



Altus Group

Q2 2021

| **Financial Statements**

For the six months ended June 30, 2021

Altus Group Limited



Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars)

Contents

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)	1
Interim Condensed Consolidated Balance Sheets	2
Interim Condensed Consolidated Statements of Changes in Equity	3
Interim Condensed Consolidated Statements of Cash Flows	4
Notes to Interim Condensed Consolidated Financial Statements	5

Altus Group Limited



Interim Condensed Consolidated Statements of Comprehensive Income (Loss) For the Three and Six Months Ended June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Per Share Amounts)

	Notes	Three months ended June 30		Six months ended June 30	
		2021	2020	2021	2020
Revenues	5	\$ 173,523	\$ 155,470	\$ 310,681	\$ 286,726
Expenses					
Employee compensation		101,627	92,638	194,847	180,993
Occupancy		2,026	1,914	3,896	3,985
Office and other operating		31,031	26,361	54,728	53,243
Depreciation of right-of-use assets		3,042	2,814	5,810	5,686
Depreciation of property, plant and equipment		1,193	1,404	2,448	2,727
Amortization of intangibles		7,971	6,481	13,488	12,875
Acquisition and related transition costs (income)		1,898	-	7,080	(1,176)
Share of (profit) loss of joint venture		96	(8)	485	(8)
Restructuring costs (recovery)	10	270	7,480	221	7,455
(Gain) loss on investments		(315)	35	(503)	(90)
Finance costs (income), net - leases	6	582	631	1,152	1,291
Finance costs (income), net - other	6	933	1,080	1,511	2,587
Profit (loss) from continuing operations before income taxes		23,169	14,640	25,518	17,158
Income tax expense (recovery)	7	6,828	3,307	6,540	4,068
Profit (loss) for the period from continuing operations		\$ 16,341	\$ 11,333	\$ 18,978	\$ 13,090
Profit (loss) for the period from discontinued operations		-	266	-	(5,170)
Profit (loss) for the period attributable to shareholders		\$ 16,341	\$ 11,599	\$ 18,978	\$ 7,920
Other comprehensive income (loss):					
Items that may be reclassified to profit or loss in subsequent periods:					
Currency translation differences		(3,633)	(12,994)	(8,142)	8,672
Items that are not reclassified to profit or loss in subsequent periods:					
Change in fair value of FVOCI investments, net of tax		2,357	263	2,099	(987)
Other comprehensive income (loss), net of tax		(1,276)	(12,731)	(6,043)	7,685
Total comprehensive income (loss) for the period, net of tax, attributable to shareholders		\$ 15,065	\$ (1,132)	\$ 12,935	\$ 15,605
Earnings (loss) per share attributable to the shareholders of the Company during the period					
Basic earnings (loss) per share:					
Continuing operations	14	\$0.40	\$0.28	\$0.47	\$0.33
Discontinued operations	14	\$0.00	\$0.01	\$0.00	\$(0.13)
Diluted earnings (loss) per share:					
Continuing operations	14	\$0.39	\$0.28	\$0.45	\$0.32
Discontinued operations	14	\$0.00	\$0.01	\$0.00	\$(0.13)

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

Altus Group Limited



Interim Condensed Consolidated Balance Sheets As at June 30, 2021 and December 31, 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

	Notes	June 30, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents		\$ 74,079	\$ 69,637
Trade receivables and other	8	203,261	193,072
Income taxes recoverable		2,056	3,385
Derivative financial instruments		4,613	2,477
		284,009	268,571
Non-current assets			
Trade receivables and other	8	1,625	1,370
Derivative financial instruments		10,532	8,800
Investments	9	17,028	10,356
Investment in joint venture		14,824	15,309
Deferred tax assets		19,026	19,930
Right-of-use assets		61,362	51,690
Property, plant and equipment		19,889	20,376
Intangibles		180,563	77,928
Goodwill		335,613	261,070
		660,462	466,829
Total Assets		\$ 944,471	\$ 735,400
Liabilities			
Current liabilities			
Trade payables and other	10	\$ 152,349	\$ 140,294
Income taxes payable		7,660	1,190
Lease liabilities		12,932	11,700
		172,941	153,184
Non-current liabilities			
Trade payables and other	10	21,365	17,206
Lease liabilities		59,714	51,883
Borrowings	11	248,398	122,432
Derivative financial instruments		125	-
Deferred tax liabilities		32,131	7,246
Non-controlling interest	4	2,797	-
		364,530	198,767
Total Liabilities		537,471	351,951
Shareholders' Equity			
Share capital	12	552,336	529,866
Contributed surplus		31,021	30,428
Accumulated other comprehensive income (loss)		34,748	40,791
Retained earnings (deficit)		(211,105)	(217,636)
Total Shareholders' Equity		407,000	383,449
Total Liabilities and Shareholders' Equity		\$ 944,471	\$ 735,400

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

Altus Group Limited



Interim Condensed Consolidated Statements of Changes in Equity For the Six Months Ended June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

	Notes	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholders' Equity
As at January 1, 2020		\$ 509,646	\$ 24,447	\$ 40,245	\$ (214,686)	\$ 359,652
Profit (loss) for the period		-	-	-	7,920	7,920
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	8,672	-	8,672
Change in fair value of FVOCI investments		-	-	(987)	-	(987)
Total comprehensive income (loss) for the period		-	-	7,685	7,920	15,605
Transactions with owners:						
Dividends declared		-	-	-	(12,152)	(12,152)
Share-based compensation		-	6,342	-	-	6,342
Dividend Reinvestment Plan		781	-	-	-	781
Shares issued on exercise of options		8,336	(1,283)	-	-	7,053
Shares issued for share-based compensation		2,608	(2,098)	-	-	510
Treasury shares reserved for share-based compensation		(4,527)	-	-	-	(4,527)
Release of treasury shares		3,645	(3,489)	-	-	156
Gain (loss) on sale of RSs and shares held in escrow		-	8	-	-	8
		10,843	(520)	-	(12,152)	(1,829)
As at June 30, 2020		\$ 520,489	\$ 23,927	\$ 47,930	\$ (218,918)	\$ 373,428
As at January 1, 2021		\$ 529,866	\$ 30,428	\$ 40,791	\$ (217,636)	\$ 383,449
Profit (loss) for the period		-	-	-	18,978	18,978
Other comprehensive income (loss), net of tax:						
Currency translation differences		-	-	(8,142)	-	(8,142)
Change in fair value of FVOCI investments		-	-	2,099	-	2,099
Total comprehensive income (loss) for the period		-	-	(6,043)	18,978	12,935
Transactions with owners:						
Dividends declared	15	-	-	-	(12,447)	(12,447)
Share-based compensation	13	-	9,543	-	-	9,543
Dividend Reinvestment Plan	12	1,702	-	-	-	1,702
Shares issued on exercise of options	12, 13	11,049	(1,688)	-	-	9,361
Shares issued for share-based compensation	12, 13	20,771	(2,585)	-	-	18,186
Treasury shares reserved for share-based compensation	12, 13	(24,186)	-	-	-	(24,186)
Shares issued on acquisition	12, 13	8,363	-	-	-	8,363
Release of treasury shares	12, 13	4,771	(4,677)	-	-	94
		22,470	593	-	(12,447)	10,616
As at June 30, 2021		\$ 552,336	\$ 31,021	\$ 34,748	\$ (211,105)	\$ 407,000

