumulated income tax recovery of \$8,735 (\$18,920 as at September 30, 2020) | (20,077) | (52,090) |
| | 301,628 | 545,710 |

For the nine months ended June 30, 2021, \$2,250,000 of the net unrealized losses on cash flow hedges, net of income tax recovery of \$1,150,000, previously recognized in other comprehensive income were reclassified in the consolidated statements of earnings (\$9,409,000 of the net unrealized gains on cash flow hedges, net of income tax expense of \$3,114,000, were reclassified for the nine months ended June 30, 2020).

For the nine months ended June 30, 2021, \$7,713,000 of the deferred gains of hedging on cross-currency swaps, net of income tax expense of \$2,780,000, were also reclassified in the consolidated statements of earnings (\$15,041,000 and \$1,536,000, respectively for the nine months ended June 30, 2020).

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020

(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

5. Capital stock, share-based payments and earnings per share

a) Capital stock

| | Class A subordinate voting shares | | Class B multiple voting shares | | Total | |
|---|-----------------------------------|------------------|--------------------------------|----------------|--------------------|------------------|
| | Number | Carrying value | Number | Carrying value | Number | Carrying value |
| | | \$ | | \$ | | \$ |
| As at September 30, 2020 | 230,690,875 | 1,721,491 | 28,945,706 | 40,382 | 259,636,581 | 1,761,873 |
| Issued upon exercise of stock options ¹ | 1,085,472 | 62,383 | — | — | 1,085,472 | 62,383 |
| Performance share units (PSUs) exercised ² | — | 6,876 | — | — | — | 6,876 |
| Purchased and cancelled ³ | (15,310,465) | (177,560) | — | — | (15,310,465) | (177,560) |
| Purchased and held in trusts ⁴ | — | (31,404) | — | — | — | (31,404) |
| Conversion of shares ⁵ | 2,500,000 | 3,488 | (2,500,000) | (3,488) | — | — |
| As at June 30, 2021 | 218,965,882 | 1,585,274 | 26,445,706 | 36,894 | 245,411,588 | 1,622,168 |

¹ The carrying value of Class A subordinate voting shares includes \$10,797,000, which corresponds to a reduction in contributed surplus representing the value of accumulated compensation costs associated with the stock options exercised during the nine months ended June 30, 2021 (\$9,857,000 during the nine months ended June 30, 2020).

² During the nine months ended June 30, 2021, 114,914 PSUs were exercised (157,788 during the nine months ended June 30, 2020) with a recorded value of \$6,876,000 (\$9,078,000 during the nine months ended June 30, 2020) that was removed from contributed surplus. As at June 30, 2021, 1,433,696 Class A subordinate voting shares were held in trusts under the PSU plans (1,243,022 as at June 30, 2020).

³ On January 26, 2021, the Company's Board of Directors authorized and subsequently received the regulatory approval from the Toronto Stock Exchange (TSX), for the renewal of the Normal Course Issuer Bid (NCIB) for the purchase for cancellation of up to 19,184,831 Class A subordinate voting shares on the open market through the TSX, the New York Stock Exchange (NYSE) and/or alternative trading systems or otherwise pursuant to exemption orders issued by securities regulators. The Class A subordinate voting shares are available for purchase for cancellation commencing on February 6, 2021 until no later than February 5, 2022, or on such earlier date when the Company has either acquired the maximum number of Class A subordinate voting shares allowable under the NCIB or decided not to make any further purchases for cancellation under it.

During the nine months ended June 30, 2021, the Company purchased for cancellation 4,204,865 Class A subordinate voting shares from the Caisse de dépôt et placement du Québec for a cash consideration of \$400,000,000 (6,008,905 and \$600,000,000, respectively during the nine months ended June 30, 2020). The excess of the purchase price over the carrying value in the amount of \$310,048,000 was charged to retained earnings (\$471,455,000 during the nine months ended June 30, 2020). The purchase was made pursuant to an exemption order issued by the Autorité des marchés financiers and is considered within the annual aggregate limit that the Company is entitled to purchase under its current NCIB.