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

Altus Group Limited



Interim Condensed Consolidated Statements of Cash Flows For the Six Months Ended June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars)

		Six months ended June 30	
	Notes	2021	2020
Cash flows from operating activities			
Profit (loss) from continuing operations before income taxes		\$ 25,518	\$ 17,158
Profit (loss) from discontinued operations before income taxes		-	(5,170)
Profit (loss) before income taxes		\$ 25,518	\$ 11,988
Adjustments for:			
Depreciation of right-of-use assets		5,810	5,738
Depreciation of property, plant and equipment		2,448	2,838
Amortization of intangibles		13,488	12,876
Finance costs (income), net - leases	6	1,152	1,356
Finance costs (income), net - other	6	1,511	2,576
Share-based compensation	13	9,543	6,342
Unrealized foreign exchange (gain) loss		742	64
(Gain) loss on investments		(503)	(90)
(Gain) loss on disposal of right-of-use assets, property, plant and equipment and intangibles		(243)	24
(Gain) loss on derivatives		(3,743)	(573)
Share of (profit) loss of joint venture		485	(8)
Impairment charge - leases		-	36
Fair value loss (gain) on net assets directly associated with discontinued operations		-	5,224
(Gain) loss on sale of the discontinued operations		-	(483)
Net changes in operating working capital		(12,626)	(30,585)
Net cash generated by (used in) operations		43,582	17,323
Less: interest paid on borrowings		(1,334)	(2,138)
Less: interest paid on leases		(1,152)	(1,356)
Less: income taxes paid		(3,706)	(4,559)
Add: income taxes refunded		2,545	639
Net cash provided by (used in) operating activities		39,935	9,909
Cash flows from financing activities			
Proceeds from exercise of options	12, 13	9,361	7,053
Financing fees paid		-	(553)
Proceeds from borrowings	11	141,113	38,135
Repayment of borrowings	11	(13,933)	(16,264)
Payments of principal on lease liabilities		(5,486)	(7,604)
Dividends paid	15	(10,603)	(11,320)
Treasury shares purchased for share-based compensation	12, 13	(5,983)	(4,017)
Net cash provided by (used in) financing activities		114,469	5,430
Cash flows from investing activities			
Purchase of investments	9	(3,345)	(181)
Cash contribution to investment in joint venture		-	(1,150)
Purchase of intangibles		(2,267)	(66)
Purchase of property, plant and equipment		(1,730)	(1,660)
Proceeds from disposal of property, plant and equipment and intangibles		-	96
Acquisitions, net of cash acquired		(140,302)	-
Net cash provided by (used in) investing activities		(147,644)	(2,961)
Effect of foreign currency translation		(2,318)	1,426
Net increase (decrease) in cash and cash equivalents		4,442	13,804
Cash and cash equivalents, beginning of period		69,637	60,262
Cash and cash equivalents, end of period		\$ 74,079	\$ 74,066

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

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

1. Business and Structure

Altus Group Limited (the "Company") is a leading provider of software, data solutions and independent advisory services to the global commercial real estate ("CRE") industry. The Company's businesses, Altus Analytics and Commercial Real Estate Consulting, reflect decades of experience, a range of expertise, and technology-enabled capabilities. The Company's solutions empower clients to analyze, gain insight and recognize value on their real estate investments. Headquartered in Canada, the Company has approximately 2,600 employees around the world, with operations in North America, Europe and Asia Pacific. The Company's clients include many of the world's largest CRE industry participants.

The address of the Company's registered office is 33 Yonge Street, Suite 500, Toronto, Ontario, Canada. The Company is listed on the Toronto Stock Exchange ("TSX") under the symbol AIF and is domiciled in Canada.

"Altus Group" refers to the consolidated operations of the Company.

2. Basis of Preparation

These interim condensed consolidated financial statements ("interim financial statements") as at and for the period ended June 30, 2021 follow the same accounting policies and methods of their application as those used in the Company's most recent audited annual consolidated financial statements as at and for the year ended December 31, 2020.

These interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Accordingly, they do not include all of the information and disclosures required in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), and should be read in conjunction with the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2020.

These interim financial statements were approved by the Board of Directors for issue on August 12, 2021.

Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

3. Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions concerning the future. It also requires management to exercise judgment in applying the Company's accounting policies and the reported amounts of assets and liabilities, revenue and expenses, and related disclosures. Estimates and judgments are continually evaluated and are based on current facts, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. The following are management's most significant estimates and assumptions in determining the value of assets and liabilities and the most significant judgments in applying its accounting policies: revenue recognition and determination and allocation of the transaction price, impairment of trade receivables and contract assets, estimated impairment of goodwill, determination of purchase price allocations and contingent consideration, and income taxes.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. The continued spread of this contagious disease outbreak and related public health developments have adversely affected workforces, economies, and financial markets globally, leading to an economic downturn and to legislative and regulatory changes that have impacted the Company's business and operations. The duration and magnitude of the impact of the outbreak and its potential adverse effects on the Company's business or results of operations continue to be uncertain and will depend on future developments. Judgments made in these interim financial statements reflect management's best estimates as of the period end, taking into consideration the most significant judgments that may be directly impacted by COVID-19. Management's significant estimates and assumptions that could be impacted most by COVID-19 are: revenue recognition and determination and allocation of the transaction price, impairment of trade receivables and contract assets, and estimated impairment of goodwill.