In addition, during the nine months ended June 30, 2021, the Company purchased for cancellation 11,105,600 Class A subordinate voting shares (4,596,559 during the nine months ended June 30, 2020) under its previous and current NCIB for a cash consideration of \$1,102,824,000 (\$443,517,000 for the nine months ended June 30, 2020) and the excess of the purchase price over the carrying value in the amount of \$1,015,216,000 (\$406,747,000 for the nine months ended June 30, 2020) was charged to retained earnings.

⁴ During the nine months ended June 30, 2021, the trustees, in accordance with the terms of the PSU plans and Trust Agreements, purchased 309,606 Class A subordinate voting shares of the Company on the open market (525,331 during the nine months ended June 30, 2020) for a cash consideration of \$31,404,000 (\$55,287,000 during the nine months ended June 30, 2020).

⁵ On March 1, 2021, the Co-founder and Advisor to the Executive Chairman of the Board of the Company, also a related party of the Company, converted a total of 2,500,000 Class B multiple voting shares into 2,500,000 Class A subordinate voting shares.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020
(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

5. Capital stock, share-based payments and earnings per share (continued)

b) Share-based payments

i) Stock options

Under the Company's stock option plan, the Board of Directors may grant, at its discretion, stock options to purchase Class A subordinate voting shares to certain employees, officers and directors of the Company and its subsidiaries. The exercise price is established by the Board of Directors and is equal to the closing price of the Class A subordinate voting shares on the TSX on the day preceding the date of the grant. Stock options vest annually over four years from the date of the grant conditionally upon achievement of performance objectives and must be exercised within a ten-year period, except in the event of retirement, termination of employment or death.

The following table presents information concerning the number of outstanding stock options granted by the Company:

| | |
|--|------------------|
| Outstanding as at September 30, 2020 | 8,934,097 |
| Granted | 993,840 |
| Exercised (Note 5a) | (1,085,472) |
| Forfeited | (602,295) |
| Outstanding as at June 30, 2021 | 8,240,170 |

The weighted average fair value of stock options granted during the nine months ended June 30 and the weighted average assumptions used in the calculation of their fair value on the date of the grant using the Black-Scholes option pricing model were as follows:

| | 2021 | 2020 |
|--------------------------------------|-------|--------|
| Grant date fair value (\$) | 16.75 | 17.71 |
| Dividend yield (%) | 0.00 | 0.00 |
| Expected volatility (%) ¹ | 20.76 | 16.60 |
| Risk-free interest rate (%) | 0.40 | 1.55 |
| Expected life (years) | 4.00 | 4.00 |
| Exercise price (\$) | 97.84 | 110.65 |
| Share price (\$) | 97.84 | 110.65 |

¹ Expected volatility was determined using statistical formulas and based on the weekly historical average of closing daily share prices over the period of the expected life of stock options.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020
(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

5. Capital stock, share-based payments and earnings per share (continued)

b) Share-based payments (continued)

ii) Performance share units (PSUs)

The Company operates two PSU plans with similar terms and conditions. Under both plans, the Board of Directors may grant PSUs to certain employees and officers which entitle them to receive one Class A subordinate voting share for each PSU. The vesting performance conditions are determined by the Board of Directors at the time of each grant. PSUs expire on the business day preceding December 31 of the third calendar year following the end of the fiscal year during which the PSU award was made, except in the event of retirement, termination of employment or death. Conditionally upon achievement of performance objectives, granted PSUs under the first plan vest annually over a period of four years from the date of the grant and granted PSUs under the second plan vest at the end of the four-year period.

Class A subordinate voting shares purchased in connection with the PSU plans are held in trusts for the benefit of the participants. The trusts, considered as structured entities, are consolidated in the Company's consolidated financial statements with the cost of the purchased shares recorded as a reduction of capital stock (Note 5a).