On June 13, 2021, the Company experienced a cybersecurity incident impacting some of its IT back-office systems. As part of the Company's cybersecurity and business continuity protocols, manual instances of controls and processes were adopted where automated integrations or systems access were temporarily unavailable. As a result, there were no significant changes in the Company's controls or significant assumptions and estimates that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting or interim financial statements for the second quarter.

Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

4. Acquisitions

Acquisition of Finance Active SAS

On April 1, 2021, the Company acquired all of the issued and outstanding shares of Finance Active SAS ("Finance Active") and its subsidiaries for approximately EUR106,524 (CAD157,288) including a working capital payable of EUR96 (CAD141). On closing, the Company paid a total of EUR89,211 (CAD131,866) in cash, funded by drawing down on the Company's credit facilities. In addition, the Company issued 303,177 common shares to the selling shareholders and certain members of Finance Active's management team valued at EUR12,410 (CAD18,324) from treasury. These common shares will be held in escrow and will vest and be released over two- or three-year periods on each anniversary of the closing date, subject to compliance with certain terms and conditions. Of the shares issued, 156,405 valued at EUR6,402 (CAD9,453) are also subject to continued employment over the vesting period. As part of the purchase price, EUR4,807 (CAD7,098) is also payable in cash over two years after closing. As part of the transaction, the Company entered into non-compete agreements with members of management of Finance Active. Founded in 2000, Finance Active is a European provider of SaaS debt management and financial risk management SaaS solutions for treasury and investment management serving public, corporate and financial institutions. Finance Active is headquartered in Paris, France, with a wide geographic footprint in Europe including over 3,000 customers ranging from small-to-medium businesses to large, global institutions. Finance Active's team of approximately 160 professionals is integrating with the Company's Altus Analytics business.

For accounting purposes, the 156,405 common shares granted and subject to continued employment are held as treasury shares. As these common shares vest, the fair value of the award will be recognized as employee compensation expense with a corresponding amount recognized in contributed surplus. When these common shares are released, the amounts recognized in contributed surplus will be transferred to share capital within shareholders' equity. In addition, the Company recognized the settlement of a put option derivative liability with the selling shareholders of Finance Active of EUR1,500 (CAD2,215) on the acquisition date as part of the consideration transferred.

Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

4. Acquisitions, cont'd

Acquisition of StratoDem Analytics

On May 4, 2021, the Company acquired certain assets of StratoDem Analytics, LLC ("StratoDem Analytics") for USD24,350 (CAD29,916) in cash and common shares, subject to adjustments. As part of the transaction, the Company entered into a non-compete agreement with members of management of StratoDem Analytics. As consideration for these assets, the Company paid cash of USD15,950 (CAD19,596). In addition, the Company issued 165,320 common shares to the vendors valued at USD8,400 (CAD10,320) from treasury. The common shares will be held in escrow, and will vest and be released 50% on the first anniversary and the remaining 50% equally at 25% on each of the second and third anniversary of the closing date, subject to compliance with certain terms and conditions. Of the shares issued, 139,977 valued at USD7,112 (CAD8,738) are also subject to continued employment over the vesting period. StratoDem Analytics is an early-stage company offering data-science-as-a-service for the real estate sector. The cloud-based StratoDem Analytics platform integrates vast amounts of granular local demographic and economic datasets to generate predictive models and analytical tools that enable clients to better understand the factors influencing the market and build more accurate models and forecasts. Through this acquisition, the StratoDem Analytics platform is a core component to the Company's long-term data strategy, bringing valuable data science talent and technology, and accelerating the Company's speed to market for future data analytics products. Based in the U.S., StratoDem Analytics' team has integrated with the Company's Altus Analytics business unit.

For accounting purposes, the 139,977 common shares granted and subject to continued employment are held as treasury shares. As these common shares vest, the fair value of the award will be recognized as employee compensation expense with a corresponding amount recognized in contributed surplus. When these common shares are released, the amounts recognized in contributed surplus will be transferred to share capital within shareholders' equity.

Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

4. Acquisitions, cont'd

The purchase price allocation, subject to finalization, is based on management's best estimate of fair value, and at the acquisition dates is as follows:

	June 30, 2021		
	Finance Active	StratoDem Analytics	Total
Acquisition-related costs (included in acquisition and related transition costs (income) in the consolidated statements of comprehensive income (loss))	\$ 6,562	\$ 518	\$ 7,080
Consideration:			
Cash (including working capital payable)	\$ 131,866	\$ 19,596	\$ 151,462
Common shares	18,324	10,320	28,644
Deferred consideration	7,098	-	7,098
	157,288	29,916	187,204
Less: common shares subject to be recognized as employee compensation expense	(9,453)	(8,738)	(18,191)
Less: discount on shares	(1,774)	(316)	(2,090)
Less: discount on deferred consideration	(356)	-	(356)
Less: settlement of put option derivative	(2,215)	-	(2,215)
	143,490	20,862	164,352
Less: consideration transferred for non-compete agreements	(738)	(2,146)	(2,884)
Consideration transferred for acquired business	142,752	18,716	161,468
Recognized amounts of identifiable assets acquired and liabilities assumed:			
Cash and cash equivalents	11,160	-	11,160
Trade receivables and other	10,585	14	10,599
Investment in equity instruments	155	-	155
Property, plant and equipment	749	6	755
Trade payables and other	(22,774)	(270)	(23,044)
Right-of-use assets	4,756	-	4,756
Intangibles	105,721	7,262	112,983
Lease liabilities	(4,511)	-	(4,511)
Deferred taxes, net	(27,805)	-	(27,805)
Non-controlling interest	(2,805)	-	(2,805)
Total identifiable net assets of acquired business	75,231	7,012	82,243
Goodwill	\$ 67,521	\$ 11,704	\$ 79,225
Goodwill and intangibles deductible for tax purposes	\$ -	\$ 21,428	\$ 21,428

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

4. Acquisitions, cont'd

Non-controlling interest for the Finance Active acquisition represents the fair value of the exercise price of a put and call option derivative liability related to a 30% minority interest in a limited partnership in Germany, Verifino GmbH & Co.KG, which is exercisable beginning in 2022.

Goodwill arising from the acquisitions relates to expected synergies with the existing businesses and the opportunities to strengthen and complement offerings with greater breadth and depth to both existing and acquired clients.

Intangibles acquired are as follows:

	June 30, 2021		
	Finance Active	StratoDem Analytics	Total
Finite life assets			
Brands of acquired businesses	\$ 12,846	\$ -	\$ 12,846
Customer lists	62,163	446	62,609
Custom application software	30,712	6,590	37,302
Customer backlog	-	226	226
Non-compete agreements	738	2,146	2,884
	\$ 106,459	\$ 9,408	\$ 115,867

Revenues and profit (loss) for Finance Active for the period from April 1, 2021 to June 30, 2021 included in the consolidated statements of comprehensive income (loss) are \$8,087 and \$(2,291), respectively.

Revenues and profit (loss) for StratoDem Analytics for the period from May 4, 2021 to June 30, 2021 included in the consolidated statements of comprehensive income (loss) are \$124 and \$(421), respectively.

Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

5. Segmented Information

The segmentation reflects the way the Chief Executive Officer (“CEO”) allocates resources and assesses performance. The CEO considers the business from a core service perspective. The areas of core service are Altus Analytics and Commercial Real Estate Consulting.

Altus Analytics provides data, analytics software and technology-related services. Proprietary data and data analytics platforms provide comprehensive real estate information and enable performance reviews, benchmarking and attribution analysis of commercial real estate portfolios. Software, such as ARGUS branded products, represents comprehensive global solutions for managing commercial real estate portfolios and improving the visibility and flow of information throughout critical processes.

Commercial Real Estate Consulting provides Property Tax, and Valuation and Cost Advisory solutions that span the life cycle of commercial real estate - feasibility, development, acquisition, management and disposition. Property Tax performs assessment reviews, management, appeals and personal property and state and local tax advisory services. Valuation and Cost Advisory provides appraisals of real estate portfolios, valuation of properties for transactional purposes, due diligence and litigation and economic consulting, in addition to services in the areas of construction feasibility studies, budgeting, cost and loan monitoring and project management.

The accounting policies of the segments are the same as those applied in these interim financial statements. Revenue transactions between segments are valued at market rates and eliminated on consolidation. Revenues represent those recognized from contracts with customers.

The CEO assesses the performance of the operating segments based on a measure of Adjusted EBITDA. This measurement basis represents profit (loss) from continuing operations before income taxes, adjusted for the effects of: occupancy costs calculated on a similar basis prior to the adoption of IFRS 16, finance costs (income), net - other, depreciation of property, plant and equipment and amortization of intangibles, depreciation of right-of-use assets, finance costs (income), net - leases, acquisition and related transition costs (income), unrealized foreign exchange (gains) losses, (gains) losses on disposal of right-of-use assets, property, plant and equipment and intangibles, share of (profit) loss of joint venture, impairment charges, non-cash share-based compensation costs, (gains) losses on equity derivatives net of mark-to-market adjustments on related restricted share units (“RSUs”) and deferred share units (“DSUs”) being hedged, (gains) losses on derivatives, restructuring costs (recovery), (gains) losses on investments, (gains) losses on hedging transactions, and other costs or income of a non-operating and/or non-recurring nature.

Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

5. Segmented Information, cont'd

The following table provides a reconciliation between Adjusted EBITDA and profit (loss):

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Adjusted EBITDA	\$ 42,239	\$ 34,899	\$ 59,479	\$ 48,147
Occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 ⁽¹⁾	3,309	3,194	6,428	6,236
Depreciation of right-of-use assets	(3,042)	(2,814)	(5,810)	(5,686)
Depreciation of property, plant and equipment and amortization of intangibles	(9,164)	(7,885)	(15,936)	(15,602)
Acquisition and related transition (costs) income	(1,898)	-	(7,080)	1,176
Unrealized foreign exchange gain (loss) ⁽²⁾	(323)	(836)	(742)	(64)
Gain (loss) on disposal of right-of-use assets, property, plant and equipment and intangibles ⁽²⁾	5	(10)	243	(24)
Share of profit (loss) of joint venture	(96)	8	(485)	8
Non-cash share-based compensation costs ⁽³⁾	(4,980)	(2,353)	(7,412)	(3,868)
Gain (loss) on equity derivatives net of mark-to-market adjustments on related RSUs and DSUs being hedged ⁽³⁾	(449)	67	176	(697)
Restructuring (costs) recovery	(270)	(7,480)	(221)	(7,455)
Gain (loss) on investments ⁽⁴⁾	315	(35)	503	90
Impairment charge - leases	-	(36)	-	(36)
Other non-operating and/or non-recurring income (costs) ⁽⁵⁾	(962)	(368)	(962)	(1,189)
Earnings (loss) from continuing operations before finance costs and income taxes	24,684	16,351	28,181	21,036
Finance (costs) income, net - leases	(582)	(631)	(1,152)	(1,291)
Finance (costs) income, net - other	(933)	(1,080)	(1,511)	(2,587)
Profit (loss) from continuing operations before income taxes	23,169	14,640	25,518	17,158
Income tax (expense) recovery	(6,828)	(3,307)	(6,540)	(4,068)
Profit (loss) for the period from continuing operations	\$ 16,341	\$ 11,333	\$ 18,978	\$ 13,090
Profit (loss) for the period from discontinued operations	-	266	-	(5,170)
Profit (loss) for the period	\$ 16,341	\$ 11,599	\$ 18,978	\$ 7,920

⁽¹⁾ Management uses the non-GAAP occupancy costs calculated on a similar basis prior to the adoption of IFRS 16 when analyzing financial and operating performance.

⁽²⁾ Included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).

⁽³⁾ Included in employee compensation expenses in the interim condensed consolidated statements of comprehensive income (loss).

⁽⁴⁾ Gain (loss) on investments relates to changes in the fair value of investments in partnerships.

⁽⁵⁾ Other non-operating and/or non-recurring income (costs) for the three and six months ended June 30, 2021 relate to (i) costs relating to the June 13, 2021 cybersecurity incident. For the three months ended June 30, 2020, other non-operating and/or non-recurring income (costs) relate to (i) legal, advisory, and other consulting costs related to a Board strategic initiative, and (ii) transaction and other related costs. For the six months ended June 30, 2020, other non-operating and/or non-recurring income (costs) also includes transitional costs related to the departure of a senior executive. These are included in office and other operating expenses in the interim condensed consolidated statements of comprehensive income (loss).