The following table presents information concerning the number of outstanding PSUs granted by the Company:

| | |
|--|------------------|
| Outstanding as at September 30, 2020 | 1,231,470 |
| Granted ¹ | 669,018 |
| Exercised (Note 5a) | (114,914) |
| Forfeited | (360,793) |
| Outstanding as at June 30, 2021 | 1,424,781 |

¹ The PSUs granted in the period had a grant date fair value of \$94.00 per unit.

c) Earnings per share

The following table sets forth the computation of basic and diluted earnings per share for the three and nine months ended June 30:

| | 2021 | | | Three months ended June 30 2020 | | |
|--|----------------|--|--------------------|---------------------------------|--|--------------------|
| | Net earnings | Weighted average number of shares outstanding ¹ | Earnings per share | Net earnings | Weighted average number of shares outstanding ¹ | Earnings per share |
| | \$ | | \$ | \$ | | \$ |
| Basic | 338,474 | 245,530,289 | 1.38 | 260,907 | 257,936,505 | 1.01 |
| Net effect of dilutive stock options and PSUs ² | | 4,006,037 | | | 3,465,724 | |
| | 338,474 | 249,536,326 | 1.36 | 260,907 | 261,402,229 | 1.00 |

| | 2021 | | | Nine months ended June 30 2020 | | |
|--|------------------|--|--------------------|--------------------------------|--|--------------------|
| | Net earnings | Weighted average number of shares outstanding ¹ | Earnings per share | Net earnings | Weighted average number of shares outstanding ¹ | Earnings per share |
| | \$ | | \$ | \$ | | \$ |
| Basic | 1,023,138 | 250,817,197 | 4.08 | 865,948 | 263,279,873 | 3.29 |
| Net effect of dilutive stock options and PSUs ² | | 3,847,571 | | | 4,239,589 | |
| | 1,023,138 | 254,664,768 | 4.02 | 865,948 | 267,519,462 | 3.24 |

¹ During the three months ended June 30, 2021, 2,949,800 Class A subordinate voting shares purchased for cancellation and 1,437,715 Class A subordinate voting shares held in trusts were excluded from the calculation of the weighted average number of shares outstanding as of the date of the transaction (nil and 1,243,022, respectively during the three months ended June 30, 2020). During the nine months ended June 30, 2021, 15,310,465 Class A subordinate voting shares purchased for cancellation and 1,437,715 Class A subordinate voting shares held in trusts were excluded from the calculation of the weighted average number of shares outstanding as of the date of the transaction (10,605,464 and 1,243,022, respectively during the nine months ended June 30, 2020).

² The calculation of the diluted earnings per share excluded 1,292,447 and 1,295,600 stock options, respectively for the three and nine months ended June 30, 2021 (2,252,605 and 895,903, respectively for the three and nine months ended June 30, 2020), as they were anti-dilutive.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020

(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

6. Investments in subsidiaries

a) Business acquisitions realized in the current fiscal year

The Company made the following acquisitions during the nine months ended June 30, 2021:

- On December 31, 2020, the Company acquired the assets of Harris, Mackessy & Brennan, Inc.'s Professional Services Division, for a purchase price of \$30,340,000. Based in the United States, the division focused on high-end technology consulting and services for commercial and government clients and is headquartered in Columbus, Ohio.
- On May 3, 2021, the Company acquired all of the outstanding shares of Sense Corp, for a purchase price of \$78,926,000. Based in the United States, the professional services firm focused on digital systems integration and consulting for state and local government and commercial clients and is headquartered in Saint-Louis, Missouri. The purchase price is mainly allocated to goodwill, which is not deductible for tax purposes, and mostly represents the future economic value associated with acquired work force and synergies with the Company's operations.

For the nine months ended June 30, 2021, the above acquisitions would have contributed approximately \$75,000,000 of revenues and \$6,000,000 of earnings before acquisition-related and integration costs, and income taxes to the financial results of the Company had the acquisition dates been October 1, 2020. These pro-forma figures are estimated based on the historical financial performance of the acquired businesses prior to the business combinations and do not include any financial synergies.