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

5. Segmented Information, cont'd

The following summary presents certain financial information regarding the Company's segments:

Segment Revenues and Expenditures

	Three months ended June 30, 2021						
	Altus Analytics	Commercial Real Estate	Valuation and Cost Advisory	Consulting	Corporate ⁽¹⁾	Eliminations	Total
		Property Tax		Total			
Revenues from external customers	\$ 59,235	\$ 86,689	\$ 27,599	\$ 114,288	\$ -	\$ -	\$ 173,523
Inter-segment revenues	102	3	(29)	(26)	-	(76)	-
Total segment revenues	59,336	86,693	27,570	114,263	-	(76)	173,523
Adjusted EBITDA ⁽²⁾	8,929	39,684	2,718	42,402	(9,092)	-	42,239
Depreciation of right-of-use assets	1,561	728	607	1,335	146	-	3,042
Depreciation of property, plant and equipment and amortization of intangibles	5,512	3,133	308	3,441	211	-	9,164
Finance costs (income), net - leases	128	179	123	302	152	-	582
Finance costs (income), net - other	-	-	-	-	933	-	933
Income tax expense (recovery)	-	-	-	-	6,828	-	6,828

⁽¹⁾ Corporate includes global corporate office costs, finance costs (income), net - other and income tax expense (recovery).

⁽²⁾ Up until 2020, variable compensation costs were accrued in the Corporate segment and, upon determination at year-end, were allocated accordingly. Starting in the first quarter of 2021, the Company accrues variable compensation costs for the business units directly.

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

5. Segmented Information, cont'd

	Three months ended June 30, 2020						
	Altus Analytics	Commercial Property Tax	Real Estate Valuation and Cost Advisory	Consulting Total	Corporate ⁽¹⁾	Eliminations	Total
Revenues from external customers	\$ 51,157	\$ 76,873	\$ 27,440	\$ 104,313	\$ -	\$ -	\$ 155,470
Inter-segment revenues	139	1	(61)	(60)	-	(79)	-
Total segment revenues	51,296	76,874	27,379	104,253	-	(79)	155,470
Adjusted EBITDA ⁽²⁾	8,153	31,256	2,709	33,965	(7,219)	-	34,899
Depreciation of right-of-use assets	1,218	831	693	1,524	72	-	2,814
Depreciation of property, plant and equipment and amortization of intangibles	3,643	3,253	603	3,856	386	-	7,885
Finance costs (income), net - leases	42	190	157	347	242	-	631
Finance costs (income), net - other	-	-	-	-	1,080	-	1,080
Income tax expense (recovery)	-	-	-	-	3,307	-	3,307

⁽¹⁾ Corporate includes global corporate office costs, finance costs (income), net - other and income tax expense (recovery).

⁽²⁾ Up until 2020, variable compensation costs were accrued in the Corporate segment and, upon determination at year-end, were allocated accordingly. Starting in the first quarter of 2021, the Company accrues variable compensation costs for the business units directly. As such, comparative figures have been restated to reflect accrued variable compensation costs within the respective business units.

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

5. Segmented Information, cont'd

	Six months ended June 30, 2021						
	Altus Analytics	Commercial Property Tax	Real Estate Valuation and Cost Advisory	Consulting Total	Corporate ⁽¹⁾	Eliminations	Total
Revenues from external customers	\$ 113,351	\$ 141,360	\$ 55,970	\$ 197,330	\$ -	\$ -	\$ 310,681
Inter-segment revenues	225	3	(77)	(74)	-	(151)	-
Total segment revenues	113,576	141,363	55,893	197,256	-	(151)	310,681
Adjusted EBITDA ⁽²⁾	19,141	50,798	6,610	57,408	(17,070)	-	59,479
Depreciation of right-of-use assets	2,775	1,468	1,277	2,745	290	-	5,810
Depreciation of property, plant and equipment and amortization of intangibles	8,643	6,249	596	6,845	448	-	15,936
Finance costs (income), net - leases	245	341	258	599	308	-	1,152
Finance costs (income), net - other	-	-	-	-	1,511	-	1,511
Income tax expense (recovery)	-	-	-	-	6,540	-	6,540

⁽¹⁾ Corporate includes global corporate office costs, finance costs (income), net - other and income tax expense (recovery).

⁽²⁾ Up until 2020, variable compensation costs were accrued in the Corporate segment and, upon determination at year-end, were allocated accordingly. Starting in the first quarter of 2021, the Company accrues variable compensation costs for the business units directly.

Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

5. Segmented Information, cont'd

	Six months ended June 30, 2020						
	Altus Analytics	Commercial Property Tax	Real Estate Valuation and Cost Advisory	Consulting Total	Corporate ⁽¹⁾	Eliminations	Total
Revenues from external customers	\$ 102,746	\$ 129,469	\$ 54,511	\$ 183,980	\$ -	\$ -	\$ 286,726
Inter-segment revenues	269	1	(117)	(116)	-	(153)	-
Total segment revenues	103,015	129,470	54,394	183,864	-	(153)	286,726
Adjusted EBITDA ⁽²⁾	16,442	40,570	5,137	45,707	(14,002)	-	48,147
Depreciation of right-of-use assets	2,308	1,703	1,396	3,099	279	-	5,686
Depreciation of property, plant and equipment and amortization of intangibles	6,931	6,726	1,193	7,919	752	-	15,602
Finance costs (income), net - leases	265	388	319	707	319	-	1,291
Finance costs (income), net - other	-	-	-	-	2,587	-	2,587
Income tax expense (recovery)	-	-	-	-	4,068	-	4,068

⁽¹⁾ Corporate includes global corporate office costs, finance costs (income), net - other and income tax expense (recovery).

⁽²⁾ Up until 2020, variable compensation costs were accrued in the Corporate segment and, upon determination at year-end, were allocated accordingly. Starting in the first quarter of 2021, the Company accrues variable compensation costs for the business units directly. As such, comparative figures have been restated to reflect accrued variable compensation costs within the respective business units.