These acquisitions were made to further expand CGI's footprint in the region and to complement CGI's proximity model.

b) Business acquisitions realized in the prior fiscal year

During the nine months ended June 30, 2021, the Company finalized the fair value of assets acquired and liabilities assumed for SCISYS Group Plc, Meti Logiciels et Services SAS and TeraThink Corporation with no significant adjustments.

c) Acquisition-related and integration costs

During the three and nine months ended June 30, 2021, the Company expensed \$615,000 and \$6,202,000, respectively, for acquisition-related and integration costs. These amounts include acquisition-related costs of \$117,000 and \$117,000, respectively, and integration costs of \$498,000 and \$6,085,000, respectively. The acquisition-related costs consist mainly of professional fees incurred for the acquisitions. The integration costs include terminations of employment of \$198,000 and \$948,000, respectively, accounted for in restructuring provisions, and other integration costs of \$300,000 and \$5,137,000, respectively.

During the three and nine months ended June 30, 2020, the Company expensed \$20,161,000 and \$71,492,000, respectively, for acquisition-related and integration costs. These amounts included acquisition-related costs of nil and \$6,545,000, respectively, and integration costs of \$20,161,000 and \$64,947,000, respectively. The acquisition-related costs consisted mainly of professional fees incurred for the acquisitions. The integration costs included terminations of employment of \$14,189,000 and \$45,796,000, respectively, accounted for in restructuring provisions, and other integration costs of \$5,972,000 and \$19,151,000, respectively.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020

(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

7. Supplementary cash flow information

a) Net change in non-cash working capital items is as follows for the three and nine months ended June 30:

| | Three months ended June 30 | | Nine months ended June 30 | |
|--|----------------------------|----------|---------------------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Accounts receivable | (66,862) | 93,340 | (8,121) | 78,307 |
| Work in progress | (10,862) | 52,070 | (13,537) | 72,408 |
| Prepaid expenses and other assets | (23,571) | (15,004) | (55,651) | (5,078) |
| Long-term financial assets | (5,579) | (11,415) | (15,992) | (7,863) |
| Accounts payable and accrued liabilities | 84,002 | (24,334) | 44,544 | (28,763) |
| Accrued compensation | 93,029 | 100,201 | 210,727 | 28,841 |
| Deferred revenue | (112,965) | (80,347) | 52,031 | (45,312) |
| Income taxes | 3,390 | 25,178 | 60,429 | 41,812 |
| Provisions | (39,812) | 20,183 | (99,618) | 24,938 |
| Long-term liabilities | 12,830 | 14,466 | 10,161 | 1,231 |
| Derivative financial instruments | (14) | (346) | (60) | (405) |
| Retirement benefits obligations | 1,029 | (3,879) | 190 | (6,622) |
| | (65,385) | 170,113 | 185,103 | 153,494 |

b) Net interest paid and income taxes paid are classified within operating activities and are as follows for the three and nine months ended June 30:

| | Three months ended June 30 | | Nine months ended June 30 | |
|-------------------|----------------------------|--------|---------------------------|---------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Net interest paid | 21,621 | 26,344 | 73,778 | 79,648 |
| Income taxes paid | 86,215 | 63,071 | 284,220 | 259,859 |

c) Cash and cash equivalents consisted of unrestricted cash as at June 30, 2021 and September 30, 2020.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020

(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

8. Segmented information

The following tables present information on the Company's operations which are managed through the following nine operating segments, namely: Western and Southern Europe (primarily France and Portugal); United States (U.S.) Commercial and State Government; Canada; U.S. Federal; United Kingdom (U.K.) and Australia; Central and Eastern Europe (primarily Germany and the Netherlands); Scandinavia; Finland, Poland and Baltics; and Asia Pacific Global Delivery Centers of Excellence (mainly India and Philippines) (Asia Pacific).

The operating segments reflect the current management structure and the way that the chief operating decision-maker, who is the President and Chief Executive Officer of the Company, evaluates the business.