6. Finance Costs (Income), Net

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Interest on bank credit facilities	\$ 861	\$ 1,052	\$ 1,461	\$ 2,377
Interest on lease liabilities	582	631	1,152	1,291
Contingent consideration payables: unwinding of discount	30	57	30	102
Provisions: unwinding of discount (Note 10)	2	10	5	28
Interest - other	59	-	59	-
Change in fair value of interest rate swaps	-	(16)	-	138
Finance costs	1,534	1,734	2,707	3,936
Finance income	(19)	(23)	(44)	(58)
Finance costs (income), net	\$ 1,515	\$ 1,711	\$ 2,663	\$ 3,878

Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

7. Income Taxes

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Income tax expense (recovery)				
Current	\$ 8,576	\$ 5,116	\$ 9,191	\$ 4,500
Deferred	(1,748)	(1,809)	(2,651)	(432)
	\$ 6,828	\$ 3,307	\$ 6,540	\$ 4,068

8. Trade Receivables and Other

	June 30, 2021	December 31, 2020
Trade receivables	\$ 115,716	\$ 145,427
Less: loss allowance provision	(20,847)	(16,869)
Trade receivables, net	94,869	128,558
Contract assets: unbilled revenue on customer contracts ⁽¹⁾	83,285	48,120
Deferred costs to obtain customer contracts	1,663	2,205
Prepayments	14,423	13,229
Due from related party (GeoVerra)	1,755	1,675
Other receivables	8,891	655
	204,886	194,442
Less: non-current portion	(1,625)	(1,370)
	\$ 203,261	\$ 193,072

⁽¹⁾ On June 30, 2021, contract assets are stated net of expected credit losses of \$1,283 (December 31, 2020 - \$670).

For the three and six months ended June 30, 2021, \$535 and \$1,002, respectively, of amortization associated with deferred costs to obtain customer contracts was expensed to the interim condensed consolidated statements of comprehensive income (loss) (2020 - \$344 and \$781, respectively). For the three and six months ended June 30, 2021 and 2020, no impairment losses on deferred costs were recognized.

9. Investments

	June 30, 2021	December 31, 2020
Investments in equity instruments	\$ 12,834	\$ 7,811
Investments in partnerships	4,194	2,545
	\$ 17,028	\$ 10,356

Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

9. Investments, cont'd

During the six months ended June 30, 2021, the Company purchased \$2,153 of preferred shares as equity instruments (2020 - \$nil) and contributed \$1,192 towards capital in various partnerships (2020 - \$181).

10. Trade Payables and Other

	June 30, 2021	December 31, 2020
Trade payables	\$ 8,296	\$ 7,596
Accrued expenses	92,476	94,354
Contract liabilities: deferred revenue	54,167	43,032
Deferred consideration payables	8,691	47
Dividends payable (Note 15)	6,266	6,124
Provisions	3,504	6,018
Due to related party (GeoVerra)	314	329
	173,714	157,500
Less non-current portion:		
Accrued expenses	15,407	15,449
Contract liabilities: deferred revenue	1,190	681
Deferred consideration payables	4,322	-
Provisions	446	1,076
	21,365	17,206
	\$ 152,349	\$ 140,294

Provisions consist of:

	Restructuring	Other	Total
Balance as at January 1, 2021	\$ 5,800	\$ 218	\$ 6,018
Charged to profit or loss:			
Additional provisions, net of releases	221	(24)	197
Unwinding of discount (Note 6)	-	5	5
Used during the period	(2,656)	(3)	(2,659)
Exchange differences	(45)	(12)	(57)
Balance as at June 30, 2021	3,320	184	3,504
Less: non-current portion	(262)	(184)	(446)
	\$ 3,058	\$ -	\$ 3,058

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

11. Borrowings

	June 30, 2021	December 31, 2020
Bank credit facilities	\$ 248,839	\$ 123,000
Less: deferred financing fees	(441)	(568)
	\$ 248,398	\$ 122,432

As at June 30, 2021, the Company was in compliance with the financial covenants of the amended bank credit facilities, which are summarized below:

	June 30, 2021
Funded debt to EBITDA (maximum of 4.00:1)	2.03:1
Interest coverage (minimum of 3.00:1)	42.12:1

12. Share Capital

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preference shares, issuable in series. The common shares have no par value. Common shares issued and outstanding are as follows:

	Common Shares	
	Number of Shares	Amount
Balance as at January 1, 2021	40,429,117	\$ 529,866
Issued on exercise of options (Note 13)	336,961	11,049
Issued under the Dividend Reinvestment Plan	32,027	1,702
Issued for share-based compensation (Note 13)	408,227	20,771
Treasury shares reserved for share-based compensation (Note 13)	(357,110)	(24,186)
Shares issued on acquisition	172,115	8,363
Release of treasury shares (Note 13)	114,318	4,771
Balance as at June 30, 2021	41,135,655	\$ 552,336

The 41,135,655 common shares as at June 30, 2021 are net of 638,376 treasury shares with a carrying value of \$38,952 that are being held by the Company until vesting conditions are met (Note 13).

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

13. Share-based Compensation

The activity in the Company's share-based compensation plans during the period is as follows:

(i) Executive Compensation Plan and Long-Term Equity Incentive Plan

The following is a summary of the Company's share option activity:

Movements in the number of options outstanding and the weighted average exercise price are as follows:

	Number of Options Outstanding	Weighted Average Exercise Price
Balance as at January 1, 2021	1,791,682	\$35.78
Granted	202,464	\$58.14
Exercised	(336,961)	\$27.81
Expired/Forfeited	(45,028)	\$41.95
Balance as at June 30, 2021	1,612,157	\$40.08

Information about the Company's share options outstanding and exercisable as at June 30, 2021 is as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Number of Options Exercisable
\$19.67 - \$29.72	312,653	2.23 years	164,234
\$30.70 - \$37.93	483,351	2.27 years	244,885
\$45.11 - \$59.15	816,153	4.05 years	102,709
\$40.08	1,612,157	3.16 years	511,828

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

13. Share-based Compensation, cont'd

The options granted vest over a period of up to 48 months. The fair value of the options granted was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2021
Risk-free interest rate	0.78%
Expected dividend yield	1.0%
Expected volatility	30.11% - 32.92%
Expected option life	3.00 - 4.50 years
Weighted average exercise price	\$58.14
Weighted average grant-date fair value per option	\$11.39 - \$14.25

The following is a summary of the activity related to common shares held in escrow under the Equity Compensation Plan and Long-Term Equity Incentive Plan:

	Number of common shares
Balance as at January 1, 2021	116,309
Settled	(60,790)
Forfeited	(1,567)
Balance as at June 30, 2021	53,952

The Company settled vested Performance Share Units ("PSUs") under the Equity Compensation Plan and Long-Term Equity Incentive Plan through the issuance of common shares:

	Number of common shares
Settled in March 2020	54,707
Settled in March 2021	111,845

The Company granted the following PSUs under the Long-Term Equity Incentive Plan:

	Number of PSUs
Granted in 2020	172,350
Granted in 2021	101,709

Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

13. Share-based Compensation, cont'd

(ii) Long-Term Incentive Restricted Share Plan and Long-Term Incentive Restricted Share Unit Plan

In March 2021, the Board of Directors approved two new long-term incentive plans, the Long-Term Incentive Restricted Share Plan ("LTIRS Plan") and Long-Term Incentive Restricted Share Unit Plan ("LTIRSU Plan"), to complement the existing Long-Term Equity Incentive Plan.

Restricted shares ("RSs") and restricted share units ("RSUs") granted under these plans will not be available to the employee until three years following the grant date. After three years from the date of grant, the RSs and RSUs will be released, provided, subject to certain exceptions such as retirement, disability or death, that the individual is employed with the Company at the time of the release. Participants are entitled to receive cash dividends or notional distributions that are paid on common shares, respectively. If an employee resigned from the Company or is terminated for cause, all RSs and RSUs that have not yet been released from the three-year restriction period will be forfeited.

With respect to RSs that are equity-settled, the Company contributes funds to purchase common shares in the open market (through the facilities of the TSX or by private agreement) and are held by the Company as treasury shares until they vest. This amount is shown as a reduction in the carrying value of the Company's common shares. The Company recognizes the fair value of the award when granted as employee compensation expense with a corresponding credit to contributed surplus over a three-year period from the date of grant. As RSs are released, the portion of the contributed surplus relating to the RSs is credited to share capital within shareholders' equity.

With respect to RSUs that are cash-settled, the Company recognizes the fair value of the award when granted as employee compensation expense with a corresponding credit to trade payables and other over a three-year period from the date of grant. Changes in the liability subsequent to the grant date and prior to settlement due to changes in fair value of the Company's common shares are recorded as employee compensation expense in the period incurred.

The following is a summary of the Company's LTIRS Plan activity:

	Number of RSs
Balance as at January 1, 2021 (all unvested)	-
Granted	17,576
Balance as at June 30, 2021 (all unvested)	17,576

In 2021, the Company granted a total value of \$1,757 under the LTIRS Plan and purchased 17,576 common shares in the open market (through the facilities of the TSX or by private agreement).

Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

13. Share-based Compensation, cont'd

The following is a summary of the Company's LTIRSU Plan activity:

	Number of RSUs
Balance as at January 1, 2021 (all unvested)	-
Granted	45,332
Settled	(259)
Forfeited	(864)
Balance as at June 30, 2021 (all unvested)	44,209

(iii) Deferred Compensation Plans

The following is a summary of the Company's Restricted Share Plan ("RS Plan") activity:

	Number of RSs
Balance as at January 1, 2021 (all unvested)	194,654
Granted	43,152
Settled	(52,012)
Forfeited	(2,125)
Balance as at June 30, 2021 (all unvested)	183,669

In connection with the 2020 performance year, the Company granted a total value of \$4,191 under the RS Plan. In March 2021, the Company purchased 42,705 common shares in the open market (through the facilities of the TSX or by private agreement).

In connection with the 2019 performance year, the Company granted a total value of \$4,017 under the RS Plan. In March 2020, the Company purchased 55,543 common shares in the open market (through the facilities of the TSX or by private agreement).

The following is a summary of the Company's Restricted Share Unit Plan ("RSU Plan") activity:

	Number of RSUs
Balance as at January 1, 2021 (all unvested)	302,325
Granted	81,060
Settled	(66,905)
Forfeited	(23,207)
Balance as at June 30, 2021 (all unvested)	293,273

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

13. Share-based Compensation, cont'd

(iv) Deferred Share Unit Plans

The following is a summary of the Company's Deferred Share Unit Plans ("DSU Plans") activity:

	Number of DSUs
Balance as at January 1, 2021	173,836
Granted	11,035
Balance as at June 30, 2021	184,871

(v) Other Share-Based Awards

The following is a summary of the activity related to common shares held in escrow related to the Company's acquisition of Property Tax Assistance Company Inc. in December 2020, Finance Active in April 2021 and StratoDem Analytics in May 2021:

	Number of common shares
Balances as at January 1, 2021	84,341
Granted	296,382
Balance as at June 30, 2021	380,723

Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

13. Share-based Compensation, cont'd

(vi) Compensation Expense by Plan

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Share Option Plan	\$ -	\$ 13	\$ -	\$ 26
Equity Compensation Plan	117	427	379	735
Long-Term Equity Incentive Plan	1,703	1,980	3,303	3,207
LTIRS Plan	131	-	168	-
LTIRSU Plan ⁽¹⁾	154	-	193	-
RS Plan	985	1,310	1,964	2,374
RSU Plan ⁽²⁾	(264)	1,978	3,428	3,106
DSU Plans ⁽³⁾	(91)	1,004	2,193	1,286
Other share-based awards	3,159	-	3,729	-

⁽¹⁾ For the three and six months ended June 30, 2021, the Company recorded mark-to-market adjustments of \$nil and \$2, respectively (2020 - \$nil and \$nil, respectively).

⁽²⁾ For the three and six months ended June 30, 2021, the Company recorded mark-to-market adjustments of \$(577) and \$2,267, respectively (2020 - \$1,121 and \$1,278, respectively).

⁽³⁾ For the three and six months ended June 30, 2021, the Company recorded mark-to-market adjustments of \$(515) and \$1,361, respectively (2020 - \$698 and \$655, respectively).

For the three and six months ended June 30, 2020, included in compensation expense above are amounts related to the Geomatics discontinued operations totalling \$177 and \$238, respectively.

(vii) Liabilities for Cash-settled Plans ⁽¹⁾

	June 30, 2021	December 31, 2020
LTIRSU Plan	\$ 178	\$ -
RSU Plan	11,810	11,412
DSU Plans	9,715	7,537

⁽¹⁾ The carrying value of the liability related to these Plans is recorded in accrued expenses within trade payables and other.

Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

14. Earnings (Loss) per Share

For the three and six months ended June 30, 2021, 302,317 and 347,453 share options, respectively, and 53,710 and 17,747 restricted shares (including common shares issued in escrow as part of the LTIRS Plan), respectively, were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

For the three and six months ended June 30, 2020, 568,199 and 522,199 share options, respectively, and 82,134 restricted shares (including common shares issued in escrow as part of the Equity Compensation Plan and Long-Term Equity Incentive Plan) were excluded from the diluted earnings (loss) per share calculations as the impact would have been anti-dilutive.