| | For the three months ended June 30, 2021 | | | | | | | | | | |
|--|--|--------------------------------------|---------|--------------|--------------------|----------------------------|-------------|-----------------------------|--------------|--------------|----------------|
| | Western and Southern Europe | U.S. Commercial and State Government | Canada | U.S. Federal | U.K. and Australia | Central and Eastern Europe | Scandinavia | Finland, Poland and Baltics | Asia Pacific | Eliminations | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Segment revenue | 500,211 | 447,750 | 443,665 | 389,102 | 329,730 | 325,518 | 259,609 | 188,309 | 170,123 | (32,663) | 3,021,354 |
| Segment earnings before acquisition-related and integration costs, net finance costs and income tax expense ¹ | 65,268 | 74,331 | 101,665 | 72,472 | 42,705 | 29,892 | 13,479 | 25,848 | 51,109 | — | 476,769 |
| Acquisition-related and integration costs (Note 6c) | | | | | | | | | | | (615) |
| Net finance costs | | | | | | | | | | | (25,656) |
| Earnings before income taxes | | | | | | | | | | | 450,498 |

¹ Total amortization and depreciation of \$125,556,000 included in the Western and Southern Europe, U.S. Commercial and State Government, Canada, U.S. Federal, U.K. and Australia, Central and Eastern Europe, Scandinavia, Finland, Poland and Baltics and Asia Pacific segments is \$14,368,000, \$17,341,000, \$17,990,000, \$11,592,000, \$14,447,000, \$18,681,000, \$15,703,000, \$8,955,000 and \$6,479,000, respectively for the three months ended June 30, 2021.

| | For the three months ended June 30, 2020 | | | | | | | | | | |
|---|--|--------------------------------------|---------|--------------|--------------------|----------------------------|-------------|-----------------------------|--------------|--------------|----------------|
| | Western and Southern Europe | U.S. Commercial and State Government | Canada | U.S. Federal | U.K. and Australia | Central and Eastern Europe | Scandinavia | Finland, Poland and Baltics | Asia Pacific | Eliminations | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Segment revenue | 456,408 | 486,013 | 418,083 | 442,039 | 340,723 | 298,030 | 272,450 | 198,221 | 173,730 | (33,030) | 3,052,667 |
| Segment earnings before acquisition-related and integration costs, restructuring costs, net finance costs and income tax expense ¹ | 45,687 | 92,286 | 87,814 | 58,230 | 59,046 | 22,430 | 1,551 | 26,427 | 54,560 | — | 448,031 |
| Acquisition-related and integration costs (Note 6c) | | | | | | | | | | | (20,161) |
| Restructuring costs | | | | | | | | | | | (39,535) |
| Net finance costs | | | | | | | | | | | (30,700) |
| Earnings before income taxes | | | | | | | | | | | 357,635 |

¹ Total amortization and depreciation of \$149,714,000 included in the Western and Southern Europe, U.S. Commercial and State Government, Canada, U.S. Federal, U.K. and Australia, Central and Eastern Europe, Scandinavia, Finland, Poland and Baltics and Asia Pacific segments is \$18,059,000, \$23,958,000, \$19,267,000, \$12,781,000, \$16,863,000, \$21,642,000, \$19,548,000, \$11,664,000 and \$5,932,000, respectively for the three months ended June 30, 2020. Amortization includes impairments in U.S. Commercial and State Government for \$3,396,000 related to business solutions, Canada for \$3,589,000 related to business solutions and in Finland, Poland and Baltics for \$3,053,000 related to contract costs and a business solution. These assets were no longer expected to generate future economic benefits.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020

(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

8. Segmented information (continued)

| | For the nine months ended June 30, 2021 | | | | | | | | | | |
|--|---|--------------------------------------|-----------|--------------|--------------------|----------------------------|-------------|-----------------------------|--------------|--------------|------------------|
| | Western and Southern Europe | U.S. Commercial and State Government | Canada | U.S. Federal | U.K. and Australia | Central and Eastern Europe | Scandinavia | Finland, Poland and Baltics | Asia Pacific | Eliminations | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Segment revenue | 1,494,119 | 1,314,999 | 1,317,185 | 1,199,727 | 1,002,598 | 980,844 | 807,955 | 594,523 | 498,547 | (91,162) | 9,119,335 |
| Segment earnings before acquisition-related and integration costs, net finance costs and income tax expense ¹ | 205,811 | 202,894 | 298,716 | 183,292 | 163,534 | 108,006 | 55,091 | 85,048 | 156,429 | — | 1,458,821 |
| Acquisition-related and integration costs (Note 6c) | | | | | | | | | | | (6,202) |
| Net finance costs | | | | | | | | | | | (79,065) |
| Earnings before income taxes | | | | | | | | | | | 1,373,554 |