The following table summarizes the basic and diluted earnings (loss) per share and the basic and diluted weighted average number of common shares outstanding:

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Profit (loss) for the period from continuing operations - basic and diluted	\$ 16,341	\$ 11,333	\$ 18,978	\$ 13,090
Profit (loss) for the period from discontinued operations - basic and diluted	-	266	-	(5,170)
Profit (loss) for the period - basic and diluted	\$ 16,341	\$ 11,599	\$ 18,978	\$ 7,920
Weighted average number of common shares outstanding - basic	41,049,045	40,114,805	40,801,797	40,005,374
Dilutive effect of share options	475,556	350,393	436,326	357,117
Dilutive effect of equity awards and PSUs	375,333	385,760	366,053	376,557
Dilutive effect of restricted shares	216,073	188,092	243,924	214,281
Weighted average number of common shares outstanding - diluted	42,116,007	41,039,050	41,848,100	40,953,329
Earnings (loss) per share:				
Basic				
Continuing operations	\$0.40	\$0.28	\$0.47	\$0.33
Discontinued operations	\$0.00	\$0.01	\$0.00	\$(0.13)
Diluted				
Continuing operations	\$0.39	\$0.28	\$0.45	\$0.32
Discontinued operations	\$0.00	\$0.01	\$0.00	\$(0.13)

Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

15. Dividends Payable

The Company declared a \$0.15 dividend per common share to shareholders of record on the last business day of the quarter, and dividends were paid on the 15th day of the month following quarter end. Dividends are declared and paid in Canadian dollars.

16. Financial Instruments and Fair Values

The Company's financial instruments consist of cash and cash equivalents, trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments), investments in equity instruments, investments in partnerships, derivative financial instruments, trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables, and contingent consideration payables), deferred consideration payables, and borrowings.

Financial Instruments by Category

The tables below indicate the carrying values of financial assets and liabilities for each of the following categories:

	June 30, 2021			December 31, 2020		
	Fair Value Through Profit or Loss	Fair Value Through Other Comprehensive Income	Amortized Cost	Fair Value Through Profit or Loss	Fair Value Through Other Comprehensive Income	Amortized Cost
Assets as per Consolidated Balance Sheet:						
Cash and cash equivalents	\$ -	\$ -	\$ 74,079	\$ -	\$ -	\$ 69,637
Trade receivables and other (excluding deferred costs to obtain customer contracts, and prepayments)	-	-	188,800	-	-	179,008
Investments in equity instruments	-	12,834	-	-	7,811	-
Investments in partnerships	4,194	-	-	2,545	-	-
Derivative financial instruments	15,145	-	-	11,277	-	-
	\$ 19,339	\$ 12,834	\$ 262,879	\$ 13,822	\$ 7,811	\$ 248,645

Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

16. Financial Instruments and Fair Values, cont'd

	June 30, 2021		December 31, 2020	
	Fair Value Through Profit or Loss	Amortized Cost	Fair Value Through Profit or Loss	Amortized Cost
Liabilities as per Consolidated Balance Sheet:				
Trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables and deferred consideration payables)	\$ -	\$ 89,153	\$ -	\$ 95,472
Deferred consideration payables	8,691	-	47	-
Derivative financial instruments	125	-	-	-
Borrowings	-	248,398	-	122,432
	\$ 8,816	\$ 337,551	\$ 47	\$ 217,904

Fair Values

The following tables present the fair value hierarchy under which the Company's financial instruments are valued:

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in equity instruments	\$ 4,988	\$ -	\$ 7,846	\$ 12,834
Investments in partnerships	-	-	4,194	4,194
Derivative financial instruments	-	15,145	-	15,145
Liabilities:				
Borrowings	-	248,839	-	248,839
Deferred consideration payables	-	-	8,691	8,691
Derivative financial instruments	-	125	-	125

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements June 30, 2021 and 2020 (Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

16. Financial Instruments and Fair Values, cont'd

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in equity instruments	\$ -	\$ -	\$ 7,811	\$ 7,811
Investments in partnerships	-	-	2,545	2,545
Derivative financial instruments	-	11,277	-	11,277
Liabilities:				
Borrowings	-	123,000	-	123,000
Contingent consideration payables	-	-	47	47

For the three and six months ended June 30, 2021, there was a transfer within investments in equity instruments from Level 3 to Level 1 in the hierarchy due to the completion of the initial public offering of Procore Technologies Inc., which is now listed on the New York Stock Exchange.

Cash and cash equivalents, trade receivables and other (excluding deferred costs to obtain customer contracts, contract assets, and prepayments) due within one year, and trade payables and other (excluding contract liabilities, LTIRSU Plan, RSU Plan and DSU Plans payables, and contingent consideration payables) due within one year, are all short-term in nature and, as such, their carrying values approximate their fair values. The fair values of non-current trade receivables and other and trade payables and other are estimated by discounting the future contractual cash flows at the cost of borrowing to the Company, which approximate their carrying values.

The fair value of the bank credit facilities approximates its carrying value, as the instruments bear interest at rates comparable to current market rates.

17. Commitments and Contingencies

As at June 30, 2021, the Company provided letters of credit of approximately \$1,093 to its lessors (December 31, 2020 - \$1,107).

As at June 30, 2021, the Company has guaranteed up to \$1,500 in connection with vehicle leases and related services entered into by GeoVerra (December 31, 2020 - \$1,500).

As at June 30, 2021, the Company has committed to aggregate capital contributions of \$2,305 (Note 9) to certain partnerships (December 31, 2020 - \$418).

Altus Group Limited



Notes to Interim Condensed Consolidated Financial Statements

June 30, 2021 and 2020

(Unaudited)

(Expressed in Thousands of Canadian Dollars, Except for Shares and Per Share Amounts)

17. Commitments and Contingencies, cont'd

From time to time, the Company or its subsidiaries are involved in legal proceedings, claims and litigation in the ordinary course of business with customers, former employees and other parties. Although it is not possible to determine the final outcome of such matters, based on all currently available information, management believes that liabilities, if any, arising from such matters will not have a material adverse effect on the Company's financial position or results of operations and have been adequately provided for in these interim financial statements.

In the ordinary course of business, the Company is subject to tax audits from various government agencies relating to income and commodity taxes. As a result, from time to time, the tax authorities may disagree with the positions and conclusions made by the Company in its tax filings, which could lead to assessments and reassessments. These assessments and reassessments may have a material adverse effect on the Company's financial position or results of operations.

LISTINGS

Toronto Stock Exchange
Stock trading symbol: AIF

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