¹ Total amortization and depreciation of \$380,932,000 included in the Western and Southern Europe, U.S. Commercial and State Government, Canada, U.S. Federal, U.K. and Australia, Central and Eastern Europe, Scandinavia, Finland, Poland and Baltics and Asia Pacific segments is \$48,841,000, \$52,995,000, \$49,408,000, \$36,666,000, \$42,248,000, \$53,458,000, \$47,538,000, \$30,476,000 and \$19,302,000, respectively for the nine months ended June 30, 2021. Amortization includes impairments in Western and Southern Europe for \$3,058,000 related to a business solution and in Finland, Poland and Baltics for \$3,490,000 related to contract costs. These assets were no longer expected to generate future economic benefits.

| | For the nine months ended June 30, 2020 | | | | | | | | | | |
|---|---|--------------------------------------|-----------|--------------|--------------------|----------------------------|-------------|-----------------------------|--------------|--------------|------------------|
| | Western and Southern Europe | U.S. Commercial and State Government | Canada | U.S. Federal | U.K. and Australia | Central and Eastern Europe | Scandinavia | Finland, Poland and Baltics | Asia Pacific | Eliminations | Total |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Segment revenue | 1,478,413 | 1,402,096 | 1,289,514 | 1,280,868 | 1,010,996 | 905,356 | 869,931 | 598,740 | 503,361 | (100,720) | 9,238,555 |
| Segment earnings before acquisition-related and integration costs, restructuring costs, net finance costs and income tax expense ¹ | 204,267 | 229,321 | 278,822 | 163,720 | 160,175 | 84,325 | 49,426 | 88,028 | 147,299 | — | 1,405,383 |
| Acquisition-related and integration costs (Note 6c) | | | | | | | | | | | (71,492) |
| Restructuring costs | | | | | | | | | | | (71,156) |
| Net finance costs | | | | | | | | | | | (84,050) |
| Earnings before income taxes | | | | | | | | | | | 1,178,685 |

¹ Total amortization and depreciation of \$412,324,000 included in the Western and Southern Europe, U.S. Commercial and State Government, Canada, U.S. Federal, U.K. and Australia, Central and Eastern Europe, Scandinavia, Finland, Poland and Baltics and Asia Pacific segments is \$48,289,000, \$63,851,000, \$53,400,000, \$33,301,000, \$51,224,000, \$61,426,000, \$53,607,000, \$29,052,000 and \$18,174,000, respectively for the nine months ended June 30, 2020. Amortization includes impairments in U.S. Commercial and State Government for \$3,396,000 related to business solutions, Canada for \$3,589,000 related to business solutions and in Finland, Poland and Baltics for \$3,053,000 related to contract costs and a business solution. These assets were no longer expected to generate future economic benefits.

The accounting policies of each operating segment are the same as those described in Note 3, Summary of significant accounting policies, of the Company's consolidated financial statements for the year ended September 30, 2020. Intersegment revenue is priced as if the revenue was from third parties.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020
(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

8. Segmented information (continued)

GEOGRAPHIC INFORMATION

The following table provides external revenue information based on the client's location which is different from the revenue presented under operating segments, due to the intersegment revenue, for the three and nine months ended June 30:

| | Three months ended June 30 | | Nine months ended June 30 | |
|------------------------------------|----------------------------|-----------|---------------------------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Western and Southern Europe | | | | |
| France | 439,032 | 397,557 | 1,312,684 | 1,296,761 |
| Others | 58,263 | 60,005 | 177,390 | 184,721 |
| | 497,295 | 457,562 | 1,490,074 | 1,481,482 |
| U.S.¹ | 865,194 | 945,960 | 2,589,371 | 2,735,892 |
| Canada | 475,855 | 450,659 | 1,417,466 | 1,381,679 |
| U.K. and Australia | | | | |
| U.K. | 363,414 | 378,794 | 1,106,464 | 1,122,368 |
| Australia | 17,202 | 18,278 | 50,220 | 46,477 |
| | 380,616 | 397,072 | 1,156,684 | 1,168,845 |
| Central and Eastern Europe | | | | |
| Germany | 192,594 | 177,436 | 587,597 | 533,963 |
| Netherlands | 123,929 | 114,525 | 363,779 | 347,515 |
| Others | 19,078 | 16,429 | 58,136 | 52,687 |
| | 335,601 | 308,390 | 1,009,512 | 934,165 |
| Scandinavia | | | | |
| Sweden | 199,362 | 207,985 | 615,998 | 658,958 |
| Others | 71,401 | 78,861 | 226,198 | 253,661 |
| | 270,763 | 286,846 | 842,196 | 912,619 |
| Finland, Poland and Baltics | | | | |
| Finland | 185,695 | 195,702 | 582,053 | 591,683 |
| Others | 9,235 | 9,171 | 28,247 | 28,099 |
| | 194,930 | 204,873 | 610,300 | 619,782 |
| Asia Pacific | | | | |
| Others | 1,100 | 1,305 | 3,732 | 4,091 |
| | 1,100 | 1,305 | 3,732 | 4,091 |
| | 3,021,354 | 3,052,667 | 9,119,335 | 9,238,555 |

¹ External revenue included in the U.S. Commercial and State Government and U.S. Federal operating segments was \$472,811,000 and \$392,383,000, respectively for the three months ended June 30, 2021 (\$498,102,000 and \$447,858,000, respectively for the three months ended June 30, 2020). In addition, external revenue included in the U.S. Commercial and State Government and U.S. Federal operating segments was \$1,378,736,000 and \$1,210,635,000, respectively for the nine months ended June 30, 2021 (\$1,437,706,000 and \$1,298,186,000, respectively for the nine months ended June 30, 2020).

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020
(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

8. Segmented information (continued)

INFORMATION ABOUT SERVICES

The following table provides revenue information based on services provided by the Company for the three and nine months ended June 30:

| | Three months ended June 30 | | Nine months ended June 30 | |
|--|----------------------------|-----------|---------------------------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| Systems integration and consulting | 1,348,389 | 1,404,227 | 4,076,556 | 4,260,267 |
| Managed IT and business process services | 1,672,965 | 1,648,440 | 5,042,779 | 4,978,288 |
| | 3,021,354 | 3,052,667 | 9,119,335 | 9,238,555 |

MAJOR CLIENT INFORMATION

Contracts with the U.S. federal government and its various agencies, included within the U.S. Federal operating segment, accounted for \$376,461,000 and 12.5% of revenues for the three months ended June 30, 2021 (\$431,132,000 and 14.1% for the three months ended June 30, 2020) and \$1,155,936,000 and 12.7% of revenues for the nine months ended June 30, 2021 (\$1,225,680,000 and 13.3% for the nine months ended June 30, 2020).

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020
(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

9. Financial instruments

FAIR VALUE

All financial instruments are initially measured at fair value and are subsequently classified either at amortized cost, at fair value through earnings or at fair value through other comprehensive income.

The Company has made the following classifications:

Amortized cost

Trade accounts receivable, cash included in funds held for clients, long-term receivables within long-term financial assets, accounts payable and accrued liabilities, accrued compensation, long-term debt and clients' funds obligations.

Fair value through earnings (FVTE)

Cash and cash equivalents, derivative financial instruments and deferred compensation plan assets within long-term financial assets.

Fair value through other comprehensive income (FVOCI)

Short-term investments included in current financial assets, long-term bonds included in funds held for clients and long-term investments within long-term financial assets.

FAIR VALUE HIERARCHY

Fair value measurements recognized in the consolidated balance sheet are classified in accordance with the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1, but that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs for the asset or liability that are not based on observable market data.

FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation techniques used to value financial instruments are as follows:

- The fair value of Senior U.S. and euro unsecured notes, the unsecured committed revolving credit facility, the unsecured committed term loan credit facilities and the other long-term debt is estimated by discounting expected cash flows at rates currently offered to the Company for debts of the same remaining maturities and conditions;
- The fair value of long-term bonds included in funds held for clients and long-term investments is determined by discounting the future cash flows using observable inputs, such as interest rate yield curves or credit spreads, or according to similar transactions on an arm's-length basis;
- The fair value of foreign currency forward contracts is determined using forward exchange rates at the end of the reporting period;
- The fair value of cross-currency swaps and interest rate swaps is determined based on market data (primarily yield curves, exchange rates and interest rates) to calculate the present value of all estimated flows;
- The fair value of cash and cash equivalents and short-term investments included in current financial assets is determined using observable quotes; and
- The fair value of deferred compensation plan assets within long-term financial assets is based on observable price quotations and net assets values at the reporting date.

There were no changes in valuation techniques during the nine months ended June 30, 2021.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020
(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

9. Financial instruments (continued)

FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the financial liabilities included in the long-term debt measured at amortized cost categorized using the fair value hierarchy:

| | Level | As at June 30, 2021 | | As at September 30, 2020 | |
|--------------------------------------|---------|---------------------|------------------|--------------------------|------------|
| | | Carrying amount | Fair value | Carrying amount | Fair value |
| | | \$ | \$ | \$ | \$ |
| Senior U.S. and euro unsecured notes | Level 2 | 1,125,997 | 1,184,319 | 1,211,965 | 1,297,632 |
| Other long-term debt | Level 2 | 34,005 | 33,409 | 44,842 | 43,536 |
| | | 1,160,002 | 1,217,728 | 1,256,807 | 1,341,168 |

For the remaining financial assets and liabilities measured at amortized cost, the carrying values approximate the fair values of the financial instruments given their short term maturity.

During the nine months ended June 30, 2021, the Company extended the two-year unsecured committed term loan credit facility, entered into during the year ended September 30, 2020, by one year to March 2023. There were no material changes in the terms and conditions including interest rates and banking covenants.

Notes to the Interim Condensed Consolidated Financial Statements

For the three and nine months ended June 30, 2021 and 2020
(tabular amounts only are in thousands of Canadian dollars, except per share data) (unaudited)

9. Financial instruments (continued)

FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents financial assets and liabilities measured at fair value categorized using the fair value hierarchy:

| | Level | As at June 30, 2021 | As at September 30, 2020 |
|---|---------|---------------------|--------------------------|
| | | \$ | \$ |
| Financial assets | | | |
| FVTE | | | |
| Cash and cash equivalents | Level 2 | 1,266,957 | 1,707,985 |
| Deferred compensation plan assets | Level 1 | 83,291 | 73,156 |
| | | 1,350,248 | 1,781,141 |
| Derivative financial instruments designated as hedging instruments | | | |
| Current derivative financial instruments included in current financial assets | | | |
| Cross-currency swaps | Level 2 | 8,099 | — |
| Foreign currency forward contracts | | 12,635 | 17,027 |
| Interest rate swaps | | 2,228 | — |
| Long-term derivative financial instruments | | | |
| Cross-currency swaps | Level 2 | 27,497 | 25,362 |
| Foreign currency forward contracts | | 4,266 | 8,636 |
| Interest rate swaps | | — | 6,180 |
| | | 54,725 | 57,205 |
| FVOCI | | | |
| Short-term investments included in current financial assets | Level 2 | 149 | 1,473 |
| Long-term bonds included in funds held for clients | Level 2 | 137,101 | 148,470 |
| Long-term investments | Level 2 | 19,784 | 22,612 |
| | | 157,034 | 172,555 |
| Financial liabilities | | | |
| Derivative financial instruments designated as hedging instruments | | | |
| Current derivative financial instruments | | | |
| Cross-currency swaps | Level 2 | 15,234 | 5,320 |
| Foreign currency forward contracts | | 3,685 | 3,008 |
| Long-term derivative financial instruments | | | |
| Cross-currency swaps | Level 2 | 70,992 | 52,275 |
| Foreign currency forward contracts | | 5,808 | 4,347 |
| | | 95,719 | 64,950 |

There were no transfers between Level 1 and Level 2 during the nine months ended June 30, 2021.